Manawatu District Council

Long Term Plan 2015-2025

Contents

Message from the Mayor

Three years ago we, as a community, developed a vision for our District – to create the best rural lifestyle in New Zealand, connected, vibrant and thriving Manawatu.

We are fortunate that our District continues to attract new residents and businesses, and I believe that by working towards our vision we will help ensure that growth continues while maintaining what is important.

In many ways, our budget reflects business as usual, and it will enable Council to work towards achieving our common goal. Our plan is to:

- upgrade community services and facilities
- improve service and communication with residents
- upgrade infrastructure to ensure its provision for generations to come
- continue to attract and retain business and plan for development
- meet our external commitments to the Manawatu River Accord and regional development strategies.

To do this we need to increase total rates by approximately 5.3% in 2015/16. The majority of this increase (4.5%) covers costs from external factors and previous Council decisions. The remaining 0.8% is required for proposed new and improved services, decisions we will make as part of this plan. Over the next ten years total rates will increase by an average of 3.6% per annum.

As a council, we continually question whether or not what we are doing meets our reason for existing as outlined in the Local Government Act. The Act says "to enable democratic local decision-making and action by, and on behalf of, communities; and to meet the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost-effective for households and businesses".

We asked our community for feedback on our proposed plan, and in particular about three key issues. This included establishing a single economic development agency that will operate as a Council Controlled Organisation, creating a targeted rate for ultra-fast broadband rollout in the industrial area and reducing Community Development Funds. After much consideration we have decided to go ahead with the proposals.

In the next few years, we will be carrying out many projects on which we have already consulted or made decisions about previously. These include a new or refurbished Mangaweka Bridge over the Rangitikei River; continued investment in Feilding's wastewater treatment plant; an improved Makino Aquatic Centre; and, a cycleway from Feilding to Palmerston North.

The Long Term Plan takes into account ongoing levels of service, fiscal prudence and affordability that will help us create the best rural lifestyle in New Zealand, a connected, vibrant and thriving Manawatu.

I want to thank those of you who engaged with Council through the consultation process and made submissions. We do value the feedback we receive on our planned activities. In listening to you we are better informed as we consider and make our decisions affecting the future of our district.

Margaret J Kouvelis

Mayor Margaret

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 2015-2025 Long Term Plan process. Council has confirmed the following vision statement:

Connected, vibrant and thriving Manawatu-
the best rural 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:

The food basket of New Zealand within a sustainable rural landscape that offers outstanding recreational opportunity.

Feilding urban vision statement:

A thriving community enjoying the most vibrant country town in New Zealand, servicing the regional rural sector.

Community outcomes we are working towards:

Manawatu District will improve the natural environment, stewarding the District in a practice aligned to the concept of kaitiakitanga which translates as holistic guardianship.

The Manawatu District will attract and retain residents.

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

Manawatu and its people are connected via quality infrastructure and technology.

Manawatu's built environment is safe, reliable and attractive.

Manawatu District Council is an agile and effective organisation.

Three Key Issues

One: Economic Development

Establishing a single economic development agency

Council is seeking to improve economic development and tourism. Currently, Manawatu District Council and Palmerston North City Council purchase economic development services from Vision Manawatu and tourism services from Destination Manawatu. Manawatu District Council also funds Feilding Promotion. In total Manawatu District Council provides just over $658,000 of ratepayers money on these services each year.

Both Councils seek more focus and coordination by purchasing economic development and tourism services from a single agency. The Councils consider a Council Controlled Organisation (CCO) the best form of agency to deliver these services.

In the Consultation Document both Councils consulted on the proposal to establish a CCO. After much consideration both Councils have decided go ahead and establish a CCO. The amount of funding provided will not change in 2015/16 and therefore does not impact on the rate increase. However, as signalled in the consultation material, Council will review the level of funding one year after the agency is set up. Any significant changes in funding will be consulted on as part of the 2016/17 Annual Plan process. Any transition costs associated with establishing the CCO will be covered by existing budgets.

Two: Ultra-Fast Broadband – industrial rollout targeted rate

A large part of Feilding's industrial area has not been included in the Government's Ultra-Fast Broadband rollout

Ultra-Fast Broadband or UFB is synonymous with economic growth which is one of Council's key goals for the next ten years. Our industries need access to UFB, to operate in the modern world, and if we're to attract new industry then we need UFB infrastructure otherwise we risk being overlooked as a location. If our District is to grow, we need UFB in our industrial areas.

In 2014, the Manawatu District Council unsuccessfully lobbied the Government, to include Growth Precinct Five property in the UFB rollout. Growth Precinct Five is 117 hectares in size and includes Manfeild Park Racetrack and Events Centre, and businesses including Ovation; Proliant (under construction); Baker No-Tillage; Biophive, Farmlands, Power Farming, and Claas Harvest Centre.

Knowing the importance of this infrastructure to our District's future and considering we want to be a connected community, Council was undeterred and considered a number of options to facilitate this new level of service.

The total cost of the rollout is $726,000. This work will be carried out over three years starting in 2015/16. Council will use a loan to fund the costs of this project over 30 years which impacts on Council's total amount of debt. To service this loan, Council decided to go ahead with its preferred option and establish a targeted rate. This means that the businesses that benefit from UFB will pay for the UFB rollout. There is no impact on general rates. The targeted rate will commence in 2016/17 and will recoup $30,000 per annum increasing to $45,000 in the third year and then $58,000 per annum until the loan is repaid. The impact on targeted rates would commence in year two at an average rate of $790 per property (in the defined area) per annum.

Three: Community Development Funding

Community Development grants are paid to a variety of groups to deliver services to the community

The Community Development Funding Policy has been reviewed, and the funding criteria has changed. Council now seeks to partner with community groups and not-for-profit organisations. The aim is to encourage these groups to strengthen the interests and values of our District's residents by encouraging active citizenship. Council is asking them to identify the issues they want to deal with and to generate local solutions that will deliver economic, social, ecological and cultural wellbeing of our District.

This change may mean that some of the groups currently being funded may no longer be eligible. However, it will provide an opportunity for other community groups that meet the new funding criteria to be funded instead. Council wanted to ensure that the amount of funding available for allocation was going to align with the Community Development Funding criteria and anticipated need. The Council's preferred option was to reduce the amount of funding in this area by $73,000 to $150,000 per annum. Council has decided to go ahead with this option and reduce the funding. The level of service will remain unchanged but will be more tightly targeted due to the new funding criteria.

Changes made as a result of this plan

The following changes have been made after due consideration of submissions received in response to the 2015-2025 Long Term Plan Consultation Document.

Makoura Road

A 5km stretch of Makoura Road will be sealed during 2015-2017. The project will be funded from within existing budgets. There is no impact on the rates increase.

Awahuri Forest/Kitchener Park Trust

Kitchener Park is a lowland wetland and is prone to flooding from time to time. To protect the forest, board-walk and new planting areas from the effects of severe flooding the Trust requested funding for flood protection works. Council has agreed to move an existing $50,000 from year four of the budget to year one to assist with this. The funding will be conditional upon the Trust securing other funding and developing a flood protection plan.

Interest

Manfeild Park requires financial assistance to ensure the park continues to develop as a valuable regional facility. To assist the Trust, Council has decided to extend the interest free period on a loan given to Manfeild Park Trust. The interest free period will be extended until 1 October 2017. Additional rate funding is now required to cover the shortfall in interest revenue, resulting in a 0.3% increase in rates.

The 2015 Floods

A flood event in June 2015 had an impact on the district. Council is currently assessing the damage to assets and costs associated with reinstating infrastructure. Quantifying the impact will take some time. The impact on the overall assets and expenditure is not considered significant at this stage. Any changes to project timing or funding will be through an amendment to this Long Term Plan. For more detail see Note 8 in Part 3.

Carry forward of unspent budget

Submissions from Council officers requested that unspent budget be carried forward into the 2015/16 financial year to enable projects to be completed. Larger projects include:

Feilding Roading Growth $1,000,000 for construction of roading infrastructure in growth areas – specifically Pharazyn Street and Turners Road.

Feilding Water Supply Growth $1,000,000 for installation of water infrastructure in Feilding growth areas - specifically Pharazyn Street, Roots Street and Port Street and Turners Road.

Feilding Stormwater Growth $1,000,000 for installation of stormwater infrastructure in the Feilding growth areas – specifically Pharazyn Street, Roots Street and Port Street and around Kawakawa Road.

Feilding Wastewater Treatment

Council agreed to increase the wastewater treatment growth budget by $610,000 in 2015/16 for the installation of a new sewer main.

Rangiwahia Bush access way

Council agreed to carry forward $5,000 from 2014/15 to the 2015/16 financial year to enable a bush access way to be completed.

Ongoing commitments and projects

Council has hundreds of projects to which it is committed, here are some key projects that will be carried out in the next few years. We've included them here as we want you to understand that we've not lost sight of previous promises….

Growing our District

Council is committed to growing the District and the wider region. Together with eight neighboring councils we are aiming to double exports by 2025 through the Central New Zealand Agribusiness Strategy and the Regional Growth Study. We will implement Manawatu District Council's Economic Development Strategy and continue to support transformative projects like FoodHQ. Alongside this, we are planning to reform the delivery of economic development, tourism and District promotion services. Together our endeavours will help us grow and attract business, 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.

Feilding Wastewater Treatment Plant

The Feilding Wastewater Treatment Plant treats approximately 7,000 m3 (7 million litres) of wastewater per day. The treatment plant is in the final stages of a significant upgrade programme to improve the quality of the wastewater it discharges. Council is planning to irrigate treated wastewater to neighbouring Council-owned land during the dry summer months when the Oroua River is low. This will provide significant water quality benefits over the summer when the recreational value of the Oroua River is at its highest. To do this, we need to construct an irrigation system and a second effluent storage pond. We have budgeted $1 million in year one of the Long Term Plan and $2.8 million in the following year for the completion of these works. Council has also been working through a lengthy and complicated resource consenting process for the continued operation of the Feilding Wastewater Treatment Plant. This process includes an appeal to the Environment Court which will he heard in year one of the Long Term Plan.

Almadale Water Treatment Plant

Feilding's reservoir at Almadale and the trunk main into town are nearing the end of their useful lives. In previous Long Term Plans we've committed funding for this work. We are planning $2.2 million in year two of the 2015-25 Long Term Plan. We are investigating renewal and or replacement of these strategic assets and the agreed works will then be carried out.

Manawatu River Accord and Horizon's One Plan

Manawatu District Council is a member of the Manawatu River Leaders' Accord and as such we're undertaking a number of projects to improve the quality of the Oroua River which is a tributary of the Manawatu River. These projects include:

- Feilding Waste Water Treatment Plant Upgrade – continue with the upgrade of the plant and discharge of treated wastewater onto land in the summer months.

- New facilities with sealed septic units are required at Bartletts Ford, Londons Ford and Tangimoana to meet the Council's commitment to the One Plan.

Feilding to Palmerston North cycleway

This project has been in the planning for a number of years, and we anticipate work will begin in year three of the Long Term Plan at a cost of $1.2 million. The project will provide a commuting and recreational option for thousands of residents in both Feilding and Palmerston North.

Mangaweka Bridge

In a joint project with Rangitikei District Council, the Manawatu District Council is investigating the replacement or refurbishment of the Mangaweka Bridge over the Rangitikei River. This bridge is an important connector for our residents living in the north-west of the District and work should commence in year two of the Long Term Plan.

Feilding Cemetery extension

Due to increased demand for burial space Council will in year four of the Long Term Plan, increase the burial area at Feilding Cemetery at a cost of $164,000.

Feilding Central Business District Redevelopment

Redevelopment works will be carried out on:

- Stafford Street ($111,000) in year one
- Bowen Street ($151,000) in year three
- Warwick Street ($128,000) in year four of the Long Term Plan.

Bunnythorpe Hall

Prior to the Boundary Change in 2012 when Bunnythorpe became part of Palmerston North, Council budgeted for a $240,000 grant for the Bunnythorpe Hall Committee. In accordance with the Boundary Change Agreement, that money will be transferred to the Committee when the project is ready to proceed.

Makino Aquatic Centre

The Makino Aquatic Centre is about to undergo a long-awaited $5.69 million upgrade. In 2012, Council consulted with the community on the project and then again in 2014 when Council agreed to increase funding to $2.7 million. This year, following refinement of the project costs it became apparent that further funding is required, and Council will now commit $4.2 million to the project.

The remainder of funds are to be fundraised, at the time of writing $1.2 million has been raised. The redevelopment will see the indoor complex closed for 10 months from July 2015.

Community Planning

During 2012-15, Council assisted rural villages to develop Community Plans. Implementation of these plans will continue over the coming years. $50,000 per annum has been committed for Community Plan projects in the Long Term Plan.

Feilding Integrated Health Centre

In 2011, the Council agreed to lend the Manawatu Community Trust up to $2.5 million towards the Feilding Integrated Family Health Centre. Half of any loan made was to be interest-free and the other half subject to normal market conditions. The Trust has now uplifted the loan and building has begun.

Savings we have made

Councillors have an unenviable task of balancing the books. Sometimes that means having to say no or reduce budgets. Below are some of the savings we have made or projects we have not included.

Electronic Voting

Manawatu District Council was selected to participate in the Government's online voting trial for the 2016 Local Government Elections. However, given the pressures on the Council's budget, Councillors believe the $100,000 cost of participating in the trial is too high and have decided against participating in the trial. While online voting will no doubt be the way of the future, and Council is supportive of this trial, it does not believe the costs of the trial should fall on the residents of a rural district.

Operational cost savings

$154,000 worth of savings has been identified from operational overheads and administration costs in year one.

Community Development Funding

As already mentioned we've reduced the Community Development Funding budget by $73,000 to $150,000 per annum.

How much does it all cost?

The 5.3% total rates increase in 2015/16 is made up of:

- **Inflation 2.2%**
- **Reorganisation 1.5%**
- **Depreciation 0.5%**
- **Interest 0.3%**

These costs come about from external factors and previous Council decisions

- **New and improved services 0.8%**

These costs come about from the decisions we will make as part of this plan

Inflation:

You might be aware that household inflation is fairly low at the moment. However, that is not reflected in the price increases facing councils. Household inflation is measured by the Consumer Price Index (CPI). However, this measure is only marginally useful for councils which have different cost pressures than households. Instead, New Zealand councils use the Local Government Cost Index (LGCI) to determine inflation and in 2015/16 the LGCI is forecast to increase 2.2%. It incorporates the cost pressures associated with roading and construction costs that are influenced by commodity prices and the availability of specialist staff. The LGCI was developed by Business and Economic Research Limited (BERL).

Reorganisation:

In 2014, Manawatu District Council carried out its first significant reorganisation since it was first established in 1989.

The restructure was necessary because for the past quarter of a century more and more central government responsibilities have been handed to Local Government. During this period, we've also seen a transformational shift in communication channels that have led to residents having higher expectations. Alongside this, we are one of only a few rural districts around the country that is growing and in order to attract and retain businesses we need to be responsive and supportive.

Council now has a new customer and business focused reporting structure; our offices have been transformed into a business hub. We are using more online communication methods to keep customers informed and to ensure residents are better able to have their say on projects; and, we are working to ensure our response times to queries are continually improving.

The restructure led to an increase in staff numbers and operational costs. We believe this cost is necessary to help us create the best rural lifestyle in New Zealand.

Depreciation:

Most assets lose value or depreciate over time and eventually they need to be replaced. Depreciation is a method of allocating the cost of an asset over its useful life and is a way of addressing intergenerational equity. Depreciation represents the charge to current ratepayers for the use of the asset during each year. In the 2015/16 year, 0.5% or $140,000 of total rates increase will go toward depreciation. One example is the increase in depreciation cost of stormwater infrastructure. This has increased by approximately $86,000 in 2015/16 as a result of additional assets that were built in the previous year and increases through revaluation.

Depreciation is charged on all assets by allocating the cost or the revalued cost of the asset over the estimated useful life. The asset value increases due to regular revaluation and capital expenditure. With minor exceptions Council funds all depreciation from rates and revenue. This money is put aside and used to fund asset renewal expenditure as required.

For more details, please review our Financial Strategy on our website.

Interest:

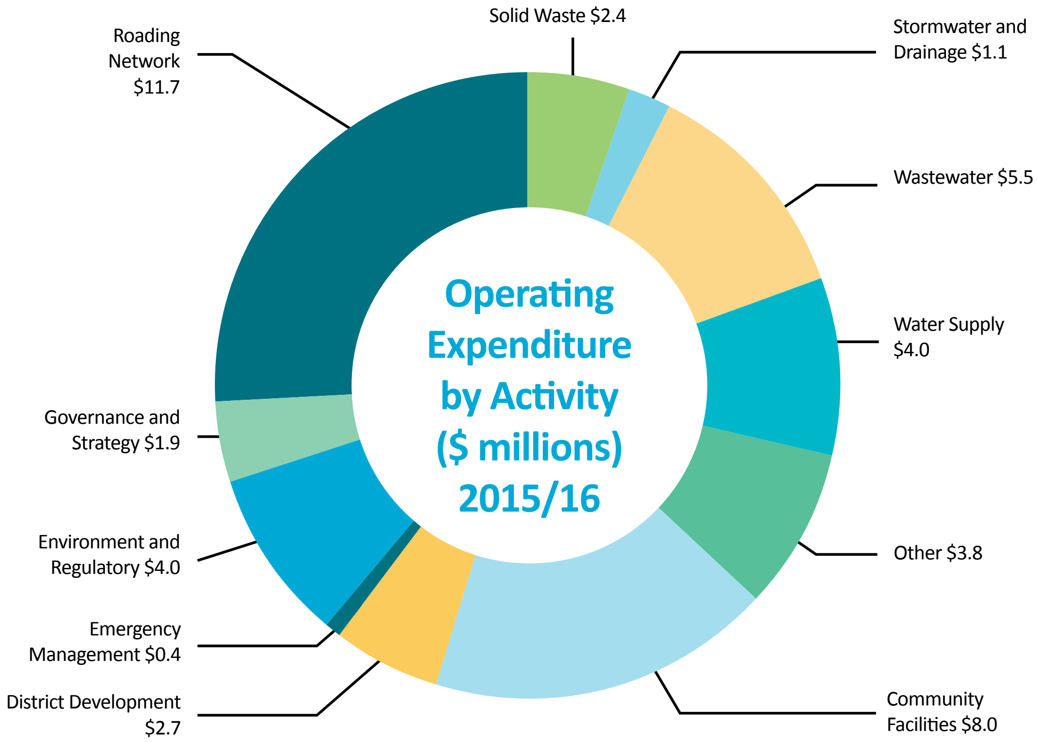
Council has decided to extend the interest free period on a loan given to Manfeild Park Trust. The interest free period will be extended until 1 October 2017. Additional rate funding is now required to cover the shortfall in interest revenue, resulting in a 0.3% increase in rates.

New and improved services:

The 0.8% equates to about $224,000. It is made up of increases to a number of budgets across the board. We've worked hard to keep this percentage increase low and in order to do that we've also reduced a number of project and operational budgets. However, we still require 0.8% more in order to deliver the services and projects we said we would. Here are some of the budgets which have increased:

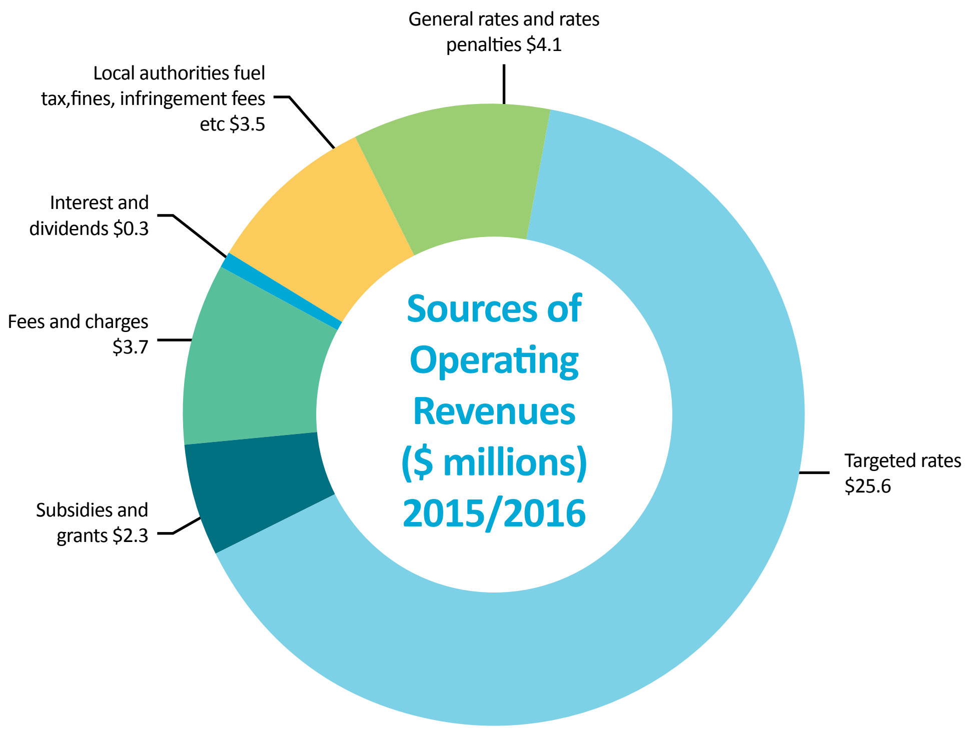
- Rubbish and recycling kerbside collection contract increases by $100,000 in year one of the Long Term Plan
- Awahuri Forest/Kitchener Park Trust: Supporting the Trust to continue to enhance and protect the park $75,000 per annum 2015-25
- Formalising the legal access to the Wastewater Treatment Plant at Kimbolton: $50,000 in year one of the Long Term Plan
- Spatial Plan for whole District: $25,000 in year one of the Long Term Plan
- A community survey to check customer satisfaction levels with the services we provide: $20,000 in year two of the Long Term Plan
- Seismic Investigation Feilding Wastewater Treatment Plant: $15,000 in year one of the Long Term Plan.

*Please note items above add up to more than $224,000. Savings have been made in project and operational budgets. However, some project costs have also increased.



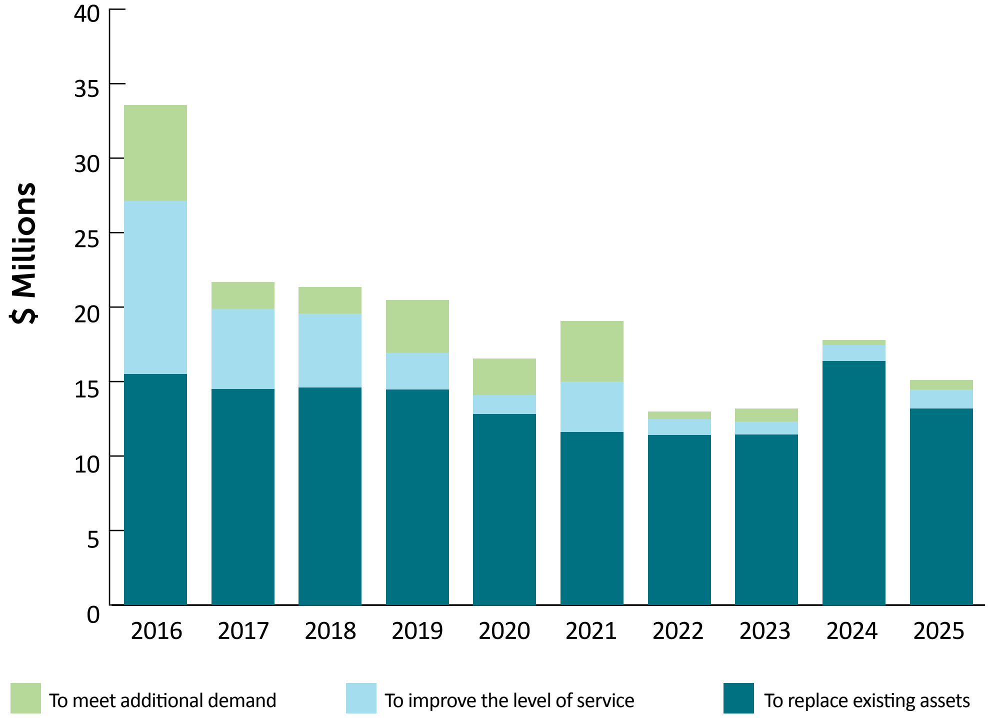
The information in this graph is from the Statement of Comprehensive Revenue and Expenditure and totals $45 million.

Please note "Other" expenditure relates to shared service and support service activities that are funded by external revenue sources. For example, this a significant portion relates to the infrastructure shared service where revenue is received from Rangitikei District Council. The treasury function also attracts revenue from external sources (rates penalties, interest and dividends).



The information in this graph is from the Whole of Council Funding Impact Statement and excludes capital revenues and totals $39 million.

Proposed Capital Expenditure 2015/16 - 2025/26



Examples of different property categories and the impact of the rates rise

Rating Category	Capital Value	2014/2015 Total Rates (GST Incl)	2015/2016 Total Rates (GST Incl)	$ Change	% Change
Feilding Residential	$295,000	$2,749	$2,912	$163	5.9%
Feilding Residential (multi –unit)	$1,850,000	$27,969	$29,525	$1,555	5.6%
Feilding Rural	$430,000	$2,375	$2,516	$141	5.9%
Feilding Rural	$600,000	$1,819	$1,908	$89	4.9%
Feilding CBD	$310,000	$6,867	$7,043	$176	2.6%
Feilding CBD	$510,000	$7,525	$7,533	$27	0.1%
Rural with no services	$140,000	$923	$982	$59	6.4%
Rural with no services	$630,000	$1,512	$1,589	$77	5.1%
Rural with wastewater	$240,000	$1,629	$1,741	$112	6.9%
Rural with farming as one remission	$960,000	$1,156	$1,188	$32	2.8%
Rural with farming as one remission	$4,550,000	$5,478	$5,633	$155	2.8%
Industrial/Commercial	$1,260,000	$6,505	$6,815	$310	4.8%
Industrial/Commercial	$7,732,000	$29,824	$31,053	$1,229	4.1%
Utilities	$5,000,000	$22,101	$22,955	$854	3.9%
Utilities	$7,000,000	$30,611	$31,786	$1,175	3.8%

*Does not include volumetric charges (sewerage + water)

What your rates are spent on per week

	Feilding Resident Based on a property with a Capital Value of $270,000	Rural Resident Based on a property with a Capital Value of $755,000 without services
Rates (Total annual)	$2,847.00	$1,744.00
Rates (Total per week)	$54.75 per week	$33.54 per week
Water	$7.79 per week	
Wastewater	$12.21 per week	
Stormwater	$1.88 per week	
Solid Waste	$3.98 per week	$1.60 per week
Roading	$7.05 per week	$11.23 per week
Environmental Services	$2.83 per week	$2.83 per week
Governance & Strategy	$3.15 per week	$3.15 per week
Cemeteries	0.44¢ per week	0.44¢ per week
Civil Defence	0.31¢ per week	0.31¢ per week
Animal Control	0.27¢ per week	0.27¢ per week
Halls & Recreation Complexes	0.77¢ per week	0.77¢ per week
Library & Makino	$4.50 per week	$3.17 per week
Parks & Reserves	$3.33 per week	$2.87 per week
Public Conveniences	0.63¢ per week	0.63¢ per week
General	$5.61 per week	$6.27 per week

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 3 of the Long Term Plan.

Financial Strategy

The Financial Strategy was reviewed as part of the Long Term Plan process, it ensures that Council is spending within its means on services the community wants. It outlines Council's self-imposed limits for the total level of rates, the percentage increase in total rates, and the level of debt.

The Financial Strategy can be viewed in full in Part 3 of the Long Term Plan.

Rates increases for the next ten years have been limited to the Local Government Cost Index (LGCI) plus four percent. The LGCI measures the year-on-year price change of goods and services typically used by local authorities.

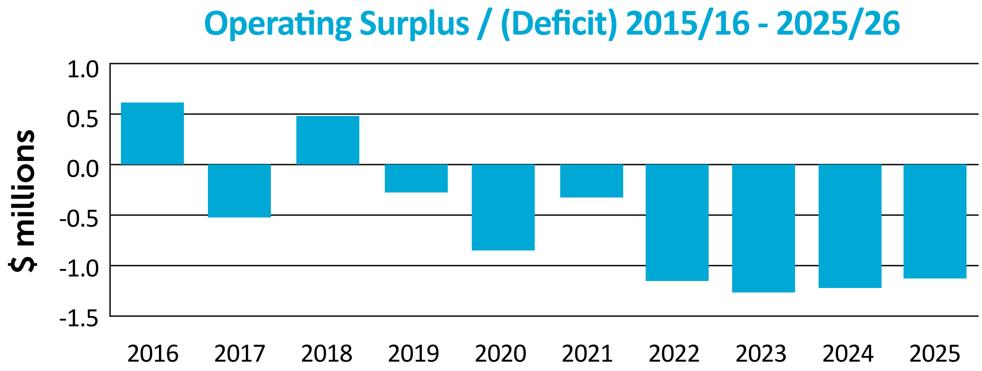
The costs and impacts from maintaining current services and assets is a major driver for the affordability of investing in additional services and higher standards. Council carefully assesses all of the financial impacts on the affordability of rates from next year through to 2025, with an eye on the longer term impacts from the Infrastructure Strategy. Council brings these financial issues together in the Financial Strategy. The overall goal of the Strategy is a continued financial viability through sustainable growth and investment in efficient and affordable infrastructure.

Balancing our budget

Council is required to balance its budget. This means operating expenses should be covered by operating revenues. Over the term of the plan there will be an overall net deficit of $5.6 million. Council considers it is financially prudent to have an operating deficit. The main reasons are:

- not funding depreciation on non-strategic assets
- not funding depreciation on the portion of roading subsidies by New Zealand Transport Agency
- not funding the interest expense on loans taken out for growth purposes when the interest and principal repayments will be met from future development contributions.

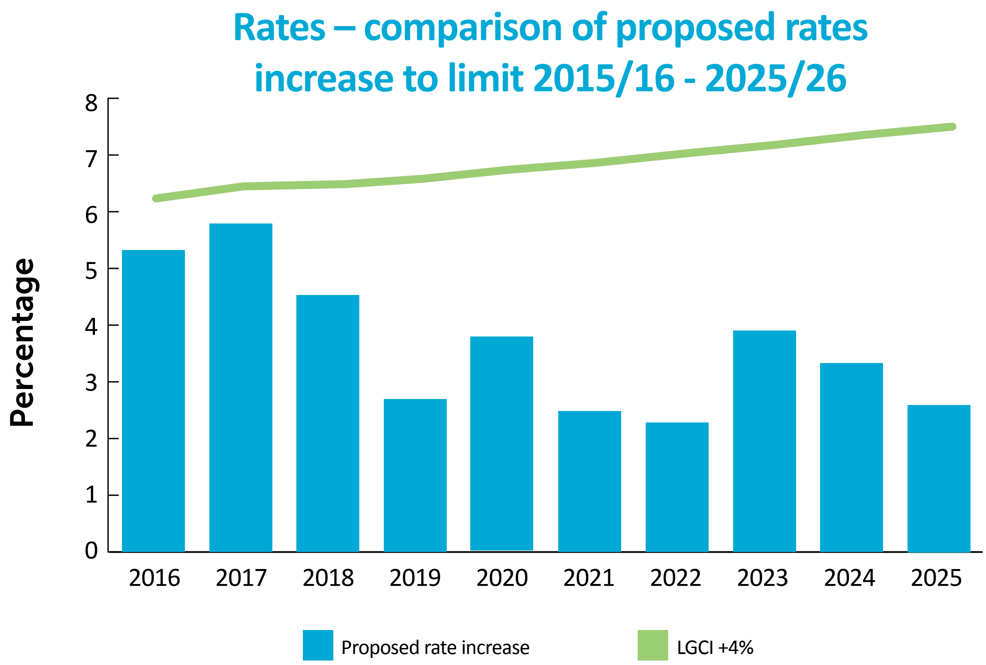
Planned infrastructure asset renewals over the first five years are forecast to be met from annual depreciation charges and utilisation of the Council's depreciation reserve which currently stands at around $8.5 million. In the following five years, however, planned renewals are expected to be significantly lower than forecast depreciation charges and the depreciation reserve will be replenished. Council only commenced funding depreciation in 2009 whereas some of our assets are 100 years old. Consequently there will be times when the depreciation reserve goes into deficit. Any short-term deficit in the depreciation reserve will be funded through loans until the reserve is replenished by on-going depreciation charges.



Council rates limit

Over the next 10 years, Council has resolved to keep average rates increases within the weighted average local government cost index (calculated by BERL) plus 4%. This reflects the need to budget for inflation increases and capital works that affect Council operations (pipelines, roads, energy, staff costs etc). The Council aims to maintain the current levels of service delivered to residents by completion of the upgrades to Feilding Wastewater Treatment Plant; and provide an increased level of service from the refurbishment of the Makino Aquatic Centre, the building of a new cycleway and the completion of the Green Spine railway land beautification project.

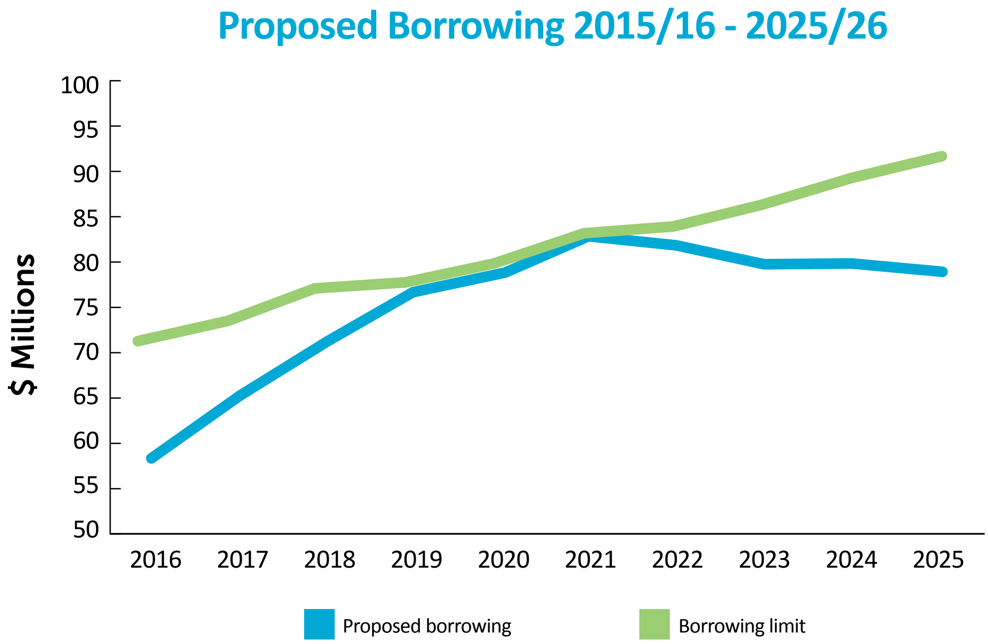
The rates increases in the Long Term Plan 2015-25 are as follows:



The graph above indicates total rates increases over the ten years 2015-25. The most significant rise is forecast in 2016/17 at 5.8% with the lowest in 2021/22 at 2.3%. Over the next ten years, the average total rates increase per annum is 3.6%.

Council debt

Council has taken a prudent approach to debt levels and has kept borrowing below the maximum debt levels set by Council in the financial policies. This approach allows flexibility for future generations to make strategic decisions and retains the ability for Council to meet unexpected demand for significant funds, including natural disasters or major failures in key assets.



The above chart shows Council's proposed debt over the next 10 years, together with the maximum planned debt allowed by the Financial Strategy.

Infrastructure Strategy

The Infrastructure Strategy helps identify key future issues and sets out how Council will fund the replacement of water, wastewater, stormwater and roading assets as they wear out, and the building of new infrastructure to support expected growth. The Council has adopted the following key objectives for infrastructure:

a) Provide affordable infrastructure

b) Meet new resource consent standards for Feilding and meet Manawatu River Accord commitments for all urban areas

c) Invest in infrastructure in the Feilding growth precincts that will cater for forecast growth over the next 30 plus years with staged development of the identified growth precincts (funded from Development Contributions)

d) Ensure capacity is available to support the development of the wider Manawatu as Food HQ for New Zealand and specifically food innovation and processing in the District

e) Ensure funding will fit within the Financial Strategy rating and debt limits for the first 10 years, and will be consistent with the Financial Strategy funding strategies for years 11 to 30.

The Infrastructure Strategy can be viewed in full in Part 3 of the Long Term Plan.

The District is experiencing modest growth of around 0.3 to 0.9% a year. This is not placing stress on Council infrastructure as there is spare capacity. The current upgrade programme is mainly related to increased environmental standards, not insufficient capacity, although capacity is being increased in Feilding for future industrial growth. The costs of meeting higher standards have been more significant than the impact of forecast growth over the last ten years, and this is expected to continue. This strategy shows Council is prudent and has the capacity and ability to cater for expected growth with currently known assets while meeting stated levels of service.

Through detailed condition assessment programmes now imbedded in operational budgets, Council is moving towards planned maintenance. This approach minimises the risk of mechanical breakdowns and other faults. This work is essential to maintaining the current level of service to the community. In April 2014, Council changed its Utility Asset Management Software. Condition rating and confidence will improve over time as this new system becomes fully populated with asset data. This information is the best information available to Council about these assets. For some assets (e.g. underground pipes) the information around age, type, and quantity is reliable. However, it is acknowledged that current information around condition has some limitations. Where these limitations, exist the information will be reviewed as new information becomes available. Updated information could result in changes to the costs or timing of planned expenditure.

Timeline of significant projects

2015 to 2036	Feilding Growth Precincts – Stormwater	$13,293,878
2016 to 2036	Feilding Wastewater Treatment Plant Consent and Upgrades	$14,032,652
2016 to 2039	Resource Consent renewals	$4,213,000
2016 to 2020	Kimbolton Road Water Mains renewals	$4,630,808
2016 to 2040	Feilding growth precincts – Water	$21,648,700
2016 to 2040	Feilding growth precincts – Wastewater	$13,675,076
2017	Almadale Water Reservoir	$2,202,000
2018 to 2019	Mangaweka Bridge	$1,053,000
2018 to 2019	Feilding to Palmerston North Cycleway	$1,214,000
2030 to 2031	Awahou South Bridge, Manchester Street Bridge, Pararorangi Road Bridge, Pohangina Valley East Road Bridge and Umutoi Road Bridge	$3,822,000
2035 to 2036	Beattie Street Bridge, Pohangina Valley East Bridge, Reids Line East Bridge, Rongotea Road Bridge and Warwick Street Bridge	$5,829,210
2037	Otara Road Bridge	$4,979,737
2041	15 Bridge Structures	$9,332,000

Significance and Engagement Policy

This policy guides Council on significant decisions about how to inform, consult, engage, involve or empower those affected in the decision-making process and, what should be consulted on. The policy can be viewed in full in Part 3 of the Long Term Plan.

Other policies, strategies and plans that have an impact on Council decision-making. You can find many of these in Part 3 of the Long Term Plan or on our website www.mdc.govt.nz

Other policies that help guide us

District Plan

Development Contributions Policy

Economic Development Strategy (in progress available late 2015)

Feilding Urban Growth Framework Plan

Waste Management and Minimisation Plan

State of the Environment Report

Governance Register

- Code of Conduct
- Procurement Policy

Community Facilities

- Community Hall Management Policy
- Community Development Funding Policy
- Leases Policy for Community and Recreation Groups
- Leisure and Recreation Action Plan (in progress available late 2015)

Council Controlled Organisation summaries:

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

Rating System

Rates Remission and Postponement Policies

Revenue and Financing Policy

Statement of Accounting Policies

Significant Forecasting Assumptions

Māori Capacity to Contribute to Decision Making

Asset Management Plans

New Zealand Transport Authority Financial Assistance Review

One Network Road Classification

New Zealand Drinking Water Strategy

Horizons One Plan

Manawatu District Council

Long Term Plan 2015-2025

Part Two

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Part 2


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Feilding
Kimbolton

Guide to Part 2

This section contains key information on Council's groups and activities.

Each part begins by outlining what the group does, the contribution to Council outcomes, and 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 the activities undertaken.

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.

KAITIAKITANGA
Manawatu District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga which translates as holistic guardianship.

ATTRACT AND RETAIN RESIDENTS
The Manawatu District will attract and retain residents.

BROAD ECONOMIC BASE
Manawatu District develops a broad economic base from its solid foundation in the primary sector.

QUALITY INFRASTRUCTURE
Manawatu and its people are connected via quality infrastructure and technology.

SAFE BUILT ENVIRONMENT
Manawatu's built environment is safe, reliable and attractive.

AGILE ORGANISATION
Manawatu District Council is an agile and effective organisation.

Contribution to Community Outcomes:

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

You can expect

These are short statements about the level of 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 signally or a combination of:

General rate: used to pay for services that are of public benefit and cannot be charged to specific users.

Uniform targeted rate: used to pay for services that are of public benefit, differentiated for Feilding and Rural, and cannot be charged to specific users and are provided to the community as a whole.

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

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.

Community Facilities Group

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

KAITIAKITANGA

ATTRACT AND RETAIN RESIDENTS

BROAD ECONOMIC BASE

QUALITY INFRASTRUCTURE

SAFE BUILT ENVIRONMENT

What we do:

Makino Aquatic Centre, Libraries, Property, Parks and Sports grounds, Cemeteries, and Public Conveniences.

How we do it:

- Carrying out renewal and building improvement programmes to ensure facilities are well maintained, safe and meet quality standards
- Talking with communities about their needs and planning for the future
- Meeting the requirements of all relevant legislation
- Reviewing levels of service to meet community expectations while balancing affordability
- Continuing to support volunteers and considering alternative management approaches
- Continuing to promote and improve accessibility to community facilities
- Providing funding and advice
- Ensuring relevant plans and policies are adhered to.

Contribution to Community Outcomes:

The provision of quality community facilities is attractive to both current residents and potential residents considering relocation. Visually appealing public spaces add to the character of the District and are a source of civic pride and attraction for visitors.

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

- Continue with development programmes at the Makino Aquatic Centre, Green Spine, public conveniences and cemeteries
- Work to renew and maintain assets so they meet the desired level of service
- Develop and review plans and strategies for the future development and management of our community facilities
- Liaising with user groups
- 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

- Funding may not be available for new facilities, especially major capital projects, to meet future demand
- Costs to maintain facilities keeps increasing
- New community facilities are provided for growth areas and create need for additional funding to operate and maintain them
- As buildings age, the cost of renewals and maintenance escalates
- Some of these facilities, especially halls, have a low levels of usage which may mean they are uneconomic to retain
- More resilient building standards, as a result of the Christchurch Earthquake Royal Commission, will lead to increased costs for new buildings and may mean it is uneconomic to upgrade or repair others.

Ageing Population:

- The over-65 age group is projected to nearly double by 2031. An ageing population presents a number of issues for this group of activities:
- Affordability of these services, as there will be an increase in the number of ratepayers on fixed incomes
- Increased demand for relevant services, improved access to facilities, parks and reserves.

Growth and Demand:

- Changes in demand and preferences for recreation and leisure activities, including an increase in demand for multi-functional sport, fitness, aquatic and leisure space, and a move to more informal activities such as walking and cycling
- Increasing public expectations for higher quality recreation and community facilities
- Multiple sports club buildings located on parks and reserves highlight a lack of efficiency and collaboration and impacts on the ability to invest in new facilities
- Changing demands for burial options
- Changing demands for technology that are impacting on library services
- 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
- 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% 2013/2014

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: New

Targets for the next 10 years:

Year 1: > 5,000 participants

Year 2: >12,500 participants

Year 3: >13,750 participants

Years 4-10: >15,000 participants.

You can expect quality experiences

We will measure this by: monitoring the responses to the customer satisfaction survey about their overall experience of the complex.

Baseline: 96% 2013/2014

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

130,000

people visit the complex per annum

We provide over

2,500

'Learn to Swim' classes per annum

We keep

1,900,000

litres of water

clean and warm each day

Sell over

2,500

ice creams to our customers per annum

Work over

35,000

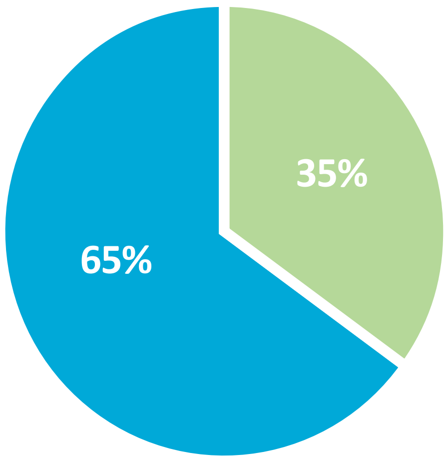
hours delivering great service per annum

Projects

The Makino Aquatic Centre is about to undergo a long-awaited $5.69 million upgrade. In 2012, Council consulted with the community on the project and then again in 2014 when Council agreed to increase its funding contribution to $2.7 million. This year, following refinement of the project costs it became apparent further funding is required and Council will now commit $4.2 million to the project.

The remainder of funds are to be fundraised. At the time of writing $1.2million has been raised. The redevelopment will see the indoor complex closed for 10 months from July 2015.

How the activity is funded:



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

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:

- 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
- 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 refreshing the collection items at the community run libraries every three months.

You can expect access to a range of information

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

Baseline: New

Targets for the next 10 years:

Year 1: 11 issues per capita

Year 2: 12 issues per capita

Years 3: At least 12 issues per capita

Years 4-10: At least 12 issues per capita.

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

Baseline: New

Targets for the next 10 years:

Year 1: 10,000 digital users

Year 2: 12,000 digital users

Year 3: 13,500 digital users

Years 4-10: At least 13,500 digital users.

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: New

Targets for the next 10 years:

Year 1: 480 events / 11,000 participants

Year 2: 920 events / 18,300 participants

Years 3: At least 920 events / 20,200 participants

Years 4-10: At least 920 events / 20,200 participants.

Projects

Feilding Public Library

In 2014 the Feilding Public Library underwent a review. As a result we plan to replace management software and undertake some modernisation in the building. The cost will be $860,000 spread over years 1-3 of the Long Term Plan. There will be no impact on rates as these projects are funded from reserves.

Did you know...

Feilding Public Library has over

68,936

collection items

Our oldest active library member is

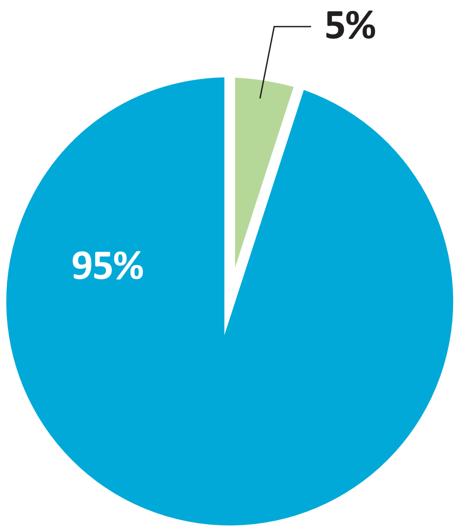
100 years old

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

Managing Council's property portfolio and public spaces that provide for social interactions to enhance our community's sense of social connectedness, cultural wellbeing and civic pride.

What we do:

Manage, support and administer the property portfolio.

How we do it:

- Managing 17 Council-owned halls and five community-owned halls
- Working with local groups to provide access to property for a range of community uses
- 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
- Reviewing the Hall Management Policy as a guide for future decision making regarding the provision and retention of halls and recreation complexes.

The portfolio includes

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

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

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

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

Civic and other property: Archives Central, Old Tote Building (Feilding), Feilding Clock Tower, Feilding Kindergarten, Halcombe Playcentre, Kimbolton Playcentre, Rangiwahia Plunket Building, Administration Building, rental houses, commercial property.

Community Buildings and Libraries: Feilding Community Centre, Community House (Feilding), Rongotea Community Centre, Feilding Library, Kimbolton Library, Sanson Library, Centennial Pavillion.

You can expect satisfaction with our property facilities

We will measure this by: monitoring the responses to our customer satisfaction survey about overall experience of property assets.

Baseline: New

Targets for the next 10 years:

Year 1: 80% of surveyed customers are satisfied with their overall experience of property facilities

Year 2: 80% of surveyed customers are satisfied with their overall experience of property facilities

Year 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.

You can expect property facilities to be well used

We will measure this by: monitoring the annual average use of Council-owned Community Halls.

Baseline: New

Targets for the next 10 years:

Year 1: Each hall is used on average 26 times a year

Year 2: Each hall is used on average 28 times a year

Years 3: Each hall is used on average 30 times a year

Years 4-10: Each hall is used on average 30 times a year.

Did you know...

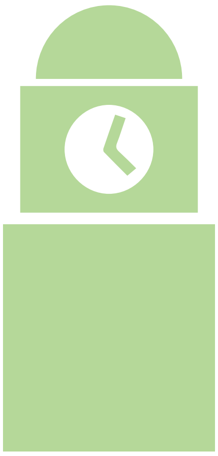
Most of the District's halls were built between

1890 - 1940

The latest hall constructed and vested in Council was

Sanson Hall in 1982

The oldest halls vested in Council are Rangiwahia and Cheltenham (both 1895). The Colyton Hall was built in 1890, but damaged by fire and rebuilt in 1995



The Feilding Clock Tower was built in

1999

Projects:

Bunnythorpe Hall

Prior to the boundary change in 2012 when Bunnythorpe became part of Palmerston North, Council budgeted for a $240,000 grant for the Bunnythorpe Hall Committee. In accordance with the Boundary Change Agreement, that money will be transferred to the Committee when the project is ready to proceed.

The Hall Management Policy

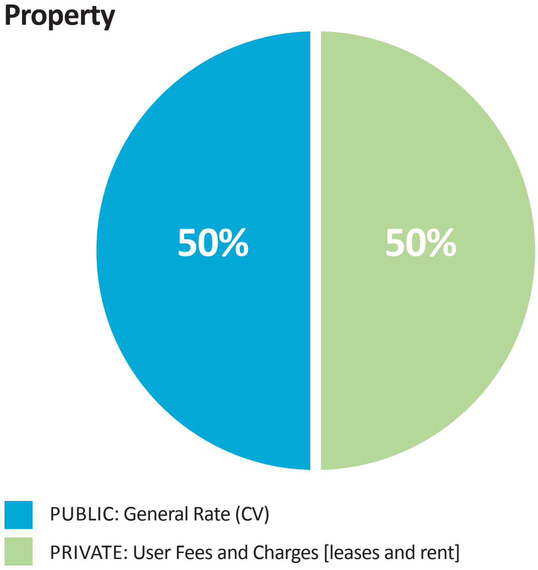
The Hall Management Policy will be reviewed in 2015.

The former Sanson Hotel

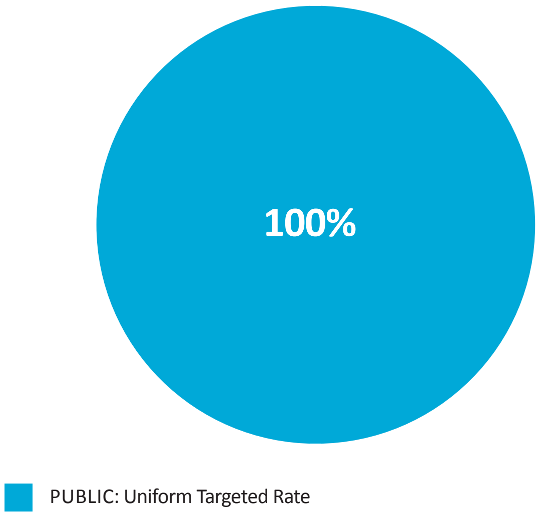
The former Sanson Hotel site, owned by Council, will continue to be marketed for sale.

How the activity is funded:

Property



Local Halls and Recreation Complexes



Parks and Sports Grounds

Providing our community with opportunities for leisure and recreation.

What we do:

Provide parks and sports grounds including camping grounds, 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 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 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 Manawatu and other organisations to deliver programmes throughout the District to get 'everyone active, everyday'
- Liaising with user groups
- Planning and providing a walking and cycling network that links neighbourhoods, schools and community facilities
- Adhering to plans and strategies that guide the development of the portfolio including: Leisure and Recreation Action Plan, Open Spaces Framework and Feilding Cycle Network
- Fulfilling our legal requirements to have Reserve Management Plans in place identifying how Council intends to manage reserves.

The portfolio includes

Sports grounds: Timona Park, Johnston Park, Victoria Park, Rimu Park, Halcombe Domain, Kimbolton Domain and Sanson Domain.

Neighbourhood Parks and Playgrounds: Feilding: Vista Drive Park, Fraser Drive Park, Makino Park, Kowhai Park, Timona Park, and Mt Lees. Villages: Himatangi Beach, Rongotea, Tangimoana, Halcombe, Kimbolton, Apiti and Rangiwahia.

Other recreation areas: Apiti Domain, Old Beaconsfield School, Halcombe Domain, Old Pakihikura School, Pohangina Domain, Old Pohangina School, Old Rewa School, Almadale Recreation Reserve, Bartletts Ford, Stonebridge Reserve, Londons Ford, Menzies Ford, Raumai Reserve , Mt Lees Reserve, Ellison Reserve, Putai Ngahere (Vinegar Hill), and the Ruahine Dress Circle.

Public Gardens: Kowhai Park and Mt Lees.

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

Natural and Cultural Heritage areas: Kitchener Park, Coles Bush, Almadale Reserve, James Palmer Park and Kimbolton Scenic Reserve.

Coastal Reserves: Himatangi Beach and Tangimoana Beach.

Memorials: Mt Stewart Centennial Memorial Reserve.

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

You can expect satisfaction with our parks and sports grounds

We will measure this by: monitoring the responses to our customer satisfaction survey to ensure satisfaction with parks and sports grounds.

Baseline: 90% of customers were satisfied with their overall experience of parks and sports grounds 2013/2014.

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 and sports grounds.

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

Baseline: New

Targets for the next 10 years:

Years 1-3: < 10 closures of parks and sports grounds

Years 4-10: < 10 closures of parks and sports grounds.

You can expect safe parks 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 and sports grounds.

Baseline: New

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 and sports grounds.

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

Did you know...

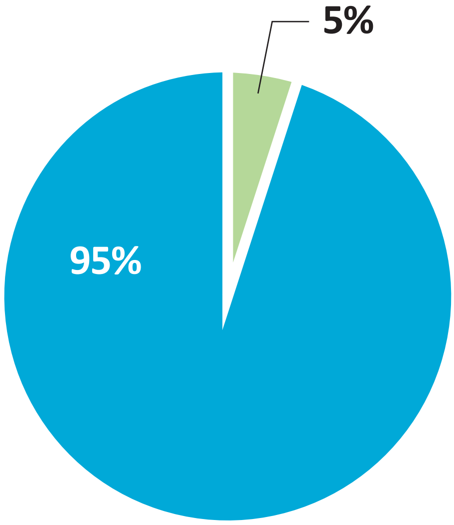
We have two public gardens at Kowhai Park and Mt Lees Reserve that are available for your enjoyment

We have

three civic squares:

Manchester Square and Denbigh Square in Feilding and Douglas Square in Rongotea

How the activity is funded:



PUBLIC: Targeted Rated (CV)/ Uniform Targeted Rate

PRIVATE: User Fees and Charges [ground fees and hireage]

Projects:

A number of projects at Makino Park and surroundings have been scheduled for years 1-3 of the Long Term Plan. These projects include Makino X-treme Skate Park, Makino Aquatic Centre Redevelopment and further development of the Greenspine. A Makino Precinct Plan is being developed to ensure that all projects in this area are complementary to each other and undertaken in a coordinated way.

The Leisure and Recreation Action Plan will be completed in 2015.

The first stage of the railway land beatification project, Green Spine, has been completed. Work will continue during years 1-3 of the Long Term Plan at a cost of $1 million.

Council is proposing to continue supporting Awahuri Forest/Kitchener Park Trust to further restoration and enhancement work. Funding of $75,000 per annum is included in years 1-10 of the Long Term Plan.

Council has agreed to move $50,000 from year four of the budget to year one to assist with flood protection works. The funding will be conditional upon the Trust securing other funding and developing a flood protection plan.

Upgrades at Kowhai Park will see improved layout, road access and carparks, bird aviaries, pedestrian bridge and pathways. The work will be carried out during years 1-3 of the Long Term Plan at a cost of $224,000.

A new playground for Sanson is planned to be constructed during years 1-3 of the Long Term Plan at a cost of $156,500.

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 customer satisfaction survey about the maintenance of cemeteries.

Baseline: New

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: 6 complaints in 2013/2014

Targets for the next 10 years:

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

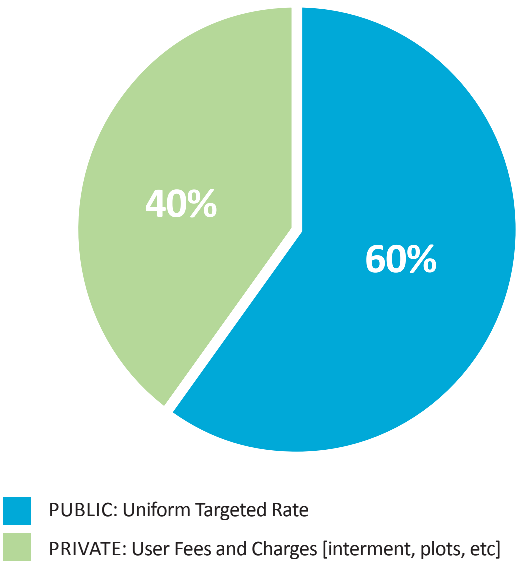
Years 4-10: No complaints about late or inadequate interment services.

Projects:

Cemetery extensions

Due to increased demand for burial space Council will in year four of the Long Term Plan, increase the burial area at Feilding and Halcombe cemeteries at a cost of $328,200 and Rongotea cemetery at a cost of $332,550. This will occur in year four of the Long Term Plan.

How the activity is funded:



Public Conveniences

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

What we do:

Provide and maintain public toilets.

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, Pohangina, Apiti, Halcombe, Himatangi Beach, Tangimoana, Rongotea, Sanson, Cheltenham, Kimbolton, Rangiwahia, Kowhai Park, Johnston Park, Victoria Park, Timona Park, Almadale Reserve, Mt Lees, Raumai Reserve, Mt Stewart, Putai Ngahere Reserve (Vinegar Hill), Bartletts Ford and Londons Ford.
- Having a maintenance plan to ensure facilities 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: 47 complaints in 2013/2014

Targets for the next 10 years:

Year 1: <35 complaints received

Year 2: <25 complaints received

Year 3: <17 complaints received

Years 4-10: <10 of complaints received.

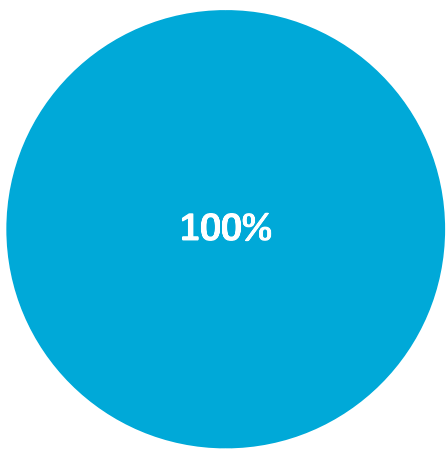
Projects:

Renewal of public conveniences at Bartletts Ford and Londons Ford is planned to be completed during years 1-3 of the Long Term Plan at a cost of $113,355.

Did you know...

Council's commitment to Manawatu-Wanganui Regional Council (Horizons) One Plan will mean that several of the District's public conveniences are upgraded including toilets at Bartletts Ford and Londons Ford. New septic systems are required to ensure sewerage does not enter waterways.

How the activity is funded:



PUBLIC: Uniform Targeted Rate

Manawatu District Council
Funding Impact Statement - Community Facilities Group
For 1 July 2015 - 30 June 2025

	Annual Plan 2015 $000	Year 1 2016 $000	Year 2 2017 $000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	495	631	654
Targeted rates	4,924	5,282	5,745
Subsidies and grants for operating purposes	2	4	4
Fees and charges	1,194	818	1,367
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax,fines, infringement fees and other receipts	9	10	10
Total operating funding	**6,624**	**6,745**	**7,780**
Applications of operating funding			
Payments to staff and suppliers	4,428	4,664	4,832
Finance costs	956	1,096	1,285
Internal charges and overheads applied	949	939	1,012
Other operating funding applications	0	0	0
Total applications of operating funding	**6,333**	**6,699**	**7,129**
Surplus (deficit) of operating funding	**291**	**46**	**651**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	1,350	0
Development and financial contributions	85	90	91
Increase (decrease) in debt	421	3,712	683
Gross proceeds from sale of assets	1,500	2,050	2,050
Lump sum contributions	0	0	0
Total sources of capital funding	**2,006**	**7,202**	**2,824**
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	349	165
- to improve the level of service	2,610	6,827	1,108
- to replace existing assets	565	1,840	622
Increase (decrease) in reserves	(878)	(1,768)	1,580
Increase (decrease) of investments	0	0	0
Total application of capital funding	**2,297**	**7,248**	**3,475**
Surplus (deficit) of capital funding	**(291)**	**(46)**	**(651)**
Funding balance	**0**	**0**	**0**

Year 3 2018 $000	Year 4 2019 $000	Year 5 2020 $000	Year 6 2021 $000	Year 7 2022 $000	Year 8 2023 $000	Year 9 2024 $000	Year 10 2025 $000
610	620	624	608	605	631	615	616
6,006	6,413	6,773	6,880	7,202	7,512	7,666	7,899
4	4	4	4	5	5	5	5
1,470	1,507	1,549	1,604	1,663	1,717	1,773	1,835
0	0	0	0	0	0	0	0
11	7	7	7	7	8	8	8
8,101	**8,551**	**8,957**	**9,103**	**9,482**	**9,873**	**10,066**	**10,363**
4,916	4,996	5,182	5,266	5,438	5,665	5,767	5,964
1,360	1,487	1,540	1,603	1,724	1,698	1,666	1,646
1,186	1,258	1,340	1,410	1,421	1,601	1,691	1,750
0	0	0	0	0	0	0	0
7,462	**7,741**	**8,062**	**8,279**	**8,583**	**8,964**	**9,124**	**9,360**
639	**810**	**895**	**824**	**899**	**909**	**942**	**1,003**
0	0	0	0	0	0	0	0
93	95	97	99	101	103	106	108
2,201	1,495	458	2,479	(274)	(397)	(419)	354
2,684	0	0	300	0	0	0	0
0	0	0	0	0	0	0	0
4,978	**1,590**	**555**	**2,878**	**(173)**	**(294)**	**(314)**	**462**
350	187	291	265	24	0	0	614
2,138	1,118	459	2,539	72	0	0	190
660	408	433	417	331	283	428	390
2,469	687	267	481	299	332	200	270
0	0	0	0	0	0	0	0
5,617	**2,400**	**1,450**	**3,702**	**726**	**615**	**628**	**1,465**
(639)	**(810)**	**(895)**	**(824)**	**(899)**	**(909)**	**(942)**	**(1,003)**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**

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.

KAITIAKITANGA

ATTRACT AND RETAIN RESIDENTS

BROAD ECONOMIC BASE

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 development at grassroots level
- Support identified village community planning projects for implementation
- Administering grants, loans, economic development agency funding, community development funding, community committee funding, creative communities funding, and various trust funds
- Having 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, outcomes and Regional Development Strategy.

Contribution to Community Outcomes:

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

- Consult with the community about proposal to develop, in association with Palmerston North City Council, a single Council Controlled Organisation to provide economic development and tourism services. The Councils are aiming for more focus and coordination by purchasing economic development and tourism services from a single organisation.
- Continue to work with Palmerston North City Council and others to implement the Regional Development Strategy (RDS)
- Develop and implement the Manawatu District Economic Development Strategy
- Continue to collaborate with our neighbouring councils to facilitate economic growth and implement opportunities in the Regional Growth Strategy and Central New Zealand Agribusiness Strategy
- Continue to support the development of the Feilding Integrated Family Health Centre
- 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 villages that have participated in our Community Planning programme to implement identified projects and actions.

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 over-65 age group is projected to nearly double by 2031 and a large number of this group are more likely to be working and living longer. If the current climate continues in relation to skill shortages, a larger emphasis will need to be placed on up-skilling and re-training over 65's to address gaps in the labour market.

Affordability of services, as there will be a sharp increase in the number 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 a joint relationship and continue to foster collaboration with its neighbouring councils and other organisations.

Economic Development

We build up the District's economic capacity, improve the economic future and the quality of life for all.

What we do:

Promote and grow the local economy through business support services, investment, collaboration, advocacy in order for businesses to start and grow in the District. Some economic development services are purchased from external organisations.

We do this by:

- Working in partnership with Palmerston North City Council and others to implement the Regional Development Strategy goal of "Manawatu, the best place to raise a family"
- Implementing the Manawatu District Economic Development Strategy
- Working with our partners in the Horizons region to develop the Regional Growth Study (April 2015), to develop the Central New Zealand Agribusiness Strategy (June 2015) and implement its findings which are aimed at doubling agribusiness exports by 2025
- Working in partnership with our neighbouring councils to implement opportunities in the Regional Growth Strategy
- Advocating on behalf of the District and promoting Manawatu as a central location to do business
- Funding security guard services in the Feilding Central Business District.

You can expect relevant economic development services

We will measure this by: monitoring the economic development contracted agencies or agent to ensure that they are delivering relevant economic development services.

Baseline: New

Targets for the next 10 years:

Years 1-3: 100% satisfaction from Council that economic development strategies are being delivered

Years 4-10: 100% satisfaction from Council that economic development strategies are being delivered.

You can expect satisfaction with economic development services

We will measure this by: monitoring the responses to our customer satisfaction survey about economic development services.

Baseline: New

Targets for the next 10 years:

Years 1-3: 80% of customers are satisfied with economic development services.

Years 4-10: 80% of customers are satisfied with economic development services.

Did you know...

Council has adopted the World Bank's definition of Economic Development: "Economic Development is building up the economic capacity of a local area to improve its economic future and the quality of life for all"

Projects:

Growing our District

Council is committed to growing the District and the wider region. Together with eight neighbouring councils we are aiming to double exports by 2025 through the Central New Zealand Agribusiness Strategy and the Regional Growth Study. We will implement Manawatu District Council's Economic Development Strategy and continue to support transformative projects like FoodHQ. Alongside this, we are planning to reform the delivery of economic development and tourism services as outlined in Key Issue One in the Consultation Document. Together our endeavours will help us grow and attract business, 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.

Establishing a single economic development agency

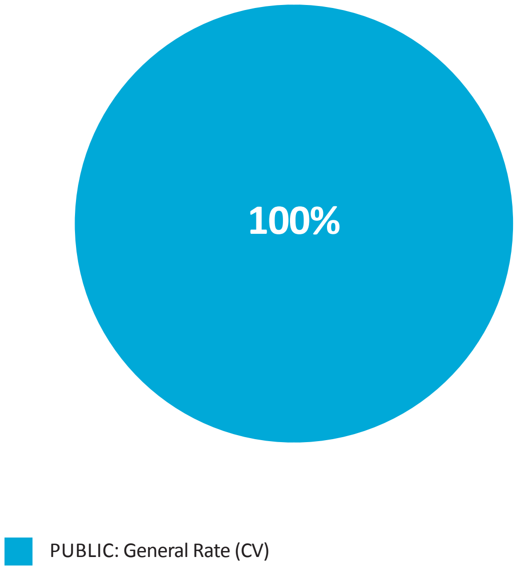
Council is seeking to improve economic development and tourism. Currently, Manawatu District Council and Palmerston North City Council purchase economic development services from Vision Manawatu and tourism services from Destination Manawatu. Manawatu District Council also funds Feilding Promotion. In total Manawatu District Council provides just over $658,000 of ratepayers money on these services each year.

Both Councils seek more focus and coordination by purchasing economic development and tourism services from a single agency. The Councils consider a Council Controlled Organisation (CCO) the best form of agency to deliver these services.

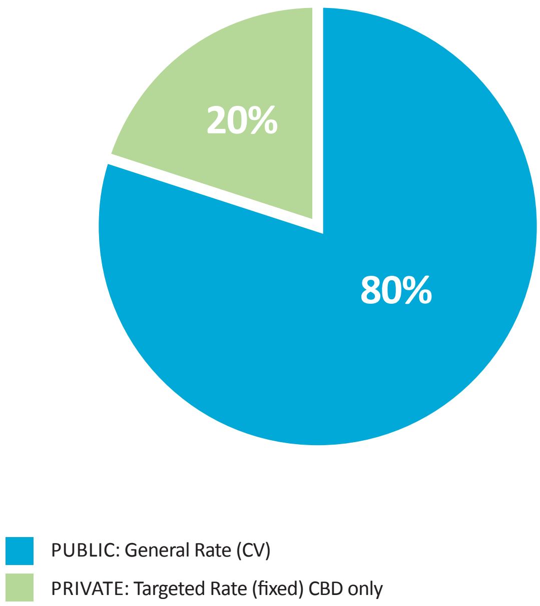
In the Consultation Document both Councils consulted on the proposal to establish a CCO. After much consideration both Councils have decided go ahead and establish a CCO. The amount of funding provided will not change in 2015/16 and therefore does not impact on the rate increase. However, as signalled in the consultation material, Council will review the level of funding one year after the agency is set up. Any significant changes in funding will be consulted on as part of the 2016/17 Annual Plan process. Any transition costs associated with establishing the CCO will be covered by existing budgets.

How the activity is funded:

Economic Development



Feilding CBD Security



Community Development

Partnering with community groups and not for profit organisations to encourage these groups 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.

How we do it:

- Reviewing and administering the Community Development Funding Policy to ensure allocation of funding aligns with outcomes sought
- 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 villages that have participated in our Community Planning programme to implement identified projects and actions.
- 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 Manawatu District on the national and world stage
- Maintaining and developing relationships with funding recipients
- Administering Creative Community Funding scheme
- Supporting community committees throughout the District including: Apiti, Rangiwahia, Kimbolton, Waituna West, Halcombe, Sanson, Tangimoana, Rongotea, Pohangina and Himatangi Beach.

You can expect relevant community development services

We will measure this by: monitoring the reports received from those organisations who receive community development funding to ensure they are delivering relevant community development services.

Baseline: New

Targets for the next 10 years:

Years 1-3: 100% satisfaction from Council that the outcomes set in the community development policy are being delivered

Years 4-10: 100% satisfaction from Council that the outcomes set in the community development policy are being delivered.

You can expect satisfaction with community development services

We will measure this by: monitoring the responses to our customer satisfaction survey about community development services.

Baseline: New

Targets for the next 10 years:

Years 1-3: 90% of customers are satisfied with community development services

Years 4-10: 90% of customers are satisfied with community development services.

Did you know...

Community plans

have been developed for Sanson, Halcombe, Kimbolton, Apiti, Rangiwahia, Pohangina, Rongotea and Himatangi. Work on implementing the plans is underway.

Projects:

Community Planning

During 2012-15, Council assisted rural villages to develop Community Plans. Implementation of these plans will continue over the coming years. $50,000 per annum has been committed for Community Plan projects in the Long Term Plan.

Feilding Integrated Health Centre

In 2011, the Council agreed to lend the Manawatu Community Trust up to $2.5 million towards the Feilding Integrated Family Health Centre. Half of any loan made was to be interest-free and the other half subject to normal market conditions. The Trust has now uplifted the loan and building has begun.

Community Development Funding

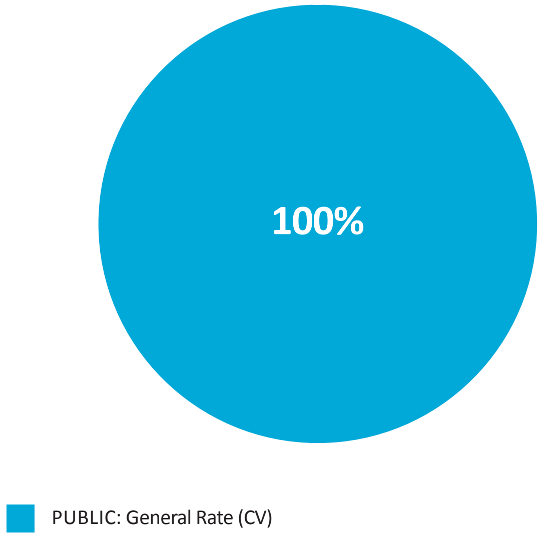
Council wanted to ensure that the amount of funding available for allocation was going to align with the Community Development Funding criteria and anticipated need. The Council's preferred option was to reduce the amount of funding in this area by $73,000 to $150,000 per annum. Council has decided to go ahead with this option and reduce the funding. The level of service will remain unchanged but will be more tightly targeted due to the new funding criteria.

*Please note funding provided to Destination Manawatu, Vision Manawatu, Sport Manawatu and Feilding Promotion while part of Community Development are not included in the Community Development Funding budget.

Representative Grants

Manawatu 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. From 2015/16 Council is proposing to allocate $30,000 to Representative Grants from the existing pool of Community Development funds.

How the activity is funded:



Manawatu District Council
Funding Impact Statement - District Development Group
For 1 July 2015 - 30 June 2025

	Annual Plan 2015 $000	Year 1 2016 $000	Year 2 2017 $000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	2,124	2,203	2,229
Targeted rates	62	63	95
Subsidies and grants for operating purposes	24	55	56
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax,fines, infringement fees and other receipts	98	75	248
Total operating funding	**2,307**	**2,396**	**2,628**
Applications of operating funding			
Payments to staff and suppliers	1,988	2,078	2,096
Finance costs	213	281	284
Internal charges and overheads applied	291	295	322
Other operating funding applications	0	0	0
Total applications of operating funding	**2,492**	**2,654**	**2,702**
Surplus (deficit) of operating funding	**(185)**	**(258)**	**(74)**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	2,404	40	29
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	**2,404**	**40**	**29**
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	(215)	(110)	154
Increase (decrease) of investments	2,435	(108)	(199)
Total application of capital funding	**2,219**	**(218)**	**(45)**
Surplus (deficit) of capital funding	**185**	**258**	**74**
Funding balance	**0**	**0**	**0**

Year 3 2018 $000	Year 4 2019 $000	Year 5 2020 $000	Year 6 2021 $000	Year 7 2022 $000	Year 8 2023 $000	Year 9 2024 $000	Year 10 2025 $000
2,155	2,120	2,198	2,266	2,297	2,410	2,505	2,569
111	126	128	130	132	134	136	139
57	59	60	62	64	66	68	71
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
241	234	227	220	213	206	198	189
2,564	**2,539**	**2,613**	**2,678**	**2,706**	**2,816**	**2,907**	**2,968**
2,053	1,859	1,910	1,965	2,022	2,087	2,155	2,230
286	281	263	244	224	202	179	154
391	393	435	463	452	519	565	574
0	0	0	0	0	0	0	0
2,730	**2,533**	**2,608**	**2,672**	**2,698**	**2,808**	**2,899**	**2,958**
(166)	**6**	**5**	**6**	**8**	**8**	**8**	**10**
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(35)	(267)	(284)	(303)	(324)	(345)	(368)	(393)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(35)	**(267)**	**(284)**	**(303)**	**(324)**	**(345)**	**(368)**	**(393)**
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
(201)	(261)	(279)	(297)	(316)	(337)	(360)	(383)
(201)	**(261)**	**(279)**	**(297)**	**(316)**	**(337)**	**(360)**	**(383)**
166	**(6)**	**(5)**	**(6)**	**(8)**	**(8)**	**(8)**	**(10)**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Emergency Management Group

We aim to ensure public safety, increase public readiness and respond when necessary.

KAITIAKITANGA

ATTRACT AND RETAIN RESIDENTS

BROAD ECONOMIC BASE

QUALITY INFRASTRUCTURE

SAFE BUILT ENVIRONMENT

What we do:

Provide Civil Defence and Rural Fire services.

How we do it:

- Increasing public awareness about disasters and educating communities about preparedness
- Working with partners
- Issuing fire permits
- Responding to rural fires and monitoring fire indices and advising the community of change
- Fulfilling Council's statutory obligations under the Forest and Rural Fires Act 1977, the Civil Defence Emergency Act 2002, the Health Act 1956 and the Resource Management Act 1991
- Fulfilling the public's expectation that Council will in conjunction with other emergency service providers, the Police, Fire and Ambulance services to provide leadership in the case of an emergency or rural fire disaster.

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 Group
- Plan ahead and being 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; and cyclones.

Again, if a rural fire event occurs then significant negative effects can occur. The aim is to mitigate the effects of fires caused by: electrical storm; wildfire; volcanic activity; arson; unintentional fire; or, by fires lit during fire restriction periods.

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 over-65 age group is projected to nearly double by 2031. 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.

Changes to legislation:

There are no changes anticipated.

Civil Defence

We do this to reduce the risks from natural hazards, 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.

What we do:

Provide services and information to reduce risk, increase readiness, response and resilience.

How we do it:

- Through an Emergency Management (Civil Defence and Rural Fire) Service Agreement with Horizons Regional Council
- Administering the Civil Defence Emergency Act 2002
- By working with our neighbouring territorial authorities
- By working with organisations like Neighbourhood Support to promote Civil Defence in neighbourhoods
- By following the Manawatu-Wanganui Civil Defence Emergency Management Group Plan which focuses on:
    - Risk reduction, identifying risk reduction initiatives, risk information exchange, risk reduction programming, flood plain mapping and modelling; risk reduction programmes for business, communities and care facilities; readiness, response and preparedness education and information activity through marketing opportunities with the support of our national organisation.
- Responding to emergencies
- Recovery, review of recovery plan, coordinate and promote recovery
- Monitoring and evaluating, this includes compliance monitoring, risk reduction monitoring, and a Civil Defence exercise programme
- Management and governance activities include co-ordination of a regional Co-Executive Group and a Welfare Advisory Group. A joint Civil Defence Emergency Management Committee is in place to support this collaborative approach.

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 civil defence educative information to residents
- 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: New

Targets for the next 10 years:

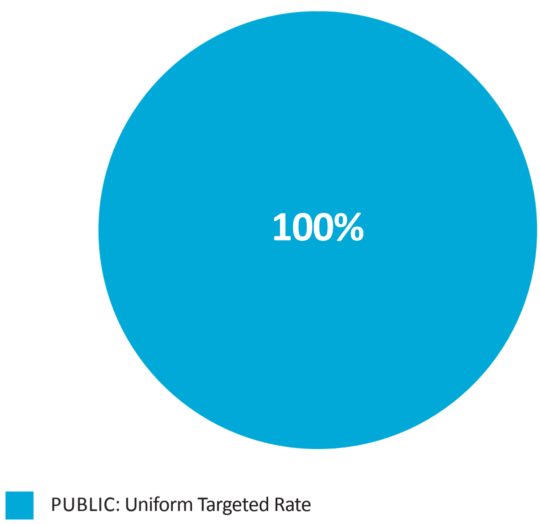
Years 1-3: 90% of feedback received demonstrates that you are satisfied with this service

Years 4-10: 90% of feedback received demonstrates that you are satisfied with this service.

Projects

None.

How the activity is funded:



Rural Fire

We do this to minimise the risk to life and property so you can go about your business and leisure any time of the day or night without fear for your safety.

What we do:

Issue fire permits and respond to rural fires. We also monitor fire indices and advise the community about fire risk prevention.

How we do it:

- Through an Emergency Management (Civil Defence and Rural Fire) Service Agreement with Horizons (Manawatu-Wanganui Regional Council)
- By fulfilling Council's statutory obligations under the Forest and Rural Fires Act 1977, Civil Defence Emergency Management Act 2002; Health Act 1956; and Resource Management Act 1991
- Monitoring fire indices and implementing fire restrictions if and when required and advertising those restrictions
- Issuing permits during restricted fire seasons
- Talking with the community about fire risk prevention
- Training to ensure we're ready to respond to rural fires.

You can expect to be informed about rural fire risk

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

- The number of times we have talked to you about fire risk prevention and education (for those of you who apply for a fire permit)
- Advertising and promoting any change to fire indices such as a restricted season or a prohibited season
- Using technology to alert you to any change in fire indices.

Baseline: New

Targets for the next 10 years:

Years 1-3: 90% of feedback received demonstrates that you are satisfied with service

Years 4-10: 90% of feedback received demonstrates that you are satisfied with service.

You can expect us to respond to rural fire callouts

We will measure this by: the response rate to rural fire callouts.

Baseline: New

Targets for the next 10 years:

Years 1-3: 100% response to a rural fire callout

Years 4-10: 100% response to a rural fire callout.

Did you know...

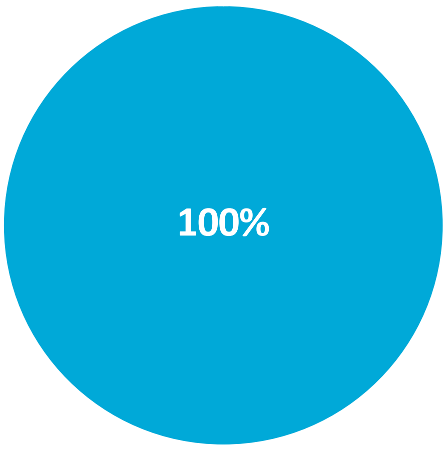
In the last few years dry conditions have led to restricted fire seasons.

Our rural fire fighters are volunteers.

Projects

None.

How the activity is funded:



PUBLIC: Uniform Targeted Rate

Manawatu District Council
Funding Impact Statement - Emergency Management Group
For 1 July 2015 - 30 June 2025

	Annual Plan 2015 $000	Year 1 2016 $000	Year 2 2017 $000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	199	218	226
Targeted rates	156	178	184
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	5	0	0
Total operating funding	**360**	**396**	**410**
Applications of operating funding			
Payments to staff and suppliers	302	317	324
Finance costs	0	0	0
Internal charges and overheads applied	51	73	78
Other operating funding applications	0	0	0
Total applications of operating funding	**353**	**390**	**402**
Surplus (deficit) of operating funding	**7**	**6**	**8**
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
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	5	16
Increase (decrease) in reserves	7	1	(8)
Increase (decrease) of investments	0	0	0
Total application of capital funding	**7**	**6**	**8**
Surplus (deficit) of capital funding	**(7)**	**(6)**	**(8)**
Funding balance	**0**	**0**	**0**

Year 3 2018 $000	Year 4 2019 $000	Year 5 2020 $000	Year 6 2021 $000	Year 7 2022 $000	Year 8 2023 $000	Year 9 2024 $000	Year 10 2025 $000
237	245	254	262	271	283	293	304
192	188	194	205	206	215	228	231
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
429	**433**	**448**	**467**	**477**	**498**	**521**	**535**
332	337	346	360	366	378	395	404
0	0	0	0	0	0	0	0
89	94	98	102	105	114	120	125
0	0	0	0	0	0	0	0
421	**431**	**444**	**462**	**471**	**492**	**515**	**529**
8	**2**	**4**	**5**	**6**	**6**	**6**	**6**
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
8	8	8	6	0	0	0	105
()	(6)	(4)	(1)	6	6	6	(99)
0	0	0	0	0	0	0	0
8	**2**	**4**	**5**	**6**	**6**	**6**	**6**
(8)	**(2)**	**(4)**	**(5)**	**(6)**	**(6)**	**(6)**	**(6)**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Environmental Services and Monitoring Group

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

KAITIAKITANGA

ATTRACT AND RETAIN RESIDENTS

BROAD ECONOMIC BASE

SAFE BUILT ENVIRONMENT

AGILE ORGANISATION

What we do:

Animal Control, Building Control, Environmental Health and Monitoring, District Planning and Policy.

How we do it:

- Provision of 24 hour 7 day per week service
- Ensuring all dogs are registered and controlled
- Processing alcohol licenses
- Issuing building consents, issuing code compliance certificates, inspecting buildings and providing advice
- Monitoring and enforcing standards for businesses; selling food and/or alcohol, hairdressing salons, camping grounds and also responding to health nuisances and investigating noise complaints
- Carrying out annual inspections of licensed premises to ensure they comply to license conditions
- Ensuring a statutory planning framework to appropriately manage natural and physical resources
- Issuing resource consents for subdivision, land use and certificates of compliance
- Monitoring and enforcing compliance of resource consent conditions
- Developing and enforcing Council bylaws and policies.

Contribution to Community Outcomes:

The Environmental Services and Monitoring Group is proposing to focus on the following to achieve the Community Outcomes:

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

Significant negative effects

There are no significant negative effects on the community from this Environment Services and Monitoring Group of activities.

Key issues

Population Growth: The anticipated growth in population and households between 2014 and 2016 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, the District Plan including identified growth areas, is expected to encourage economic development in the region.

Ageing Population: The over-65 age group is projected to nearly double by 2031. 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.

Increase in the number of menacing dog classifications: This increase has the potential to require more enforcement by our Animal Control service to ensure dog owners are acting responsibly. Responding to complaints in relation to these dogs tend to be complex and time consuming and impacts on service delivery.

Increased Alcohol License 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 October 2015. This accreditation status means Council can perform the functions required by the Building Act 2004.

Expected changes to the Building Act 2014 and Building (Earthquake-Prone Buildings) Amendment Bill: The changes expected in the Building and Earthquake Prone Buildings Amendment Bill requires an increase in budget to ensure delivery of legislation.

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.

District Plan Review: Our current District Plan is now nearly 10 years-old and 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 regulations, Dog Control Policy and Council's Animal Control and Dog bylaws
- Providing access to a 24 hour 7 day a week Animal Control Service
- Ensuring dogs are registered and controlled throughout the District
- Offering dog owners a "preferred ownership" status
- Delivering dog owner education programmes
- Sponsoring obedience training certificates to the Feilding Dog Training Club
- Impounding nuisance, surrendered or unregistered animals and wandering stock and house these 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
- Notification of a roaming dog; responded to or caller contacted the next working business day of us receiving request
- Routine animal control issues; responded to or caller contacted the next working business day of us receiving notification.

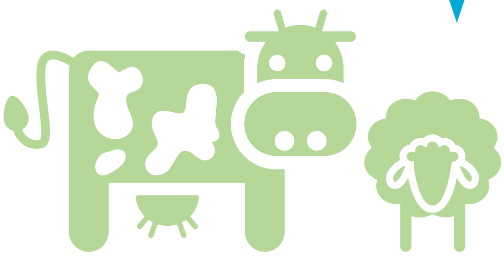
Baseline: 65% of the different types of requests for service (above) are responded and contacted within the timeframes set 2013/2014.

Targets for the next 10 years:

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

Years 4-10: 90% for each of the different types of requests for service (above) are responded and contacted within the timeframes set.

Did you know...



There are

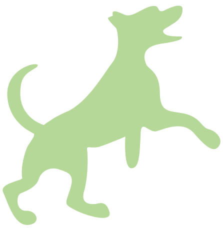
over 1 million

head of livestock in the District

We offer a

24 hour 7 day a week

Animal Control Service



On average our Animal Control Officers respond to

1,400

requests for service about dogs and wandering stock

Currently there are

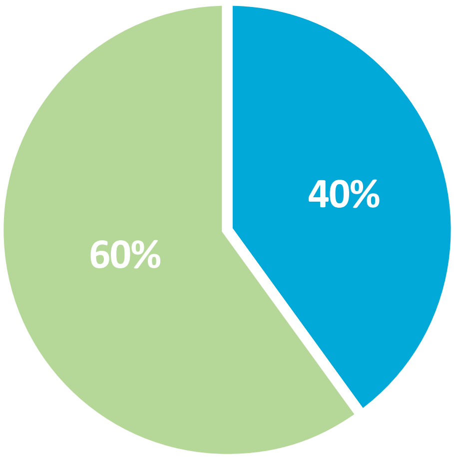
6,652 registered dogs

within the District

Projects:

None

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 facilitate 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, issue code compliance certificates, undertake inspections during construction and provide advice and information. 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 six years from drowning
- Developing policies for earthquake-prone buildings and dangerous 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 (hard copy)
- Having a building officer on duty during Council business hours to assist you with building advice for new or existing buildings, building consent application lodgments and pre-application meetings to provide clarification/interpretation of the Building Act and Building Code.

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 about our building control service within 10 working days.

Baseline: New

91% of the different types of requests for service were responded to within the timeframes set 2013/2014.

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: 97% of building consent applications and code compliance certificates are processed and approved within the statutory 20 day timeframe in 2013/14

97% of fixed fee (small works) building consent applications and code compliance certificates were processed and approved within the statutory 10 working day timeframe 2013/2014.

Targets for the next 10 years:

Years 1-3: 100% of building consent applications and code compliance certificates are processed and approved within the statutory 20 day timeframe

100% 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: 100% of building consent applications and code compliance certificates are processed and approved within the statutory 20 day timeframe

100% of fixed fee (small works) building consent applications and code compliance certificates are processed and approved within the statutory 10 working day timeframe.

You can expect commercial and public buildings to be safe

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: New

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.

Did you know...

We currently monitor

496

swimming and spa pool fences

We process

640

building consents,

issue

670

code compliance certificates

carryout

3,500

inspections annually

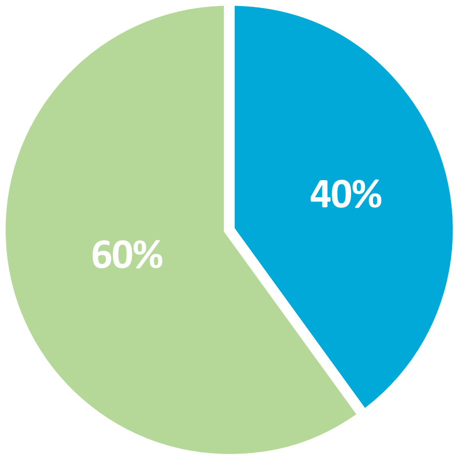
Our Building Control Services

are contracted to us from Palmerston North City Council

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.

How the activity is funded:



PUBLIC: Uniform Targeted Rate

PRIVATE: User Fees and Charges [building consents, warrants, infringements etc]

Environmental Health 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 potential harmful activities. Process alcohol licences and monitor licensed premises.

How we do it:

- Administering the Health Act 1956, Food Act 2014, Resource Management Act 1991, Amusement Devices Regulations 1978 and the 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:
- New and renewed licences and managers' certificates
    - Temporary authorities and temporary licences
    - Variation of licences
    - Enforcement action for special licences
- Collaborating with New Zealand Police, Mid Central Health and NZFS
- Conducting annual inspections of licensed premises to ensure they comply with licence conditions
- Establishing Feilding Central Business District as an 'alcohol free' area
- Administering statutory obligations set by the Sale and Supply of Alcohol Act 2012.
- Register, monitor and audit premises that prepare and sell food
- Monitor and enforce legislation relating to hazardous substances and amusement devices
- Monitor and enforce bylaw provisions
- Monitor 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 registered premises

We will measure this by: reporting that all food premises and other registered premises are inspected annually.

Baseline: New

Targets for the next 10 years:

Years 1-3: 100% of all food premises and registered premises have been inspected

Years 4-10: 100% of all food premises and registered premises have been inspected.

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:

- 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: New

71% 2013/2014 complaints responded to in 24 hours

New

New.

Targets for the next 10 years:

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

Years 4-10: 90% of the different types of requests for service are responded and contacted within the timeframes set.

You can expect all licensed premises selling alcohol comply with the appropriate alcohol license they have been issued

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 are brought up to compliance levels.

Baseline: New

Targets for the next 10 years:

Years 1-3: 100% of all licensed premises inspected

Years 4-10: 100% of all licensed premises inspected.

Did you know...

We respond to an average of

1200 noise

complaints annually

Council issues

140 alcohol licences

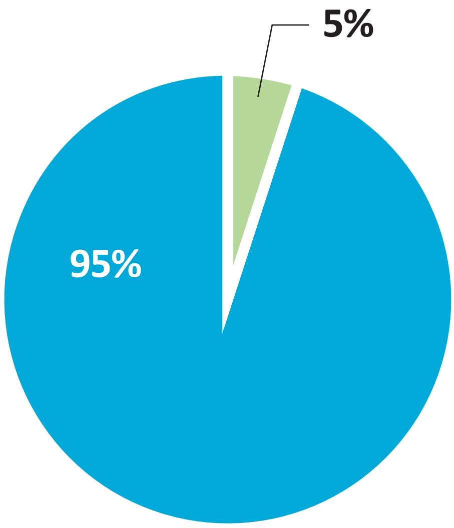
on average annually

Projects:

None.

How the activity is funded:

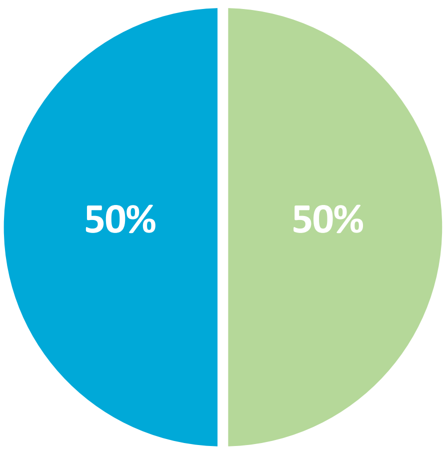
Environmental Health and Monitoring



PUBLIC: General Rate (CV) and Uniform Targeted Rate

PRIVATE: User Fees and Charges [registration, licences, permits etc]

Alcohol Licensing



PUBLIC: General Rate (CV) and Uniform Targeted Rate

PRIVATE: User Fees and Charges [licences, certificates etc]

District Planning and Policy

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 a framework, guidance and compliance, to help ensure our natural and physical resources are sustainably managed.

How we do it:

- Implementing a 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 liquor 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 (hard 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

Baseline: 100% of resource management applications were processed and approved as per the statutory timeframes specified within the RMA 2013/14

100% of resource consent applications for controlled activities were processed and approved within the 10 working day statutory timeframes 2013/14.

Targets for the next 10 years:

Years 1-3: 100% of resource management applications were processed and approved as per statutory timeframes specified within the RMA

100% of resource consent applications for controlled activities were processed and approved within the 10 working day statutory timeframes.

Years 4-10: 100% of resource management applications were processed and approved as per statutory timeframes specified within the RMA

100% of resource consent applications for controlled activities were processed and approved within the 10 working day statutory timeframes.

Did you know...

The Resource Management Act 1991 also referred to as the

RMA

defines the functions we are required to administer

Council processes an average of

180

resource consents

per annum

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

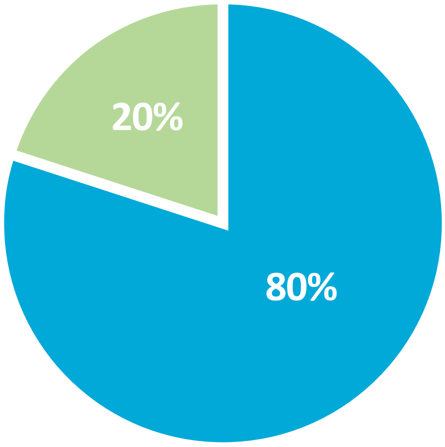
land is used, developed and subdivided

Projects:

District Plan Review

Our current District Plan is now nearly 10 years-old and is in the process of being reviewed. The outcomes of this review will shape the future development and use of land.

How the activity is funded:



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

Manawatu District Council
Funding Impact Statement - Environmental Services and Monitoring Group
For 1 July 2015 - 30 June 2025

	Annual Plan 2015 $000	Year 1 2016 $000	Year 2 2017 $000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	471	512	552
Targeted rates	1,767	1,821	1,963
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,599	1,476	1,510
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax,fines, infringement fees and other receipts	26	23	23
Total operating funding	**3,863**	**3,832**	**4,047**
Applications of operating funding			
Payments to staff and suppliers	1,784	2,000	1,989
Finance costs	0	0	0
Internal charges and overheads applied	2,238	2,030	2,196
Other operating funding applications	0	0	0
Total applications of operating funding	**4,022**	**4,030**	**4,185**
Surplus (deficit) of operating funding	**(159)**	**(199)**	**(137)**
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
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	39	0	0
- to replace existing assets	0	0	0
Increase (decrease) in reserves	(198)	(199)	(137)
Increase (decrease) of investments	0	0	0
Total application of capital funding	**(159)**	**(199)**	**(137)**
Surplus (deficit) of capital funding	**159**	**199**	**137**
Funding balance	**0**	**0**	**0**

Year 3 2018 $000	Year 4 2019 $000	Year 5 2020 $000	Year 6 2021 $000	Year 7 2022 $000	Year 8 2023 $000	Year 9 2024 $000	Year 10 2025 $000
587	592	617	630	627	610	643	644
2,085	2,108	2,192	2,242	2,238	2,194	2,311	2,320
0	0	0	0	0	0	0	0
1,554	1,589	1,627	1,678	1,726	1,788	1,842	1,900
0	0	0	0	0	0	0	0
24	24	25	26	27	27	28	29
4,250	**4,314**	**4,461**	**4,576**	**4,617**	**4,620**	**4,825**	**4,894**
1,789	1,803	1,880	1,900	1,908	1,933	2,027	2,059
0	0	0	0	0	0	0	0
2,298	2,349	2,421	2,517	2,551	2,678	2,788	2,825
0	0	0	0	0	0	0	0
4,086	**4,152**	**4,301**	**4,417**	**4,459**	**4,611**	**4,815**	**4,884**
163	**162**	**160**	**159**	**159**	**9**	**10**	**10**
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
163	162	160	159	159	9	10	10
0	0	0	0	0	0	0	0
163	**162**	**160**	**159**	**159**	**9**	**10**	**10**
(163)	**(162)**	**(160)**	**(159)**	**(159)**	**(9)**	**(10)**	**(10)**
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

AGILE ORGANISATION

What we do:

Manage elected members remuneration, run council meetings, carry out community consultation and engagement, and run Local Body elections. 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, Kiwitea/Pohangina (northern district) and Kairanga (southern district)
- 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 Manawatu District
- Having four standing committees and a number of sub-committees
- Working with our community committees
- Working to promote the best interests of the District at Regional and Central Government levels
- Managing finances responsibly.

Contribution to Community Outcomes:

Governance and Strategy activities provide the community with excellent governance by offering sound leadership for the District and multiple opportunities for 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 fulfill 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 Manawatu District's interests regionally and nationally
- Continue to work with others, actively seeking partnerships that can help achieve our goals
- Continue to work with neighbouring local authorities to explore efficiencies and better ways of delivering services
- Undertake an additional community survey to determine the community's satisfaction with the services provided
- Email panel surveys continue to be undertaken
- 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 interact in different ways so that people understand and become involved in what we do. The recently adopted Significance and Engagement Policy will provide guidance on these matters.

Public attendance at meetings:

We will be working to promote public meetings to encourage the public to view democracy in action.

Low voter turnout:

The low voter turnout for local elections is of concern. We want people to have their say about who will represent them. One of the ways that may increase voting turnout is to increase the profile of what we do here. Manawatu District Council will be part of a nationwide programme to increase public awareness of the services Councils provide.

Improving customer service:

We want to make it easy for people to do business with us we will continue to seek community feedback as one way of improving our customer service.

Ageing population:

The over-65 age group is projected to nearly double by 2031. An ageing population presents an issue of affordability of this service, as there will be a sharp increase in the number of ratepayers on a 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 satisfaction survey about opportunities to be involved in decision-making processes (community survey).

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.

Did you know...

Community feedback

assists Council to make informed decisions

Your elected members represent three wards:

Feilding, Kiwitea/Pohangina (northern district) and Kairanga (southern district)

Projects:

Ultra-Fast Broadband – industrial rollout targeted rate.

A large part of Feilding's industrial area has not been included in the Government's Ultra-Fast Broadband rollout

Ultra-Fast Broadband or UFB is synonymous with economic growth which is one of Council's key goals for the next ten years. Our industries need access to UFB, to operate in the modern world, and if we're to attract new industry then we need UFB infrastructure otherwise we risk being overlooked as a location. If our District is to grow, we need UFB in our industrial areas.

In 2014, the Manawatu District Council unsuccessfully lobbied the Government, to include Growth Precinct Five property in the UFB rollout. Growth Precinct Five is 117 hectares in size and includes Manfeild Park Racetrack and Events Centre, and businesses including Ovation; Proliant (under construction); Baker No-Tillage; Biophive, Farmlands, Power Farming, and Claas Harvest Centre.

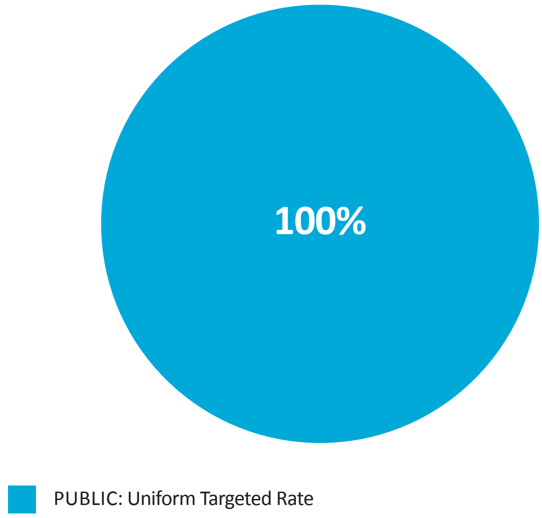
Knowing the importance of this infrastructure to our District's future and considering we want to be a connected community, Council was undeterred and considered a number of options to facilitate this new level of service.

The total cost of the rollout is $726,000. This work will be carried out over three years starting in 2015/16. Council will use a loan to fund the costs of this project over 30 years which impact on Council's total amount of debt. To service this loan, Council decided to go ahead with its preferred option and establish a targeted rate. This means that the businesses that benefit from UFB will pay for the UFB rollout. There is no impact on general rates. The targeted rate will commence in 2016/17 and will recoup $30,000 per annum increasing to $45,000 in the third year and then $58,000 per annum until the loan is repaid. The impact on targeted rates would commence in year two at an average rate of $790 per property (in the defined area) per annum.

Community Survey

A community survey to determine the community's satisfaction with the governance and strategy services provided is planned for in year 2 of this Long Term Plan at a cost of $20,000.

How the activity is funded:



Manawatu District Council
Funding Impact Statement - Governance and Strategy Group
For 1 July 2015 - 30 June 2025

	Annual Plan 2015 $000	Year 1 2016 $000	Year 2 2017 $000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	0	0	0
Targeted rates	1,654	1,864	1,959
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	66
Total operating funding	**1,654**	**1,864**	**2,025**
Applications of operating funding			
Payments to staff and suppliers	536	576	654
Finance costs	0	0	0
Internal charges and overheads applied	1,118	1,288	1,365
Other operating funding applications	0	0	0
Total applications of operating funding	**1,654**	**1,864**	**2,019**
Surplus (deficit) of operating funding	**0**	**0**	**6**
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
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	35	51	0
Increase (decrease) in reserves	(35)	(51)	6
Increase (decrease) of investments	0	0	0
Total application of capital funding	**0**	**0**	**6**
Surplus (deficit) of capital funding	**0**	**0**	**(6)**
Funding balance	**0**	**0**	**0**

Year 3 2018 $000	Year 4 2019 $000	Year 5 2020 $000	Year 6 2021 $000	Year 7 2022 $000	Year 8 2023 $000	Year 9 2024 $000	Year 10 2025 $000
0	0	0	0	0	0	0	0
2,080	2,034	2,144	2,246	2,206	2,344	2,475	2,435
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	71	0	0	78	0	0
2,080	**2,034**	**2,215**	**2,246**	**2,206**	**2,422**	**2,475**	**2,435**
553	596	688	586	645	742	635	696
0	0	0	0	0	0	0	0
1,521	1,432	1,521	1,655	1,555	1,673	1,834	1,731
0	0	0	0	0	0	0	0
2,074	**2,028**	**2,209**	**2,241**	**2,200**	**2,415**	**2,469**	**2,427**
6	**6**	**6**	**5**	**6**	**7**	**6**	**8**
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
6	6	6	5	6	7	6	8
0	0	0	0	0	0	0	0
6	**6**	**6**	**5**	**6**	**7**	**6**	**8**
(6)	**(6)**	**(6)**	**(5)**	**(6)**	**(7)**	**(6)**	**(8)**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Roading Group

We do this as a statutory obligation under the Land Transport Management Act 2003. We understand that an effective roading network is also essential to ensuring the economic and social wellbeing of the community.

KAITIAKITANGA

ATTRACT AND RETAIN RESIDENTS

BROAD ECONOMIC BASE

QUALITY INFRASTRUCTURE

SAFE BUILT ENVIRONMENT

AGILE ORGANISATION

What we do:

Provide a fit for purpose roading network.

How we do it:

Apply life-cycle management practices to maintain and renew the existing infrastructure including:

- 1,364 km of roads you drive on
- 380 bridges and large culverts that traverse waterways
- Footpaths and cycle paths to provide multi-modal transport
- Concrete kerb and channeling 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
- Redevelopment of Feilding Central Business District

Contribution to Community Outcomes:

The roading network is an integral part of Manawatu's built environment and is one of Council's core functions. Ongoing maintenance, inspections and audits ensure it remains safe for residents, visitors and businesses to use.

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

- Pavement Management Strategy: The purpose of this strategy is to assist with the improvement and development of the strategic roads within the network. The goal is to achieve roads that are safe, consistent in terms of width, geometry and delineation and are pleasant to drive.
- Maintenance Intervention Strategy: The purpose of this strategy is to assist with the maintenance and management of the local roads within the network. The goal is to set appropriate intervention levels for maintenance that are appropriate and affordable. This will link into the One Network Road Classification project.
- Minor Improvements: Improving sight/visibility and safety improvements at intersections by:
    - o Improving intersection safety by installing safety guardrails on approaches to unprotected bridges, and across unprotected roadsides.
- Bridge Renewals: Apply a strategic approach to the ongoing replacement of the ageing bridge stock.
- Footpaths: Continue with renewals and capital investment into ensuring at least one footpath is provided on all urban streets.
- Resealing Roads: An average of 67km per year
- Resurfacing existing sealed roads by applying lifecycle management practices across the network (on average this equates to 67km per year).

Significant negative effects

The Roading Group does have some potential negative effects but none of these are considered significant.

Some of these include stock effluent disposal; excessive noise, particularly from heavy vehicles; quality of stormwater run-off; and vehicle fumes. Roads also alter the natural environment and can change the way water moves across the land. The District Plan seeks to lessen many of these impacts, for example, there is a policy to 'minimise the nuisance of effluent being discharged onto roads'.

Other effects might include traffic noise and vibration; public health risks; and visual intrusion of roads. These are overcome by designing roads that offer quiet and safe travel. The Council has recently adopted a road planting strategy to ensure that roads and surrounds are attractive.

Roading

Key issues

Old Network:

Our roading network is old and was not originally built to handle the heavy traffic that uses it today. These roads can be maintenance liabilities incurring excessive costs to maintain.

Securing Funding:

Changing national priorities make it harder for us to maintain current levels of Central Government funding from the New Zealand Transport Agency (NZTA) because our roads have low traffic volumes.

Network improvements in the District are also not usually a high priority for the same reasons as mentioned above.

Council's intention is to reseal, averaged over seal types, every 14 years and plan to maintain status quo at 60-65 km/year.

Financial Assistance Rate (FAR) Review Outcome – New Zealand Transport Agency:

Following on from the "securing funding" challenge above, the financial assistance rate (FAR), which is the Central Government Investment into managing the roading network has been reviewed. Council's FAR will increase by 1% to 53% subsidy.

One Network Road Classification:

Further changes are pending in regards to the introduction of a nationally consistent road classification system. This model will provide a minimum level of service for each road category type, define technical performance measures and ultimately set a funding level for each road type. This is an outcome of the Central Government review via the Maintenance Task Force and is co-driven by Local Government and NZTA. The first three years of this Long Term Plan will see a transition into the new system with full implementation by 2018.

Ageing Bridges:

There are a number of bridges that Council has identified, throughout the District, that are nearing the end of their useful lives. This doesn't necessary 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.

The next most significant bridge for replacement (or refurbishment pending an investigation) is the Mangaweka Bridge on Ruahine Road, which is indicating a 2018 replacement date.

Financial Assistance from Central Government is not guaranteed for bridge replacements unless a viable business case can be justified. This is due to the economic criteria currently applied to the funding model, mainly supporting very high traffic volume roads only.

More detailed information about this asset can be viewed at: www.mdc.govt.nz keyword search: Asset Management Plans.

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

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: New

Targets for the next 10 years:

Years 1-3: Change from year on year to be no nearly five

Years 4-10: Change from year on year to be no nearly five.

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

- How safe you felt when driving and using our roading network
- Your sight distances are not obscured; hazards are identified and mitigated and carriage-way lighting was consistent.

Baseline: 83% customer satisfaction that our roading network was safe to use 2013/2014 Annual Report.

Targets for the next 10 years:

Years 1-2: 90% customer satisfaction that our roading network was safe to use.

Year 3: 95% customer satisfaction that our roading network was safe to use

Years 4-10: 95% customer satisfaction that our roading network was safe to use.

You can expect the road to be in good condition

We will measure this by: The average quality of ride on a sealed local road network, measured by smooth travel exposure.

Baseline: New

Targets for the next 10 years:

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

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

We will measure this by: the responses you give us when completing our customer satisfaction survey that tells us that the quality of your ride is as you would expect when you take into account the importance of the road you are travelling on i.e. Regional, Arterial, Primary Collector, Secondary Collector, Access or Access (Low Volume).

Baseline: New

Targets for the next 10 years:

Year 1: 90% customer satisfaction that the quality of your ride is as you would expect

Years 2: 95% customer satisfaction that quality of your ride is as you would expect

Years 3: 95% customer satisfaction that quality of your ride is as you would expect

Years 4-10: 95% customer satisfaction that quality of your ride is as you would expect.

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: New

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 Asset Management Plan

Baseline: 95% of the districts footpaths are within acceptable defect levels, for example, cracking, breaks, high lips, trip hazards etc. 2013/2014 Annual Report.

Targets for the next 10 years:

Years 1-3: 95% of the districts footpaths are within acceptable defect levels, for example, cracking, breaks, high lips, trip hazards etc

Years 4-10: 95% of the districts footpaths are within acceptable defect levels, 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: the responses you give us when completing our customer satisfaction survey that tells us the guidance we provide, through signage, you are able to easily navigate your way around the road network and the network is accessible for everyone.

Baseline: New

Targets for the next 10 years:

Years 1-3: 90% customer satisfaction that the network was accessible, easy to navigate and there was adequate signage

Years 4-10: 90% customer satisfaction that the network was accessible, easy to navigate and there was 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 to which the Council responds to within the time frame specified:

- Responding to your urgent request for service relating to the roading network (roads and footpaths) within 60 minutes of us receiving it
- Contracted service personnel on site within one hour of contractor receiving our notification
- Road network reinstated as soon as possible
- Notifying you when road network has been reinstated within one hour of us receiving confirmation from contracted service personnel
- Responding, acknowledging and resolving your non-urgent request for service within five days from us receiving your request.

Baseline: New

Targets for the next 10 years:

Years 1-2: 90% of the different types of requests for service are responded and contacted within the timeframes set

Years 3: 95% of the different types of requests for service are responded and contacted within the timeframes set

Years 4-10: 95% of the different types of requests for service are responded and contacted within the timeframes set.

Projects:

Mangaweka Bridge

In a joint project with Rangitikei District Council the Manawatu District Council is investigating the replacement or refurbishment of the Mangaweka Bridge over the Rangitikei River. This bridge is an important connector for our residents living in the northwest of the District and work should commence in year two of the Long Term Plan.

Feilding to Palmerston North cycle-way

This project has been in the planning for a number of years and we anticipate work will begin in year three of the Long Term Plan at a cost of $1.2 million. The project will provide a commuting option for thousands of residents in both Feilding and Palmerston North.

Makoura Road

A 5km stretch of Makoura Road will be sealed during 2015-2017. The project will be funded from within existing budgets.

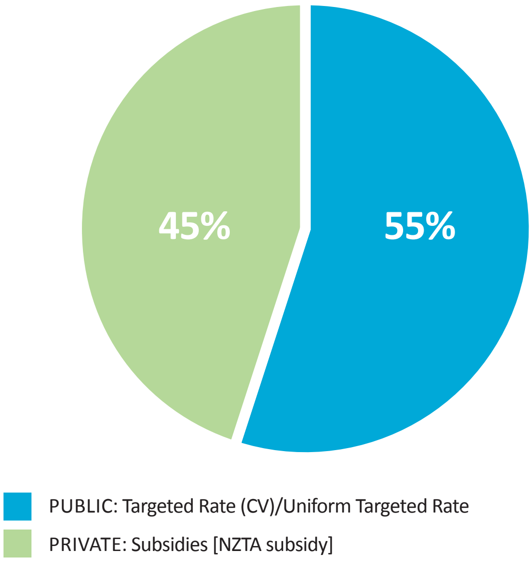
Feilding Central Business District Redevelopment

Redevelopment works will be carried out on:

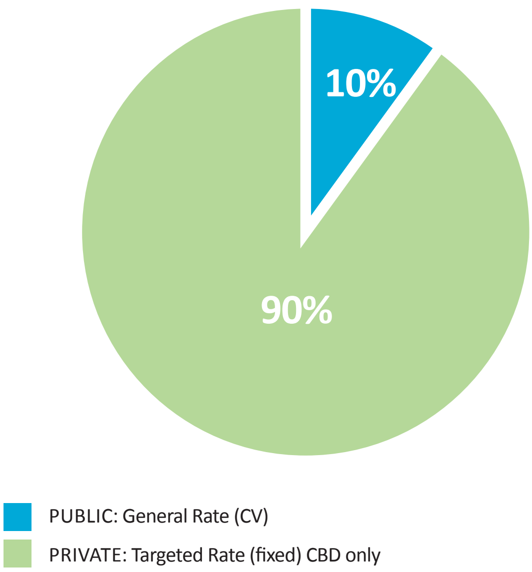
- Stafford Street ($111,000) in year one
- Bowen Street ($151,000) in year three
- Warwick Street ($128,000) in year four of the Long Term Plan.

How the activity is funded:

Roading Network



Feilding CBD Redevelopment



Did you know...

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

$563 million

State Highways

are owned and maintained by the New Zealand Transport Agency

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

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 Roading Network

The Manawatu District Roading Network totals

1,364 km of sealed and unsealed roads:

980km are sealed, 384km unsealed

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

Manawatu District Council
Funding Impact Statement - Roading Group
For 1 July 2015 - 30 June 2025

	Annual Plan 2015 $000	Year 1 2016 $000	Year 2 2017 $000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	0	55	56
Targeted rates	5,992	5,913	6,110
Subsidies and grants for operating purposes	1,941	2,187	2,227
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax,fines, infringement fees and other receipts	195	184	187
Total operating funding	**8,128**	**8,339**	**8,580**
Applications of operating funding			
Payments to staff and suppliers	3,882	4,292	4,347
Finance costs	198	197	198
Internal charges and overheads applied	367	346	370
Other operating funding applications	0	0	0
Total applications of operating funding	**4,447**	**4,835**	**4,915**
Surplus (deficit) of operating funding	**3,681**	**3,504**	**3,665**
Sources of capital funding			
Subsidies and grants for capital expenditure	3,804	3,692	3,603
Development and financial contributions	128	131	133
Increase (decrease) in debt	60	33	(84)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	**3,992**	**3,856**	**3,652**
Applications of capital funding			
Capital expenditure			
- to meet additional demand	1,359	1,381	133
- to improve the level of service	404	887	765
- to replace existing assets	7,763	6,965	6,693
Increase (decrease) in reserves	(1,853)	(1,873)	(274)
Increase (decrease) of investments	0	0	0
Total application of capital funding	**7,673**	**7,360**	**7,317**
Surplus (deficit) of capital funding	**(3,681)**	**(3,504)**	**(3,665)**
Funding balance	**0**	**0**	**0**

Year 3 2018 $000	Year 4 2019 $000	Year 5 2020 $000	Year 6 2021 $000	Year 7 2022 $000	Year 8 2023 $000	Year 9 2024 $000	Year 10 2025 $000
57	59	60	60	60	60	60	60
6,254	6,428	6,626	6,834	6,989	7,270	7,536	7,770
2,219	2,251	2,305	2,380	2,427	2,495	2,589	2,651
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
190	194	198	202	207	212	217	222
8,720	**8,932**	**9,189**	**9,476**	**9,683**	**10,037**	**10,402**	**10,703**
4,333	4,398	4,502	4,648	4,740	4,873	5,055	5,177
201	226	226	217	209	199	189	179
455	485	528	561	554	644	685	711
0	0	0	0	0	0	0	0
4,989	**5,109**	**5,256**	**5,426**	**5,503**	**5,716**	**5,929**	**6,067**
3,731	**3,823**	**3,933**	**4,050**	**4,180**	**4,321**	**4,473**	**4,636**
4,543	4,292	3,822	4,585	4,024	4,138	4,262	4,397
135	138	141	144	147	150	154	158
474	31	(104)	(111)	(119)	(128)	(137)	(147)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
5,152	**4,461**	**3,859**	**4,618**	**4,052**	**4,160**	**4,279**	**4,408**
416	542	57	447	74	528	215	0
2,080	899	790	810	832	855	881	909
6,999	8,035	7,144	8,455	7,500	7,805	8,279	8,187
(612)	(1,192)	(199)	(1,044)	(174)	(707)	(623)	(52)
0	0	0	0	0	0	0	0
8,883	**8,284**	**7,792**	**8,668**	**8,232**	**8,481**	**8,752**	**9,044**
(3,731)	**(3,823)**	**(3,933)**	**(4,050)**	**(4,180)**	**(4,321)**	**(4,473)**	**(4,636)**
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.

KAITIAKITANGA

ATTRACT AND RETAIN RESIDENTS

SAFE BUILT ENVIRONMENT

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 Programme
- 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 over-65 age group is projected to nearly double by 2031. 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.

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

Baseline: 84% of rural residents have convenient council refuse bag drop-off points less than 10kms from their homes 2013/2014

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: New

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: New

Targets for the next 10 years:

Years 1-3: Two waste education programmes delivered per annum

Years 4-10: Two waste education programmes delivered per annum.

You can expect cost effective solid waste services

We will measure this by: monitoring solid waste services costs and comparing these with *neighbouring communities on a 'like for like' basis.

Baseline: New

Targets for the next 10 years:

Years 1-3: Solid waste service costs are within 10% per tonne to landfill of the average of neighbouring communities

Years 4-10: Solid waste service costs are within 10% per tonne to landfill of the average of neighbouring communities.

*Neighbouring communities include Palmerston North City Council, Horowhenua District Council, Tararua District Council, Rangitikei District Council and Wanganui District Council.

Did you know...

On average

45%

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

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:

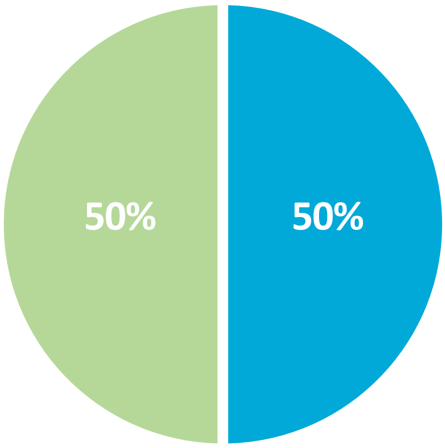
Waste Minimisation Management Plan will be reviewed in year one of the Long Term Plan.

Resource Recovery Centre

A new purpose built Resource Recovery Centre is planned in years 1-3 of the Long Term Plan. To cover the cost of designs and construction $780,000 has been committed in the budget. These costs will be offset by savings made in the current service delivery model.

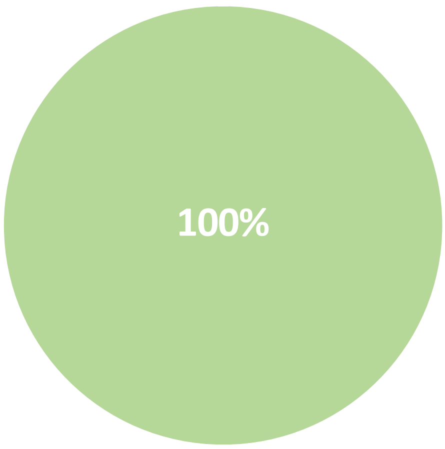
How the activity is funded:

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

Manawatu District Council
Funding Impact Statement - Solid Waste Group
For 1 July 2015 - 30 June 2025

	Annual Plan 2015 $000	Year 1 2016 $000	Year 2 2017 $000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	0	0	0
Targeted rates	1,346	1,644	1,672
Subsidies and grants for operating purposes	98	91	94
Fees and charges	665	652	677
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax,fines, infringement fees and other receipts	0	1	1
Total operating funding	**2,109**	**2,388**	**2,443**
Applications of operating funding			
Payments to staff and suppliers	1,698	1,832	1,911
Finance costs	75	69	79
Internal charges and overheads applied	235	402	409
Other operating funding applications	0	0	0
Total applications of operating funding	**2,008**	**2,303**	**2,399**
Surplus (deficit) of operating funding	**101**	**85**	**44**
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)	(59)	713
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	**(49)**	**(59)**	**713**
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	7	5	784
- to replace existing assets	0	0	0
Increase (decrease) in reserves	45	21	(27)
Increase (decrease) of investments	0	0	0
Total application of capital funding	**52**	**26**	**757**
Surplus (deficit) of capital funding	**(101)**	**(85)**	**(44)**
Funding balance	**0**	**0**	**0**

Year 3 2018 $000	Year 4 2019 $000	Year 5 2020 $000	Year 6 2021 $000	Year 7 2022 $000	Year 8 2023 $000	Year 9 2024 $000	Year 10 2025 $000
0	0	0	0	0	0	0	0
1,737	1,749	1,741	1,781	1,845	1,940	2,026	2,113
96	98	101	104	107	110	114	118
677	694	713	734	754	778	804	831
0	0	0	0	0	0	0	0
57	59	60	62	64	66	68	70
2,567	**2,600**	**2,615**	**2,681**	**2,770**	**2,894**	**3,012**	**3,132**
1,954	1,931	1,985	2,042	2,103	2,177	2,252	2,332
114	106	102	101	101	101	98	97
432	445	462	477	484	514	533	546
0	0	0	0	0	0	0	0
2,500	**2,482**	**2,549**	**2,620**	**2,688**	**2,792**	**2,883**	**2,975**
67	**118**	**66**	**61**	**82**	**102**	**129**	**157**
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(77)	(84)	(52)	(16)	(17)	(17)	(18)	(20)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(77)	**(84)**	**(52)**	**(16)**	**(17)**	**(17)**	**(18)**	**(20)**
0	0	0	0	0	0	0	0
5	5	5	5	6	6	6	6
0	0	0	115	119	123	127	131
(15)	28	9	(75)	(60)	(44)	(22)	()
0	0	0	0	0	0	0	0
(10)	**34**	**14**	**46**	**65**	**85**	**111**	**137**
(67)	**(118)**	**(66)**	**(61)**	**(82)**	**(102)**	**(129)**	**(157)**
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 the pollution of the District's waterways.

KAITIAKITANGA

ATTRACT AND RETAIN RESIDENTS

BROAD ECONOMIC BASE

QUALITY INFRASTRUCTURE

SAFE BUILT ENVIRONMENT

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 through the Manawatu District and wider region.

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 can result in severe social stress on a community. 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 may impact on the life- supporting capacity 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 works 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.

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.

Stormwater

Key issues

Population Growth:

Much of the growth projected for Manawatu District is from urban and lifestyle blocks in the south of the District.

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 over-65 age group is projected to nearly double by 2031. 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.

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 connect to Council's stormwater system).

Baseline: New

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 sewerage system measured by the number of:

- Abatement notices
- Infringement notices
- Enforcement orders, and
- Convictions

received by Council in relation those resource consents.

Baseline: New

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 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: New

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 1000 properties connected to Council's stormwater system).

Baseline: New

Targets for the next 10 years:

Years 1-3: <six complaints per 1000 property connections per annum

Years 4-10: <six complaints per 1000 property connections per annum.

Did you know...

6,667 rating units

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

There are

75km of stormwater pipes,

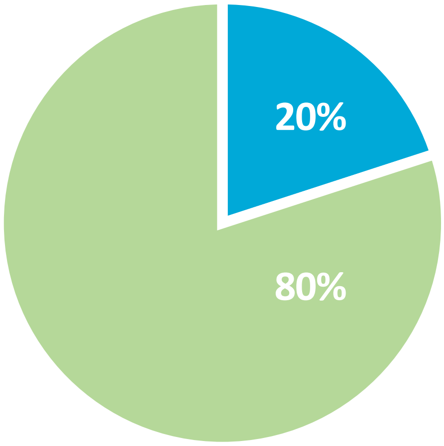
12 outlets (in Feilding alone) discharging into the streams and nearly 1,000 sumps throughout the District

Projects:

New stormwater infrastructure services for Feilding growth areas.

How the activity is funded:

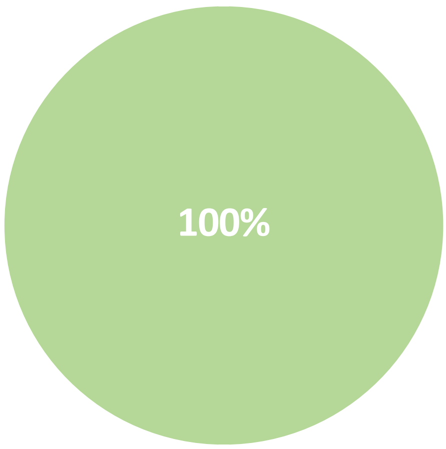
Urban Stormwater



PUBLIC: General Rate (CV)

PRIVATE: Targeted Rate (CV) scheme only

Rural Stormwater



PRIVATE: Targeted Rate (fixed) available only

Manawatu District Council
Funding Impact Statement - Stormwater Group
For 1 July 2015 - 30 June 2025

	Annual Plan 2015 $000	Year 1 2016 $000	Year 2 2017 $000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	168	166	185
Targeted rates	592	635	710
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	**760**	**801**	**895**
Applications of operating funding			
Payments to staff and suppliers	302	298	346
Finance costs	275	302	361
Internal charges and overheads applied	64	42	40
Other operating funding applications	0	0	0
Total applications of operating funding	**641**	**642**	**747**
Surplus (deficit) of operating funding	**119**	**159**	**148**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	53	240	244
Increase (decrease) in debt	1,428	1,930	697
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	**1,481**	**2,170**	**941**
Applications of capital funding			
Capital expenditure			
- to meet additional demand	1,480	1,989	771
- to improve the level of service	107	0	0
- to replace existing assets	39	349	383
Increase (decrease) in reserves	(26)	(10)	(65)
Increase (decrease) of investments	0	0	0
Total application of capital funding	**1,600**	**2,329**	**1,089**
Surplus (deficit) of capital funding	**(119)**	**(159)**	**(148)**
Funding balance	**0**	**0**	**0**

Year 3 2018 $000	Year 4 2019 $000	Year 5 2020 $000	Year 6 2021 $000	Year 7 2022 $000	Year 8 2023 $000	Year 9 2024 $000	Year 10 2025 $000
189	200	210	225	242	255	265	275
725	764	805	862	928	980	1,016	1,054
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
914	**964**	**1,015**	**1,087**	**1,170**	**1,235**	**1,281**	**1,329**
304	311	310	320	330	341	353	366
406	448	511	604	746	734	721	708
68	77	89	96	89	116	121	125
0	0	0	0	0	0	0	0
778	**836**	**910**	**1,020**	**1,165**	**1,191**	**1,195**	**1,199**
136	**128**	**105**	**67**	**5**	**44**	**86**	**130**
0	0	0	0	0	0	0	0
248	253	259	264	270	276	283	290
508	901	856	2,775	(168)	(180)	(188)	(201)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
756	**1,154**	**1,115**	**3,039**	**102**	**96**	**95**	**89**
594	1,000	972	2,912	0	0	0	0
0	0	0	0	0	0	0	0
396	405	435	437	446	464	484	516
(98)	(123)	(187)	(243)	(339)	(324)	(303)	(297)
0	0	0	0	0	0	0	0
892	**1,282**	**1,220**	**3,106**	**107**	**140**	**181**	**219**
(136)	**(128)**	**(105)**	**(67)**	**(5)**	**(44)**	**(86)**	**(130)**
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.

KAITIAKITANGA

ATTRACT AND RETAIN RESIDENTS

BROAD ECONOMIC BASE

QUALITY INFRASTRUCTURE

SAFE BUILT ENVIRONMENT

What we do:

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

How we do it:

- Providing a potable water supply to meet residential, industrial/commercial, fire-fighting and agricultural needs via Council's six water schemes: Feilding, Himatangi Beach, Sanson, Rongotea and rural water schemes in Stanway/Halcombe and Waituna West
- Maintaining Council's water treatment plants and water storage facilities
- Maintaining and repairing Council's reticulation network system
- Monitoring, 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 potable water quality meets New Zealand Drinking Water 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 rural and urban water schemes.

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

- Work to renew assets so that they meet desired levels of service
- Upgrades are carried out when needed to meet resource consent and New Zealand Drinking Water Standards requirements
- 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
- Non-renewal of aged and defective pipe where there is excessive leakage
- Untreated dirty, cloudy, smelly, bad tasting water or no water at all.

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 the Marae Consultative Standing Committee, and by exceeding resource consent requirements. Council is also a party to the Manawatu River 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 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:

Much of the growth projected for Manawatu District is from urban and lifestyle blocks in the south of the District. The development of subdivision development is expected to continue over the coming years. This will mean a small increase in the total water assets vested in Council. This will also mean capital expenditure increases resulting from extensions to existing water schemes, and the possibility of new scheme development in communities that currently do not benefit from Council water supply.

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

Projected population growth and industrial growth in Feilding will increase the demand on existing systems.

Ageing Population:

The over-65 age group is projected to nearly double by 2031. An ageing population presents an issue of affordability, as there will be a sharp increase in the number of ratepayers on fixed incomes.

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 supply complies with:

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

Baseline: New

Targets for the next 10 years:

Years 1-3: 100% New Zealand Drinking Water Standard Compliance Criteria for bacteria are met.

100% New Zealand Drinking Water Standard Compliance Criteria for protozoa are met.

Years 4-10: 100% New Zealand Drinking Water Standard Compliance Criteria for bacteria are met.

100% New Zealand Drinking Water Standard Compliance Criteria for protozoa are met.

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: New

Targets for the next 10 years:

Years 1-3: Zero increase in the 35% percent of real water lost per water supply scheme

Years 4-10: Zero increase in the 35% percent of real water lost 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 resolution of the fault or interruption
- 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.

Baseline: New

Targets for the next 10 years:

Years 1 - 3: Median attendance time within 1 hour (urgent)
Median attendance time within 5 working days (non-urgent)
Median resolution time within 9 hours (urgent)
Median resolution time within 5 working days (non-urgent)

Years 4 - 10: Median attendance time within 1 hour (urgent)
Median attendance time within 5 working days (non-urgent)
Median resolution time within 9 hours (urgent)
Median resolution time within 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

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

Baseline: New

Targets for the next 10 years:

Years 1-3: <15 per complaints per 1,000 connections received per category per annum

Years 4-10: <15 per complaints per 1,000 connections received per category per annum.

You can expect us to manage the demand for water

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

Baseline: New

Targets for the next 10 years:

Years 1-3: 650 litres/person/day

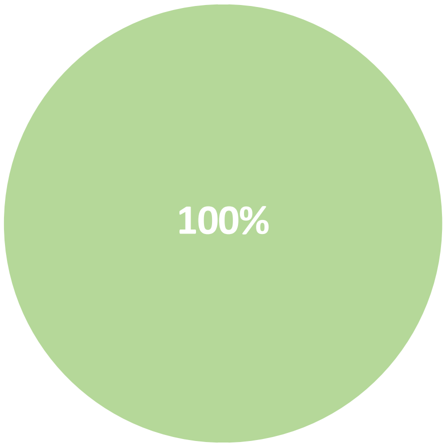
Years 4-10: 650 litres/person/day.

Projects:

Almadale Water Treatment Plant

Feilding's reservoir at Almadale and the trunk main into town are nearing the end of their useful lives. In previous Long Term Plans we've committed funding for this work. We are proposing $2.2 million in year 2 of the 2015-25 Long Term Plan. We are investigating renewal and or replacement of these strategic assets and the agreed works will then be carried out.

How the activity is funded:



PRIVATE: Targeted Rate (fixed) [connected/availa ble/restricted] User Fees and Charges [Water by metre - commercial, extraodinary users, voluntary volumetric]

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)

On average, the Feilding water supply produces

520 litres of water a day

for each person (this is high because of industrial demand).

Manawatu District Council
Funding Impact Statement - Water Supply Group
For 1 July 2015 - 30 June 2025

	Annual Plan 2015 $000	Year 1 2016 $000	Year 2 2017 $000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	0	0	0
Targeted rates	3,280	3,707	3,953
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	**3,280**	**3,707**	**3,953**
Applications of operating funding			
Payments to staff and suppliers	1,712	1,679	1,829
Finance costs	423	417	417
Internal charges and overheads applied	191	241	242
Other operating funding applications	0	0	0
Total applications of operating funding	**2,326**	**2,337**	**2,488**
Surplus (deficit) of operating funding	**954**	**1,370**	**1,465**
Sources of capital funding			
Subsidies and grants for capital expenditure	1,602	0	0
Development and financial contributions	138	232	244
Increase (decrease) in debt	2,780	1,399	337
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	**4,520**	**1,631**	**581**
Applications of capital funding			
Capital expenditure			
- to meet additional demand	2,338	1,176	593
- to improve the level of service	2,330	963	0
- to replace existing assets	4,008	1,924	3,601
Increase (decrease) in reserves	(3,202)	(1,062)	(2,148)
Increase (decrease) of investments	0	0	0
Total application of capital funding	**5,474**	**3,001**	**2,046**
Surplus (deficit) of capital funding	**(954)**	**(1,370)**	**(1,465)**
Funding balance	**0**	**0**	**0**

Year 3 2018 $000	Year 4 2019 $000	Year 5 2020 $000	Year 6 2021 $000	Year 7 2022 $000	Year 8 2023 $000	Year 9 2024 $000	Year 10 2025 $000
0	0	0	0	0	0	0	0
4,035	4,144	4,359	4,432	4,584	4,745	4,907	5,139
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
4,035	**4,144**	**4,359**	**4,432**	**4,584**	**4,745**	**4,907**	**5,139**
1,772	1,823	1,930	1,928	2,023	2,064	2,141	2,295
433	442	484	507	510	510	490	469
298	315	340	357	346	399	415	420
0	0	0	0	0	0	0	0
2,503	**2,580**	**2,754**	**2,792**	**2,879**	**2,973**	**3,046**	**3,184**
1,533	**1,564**	**1,605**	**1,640**	**1,705**	**1,772**	**1,861**	**1,955**
0	0	0	0	0	0	0	0
253	260	269	278	287	298	309	322
(51)	658	434	28	89	(277)	(297)	(318)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
202	**918**	**703**	**306**	**376**	**21**	**12**	**4**
227	951	727	324	400	52	54	56
457	383	0	0	0	0	0	0
2,361	2,579	3,843	400	1,479	1,384	3,251	1,634
(1,310)	(1,431)	(2,262)	1,222	202	357	(1,432)	269
0	0	0	0	0	0	0	0
1,735	**2,482**	**2,308**	**1,946**	**2,081**	**1,793**	**1,873**	**1,959**
(1,533)	**(1,564)**	**(1,605)**	**(1,640)**	**(1,705)**	**(1,772)**	**(1,861)**	**(1,955)**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Wastewater Group

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

KAITIAKITANGA

ATTRACT AND RETAIN RESIDENTS

BROAD ECONOMIC BASE

QUALITY INFRASTRUCTURE

SAFE BUILT ENVIRONMENT

What we do:

Collect treat and dispose of wastewater.

How we do it:

- Maintaining reticulated wastewater systems in Feilding, Awahuri, Cheltenham, Halcombe, Kimbolton, Rongotea, Sanson and Himatangi Beach
- Maintaining partially treated effluent systems and disposal from septic tanks located in Awahuri, Cheltenham and Kimbolton
- Ensuring that we are meeting resource consents requirements for the discharge of treated water to either land or water from the District's Wastewater Treatment Plants
- Ensure 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 this 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 and disposal of wastewater.

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

- Work to renew assets so that they meet desired levels of service
- Upgrades are carried out when needed to meet resource consent and compliance standards
- Carry out works required to cater for projected future growth, development and demand.

Significant negative effects

Potentially, there are significant negative effects to public health if inadequate management systems of disposal and treatment of wastewater are not in place. These can occur as a result of:

- Wastewater overflows. These can occur as a result of overloading the wastewater system during rainfall due to the entry of stormwater run-off (inflow and groundwater infiltration)
- Blockages of wastewater pipelines
- Malfunction of utility installations, such as pump stations.

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

- Programmes to reduce the entry of stormwater to wastewater systems in private properties (infiltration/ inflow programmes)
- Renewal of aged and defective pipe 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 Manawatu District is from urban and lifestyle blocks in the south of the District. The development of new subdivisions is expected to continue over the coming years. This will mean a small increase in the total wastewater assets vested in Council. This will also mean capital expenditure increases resulting from extensions to existing wastewater schemes, the possibility of new scheme development in communities that do not benefit from Council wastewater disposal.

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

Projected population growth and industrial growth in Feilding will increase the demand on existing systems.

Ageing Population:

The over-65 age group is projected to nearly double by 2031. An ageing population presents an issue of affordability, as there will be a sharp increase in the number of ratepayers on fixed incomes.

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 to that sewerage scheme.

Baseline: New

Targets for the next 10 years:

Years 1-3: < six dry weather overflows reported per scheme

Years 4-10: < six dry weather overflows reported per scheme.

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: New

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: New

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 sewage system

Expressed per 1000 connections to the council sewage system.

Baseline: New

Targets for the next 10 years:

Years 1-3: < six per 1,000 connections complaints received per category per annum.

Years 4-10: < six per 1,000 connections complaints received per category per annum.

Did you know...

On average, the Feilding Wastewater Treatment Plant treats

7 million litres

of wastewater per day.

There are nearly 200km of wastewater pipes and nearly

1,900 manholes

throughout the District.

Projects:

Feilding Wastewater Treatment Plant

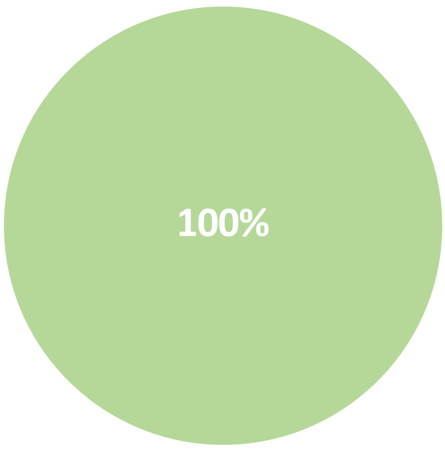
The Feilding Wastewater Treatment Plant treats approximately 7,000 m3 (7 million litres) of wastewater per day. The treatment plant is in the final stages of a significant upgrade programme to improve the quality of the wastewater it discharges. Council is planning to irrigate treated wastewater to neighbouring Council- owned land during the dry summer months when the Oroua River is low. This will provide significant water quality benefits over the summer when the recreational value of the Oroua River is at its highest. To do this, we need to construct an irrigation system and a second effluent storage pond. We have budgeted $1 million in year one of the Long Term Plan and $2.8 million in the following year for the completion of these works. Council has also been working through a lengthy and complicated resource consenting process for the continued operation of the Feilding Wastewater Treatment Plant. This process includes an appeal to the Environment Court which will he heard in year one of the Long Term Plan.

Manawatu River Accord and Horizons Regional Council's One Plan

Manawatu District Council is a member of the Manawatu River Leaders' Accord and as such we're undertaking a number of projects to improve the quality of the Oroua River which is a tributary of the Manawatu River. These projects include:

- Feilding Wastewater Treatment Plant Upgrade – continue with the upgrade of the plant and discharge of treated wastewater onto land in the summer months.
- New facilities with sealed septic units are required at Bartletts Ford, Londons Ford and Tangimoana to meet the Council's commitment to the One Plan.

How the activity is funded:



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

Manawatu District Council
Funding Impact Statement - Wastewater Group
For 1 July 2015 - 30 June 2025

	Annual Plan 2015 $000	Year 1 2016 $000	Year 2 2017 $000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	0	0	0
Targeted rates	4,399	4,510	4,849
Subsidies and grants for operating purposes	0	0	0
Fees and charges	657	708	745
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax,fines, infringement fees and other receipts	0	0	0
Total operating funding	**5,056**	**5,218**	**5,594**
Applications of operating funding			
Payments to staff and suppliers	2,718	2,823	2,853
Finance costs	1,299	1,404	1,571
Internal charges and overheads applied	(94)	33	27
Other operating funding applications	0	0	0
Total applications of operating funding	**3,923**	**4,260**	**4,451**
Surplus (deficit) of operating funding	**1,133**	**958**	**1,143**
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	417	268	280
Increase (decrease) in debt	280	3,195	2,336
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	**697**	**3,463**	**2,616**
Applications of capital funding			
Capital expenditure			
- to meet additional demand	392	1,477	0
- to improve the level of service	764	2,361	2,802
- to replace existing assets	1,777	3,889	2,623
Increase (decrease) in reserves	(1,104)	(3,306)	(1,666)
Increase (decrease) of investments	0	0	0
Total application of capital funding	**1,830**	**4,421**	**3,759**
Surplus (deficit) of capital funding	**(1,133)**	**(958)**	**(1,143)**
Funding balance	**0**	**0**	**0**

Year 3 2018 $000	Year 4 2019 $000	Year 5 2020 $000	Year 6 2021 $000	Year 7 2022 $000	Year 8 2023 $000	Year 9 2024 $000	Year 10 2025 $000
0	0	0	0	0	0	0	0
5,346	5,407	5,532	5,647	5,693	5,927	6,035	6,171
0	0	0	0	0	0	0	0
773	796	822	849	879	911	946	983
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
6,119	**6,203**	**6,354**	**6,496**	**6,572**	**6,838**	**6,981**	**7,154**
2,924	3,006	3,075	3,171	3,275	3,387	3,510	3,641
1,674	1,632	1,585	1,535	1,483	1,433	1,380	1,327
170	213	270	302	262	395	418	433
0	0	0	0	0	0	0	0
4,768	**4,851**	**4,930**	**5,008**	**5,020**	**5,215**	**5,308**	**5,401**
1,351	**1,352**	**1,424**	**1,488**	**1,552**	**1,623**	**1,673**	**1,753**
0	0	0	0	0	0	0	0
289	297	305	315	325	335	347	360
(563)	(648)	(687)	(723)	(721)	(727)	(742)	(677)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(274)	**(351)**	**(382)**	**(408)**	**(396)**	**(392)**	**(395)**	**(317)**
114	612	377	0	0	0	0	0
131	13	14	14	21	15	16	22
3,803	2,404	143	1,284	978	792	3,368	1,387
(2,971)	(2,028)	508	(218)	157	424	(2,106)	27
0	0	0	0	0	0	0	0
1,077	**1,001**	**1,042**	**1,080**	**1,156**	**1,231**	**1,278**	**1,436**
(1,351)	**(1,352)**	**(1,424)**	**(1,488)**	**(1,552)**	**(1,623)**	**(1,673)**	**(1,753)**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Manawatu District Council

Long Term Plan 2015-2025

Part Three

Contents

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 it 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 2015-25 (LTP). It draws together all of the issues in the LTP 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 2015-25 outlines all of the key projects and services Council will provide for the next ten years.

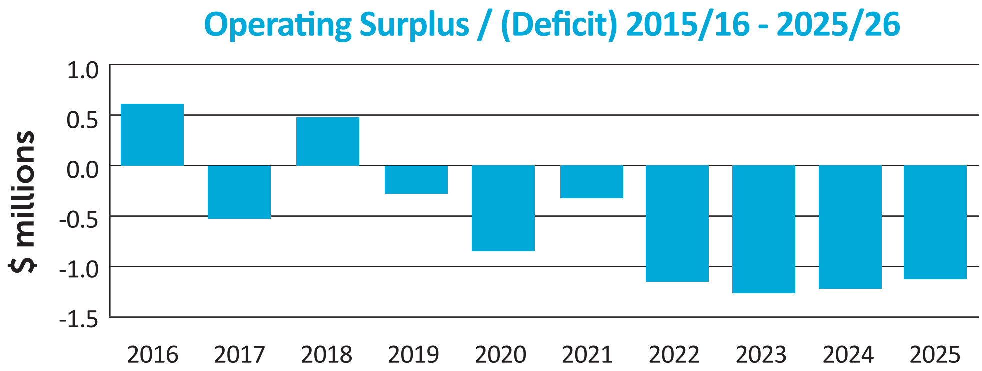
What are the financial issues during the next 10 years?

Council's vision is for a "connected, vibrant, thriving Manawatu - best rural 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 and how it proposes to manage these are:

Balancing our Budget

Council is required by legislation and for prudent financial management to balance its budget. This means that operating expenses must be covered by operating revenues unless specific exemptions are detailed in this Financial Strategy. During the preparation of the Long Term Plan the balancing of the budget is done at an activity level. In the Financial Strategy Council has identified a number of circumstances where it is appropriate not to balance the budget. During the 10 years covered by this plan, the Statement of Comprehensive Revenue and Expense shows a deficit for 8 of the 10 years.



The main components of this the operating deficit or surplus are made up of:

Unfunded depreciation

Council uses 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 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. 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 Kawau Recreation Centre (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 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 the Makino Aquatic Centre redevelopment, 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

In determining our development contributions a fifty year programme has been developed and development contributions were calculated over this time. 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 district is growing modestly and land uses changing gradually. A number of changes are accounted for during our future financial planning period.

Population increases

The population of the Manawatu District has grown steadily over the last 9 years at around 0.8% a year. This growth rate is forecast to increase to 0.9% a year from 2013 to 2018 and then is forecasted to slow to 0.3% growth a year to 2028.

In June 2013, our population was 27,456. During the 10-

year life of this long-term plan Manawatu District Council forecasting indicates that the population is likely to increase to 30,800 residents (June 2023). These figures take into account the 2012 Boundary Change between Palmerston and Manawatu District where 2,400 residents were moved into the city boundary.

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 below shows the amount of capital expenditure required to maintain existing levels of service and meet any additional demand on Council's infrastructure. The first year of the Long Term Plan includes capital expenditure for projects such as the Makino Aquatic Centre Redevelopment and continuation of the improvements at the Feilding Wastewater Treatment Plant.

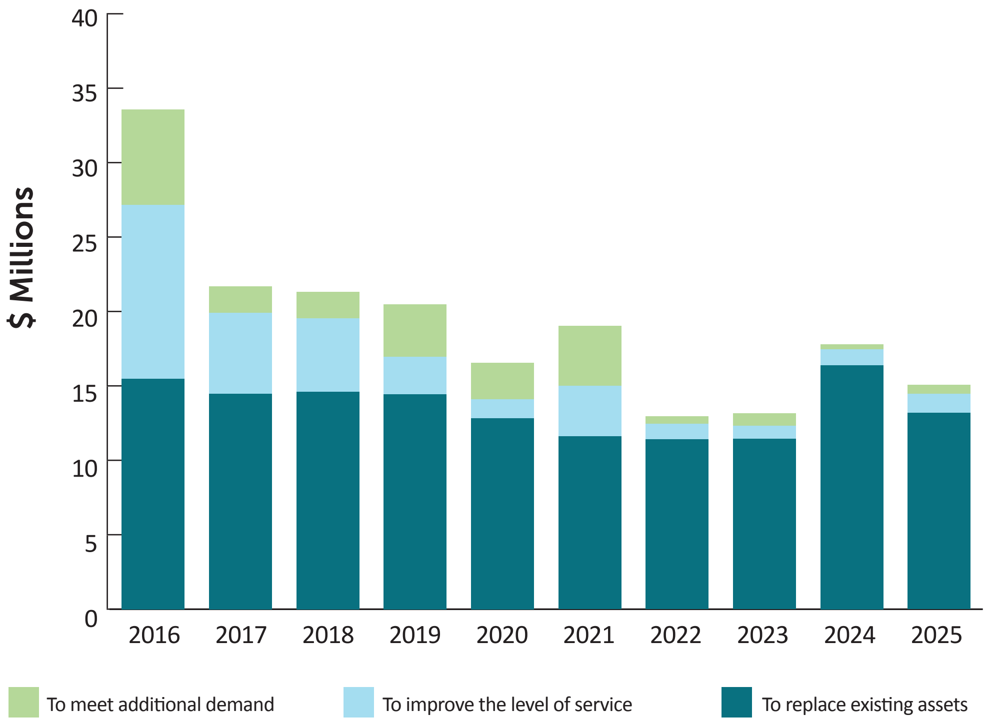
Capital expenditure is money spent to acquire or upgrade physical assets such as buildings and infrastructure assets i.e. roads, bridges, water treatment plants etc. To qualify as a capital expense the asset must provide benefit to the community for more than one year.

Roading expenditure is a significant component of capital expenditure. In year one we plan on spending $9m on our roading network. This figure fluctuates between $7-9m over the 2015-25 period. The spikes in this expenditure throughout the 10 years accommodate significant projects such as the Mangaweka bridge replacement or refurbishment and the cycle link to Palmerston North in year three.

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.

Proposed Capital Expenditure 2015/16 - 2025/26



How will Council meet its financial requirements?

Rates

Rates are a property tax set annually by Council. Rates are one source of income the Council uses to fund projects and operating services.

Rates are a property tax set annually by Council. Rates are one source of income 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
- legislative requirements
- external factors
- what our ratepayers can afford.

A minimal amount of investment income is generated by Council's investment in forestry assets, and this is used to offset general rates.

Rates increases

The Council has decided on the following target for rate increases:

LIMITS: RATES INCREASES

Throughout the life of the Long Term Plan, Council has set a target to hold rate increases to the Local Government Cost Index (for the previous year), plus four percent in any one year.

Rates increases are based on the previous years total rates revenue and exclude increases as a result of significant new levels of service, water by meter rates and growth in ratepayer numbers.

Rates Percentage Increases 2015-2025

Year	Proposed rates % increase (from previous year)	Indicative limit for rates % increase (LGCI + 4%)
2015/16	5.3	6.24%
2016/17	5.8	6.45%
2017/18	4.5	6.53%
2018/19	2.7	6.61%
2019/20	3.8	6.75%
2020/21	2.5	6.90%
2021/22	2.3	7.04%
2022/23	3.8	7.19%
2023/24	3.3	7.36%
2024/25	2.6	7.53%

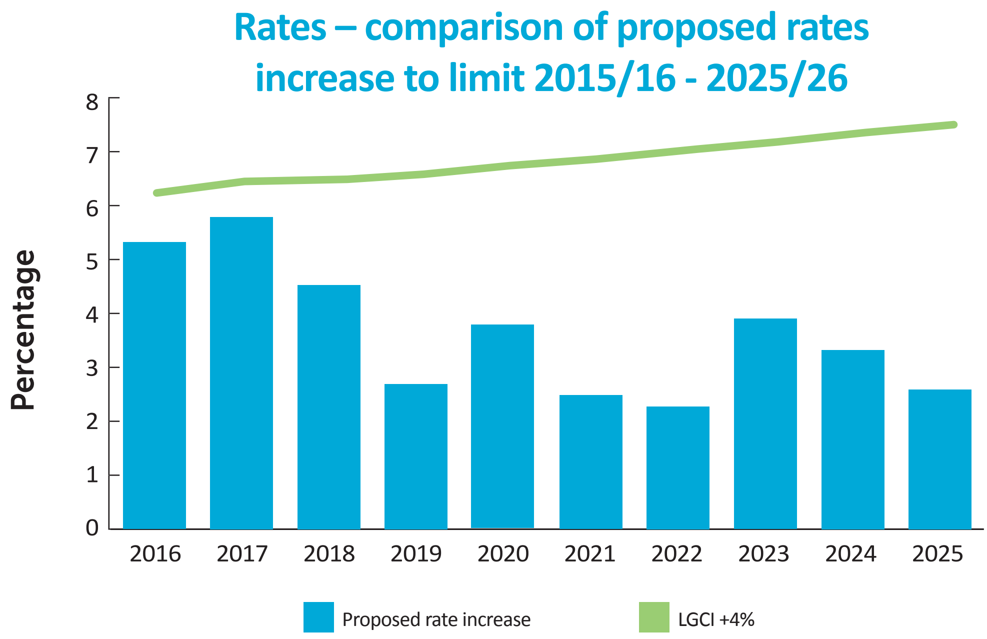
The rates percentage increases are based on total rates revenue for comparative levels of service throughout the life of the Long Term Plan.

The above percentages do not reflect individual rates rises, but the percentage rise in total rates revenue for the Council. The change in rates on individual properties will be different from the average increase above. The rates for individual properties are dependent on valuation changes, the mix of rate charges and the combination of services provided.

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 new cost index. The new 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 two out of the last 10 years it has had a lower annual increase.



Rates limits

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 rates limit for the next 10 years include the upper limit of targeted rates increases plus 75% of the forecast growth in households. The 75% scaling is because subdividing a property into two does not result in the doubling of rates. The base rates level is the budgeted 2014/15 rates income being rates revenue of $26.9m and $0.3m for rates penalties (net of GST).

The graph above indicates total rates increases over the ten years 2015-25. The most significant rise is forecast in 2016/17 at 5.8% with the lowest in 2021/22 at 2.3%. Over the next ten years, the average total rates increase per annum is 3.7%. The above chart also shows the proposed rate increases against the limit. Rates commence at $28.8m in 2015/16 which is an increase of 5.3% and increases to $38.9m over the next 10 years. The indicative rates limit is based on the LGCI plus 4%. This is Council's policy on rates limits.

Borrowing Funds

One of the other forms of funding Council uses is borrowed funds. Council utilises external borrowing to fund the acquisition of assets. Council's Liability Management Policy governs the borrowing mechanisms and current limits.

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 the intergenerational issues, it provides a suitable timeframe to repay debts. The loan repayments are offset by lower maintenance requirements for newer assets.

For a copy of the Liability Management Policy see www.mdc.govt.nz

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.

Limits: Borrowing

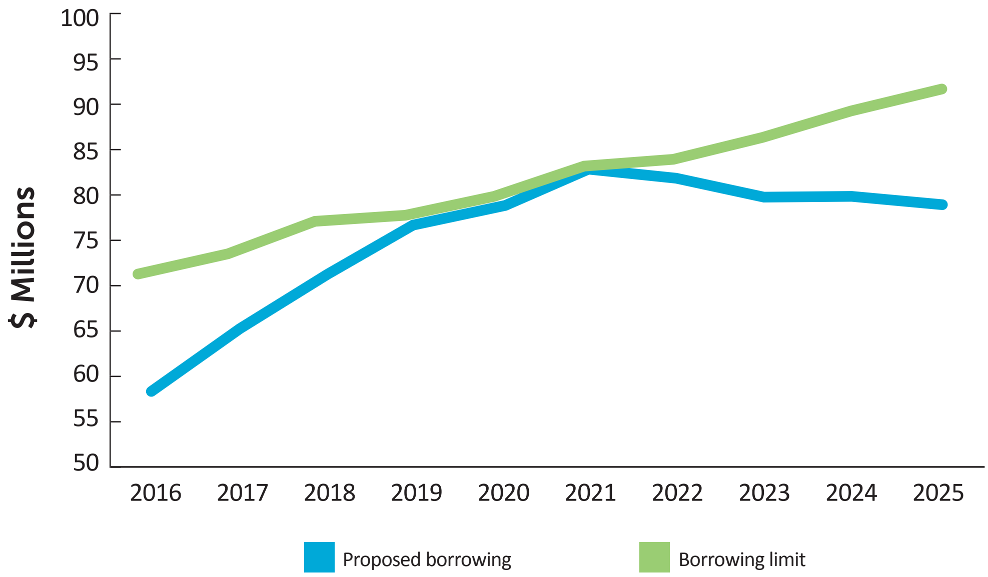
The borrowing limit ratios established in the Liability Management Policy are:

- Gross interest expense not to exceed 10% of operating revenue
- Gross interest expense not to exceed 20% of rates revenue
- Net cash flows from operating activities to exceed gross annual interest expense by 1.5 times
- Maximum level of debt is not to exceed 15% of total assets

Based on the 2014/15 Annual Plan this provides a maximum debt limit of $67 million in 2015. 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.

Proposed Borrowing 2015/16 - 2025/26



LIMITS: DEBT

Council's planned estimated debt limit is $71 million in 2015/16. This figure gradually increases over the remaining years of the 2015-25 Long Term Plan reaching $92 million in 2024/25.

The above chart 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 is interest being less than 10% of operating revenue.

Council's policies yield a lower debt limit than the restrictions imposed by our lenders. The Local Government Funding Agency (LGFA) requires total debt to be lower than 175% of Council's annual revenue. In the 2015/16 year the maximum funding available without breaching the LGFA restriction would be $79 million. This means that whilst Council has the capacity to borrow $8 million over the Liability Management Policy limit through this LGFA agreement, Council does not intend to use this capacity as it does consider it prudent to do so.

The estimated debt limit is reached by:

1) calculating each of the borrowing limit ratios;
2) choosing the lowest ratio result;
3) subtracting $5 million from this result.

The estimate assumes interest rates will not rise significantly. This level of debt enables Council to find the capital spending programme in the 2015-25 LTP. Debt levels will be reviewed every three years during LTP development or periodically as risk profiles, revenue and asset levels change.

What does Council consider when making financial management decisions?

The following principles assist Council to make prudent financial decisions.

Borrowing

Council utilises external borrowing to fund the acquisition of assets. Council's Liability Management Policy governs the borrowing mechanisms and current limits.

Internal Borrowing

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.

For a copy of the Liability Management Policy see www.mdc.govt.nz

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 (eg leased assets).

Investments

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.

Forestry Investment

Council has an historic investment in the Gordon Kear Forest, a joint venture with Palmerston North City Council. The forest is currently being harvested and Council has elected not to be involved in a second rotation. The final harvest proceeds are expected in 2016/17.

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 balance sheet, 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% 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% (rising to 54% for 2015/16 only) 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 District Plan. One of the initial parts of the review has involved consideration of urban growth requirements around Feilding. A total of four residential growth precincts and one industrial growth precinct were identified in the Feilding Urban Growth Framework Plan. To date Precincts One, Two and Three from the framework plan have been through the public plan change process under the Resource Management Act (1991). These areas are located to the west of Feilding and detailed structure plans have been prepared. The combined total yield of three precincts is 1860 new residential lots at minimum lot sizes between 800m^2 and 2000m^2. The expected yield will result from some rezoning completed immediately and from areas identified for deferred zoning that will remain rural and be rezoned to residential as demand requires.

Further research and analysis is being undertaken on the additional residential growth precinct located around Pharazyn Street/Reids Line (Precinct Four) and the industrial growth precinct at Kawakawa Road (Precinct Five). These areas will provide an additional yield of 1600 residential lots and an additional 97ha for future industrial land use.

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:

- Rising standards for water, wastewater and stormwater quality and management (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 108.

Infrastructure Strategy

The Manawatu District – a Context

The Manawatu District covers 256,300 hectares and stretches from Rangiwahia, to Himatangi Beach and Palmerston North City. The western boundary of the District follows the Rangitikei River and the eastern boundary is the Ruahine Ranges. Within the Manawatu District, are a range of natural features including the Ruahine Ranges, Pohangina Valley and the West Coast beaches and sand dunes.

The Manawatu District is a thriving rural district with agriculture as its leading industry. Feilding maintains a role as a service centre to its rural community. The smaller communities around the District provide access to local services.

Infrastructure assets and services, particularly the three waters, reflect population centres and are concentrated in the southern plains around Feilding. The roading network extends across the district and into the foothills in the northern areas. The majority of rural townships now have reticulated water and wastewater services.

Infrastructure Strategy - Purpose and Context

Infrastructure makes up a major part of the core activities of Council, accounting for 45% of the council's operating expenditure and 80% of the council's capital expenditure (2014/15 year). The purpose of the infrastructure strategy is to:

a) Identify significant infrastructure issues for the local authority over the period covered by the strategy;

b) Identify the principal options for managing those issues and the implications of those options.

The government recently made the inclusion of this strategy a mandatory requirement of the Long Term Plan. This reflects a concern over the ability of all Councils to meet the demand for infrastructure investment in the longer term, as well as accepted good strategic planning management. This Infrastructure Strategy therefore answers the following questions:

- The key infrastructural service issues the Manawatu district is forecast to face over the next 30 years:
- 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.

The strategy will help the Council and the community decide on the required rating and debt levels in the next ten years, and the indicative position over the next 10 to 30 years. The strategy will show the Council is prudent and affordable 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. The two Strategies have been prepared in an iterative process that reflects ongoing network levels of service, funding capacity, rating affordability and financial prudence.

Council sees this 30 year strategy, coupled with sound asset management plans, as an integral part of best practice management of the Councils community owned assets and future finances.

What is infrastructure?

Infrastructure is essential to health, safety, and transport and has a significant impact on the physical environment.

Infrastructure that has the capacity to meet desired growth profiles and is 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 spending requires a balance between facilitating future growth, delivering agreed levels of service and overall affordability for ratepayers. This is a difficult judgement as future demand for services is uncertain, but financial costs and the impact on rates occurs the moment infrastructure is put in place. In addition, the community must balance possible growth/employment targets against cost and the impact of growth on current lifestyle. Infrastructure spending tends to be a priority for Council, and the scale of investment will impact on future operating costs and debt levels. For most core infrastructure, Council has legal obligations to meet minimum levels of service, either from national standards set by Central Government or through resource consent conditions. This has an impact on what the council can spend on other discretionary services and facilities that enhance the quality of life and attract people to live in Manawatu.

This infrastructure strategy outlines:

- Roading (including footpaths and all roading structures),
- Water supplies (storage, treatment and supply),
- Wastewater (sewage treatment and disposal), and
- Stormwater.

Council also provides other community infrastructure such as libraries, pools and community civic and administration buildings. These activities are not included in this strategy, with major projects and all expenditure detailed in the Long Term Plan (LTP). The 2015 LTP contains only one significant project (the further upgrade of Makino Aquatic Centre). Council is not aware of other significant projects in the next 30 years. Significant expenditure in community infrastructure may be included in future Infrastructure Strategies.

1 July 2014 Valuation

Activity Group	Replacement Value ($)	Depreciated Replacement Cost ($)	Annual Depreciation ($/year)
Roading	661,971,437	455,777,593	6,798,788
Wastewater	75,551,574	49,597,917	1,104,483
Water	89,586,487	45,969,560	1,437,512
Stormwater	40,253,865	23,932,770	417,292

Specific Legislative Requirements

Council has to include this strategy (as set out in the Local Government Act 2002) and is also required to meet detailed specific requirements. These are:

- Adopt an infrastructure strategy for a period of at least 30 consecutive financial years (years 11 to 30 can be in indicative five year blocks)
- Set out the most likely scenario for the demand for infrastructure
- Outline how the local authority intends to manage its infrastructure assets, taking into account the need to
    - o renew or replace existing assets; and
    - o respond to growth or decline in the demand for services reliant on those assets; and
    - o allow for planned increases or decreases in levels of service provided through those assets; and
    - o maintain or improve public health and environmental outcomes or mitigate adverse effects on them; and
    - o provide for the resilience of infrastructure assets by identifying and managing risks relating to natural hazards and by making appropriate financial provision for those risks.
- Outline the most likely scenario for the management of the local authority's infrastructure assets over the period of the strategy
- Identify the significant decisions about capital expenditure, including the timing, size and principal options
- Detail the assumptions made on assets, including changes in levels of demand and the level of uncertainty (including an assessment of risk).

Current Levels of Service, Upgrade Programme and Commitments

Infrastructure provides the basis on which the Manawatu community and economy is built. The three waters and roading make up 45% of Council operating expenditure. The current infrastructure is a result of over 100 years of investment and Council is committed to maintaining this into the future. Current management systems detail all infrastructure in great detail and professional good practice is used to make decisions around the optimal time to renew existing assets and invest in additional assets. This is a balancing act between extracting maximum value from existing assets, and ensuring services are delivered without major unexpected failures.

Council often is not in a position to make the final decision. Government regulations and standards can override community wishes and make large investments mandatory - regardless of affordability or the asset condition.

Water

This is especially true in urban Water supplies as the minimum standards are mandatory under the Health Act 1956 (Drinking-Water Standards for New Zealand 2005 (Revised 2008).

Wastewater

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.

Feilding Wastewater Treatment Plant

The Feilding Wastewater Treatment Plant treats approximately 7,000 m^3 (7 million litres) of wastewater per day. The treatment plant is in the final stages of a significant upgrade programme to improve the quality of the wastewater it discharges. Council is planning to irrigate treated wastewater to neighbouring Council-owned land during the dry summer months when the Oroua River is low. This will provide significant water quality benefits over the summer when the recreational value of the Oroua River is at its highest. To do this, we need to construct an irrigation system and a second effluent storage pond. We have budgeted $1 million in year one of the draft Long Term Plan and $2.8 million in the following year for the completion of these works. Council has also been working through a lengthy and complicated resource consenting process for the continued operation of the Feilding Wastewater Treatment Plant. This process includes an appeal to the Environment Court which will he heard in year one of the Long Term Plan.

Stormwater

Stormwater has traditionally been a Council decision, however under the new Horizons One Plan stormwater discharges may require a resource consent.

Roading

Roading is funded through a partnership with Central Government through the New Zealand Transport Authority (NZTA).

Historically most standards were set by the Council within broad NZTA guidelines. A new system now sets national standards (One Network Road Classification) for each type of road. This may impact on the affordability of maintaining existing levels of service.

This strategy is not a completely new process for Council. Previous LTP processes and adopted LTPs have included infrastructure programmes that were forecast out 10 years. These were based on the suite of Asset Management Plans (AMPs) that Council continually revises and improves in response to Council decisions, imposed standards and resource consent conditions, technology and demand changes, and condition assessments / maintenance work.

In response to the AMPs, externally set standards and Councils commitment to the Manawatu River Accord there is a current wastewater and water infrastructure upgrade programme that is partially complete.

Planned Upgrades

Planned infrastructure upgrades include:

- Upgraded wastewater treatment and disposal Feilding
- De-sludging of wastewater oxidation ponds at Halcombe, Sanson and Rongotea
- Refurbishment or replacement Mangaweka Bridge

The upgraded water infrastructure includes additional capacity for growth. Ongoing programmes to reduce leakages in the water reticulation and stormwater network (reducing infiltration in wastewater reticulation) will also provide additional capacity in the medium to long term.

In roading the large majority of expenditure is on planned renewals and maintenance. The largest single project capital costs are to replace the bridge structures across the district as they reach the end of their useful lives. These renewals are programmed in over the next 30 years and beyond.

This strategy reflects the current upgrade programme in the short to medium term. As these infrastructure assets are long term investments the majority of investment required in the long term will be plant and pipe renewals, and forecast work required to lift standards in response to the renewal of resource consents.

The Strategy

The Council has an overall vision that has been in place since the 2012 LTP:

Connected, vibrant and thriving Manawatu – the best rural lifestyle in New Zealand

The district is experiencing modest growth of around 0.5 to 1% a year and this growth is spread between the rural areas and Feilding urban. This growth is not putting stress on the Council infrastructure as there is spare capacity. The current upgrade programme is mainly related to increased environmental standards, not insufficient capacity, although capacity is being increased in Feilding for future industrial growth.

To meet the above vison, Council has a focus on economic development, and on ensuring the associated infrastructure capacity is available for commercial / industrial land and residential growth in Feilding. Plans for growth areas were developed through the Feilding Urban Growth Framework Plan and an ongoing review of the District Plan.

In summary, the Council has the following long term strategy:

a) Ensure rural townships are vibrant and thriving by providing affordable infrastructure with some spare capacity that meets current relevant mandatory and resource consent standards for quality and security of supply.

b) Maintain the existing roading network to current levels of service, including renewing bridges and other roading assets.

c) Gradually upgrade the quality of urban streets that need major renewals.

d) Meet new resource consent standards for Feilding and meet Manawatu River Accord commitments for all urban areas.

e) Ensure capacity is available to support the development of the wider Manawatu as Food HQ for New Zealand, and specifically food innovation and processing in the District.

f) Provide additional three waters and roading infrastructure in Feilding as set out in the Feilding Urban Growth Framework Plan with staged development of the identified growth precincts (funded from Development Contributions).

g) Plan for the renewal of all assets as set out in the AMPs.

h) The current upgrade programme and the identified

Feilding growth precincts will cater for forecast growth over the next 30 plus years.

i) Funding for the forecast expenditure and loans will fit within the Financial Strategy rating and debt limits for the first 10 years, and will be consistent with the Financial Strategy funding strategies for years 11 to 30.

The Most Likely Scenario

The basis of Council's Infrastructure Strategy is, by legislative requirement, the Most Likely Scenario (MLS). Council has determined that the MLS in terms of population and household change is a medium to medium-high growth scenario based on Statistics NZ current forecasts.

These forecasts carry the population assumptions through with improved net migration resulting in a flatter trend in the occupancy rate. The forecasts imply new dwellings to continue around 100 a year until 2031. This is still modest and any sustained inward migration would result in a higher growth in dwellings, and a higher conversion of unoccupied dwellings into occupied dwellings. The 13,500 occupied dwellings in 2046 is consistent with the SNZ 2006 base household medium scenarios.

The basis of this strategy is built on a series of assumptions and forecasts that translate into major drivers of demand for expenditure. These assumptions are covered in more detail in the last section of this strategy.

Council has developed a detailed forecast of assumptions that impact across all Council activities. These detailed assumptions are available from Council's website www.mdc.govt.nz. More detailed forecasts of issues that impact directly on infrastructure activities have been developed through the AMP process. Detailed AMPs are available at www.mdc.govt.nz.

Forecasting out to 2045 with so many major assumptions is difficult. As the pace of technology, business and societal change quickens, it is proving difficult for most businesses to forecast out five years, not 30. The key for Council is to carefully plan for the future ensuring capacity is available while not over-investing in assets that may be obsolete in a few years. For some infrastructure, such as roads, there does not appear to be an alternative likely to arise anytime soon.

Generally the above issues are not expected to result in significant impacts on Council infrastructure. Climate change is likely to result in more intense storm events that cause damage and gradually place pressure on urban stormwater networks. Rising sea levels are still forecast to be modest in the next 30 years and will pose challenges for Himatangi Township, but is not expected to consistently threaten roads or pipelines. The aging population results in less water and wastewater usage per household, but due to steady growth not on the overall volumes delivered or treated. For other issues that Council has no ability to influence it is assumed that there will be no major changes. Council is assuming that the major strengths of the district - profitable agricultural production, food based processing (Food HQ), agri-business centre, Ohakea Airforce Base, a growing city nearby, an attractive retirement location, recreation attractions etc. – will continue to underpin district growth.

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. The price of oil and other commodities, currently highly volatile, has a major impact on these costs (with current technology).

The following table summarises the total expenditure across the Roading, Water, Wastewater and Stormwater asset groups by Operating and Capital expenditure. Note: the table shows the expenditure for each year from 2015 to 2025 and then for every five years from 2025 to 2045.

	Roading Expenditure		Water Expenditure		Wastewater Expenditure		Stormwater Expenditure	
	Operating $	Capital $	Operating $	Capital $	Operating $	Capital $	Operating $	Capital $
2015/16	11,697,511	9,233,191	3,945,456	4,063,421	5,450,039	7,726,812	1,103,647	2,338,721
2016/17	11,890,159	7,590,254	4,198,600	4,193,372	5,924,082	5,375,406	1,256,474	1,153,670
2017/18	12,091,401	9,494,873	4,285,563	3,044,855	6,458,491	3,997,073	1,324,252	990,350
2018/19	12,420,678	9,476,235	4,440,482	3,913,093	6,603,687	3,015,755	1,416,251	1,405,603
2019/20	12,767,869	7,991,314	4,714,658	4,569,591	6,752,000	519,998	1,531,891	1,406,804
2020/21	13,150,124	9,711,055	4,835,400	723,807	6,895,406	1,277,502	1,698,556	3,348,993
2021/22	13,462,911	8,405,164	5,006,491	1,879,637	6,976,716	978,162	1,925,497	445,597
2022/23	13,929,009	9,188,745	5,184,345	1,435,640	7,247,054	792,346	1,979,229	464,232
2023/24	14,419,419	9,374,990	5,344,814	3,304,104	7,420,299	3,368,268	2,014,584	484,157
2024/25	14,854,547	9,095,670	5,574,919	1,689,385	7,598,535	1,387,125	2,049,995	515,901
2025 to 2030	81,734,967	50,931,269	31,149,517	16,148,584	42,456,350	19,954,993	11,454,221	3,194,538
2030 to 2035	95,676,742	63,238,924	36,995,855	20,500,512	50,424,826	20,986,611	13,604,022	7,396,456
2035 to 2040	111,996,607	80,113,508	43,939,470	19,520,345	59,888,875	13,552,061	16,157,310	4,713,667
2040 to 2045	131,100,199	96,695,990	52,186,307	16,622,260	71,129,197	12,965,486	19,189,816	4,751,233

Significant Natural Risks

Natural hazards can impact significantly on infrastructure assets, causing damage and interrupting delivery of services. Minor events resulting in damage are generally dealt with through normal operating budgets and existing reserves. Council has an insurance reserve of around $1 million for unforeseen damages to assets. For more major events Council has four external sources of funds to repair assets:

1. Council is a member of the New Zealand Local Authority Protection Programme (LAPP) scheme that insures infrastructure at replacement cost value. Council has entered into mutual arrangement with LAPP for water, stormwater and wastewater assets. The cover related to 40% of the replacement value of the assets ($165m) and a deductible of $543,000 applies.
2. In the event of a disaster, it is anticipated that the remaining 60% of reinstatement costs will be recovered from central government under the Civil Defence Emergency Management Plan.
3. Above ground assets such as reservoirs and buildings are insured with Aeon Insurance through the Manawatu-Wanganui Local Authority Shared Services agreement. There is a $100,000 excess on any claim.
4. Council self-insures the unsubsidised portion of roading. For roading major event repairs are largely funded (73%) through the NZTA emergency works programme. For very large events the government has historically increased the level of funding repairs to a higher level. For any 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 BNZ to allow access to funds if required.

Climate Change

Results from a study by Horizons Regional Council show that there is likelihood of an impact from Climate Change within the next 30 to 50 years on coastal areas. This is a combination of rising tides and coastal erosion. Areas of land in Himatangi and Tangimoana Beaches have been predicted to be at risk from storm surge and inundation.

The assessed impact on infrastructure from coastal change is negligible in the 30 year horizon and there is no immediate response to these risks presented in this Strategy. However Council will ensure that future reports produced by the likes of Horizons Regional Council or the National Institute of Water and Atmospheric Research (NIWA) are studied to confirm predicted trends and act in response to any predicted changes if necessary.

Flooding Risk

Flooding is the most frequently experienced natural hazard in the District, but the likelihood of a large scale flood occurring in any year is relatively low. The last large scale event in 2004 had a likely return period of greater than 150 years. Land in the Oroua and Manawatu floodplains areas are subject to flooding as historically these were natural swamps.

While it is Horizons Regional Council's responsibility for flood control, large scale flood events (February 2004) 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

Earthquake fault lines run through the Manawatu District and their existence means that the District is vulnerable to earthquakes. 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. The active faults are:

- 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.
- Mt Stewart-Halcombe Fault – laying 4 km to the south of Feilding.

A seismic earthquake risk assessment was included as part of the Manawatu-Wanganui Lifelines project. The assessment considered major lifeline services and the effects of Natural Hazards on them.

Tsunamis

The District has a very low probability of tsunami hazards on the west coast around Himatangi Beach and Tangimoana townships. The most likely sized tsunami event that could be expected to occur once in any 500 year period is 2-4m above mean sea level. 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 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, LAPP cover and insurance cover.

Population and Household Demand

The population of the Manawatu District has grown steadily over the last 9 years at around 0.8% a year. This growth rate is forecast to increase to around 0.9% a year from 2013 to 2018 before easing to 0.7% between 2018 and 2023, and 0.3% a year to 2028. Growth is then expected to reduce to 0.1% out to 2043. Manawatu District Council uses population projections that are based on the actual medium growth Census figures that are adjusted to reflect current local trends.

This growth is not expected to occur evenly across the district. The bulk of this growth is expected in the southern area units, with the majority in the rural areas surrounding the Palmerston North and Feilding urban areas. Growth is expected to be very low in the northern area of the district. From 2013 to 2031, Feilding urban 9%, south east areas 16%, south west areas 14%, central areas 12% and northern areas 3%.

These forecasts are reliant on a number of trends occurring or continuing that Council has limited, little or no control over:

- Himatangi growth of an additional 420 unoccupied houses as the new wastewater system opens up new housing areas and the holiday home market recovers.
- A declining number of farms as farm sizes increase.
- Continued growth of Palmerston North City resulting in spillover demand in the district. Commuting costs not to increasing to a level for this option to cease.
- The significant change to New Zealand international migration trends will result in higher growth in the 2013 to 2016 period. This strong net gain period is not expected to continue in the long term.
- Continued profitability of agriculture and food processing. Demand and trade access from China and other countries has a major impact on the wealth of the district.

This population change is modest and can be accommodated by most existing networks, particularly as the urban growth is expected to be no more than the average increase for the district. The number of connections for water and wastewater is forecast to increase at a higher rate, as the number of people living in each house continues a long term trend to decrease. This is impacted by the aging population with a significant increase expected in single person households.

Changes to the District's age structure will affect provision of service and assets in a number of areas. For example, the increase in older age groups may signal the need for different types of facilities such as public transport, walking and the provision for commuters. The proportion of older drivers is significant issues for road safety and mobility.

The strongest occupied household growth will be in the rural areas surrounding Feilding and Palmerston North. Household growth can be serviced from existing and currently planned (Feilding WWTP) council services and infrastructure. The population projections indicate static growth in a number of District areas, however Feilding shows increasing growth, and this is predicted to continue into the foreseeable future.

The increase in households is forecast to around twice that of population to 2045. This reflects the ageing population and lower occupancy rates. The growth forecasts also assume:

- Less households on working farms.
- Lifestyle property demand in rural areas close to Palmerston North City and Feilding will continue.
- The same % of unoccupied dwellings.
- No major infill of Feilding.

Currently there are a significant number of unoccupied dwellings (holiday homes, vacant houses such as rural dwellings now surplus to farm operations and vacant rental properties) in both the urban and rural areas (around 9% of the total number of dwellings in the District). If population growth is concentrated on Feilding and the southern rural areas, as forecast, this is more likely to translate into demand for new houses (and additional network connections for Feilding).

Demand for infrastructure services will increase, as will stormwater runoff from hard surfaces in urban areas. AMPs indicate capacity is available and sufficient land is currently zoned for expected household growth. The roading network in general is easily able to cater for increased transport activity. A higher increase in households might require additional investment by council, but this is considered unlikely. As infrastructure costs for the growth precincts are funded by development contributions there would be little impact on rates.

Household growth in the rural areas provide their own three waters infrastructure, and place additional traffic flows on the roading network. Urban household growth outside of Feilding and Himatangi Beach is forecast to be very modest to constant.

Commercial / Industrial Growth

Apart from rising standards a major impact on the growth in infrastructure will be from additional industrial activity. Flowing from the vision statements Council has a strategy to focus on employment growth based on food and food innovation. The growing success of the Manawatu region as Food HQ of New Zealand underpins this assumption. New food related factories often reliant on large volumes of high quality water and subsequent wastewater generation.

Farming has, and is expected to continue to have, a significant impact on the District's economy. One of Council's objectives is to ensure that this industry is not adversely affected by changes in Council policy and planning requirements.

Farming in the District has responded to climatic and trade uncertainties in recent years by diversifying and, in some cases, subdividing and selling land for residential development. As a result dairying, deer farming and residential development have increased while sheep farming has declined.

Other industries in the District that provide a varied source of employment in the District include:

- Meat processing e.g. AFFCO and Venison Meat Packers.
- Small to medium industry e.g. Proliant Plasma processing.
- NZ Defence Force (RNZAF Base Ohakea).
- Commercial and industrial opportunities e.g. Agri-business, farm machinery, legal, finance and retail.
- Aged care and retirement e.g. retirement homes, dementia units and health services.
- Education e.g. urban and rural primary and Feilding Agricultural High School.
- Recreation and tourism such as golf courses, cycling events, motels and farm-stays.
- Natural resources – gravel extraction.

Some of these industries have a lesser effect on the District's overall economy, but are important for providing a variety of employment opportunities within Manawatu. The Council is looking to attract new commercial and industry ventures to the District. This has prompted the expansion of the Feilding Industrial Precinct.

Council has carried out a detailed growth study (Feilding Urban Growth Framework Plan) that identifies an industrial growth precinct (precinct 5) that was selected as being the optimal location for new industrial businesses.

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, wastewater and stormwater, 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 and this is expected to continue.

Significant Assets

The following are considered to be the significant assets owned and maintained by the Council. The threshold is set at $1 million and assets have been considered at a grouped level – e.g. a complete pipe network. Some smaller assets are included as they are critical to the future operations or set the level of service. For this, the Significance and Engagement Policy has given guidance.

Significant Asset	Construction date	Value ^	Lifecycle Comment*
Roading			
Bridges - culverts	Average 1954	8,187,605	37% (36 years) average life remaining
Bridges - decked	Average 1959	79,790,115	50% (55 years) average life remaining
Crossing	Average 1978	6,195,983	52% (39 years) average life remaining
Footpaths	Average 1986	16,316,482	57% (37 years) average life remaining
Roads Rural Formation		184,550,044	Not depreciated – infinite life
Roads Rural surface	Average 1968	88,495,157	30% (20 years) average life remaining
Roads Urban surface	Average 1972	13,312,036	37% (25 years) average life remaining
Pavement 1st coat	Average 1970	25,312,352	35% (23 years) average life remaining
Road surface structure	Average 2008	29,944,881	50% (6 years) average life remaining
Drainage	Average 1965	40,935,207	39% (31 years) average life remaining
Retaining walls	Average 2006	21,540,521	90% (72 years) average life remaining
Stormwater channels	Average 1967	19,550,812	42% (33 years) average life remaining
Water			
Feilding Reticulation	Average 1948	60,463,475	48% (32 years) assessed life remaining Kimbolton Rd Trunk Main needs renewal $4m in next five years.
Feilding Facilities	Average 1966	12,311,309	49% (23 years) assessed life remaining
Rongotea	2014/15	2,900,000	100% (60 years) assessed life remaining - new network
Sanson Reticulation	Average 1941	1,435,912	65% (47 years) assessed life remaining
Himatangi Beach Facilities	Pre 1984 to 1988. New bore 1998	891,176	75% (27 years) assessed life remaining Reservoir and Aerator renewal 2015/16 - $350k
Himatangi Beach Reticulation		2,569,882	69% (49 years) assessed life remaining
Oroua no 1 reticulation	Average 1940	916 ,267	59% (44 years) assessed life remaining
Stanway Halcombe rural reticulation	1986	5,804,977	62% (46 years) assessed life remaining
Waituna West facilities Rural	1983 New bore 201	937,198	75% (21 years) assessed life remaining
Waituna West reticulation rural	1983	2,306,832	

Water Supplies Resource Consents	
Feilding Water	7 consents but 2 major ones – augmentation bore Newbury Line expires 2016, and Oroua River Abstraction 2021
Himatangi Beach	Abstraction – Bore consent expires 2024 2,160 m^3/day 90 m^3/h
Sanson	Abstraction – Bore consent expires 2019 260 m^3/day
Stanway Halcombe RWS	Abstraction – Riparian Well expires 2027 2,000 m^3/day
Waituna West	Abstraction bore Consent expires1,400 m^3/day, 511,000 m^3/year
Rongotea	Abstraction bore 800 m^3/day, 10 L/s, 157,680 m^3/year expires 2029

Significant Asset	Construction date	Value ^	Lifecycle Comment*
Wastewater			
^ Value is at July 2013 replacement cost ** Lifecycle Comment is based on the average % and years of useful life based on the valuation July 2013.*			
Feilding Reticulation	1967, upgraded 1993/94 and 2009 to 2013	38,224,546	58% (55 years) assessed life left Major upgrade planned to meet higher environmental standards
Feilding Facilities	1905 onwards	19,736,847	67% (30 years) assessed life remaining
Feilding land		3,313,569	N/A
Himatangi Beach reticulation	2013/14	2,020,978	99% (50-100 years) assessed remaining. New scheme
Himatangi Beach facilities	2013/14	2,458,607	99% remaining 31 years remaining
Rongotea Facilities	1978, upgraded 2004	732,823	69% (34 years) assessed life remaining Upgraded again to meet consent conditions
Rongotea Reticulation	1978 Average 1985	2,260,844	65% (54 years) assessed life remaining Capacity reached 2031
Halcombe Reticulation	1977 Average 1982	1,378,046	67% (66 years) assessed life remaining Capacity = ample. New aerator required
Kimbolton Reticulation	1984 and upgraded 2010 and 2014	898,920	65% (54 years) assessed life remaining
Sanson Reticulation	Average 1976	1,464,199	62% (61 years) assessed life remaining
Wastewater Resource Consents			
Feilding	Consent expired. New consent applied for and hearings have been held.		
Rongotea	Discharge consent – Land and water, 430 m^3/day expires 2017		
Halcombe	Discharge consent – Water, 150 m^3/day expires 2016 Discharge consent – Land, 50 m^3/day expires 2016		
Kimbolton	Discharge consent – Land and water, 216 m^3/day expires 2019		
Sanson	Discharge consent – Land, 150 m^3/day expires 2017		
Himatangi Beach	Discharge consent – Land, 213 m^3/day expires 2025		
Stormwater			
Feilding Reticulation	1910 onwards Average 1974	38,395,557	58% (56 years) assessed life remaining 36% of pipes 80 years+. Renewals will increase from 2020 Stormwater Management Plan has recently been completed.
Rongotea Reticulation	1995	787,899	81 % (79 years) assessed life remaining
Sanson Reticulation	Some upgrades 1996-2000	700,175	84% (84 years) assessed life remaining
Stormwater Resource Consents			
Feilding	Diversion – Port St East expires 2030. Discharge to Water expires 2029 Kawakawa Drain expires 2028		
^ Value is at 2014 replacement cost ** Lifecycle Comment is based on the average % and years of useful life based on the valuation July 2013.*			

State of Infrastructure

There is varying knowledge of the detailed current condition of infrastructure assets. Component asset ages and condition vary significantly and combine to form the remaining life assessments in the table above. The roading and three waters AMPs are still in an identified improvement process for condition rating components of some asset types. Appendix 1 shows the current assessment of data confidence as at the date of the last valuation (July 2013).

Council is aware that parts of some significant assets are ageing and will need renewal over the next 30 years. These form the basis of the renewal budget forecasts contained in this strategy and the 2015-2025 LTP.

As actual condition assessments improve over the medium term these will be used to modify the renewal forecasts. As an example, major bridge and main pipelines renewals could change by +/- 10 years or even longer on the positive side. As many of these assets have yet to be renewed there is often no proven age they will need to be replaced. Renewal ages are based on industry accepted good practice and are conservative. Current renewals do not point to any issues with this approach (i.e. asset failures have not increased in recent years).

The condition rating system for the three waters is based on the International Infrastructure Management Manual 2011, with example condition ratings described below:

Condition Rating		Useful Life Elapsed	Description
1	Very Good	0-19%	Very good condition. Only normal maintenance required.
2	Good	20-49%	Minor defects only. Minor maintenance required.
3	Fair	50-79%	Significant maintenance required.
4	Poor	80-94%	Significant renewal/ upgrade required.
5	Very Poor	≥ 95%	More than 50% of asset requires replacement.

Condition of Infrastructure for Three Waters

Application of the above method to water, wastewater and stormwater mains, with an assumed useful life of 100 years across all pipes, gives the results shown below. In the future, this will be further refined with the use of varying useful lives for different pipe materials (e.g. 120 years for steel, 40 years for Novaflow). This method will also be extended to include other assets in both reticulation and treatment.

Council is currently in a programme of network investigation for Feilding wastewater. This includes CCTV investigations and flow meters to determine leakages and infiltration problems. The programme is over 50% complete and is expected to be completed within the next year. The information from this programme will give more accurate condition assessments on the remaining life of network reticulation, and will reduce infiltration during rain events. This is expected to reduce operating costs for Wastewater.

Council has built in operating budgets to carry out more detailed condition assessments for all Water and Wastewater networks as part of business as usual procedures. The medium term impact may be a change to the assumed useful life of component assets. This will change the depreciation funding requirements of our networks. These changes are expected to be bedded in for the 2018 LTP process through updated asset management plans for Water, Wastewater and Stormwater.

Figure 1: Asset Condition – Water Pipelines

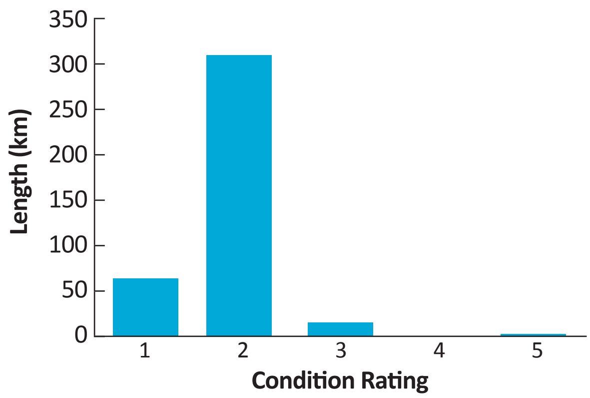


Figure 2: Asset Condition – Wastewater Pipelines

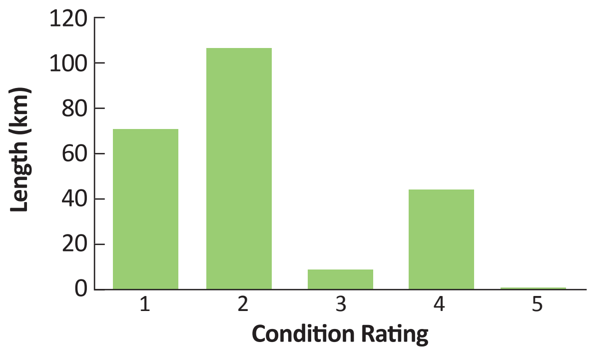
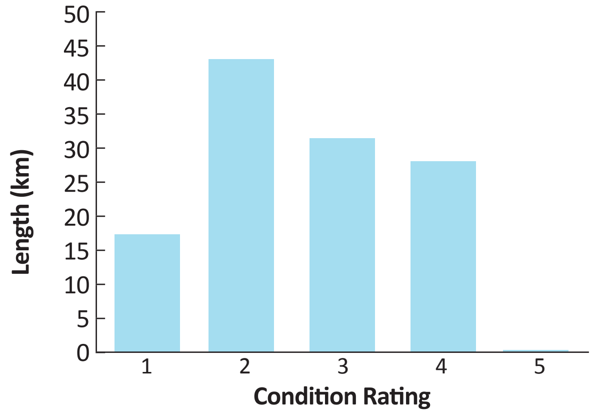


Figure 3: Asset Condition – Stormwater Lines



As can be seen from the above charts, the majority of our pipe networks are in “Very Good” and “Good” condition, with a condition rating of 1 or 2. There are few pipe assets with a condition rating of “Very Poor”.

Condition of Roading Assets

The inspections of roads, bridges and structures, culvert inspection, traffic facilities (signs and lights), is undertaken on a regular cycle by both the road network maintenance contractor and Council’s roading engineers to monitor and evaluate the asset conditions. Specific inspections are initiated after weather events to ensure road closures and damage is managed in a timely manner.

Specialist inspections of roads are conducted annually on specified roads to assess the condition rating (roughness) of pavements and footpaths. External service providers provide the resource to complete these surveys. The condition of the assets are linked to the levels of service specified in the LTP, the Transport Asset Management Plan and the road network maintenance contract.

The principal measure of sealed-road performance in NZ is “Smooth Travel Exposure”. The parameters for measuring smooth travel exposure are established by the NZTA and the Council is required to report on it annually to the Agency, as one of the conditions for receiving financial assistance for road work. The condition of the sealed network since 2000, as measured by Smooth Travel Exposure, is summarised in the following graph.

On the district’s sealed roads the quality of ride overall is very good with high exposure to travel on smooth roads; or in other words, roughness across the sealed network is generally quite low.

Assets Renewals

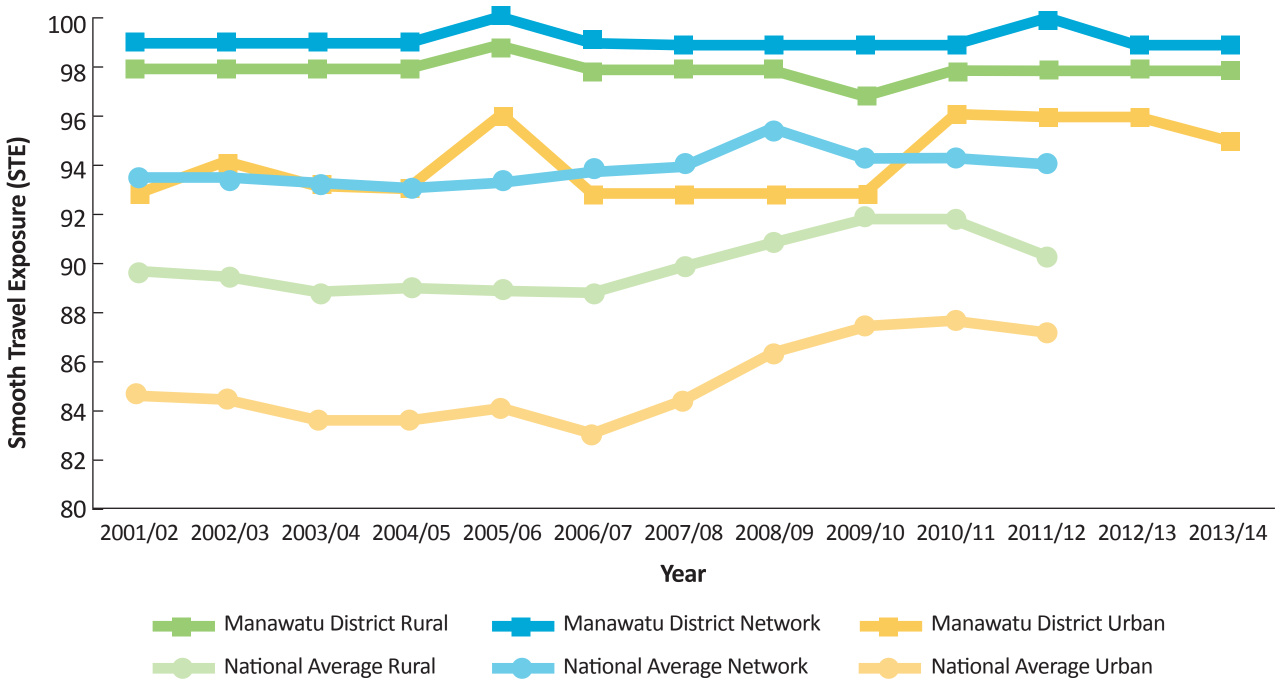
Assets renewals make up the large majority of capital expenditure over the next 30 years. Details can be found in the Asset Management Plans.

Lifecycle Management will remain the same

Roading

Council operates a shared services model with Rangitikei District Council and provides the asset management and engineering resources across both Districts. This involves:

- Management of planning, operations, maintenance and renewal of the Roading network.
- Monitoring of network performance.
- Communicating with the community to understanding customer needs and concerns.
- Ensuring that the network is operated and maintained in accordance with the community’s expectations.



Day-to-day maintenance of the network is carried out by contractors through competitively tendered contracts and, wherever possible, they are performance based contracts.

Contractors are required to programme and report comprehensively on the execution of the works. The contract documents specify technical standards required and define response times and cyclic inspection periods.

Repairs are carried out as a result of customer feedback, routine inspections or planned work in preparation for maintenance reseals. General maintenance work is classed as priority work where:

- The safety of road users may be compromised.
- It is likely the problem area will deteriorate further if left resulting in escalating cost to repair.

Three Waters

Council operates a shared services model with Rangitikei District Council and provides the asset management and engineering resources across both Districts. The 3 Waters network and treatment facilities are managed day to day by Council staff; performing routine maintenance, monitoring compliance with resource consents, attending to customer requests for service. Major repairs or capital work is undertaken by contractors.

Historically, the focus of maintenance at the MDC has been to undertake corrective actions on unplanned breakdowns. Historical records to allow analysis of faults is poor. Basic servicing tasks have been conducted based on operator experience rather than utilising a reliability centred maintenance schedule.

Through detailed condition assessment programmes now imbedded in operational budgets Council is moving from this basis of unplanned maintenance to planned maintenance that minimises the risk of mechanical breakdowns and other faults. This work is essential to maintaining a level of service to the community.

Disposal of assets and deferral of expenditure

Council has no significant disposal issues for assets at the end of their useful lives. There is also no anticipated changes in the way the assets are managed. Council has a successful shared services contract with Rangitikei District for the management of infrastructure assets and this is expected to be continued. Changes could occur in the future as political views change over time.

Council has no planned deferrals of renewals or maintenance required to meet the stated levels of service. The timing of growth related projects in Feilding will be driven by actual growth and development interest and so have little impact on the existing networks. As these projects are funded by development contributions changes in the timing of them have little impact on overall Council funding.

Levels of Service

This Strategy assumes that all Levels of Service targets will be unchanged in the future.

Where Level of Service capital expenditure is proposed (largely in the Water, Wastewater and Stormwater Activities), this is to meet resource consent conditions as per requirements of the Horizons Regional Council One Plan, or for growth related projects. It does not mean the targets are being increased. The key Levels of Service have regard to minimum legislative standards and customer satisfaction with service.

Activity Scope and Forecast Changes in Demand for Services (growth and decline)

Roading Network Demand Forecasts

The present road network was set up many decades ago and gradually upgraded to the present standard. Community expectations in the roading area are increasing which will require on-going development of the roading network. Generally, the network copes with the demands on it. While there is little demand for the supply of new infrastructure, apart from subdivision work, the present network will need considerable redevelopment over the next decade to meet this community expectation.

The Manawatu District Roading Network comprises the following:

1,364 km of sealed and unsealed roads including:

- 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.
- Local roads – 1122km
- 380 bridges and large culverts
- 138km of footpaths and cycle paths
- 53% of the network has an average of less than 100 vehicles per day.

138km are urban roads, 1226km are rural roads. Of the 1,364km of roads, 980km are sealed with 384km unsealed (28%).

The topography of the District is steep with deep valleys, many rivers and a mixture of soft volcanic soils overlaying papa. To maintain, let alone develop, a road network in this environment is difficult and costly.

The majority of commercial users of the roading network are:

- Farming community and related services.
- Agriculture industry.
- Freight and logistics providers.

The majority of the roads have low volumes of traffic less than 100 vehicles a day, but a few roads are busy – Waughs Road has up to 8,000 vehicles daily with commuters between Palmerston North.

The predicted traffic growth for the District is 3% per annum, which is typical for a rural roading network and is in line with growth rates regionally. Some individual roads and routes in the District may experience a higher growth rate due to increased localised residential, and commercial development. For example, a result of Plan Change 27, 45 and 52, Feilding's population is predicted to increase to over 16,000 by 2020. Consequently, there will be a significant effect on the roading infrastructure, for the local roading network and State Highway 54.

The main arterial and collector roads connecting Feilding to Palmerston North will similarly have increasing demands placed on them due to increased traffic growth from those who wish to live outside Palmerston North, but still rely on trips to Palmerston North for work and other requirements.

Levels of Service Roading

- You can expect to where you need to go safely using our roading network
- You can expect to easily get to where you want to go
- You can expect a timely response to your request for service.

Asset Capacity

Generally the District's roads and intersections are far from their ultimate capacities and many are unlikely to reach those points in the near future. Under the conditions that prevail on most of the rural principal road network, two lane roads can be expected to carry up to 4,800 vehicles/day, without a significant decrease in the level of service. However, there are some points where it is having difficulty meeting the demand and where growth will put it under strain, and delays at peak times are more likely in future.

In the more rural areas, the District's roads and intersections are far from their ultimate capacities and many are unlikely to reach those limits in the near future. There is significant redundancy in the network. This is highlighted by 53% of the length of the network (725km) carrying less than 100 vehicles per day, while 1% of the length of the network currently carries more than 5,000 vehicle per day. This comprises 6km of rural road and 4km of urban road.

The main areas of specific concern are:

- Waughs Road through to Bunnythorpe and Palmerston North
- Access onto State Highway 54 at North Street/Pharazyn Street Feilding, and Turners Road Feilding for both the growing residential and industrial areas
- The main internal collector and arterial roads and streets within Feilding to cater for traffic growth from new residential subdivisions and other new land use developments.

The cost of replacing the entire network managed by Council is $563 million excluding land values of $65 million. The table below summarises the roading asset values excluding land.

Valuation Summary – Transportation Infrastructure Assets, 1 July 2014

Asset Type	Component	Unit	ORC Value	ODRC Value	Annual Depreciation
Berm	Berm	m²	3,621,310	1,394,034	55,287
Bridge	Bridge (Culvert)	m	8,187,605	3,070,044	85,681
	Bridge (Deck)	m²	79,790,115	39,786,847	724,999
Crossing	Crossing	Each	6,195,983	3,229,334	82,803
Drainage	Drainage	m	40,935,207	15,852,790	507,817
Footpath	Footpath	m²	16,316,482	9,357,537	251,792
Island	Island	m²	2,524,123	441,722	31,552
Marking	Marking	m	185,218	170,254	2,991
Railing	Railing	m	883,381	290,179	18,985
Retaining Wall	Retaining Wall	m²	21,540,521	19,422,986	269,257
Shoulder	Shoulder	m²	3,757,643	1,456,087	46,971
Sign	Sign	Each	1,998,344	548,686	122,168
Streetlight	Streetlight (Bracket)	Each	518,892	215,195	10,378
	Streetlight (Light)	Each	499,232	277,757	10,503

Asset Type	Component	Unit	ORC Value	ODRC Value	Annual Depreciation
	Streetlight (Pole)	Each	2,877,736	1,443,871	41,111
SW Channel	SW Channel	m	19,550,812	8,154,991	244,385
Traffic Facility	Traffic Facility	Each	163,296	10,886	10,886
Treatment Length	Formation Rural O L	m^3	111,219,921	111,219,921	0
	Formation Rural O P	m^3	33,804,206	33,804,206	0
	Formation Rural S L	m^3	29,197,365	29,197,365	0
	Formation Rural S P	m^3	10,328,552	10,328,552	0
	Formation Urban	m^3	4,674,935	4,674,935	0
	Pavement 1st Coat	m^3	25,312,352	8,834,098	377,796
	Pavement R k-Depth	m^3	15,158,923	12,307,009	244,639
	Pavement R u-D <2000	m^3	67,034,246	13,006,645	1,000,511
	Pavement R u-D >2000	m^3	6,301,988	1,222,774	94,060
	Pavement U k-Depth	m^3	3,442,170	2,983,570	51,376
	Pavement U u-D <2000	m^3	7,582,272	1,471,187	113,168
	Pavement U u-D >2000	m^3	2,287,594	443,862	34,143
	Pavement Unseal	m^2	7,232,604	7,232,604	0
	Surface Structure	m^2	29,944,881	15,024,138	2,365,529
Total			**563,067,909**	**356,874,066**	**6,798,788**

More rural lifestyle blocks has also changed the expectation of rural travellers. Rural roads now have a wider range of people and vehicle types using them. Smoothness of ride, loose metal and higher speeds are becoming more important to more road users. Changes to policies and management strategies can also have a significant effect on how assets are managed.

The direction of future land use changes and their effects on the roading network are difficult to determine with accuracy, but it is important the roads likely to be affected are prepared in readiness for these changes. Conversion of land use to dairying is having an effect, with pavement widths, pavement loadings, and safety all under pressure. These affects have become evident in Apiti. Conversion to other intensive land uses may have similar effects, this is one of the potential risks to the Council from climate change problems with inadequate seal widths on sealed roads used by dairy tankers are demonstrated by increasing maintenance demands, and need to be addressed by seal widening improvement programmes.

Demand for new or upgraded facilities arises from the needs of the existing population i.e. meeting the level of service standards, changing habits, and population growth. This may cause demand for:

- New roads
- Sealing of unsealed roads
- Widening and alignment improvements
- Upgraded intersections
- New and upgraded bridges
- Appropriate urban facilities in closely settled areas, e.g. streetlights, kerb and channel, footpaths.

The Council intends to maintain its awareness of these issues and plans to provide a roading network which meets the communities' expectations. This may involve more seal extension, better ways to provide and maintain unsealed roads, and possible widening of some arterial and collector roads in the District. Modest funding of all these developments has been recognised in the Roading AMP.

The main challenges facing the roading network are not related to traffic growth. Across the network there is considerable spare capacity to cater for additional traffic flows. The challenges relate more to:

- Our roading network is old and was not built to handle heavy traffic,
- The impact of exotic forestry harvesting on remote rural roads,
- Securing funding for network improvements,
- Long term funding from NZTA for the current budgeted proportion of maintenance and renewal costs (not considered an issue in the medium term),
- The One Network Road Classification (ONRC) recently introduced by NZTA may force changes to local levels of service
(not considered likely),
- Renewing the large number of bridges in the future.

Water Networks Demand Forecasts

The Manawatu District Council aims to provide a potable water supply to meet domestic, commercial and fire-fighting requirements via public reticulation through Manawatu's urban communities of Feilding, Himatangi Beach and Rongotea (under construction). Sanson has a trickle-feed supply to augment rainwater collection. The rationale for providing these services is to improve public health through the provision of water that meets the New Zealand Drinking Water Standards; and to foster District development by meeting the requirements for commercial premises or major industries.

It also administers rural water schemes in Stanway-Halcombe and Waituna West at a level of service sustainable and appropriate to the community. Council owns the Kiwitea Rural and Oroua No. 1 Rural schemes, which are administered by community committees.

Asset Summary – Water (1 July 2014 Valuation)

Scheme	Replacement Cost ($)	Depreciated Re-placement Cost ($)	Annual Depreciation ($/year)
Feilding	73,613,613	35,663,887	1,189,336
Himatangi Beach	3,707,137	2,699,185	61,712
Oroua No. 1 Rural	1,118,471	557,802	15,506
Stanway-Halcombe	6,238,149	3,800,290	95,342
Sanson	1,665,087	1,084,412	29,092
Waituna West	3,244,030	2,163,984	46,524
Total	**89,586,487**	**45,969,560**	**1,437,512**

Asset Group	Replacement Cost ($)	Depreciated Re-placement Cost ($)	Annual Depreciation ($/year)
Reticulation	73,502,088	37,106,325	1,090,912
Facilities	15,004,233	7,783,069	346,600
Land	1,080,166	1,080,166	-
Total	**89,586,487**	**45,969,560**	**1,437,512**

Demand for water in Manawatu can be broadly categorised into:

- Residential
- Industrial/commercial
- Agricultural

Each of these has influencing factors, and additional, requirements such as firefighting capability must be considered.

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.

Development in Feilding, in particular, is likely to lead to increasing water demand, notwithstanding any demand reductions that can be made by improving water conservation measures. Overall water demand in our urban schemes has been projected to steadily increase at 1.6% per annum, while remaining steady on our rural schemes. This varies between individual schemes.

Annual consumption in Feilding has remained within a 5% band and no trending is obvious from the average daily use. The peak daily variation results from changes in industrial usage.

This minimal movement in water use patterns against an increasing population base highlights both:

- The success of community water conservation education; and
- The improvement in system maintenance.

Residential demand is mostly influenced by population, but is also influenced by trends in consumption. In recent history, the installation of appliances such as dishwashers and garbage disposals has increased domestic water consumption. Conversely, actions people take to conserve water (such as installing water-efficient appliances and fittings, or changing habits) can reduce residential water consumption.

In Feilding, where there are large industries using significant amounts of water. The water supply is then influenced heavily by these industries. If their production increases, their water use could be expected to increase. On the other hand, watersaving practices within the industries could achieve significant reductions in consumption. On a large scale, these could significantly improve the ability of these water supplies to meet overall demand; however, it could impact funds collected by Council to pay for water services.

Agricultural demand is an important consideration on our rural water supplies. On-farm practices can have an impact on demand, as can development. The dairy industry is becoming increasingly stringent about product quality. Some dairy farmers have invested in automated wash-down facilities for milking sheds that use significantly more water. Council needs to be aware of these types of trends in all farming sectors, to forecast for agricultural demand.

Climate change is predicted to result in an increased frequency of both droughts and floods. Droughts and dry summers increase the demand for water, meaning that the challenges of managing our water supplies will become even more apparent in the future.

Levels of Service Water

- You can expect that the potable water we supply is safe to drink
- You can expect satisfaction with our service
- You can expect faults to be responded to and resolved in a timely manner.

Wastewater Network Demand Forecasts

Wastewater services are provided by Manawatu 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 convey wastewater from residential and commercial properties to the town's wastewater treatment plant. In Awahuri, Cheltenham and Kimbolton, the Council system takes partially treated effluent from septic tanks on properties in the town to treat. Council holds resource consents for the discharge of treated wastewater to either land or water from these plants.

Asset Summary – Wastewater (1 July 2014 Valuation)

Scheme	Replacement Cost ($)	Depreciated Re-placement Cost ($)	Annual Depreciation ($/year)
Feilding	61,405,705	38,644,714	847,802
Cheltenham	477,564	311,017	6,894
Awahuri	168,294	117,938	2,980
Halcombe	1,851,514	1,274,960	23,760
Himatangi Beach	4,666,610	4,610,674	121,765
Kimbolton	1,375,346	915,696	32,489
Rongotea	3,349,558	2,217,248	40,965
Sanson	2,256,983	1,505,670	27,828
Total	**75,551,574**	**49,597,917**	**1,104,483**

Asset Group	Replacement Cost ($)	Depreciated Re-placement Cost ($)	Annual Depreciation ($/year)
Reticulation	46,707,880	28,231,413	510,334
Pumping Stations	621,895	328,151	15,590
Facilities	24,334,734	17,151,288	578,559
Land	3,887,065	3,887,065	-
Total	**75,551,574**	**49,597,917**	**1,104,483**

Demand for wastewater services is closely linked to demand for water. Where a reticulated wastewater supply is available, a high proportion of water supplied ends up discharged as wastewater. Wastewater demand is therefore dependent on population, development, and water demand.

One unique factor to consider when planning for wastewater services is the level of ‘inflow and infiltration’ (I & I). I & I is either stormwater or groundwater that enters the wastewater system. This contributes to wastewater being conveyed through the reticulation and treated at our Wastewater Treatment Plants (WWTPs). Reducing I & I is a means to reduce the demand on our wastewater systems. There is a cost to this work, so the right balance is calculated so the investment in this work is cost-effective. Feilding has issues with I & I in the wastewater system. There is a programme to address this and reduce flows within the wastewater system. Climate change will have an effect on I & I through increased frequency and severity of storm events. This makes our programme of I & I reduction even more crucial.

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 (at least in areas where we have a reticulated scheme).

Large industrial premises are the most significant components of demand for wastewater, in terms of flow and pollutant loadings. Growth in this demand is focused in Feilding and significant capacity increases have been designed into the Feilding WWTP upgrade. The growth is focused on the Growth Precinct 5.

- You can expect stormwater system adequacy
- You can expect satisfaction with our service
- You can expect us to respond to flooding events in a timely manner.

Stormwater Networks Demand Forecasts

Council provides reticulated stormwater systems in the urban areas of Feilding, Rongotea and Sanson. These stormwater systems are designed to manage the risk of floods damaging property or endangering health. They consist of inlets, pipes, open drains, and outlets to receiving environments.

In addition to the stormwater schemes, there are stormwater assets in Himatangi Beach, Halcombe, Tangimoana, Apiti, Kimbolton, Pohangina, Rangiwahia and Cheltenham, although a number of these assets come under the roading activity. In addition to the urban stormwater assets described above, Council also owns and maintains assets in four rural drainage schemes. These are at Bainesse, Maire, Makowhai and Oroua Downs. These assets are entirely open drains, with a total length across all four schemes of 181 km.

Asset Summary – Stormwater (1 July 2014 Valuation)

Scheme	Replacement Cost ($)	Depreciated Re-placement Cost ($)	Annual Depreciation ($/year)
Cheltenham	65,020	43,798	654
Feilding	38,584,340	22,551,553	400,325
Himatangi Beach	2,291	1,737	25
Rongotea	787,899	634,945	8,081
Sanson	700,175	590,553	7,033
Tangimoana	114,140	110,184	1,174
Total	**40,253,865**	**23,932,770**	**417,292**

Asset Group	Replacement Cost ($)	Depreciated Re-placement Cost ($)	Annual Depreciation ($/year)
Reticulation	40,152,565	23,834,678	416,118
Pumping Station	101,300	98,092	1,174
Total	**40,253,865**	**23,932,770**	**417,292**

Demand for stormwater systems is heavily influenced by rainfall as well as population and development. The impacts of climate change will be felt strongly by the stormwater activity. Predictions from NIWA for New Zealand are for storm events to increase, as will the frequency of large events. An event that may have occurred every 20 years in the past would be expected to occur more often.

Community expectations around stormwater management have increased. There is little tolerance for surface flooding, and our stormwater systems need to be adequate to deal with flows without inconveniencing the public or allowing damages to occur.

In the future it is expected Council will require private property owners or developers to deal with stormwater on- site. In previous decades, the philosophy behind stormwater management was to concentrate flows and discharge them to waterways. This is becoming increasingly less acceptable, largely for environmental reasons. Now, if stormwater from a development is unable to be collected and dealt with effectively by the existing Council network, we may require developers to install features such as soak holes or wetlands within property boundaries. This will limit the pressure on stormwater networks from additional growth.

Lifeline Assets

Council asset networks perform vital functions that support the health and safety for residents and visitors. This includes roads, safe water supplies and wastewater treatment. In the event of a natural disaster these networks are likely to suffer damage. The speed that Council can restore key network services can be vital to the recovery from a natural disaster.

Council has recognised this by adopting a Lifelines Response Plan prepared by the Manawatu-Wanganui Lifelines.

Advisory Group for key Council services including Utilities and Roading. The Plan considers natural hazard events including earthquake, flooding, volcanic and mass movement (land slip). The Lifeline Response Plan can be accessed here.

A risk and condition based strategy for asset resilience is applied where there is a significant implication due to failure, such as a major health and safety risk, significant reliability of supply consequence or significant expense in repair.

The Manawatu-Wanganui Lifelines Advisory Group prepared a Risks and Natural hazards report that examined the effects of direct damage by known major natural hazards to lifeline services. The report:

- Assesses the vulnerability of lifeline services to damage from hazards.
- Identifies interdependencies amongst the lifeline services.
- Identifies practical strategies for reducing risk.
- Helps project participants identify and implement mitigation and response strategies for their own networks and coordinate these with the plans of other lifelines.

Assessed risk scores were determined and a summary of the key risks for the Manawatu District produced. From this a Lifelines Response Plan has been prepared for key Council services including 3 Waters. The Plan considers natural hazard events including earthquake, flooding, volcanic and mass movement (land slip).

Sustainability of Asset Performance and Level of Funding

Assets are generally in a good condition. The Roading network has a high rating for smoothness and has spare capacity across most of the network. Water networks have had appropriate levels of renewal and so are in good shape; stormwater networks are relatively new and do not yet need a high level of investment. It is our wastewater networks that need the most work, as historically the level of renewals was low, and it is only now that more focus is being placed on performance and compliance issues including the amount of Inflow & Infiltration.

The strategy is to renew the assets before maintenance costs rise, resulting in the effective use of scheme funds (optimised decision-making). The required level of renewal will vary, depending on:

- The age profile of the asset
- The condition profile of the asset
- The ongoing maintenance demand
- The performance of the asset.

Council is now in the process of improving its 3 Waters Asset Management Plan and has recently shifted to a new asset management information system. This is part of a shift to a more proactive management approach that will directly link condition assessments to asset lives and funding required. The new system should be progressively implemented over the next few years and be fully in place for the 2018 LTP process.

How we are Maintaining or Improving Public Health and Environmental Outcomes

Council has two main focus areas for maintaining or improving public health. The first is based around the upgrade of public urban water supplies to improve the quality and resilience of these networks. This involves meeting the mandatory Drinking Water Standards. The second is to upgrade the treatment and disposal of urban wastewater to improve the health of our river systems. As such the latter is more focused on Environmental outcomes.

Council has already completed a number of these projects in the last few years. The major projects remaining are:

- The Feilding waste water treatment plant and disposal upgrade.
- The renewal and expansion of the Almadale water reservoir.

Details on these projects are set out in the section on Significant Capital Expenditure Decisions.

Detailed Asset Assumptions

Renewal life of assets – Typical useful lives of Utility Asset Components

Activity and Component	Years of useful life	Depreciation %
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%
Wastewater system		
Pipes	60 - 100 years	1 - 1.66%
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%

Significant Capital Expenditure Decisions

For the purposes of this section Council has assessed the threshold for a significant capital expenditure decision is $1 million. 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 LTP 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.

Timeline of significant proj

2015 to 2036	Feilding Growth Precincts – Stormwater	$13,293,878
2016 to 2036	Feilding Wastewater Treatment Plant Consent and Upgrades	$14,032,652
2016 to 2039	Resource Consent renewals	$4,213,000
2016 to 2020	Kimbolton Road Water Mains renewals	$4,630,808
2016 to 2040	Feilding growth precincts – Water	$21,648,700
2016 to 2040	Feilding growth precincts –Wastewater	$13,675,076
2017	Almadale Water Reservoir	$2,202,000
2018 to 2019	Mangaweka Bridge	$1,053,000
2018 to 2019	Feilding to Palmerston North Cycleway	$1,214,000
2030 to 2031	Awahou South Bridge, Manchester Street Bridge, Pararorangi Road Bridge, Pohangina Valley East Road Bridge and Umutoi Road Bridge	$3,822,000
2035 to 2036	Beattie Street Bridge, Pohangina Valley East Bridge, Reids Line East Bridge, Rongotea Road Bridge and Warwick Street Bridge	$5,829,210
2037	Otara Road Bridge	$4,979,737
2041	15 Bridge Structures	$9,332,000

Purpose of Expenditure

Renewal LOS Increase Growth Public Health Natural Hazard

Asset	Issue / Risk	Practical Options	Implications / Decision (Cost and timing) All costs are in $2014/15
Feilding Water supply	The 6000m^3 reservoir at Almadale Water Reservoir is in need of replacement and being underground results in additional risks to those connected to the network.	Replacement of the existing 6000m^3 below-ground reservoir with an 8000m^3 above-ground reservoir. This would cater for growth in Feilding, and also reduce the risk of contamination that is present with a below-ground reservoir. The new reservoir would be built to current codes for seismic strength. Other options include building for higher growth that is unlikely to eventuate, or to replace at the same volume that may create shortages of water within the forecast period and result in higher risks.	This is a $2.2 million project 2016/17. The new reservoir will be 1000m^3 bigger than the two existing ones to allow for future growth.

Asset	Issue / Risk	Practical Options	Implications / Decision (Cost and timing) All costs are in $2014/15
	The Kimbolton Rd trunk main needs renewal. This is the main water supply trunk main for Feilding, which carries treated water from the Almadale Water Treatment Plant to town.	The project has been split into a five year programme. Design will be driven by the Feilding Water Strategy. The first stage of this project is a thorough condition assessment along the entire length of the main. The results of this condition assessment will determine the level of renewal expenditure required. Options to be considered will include the length required to be replaced, the appropriate size of pipes and pumping capacity.	$150,000 condition assessment 2015/16 Stage 1: $560k renewal 2016/2017 Stage 2: $914k renewal 2017/2018 Stage 3: $1.117 million renewal 2018/2019 Stage 4: $1.823 million renewal 2019/2020
	The Feilding Urban Growth Framework Plan has identified precinct growth areas that have been incorporated into the District Plan. Infrastructure needs to be put in place to support this future growth, or service levels will not be maintained. Council can either lead or follow on development. Investing up front allows future residential and industrial development to establish in Feilding relatively quickly. Lack of available residential/ industrial land will lead to less competition in the housing market or result in prospective greenfield businesses locating elsewhere.	Less investment can result in lengthy delays (years) to developers, or results in developers investing elsewhere. Council operates a storage, treatment and supply network that is the most effective and efficient means for providing safe and consented drinking water to the Feilding urban area. These projects are funded by Development Contributions so if no growth then no funding. Council must balance servicing future growth against the risk of investing in infrastructure not required. Options: • Wait for developers to lead/ commit before investing. This will delay developments and exclude all but the largest developers. There is also a significant risk in disjointed development that will result in inefficient networks. • Carry out as joint partnership projects (PPP). This will limit competition and may not attract developers in this regional market. • Not cater for growth. This would be against the vision and stated Council strategies.	Precinct 4 New reticulation $2 million growth 2015/16 to 2025/26 Precinct 5 Industrial New reticulation $2 million, 2015/16 to 2025/26 Area H $4 million growth 2025/26 to 2029/30 Area F $2.3 million growth 2030/31 to 2034/35 Area G $6.4 million growth 2030/31 to 2034/35 Area B $1.6 million growth 2035/36 to 2039/40 These figures reflect the costs of a staged investment in the growth precincts. Actual timing will be driven by actual growth. It's possible that even within the 30 years of this strategy, not all precincts will be fully developed.

Asset	Issue / Risk	Practical Options	Implications / Decision (Cost and timing) All costs are in $2014/15
Feilding Stormwater	The Feilding Urban Growth Framework Plan has identified precinct growth areas that have been incorporated into the District Plan. Infrastructure needs to be put in place to support this future growth, or service levels will not be maintained. Council can either lead or follow on development. Investing up front allows future residential and industrial development to establish in Feilding relatively quickly. Lack of available residential land will lead to less competition in the housing market or result in prospective greenfield businesses locating elsewhere.	Less investment can result in lengthy delays (years) to developers, or results in developers investing elsewhere. These projects are funded by Development Contributions so if no growth then no funding. Council must balance servicing future growth against the risk of investing in infrastructure not required. Options: • Wait for developers to lead/ commit before investing. This will delay developments and exclude all but the largest developers. There is also a significant risk in disjointed development that will result in inefficient networks • Carry out as joint partnership projects (PPP). This will limit competition and may not attract developers in this regional market. • Not cater for growth. This would be against the vision and stated Council strategies.	Precinct 4 new reticulation $6.49 million - growth 2015/16 to 2020/21 Precinct 5 (Turners Rd) $640k 2015/16 to 2018/19 Area G $4 million - growth 2020/21 to 3034/35 These figures reflect the costs of a staged investment in the growth precincts. Actual timing will be driven by actual growth. It's possible even within the 30 years of this strategy, not all precincts will be fully developed.
Feilding Wastewater	The Feilding Urban Growth Framework Plan has identified precinct growth areas that have been incorporated into the District Plan. Infrastructure needs to be put in place to support this future growth, or service levels will not be maintained. Council can either lead or follow on development. Investing up front allows future residential and industrial development to establish in Feilding relatively quickly. Lack of available residential/ industrial land will lead to less competition in the housing market or result in prospective greenfield businesses locating elsewhere.	Less investment can result in lengthy delays (years) to developers, or results in developers investing elsewhere. These projects are funded by Development Contributions so if no growth then no funding. Council must balance servicing future growth against the risk of investing in infrastructure not required. Options: • Wait for developers to lead/ commit before investing. This will delay developments and exclude all but the largest developers. There is also a significant risk in disjointed development will result in inefficient networks • Carry out as joint partnership projects (PPP). This will limit competition and may not attract developers in this	Precinct 4 new reticulation $1.3 million growth 2015/16 to 2024/25 Precinct 5 new reticulation $1.5 million growth 2015/16 and 2024/25 Area H new reticulation $4 million growth 2025/26 to 2030/31 Area G new reticulation $4.4 million growth 2030/31 to 2035/36 Area F new reticulation $3.2 million growth 2035/36 to 2039/40 These figures reflect the costs of a staged investment in the growth precincts. Actual timing will be driven by actual growth. It's possible even within the 30 years of this strategy, not all precincts will

Asset	Issue / Risk	Practical Options	Implications / Decision (Cost and timing) All costs are in $2014/15
		regional market. • Not cater for growth. This would be against the vision and stated Council strategies.	be fully developed.
	The WWTP resource consent has expired and Council is currently in the process of renewing this. Environmental standards have increased since the previous consent was issued. Approximately half the nominated 50,000 household capacity of the current scheme is taken up by trade waste discharges. There is currently sufficient capacity to provide for forecast population growth; however, the establishment of another wet industry could change this situation. The overall project consists of a number of specific projects, including a new larger storage facility, land disposal irrigation system and treatment plant upgrades. The discharge consent to the river is for 10 years. Council has also budgeted for consent renewal processes twice more in the 30 year period.	To comply with resource consent conditions, Council is proposing to upgrade the WWTP. The decisions on the consent and conditions is made by Horizons. Council has the option of appealing the new conditions if they are considered too expensive to implement or unnecessary. If appealed the Environment Court will consider the issues. Council is obliged to meet the final new conditions. Not treating wastewater is not an option. Components of the upgrade contain a number of options. As discussed above many of the project components have little choice. The increased treatment and storage capacity related to growth are more discretionary. The principal option is to not increase capacity for future industrial growth. This would significantly reduce costs including the size of the plant and land holdings for irrigation. The risk is any future industrial growth will not be able to be accommodated as expanding the plant and conditions of the resource consent takes years. Businesses will locate elsewhere. This is not consistent with the Council vision, economic strategy and growth forecasts. Another option is not to plan for land irrigation and apply solely for treatment and discharge to river all year. This would likely lead to difficulties in gaining approval for the renewed consent and high legal costs if pursued. It is also contrary to Council's commitment to the River Accord.	Council has decided to increase treatment capacity for future new industrial businesses. A focus on reducing inflow and infiltration to the sewer system will result in additional capacity to cater for household growth. Council is seeking resource consent to upgrade the plant and discharge treated effluent through three approaches: land-based treatment, discharge of treated effluent to the Oroua, and storage of wastewater during high flows. The project has included acquisition of land for effluent irrigation during low flows in the Oroua River - 2,557,000 m3/year. Total Project as per Consent application • 2nd storage pond - $1.7m 2016/17 • Treatment plant upgrade - $2.2m 2025/26, $3.2m 2035/2036 • Irrigation - $2.1m 2015/16 and 2016/17 Further consent renewals will incur significant costs based on the current processes and legal framework. It is also expected that additional upgrades will be required as part of renewing the discharge to river consents.

Asset	Issue / Risk	Practical Options	Implications / Decision (Cost and timing) All costs are in $2014/15
Water, Wastewater and Stormwater Resource Consents	The resource consents that allow the operation of the three waters schemes and set the standards to be met have finite lives. Over the 30 year period all consents will need renewal. These consent renewals are followed by funding for scheme upgrades to meet higher environmental standards as conditions have consistently been increasing over time.	Council has no option to seek consent renewals unless a scheme is discontinued. Options will include the size of the take/discharge and their quality. Council is allowing for renewals at least once in the 30 year period.	Council has allowed $20,000 (smallest schemes), $250,000 (medium schemes) to $500,000 (large schemes) for each consent renewal. These budgets are approximate as the renewals may be subject to different standards or legal processes. Total costs for the water and wastewater schemes are $3.42m over 30 years. This includes: Feilding Wastewater Treatment Plant – Discharge $1.4m 2023/2024 Feilding Wastewater Treatment Plant - Discharge $1.9m 2033/2034 Sanson Wastewater – Discharge $500k 2015/2016
Roading	Overall Note : The roading activity expenditure is significant for Council, but is largely made up of the renewal of large numbers of smaller assets (signs, culverts etc.) or the maintenance and renewal of small parts of the wider roading network (resealing specific roads and streets). As such most of the expenditure in any one year has few 'significant' expenditure decisions. Treating expenditure in asset classes does aggregate spending to significant levels, but these decisions are driven by levels of service (LOS) decisions as part of the Long Term Plan. These LOS will be largely determined by NZTA through the ONRC and will be integrated into the Council LTP and roading programme by 2018. Detailed annual expenditure is set out in the roading AMP.		
Roading	The bridge on Ruahine Road crossing the Rangitikei River to Mangaweka is at the end of its useful life and needs to be refurbished or replaced. This is a boundary bridge and the project is jointly funded by Rangitikei District Council and New Zealand Transport Agency.	This bridge provides access from the northern part of the District (Rangiwahia area) over the Rangitikei River to SHI and Mangaweka. Not refurbishing or renewing the bridge would add considerable distance, cost and inconvenience to residents in the northern areas of the district. There is no other practical option for providing access across the river in this area of the district.	Cost of project to Manawatu District Council is $1m. This is a renewal project that requires ratepayer funding of <25% of the total cost.

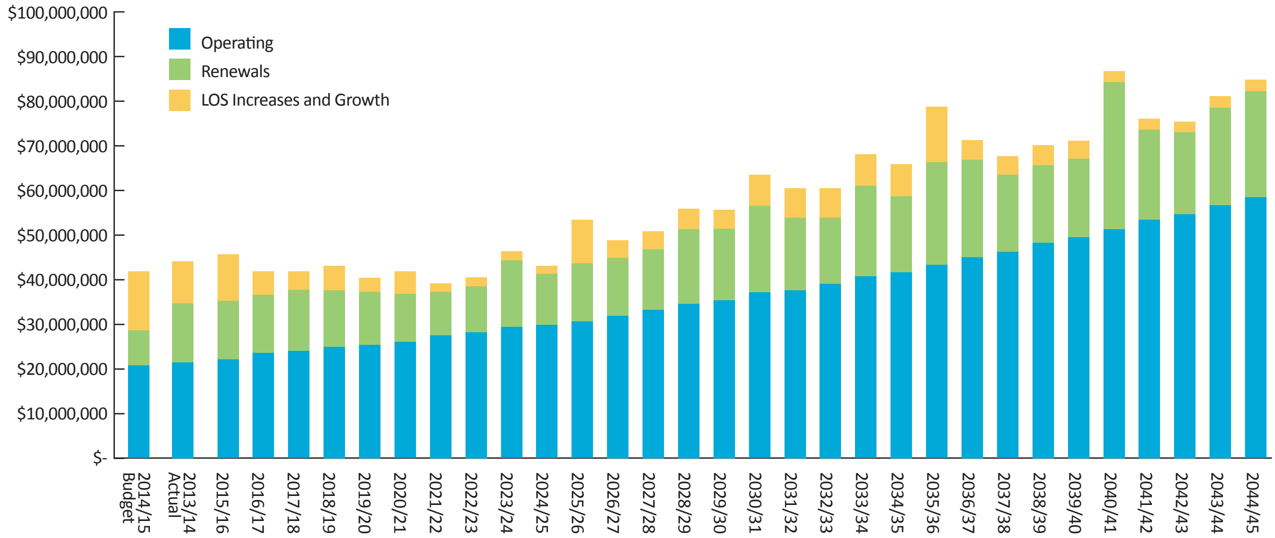
Asset	Issue / Risk	Practical Options	Implications / Decision (Cost and timing) All costs are in $2014/15
	The Council has a strategy to expand the network of walkway and cycleways within the district. The Feilding to Palmerston North Cycle Path is a key new asset intended to promote recreational and commuting cycle traffic between the two largest urban centres in the wider Manawatu region.	The project is being jointly planned with PNCC. Each Council is responsible for the cycleway within their area. The route is designed to maximise public land corridors in order to limit costs. The cycleway needs to meet certain standards to ensure safety and reduce future maintenance costs.	Council will contribute $1.2m 2018/19 to build path Level of service increase jointly funded by NZTA (53% of total cost). As well as ongoing maintenance costs ($10k a year) it is expected this cycleway will require full renewal in 2038/39 (20 year life).
	Awahou South Bridge, Manchester Street Bridge, Pararorangi Road Bridge, Pohangina Valley East Road Bridge and Umutoi Road Bridge		$3.8m 2030/2031
	Beattie Street Bridge, Pohangina Valley East Bridge, Reids Line East Bridge, Rongotea Road Bridge and Warwick Street Bridge		$5.8m 2035/2036
	Otara Road Bridge		2036/37 $5m Renewal
	15 Bridge Structures		2040/41 $9.3m Renewals

What will it Cost? - Overall Financial Impacts

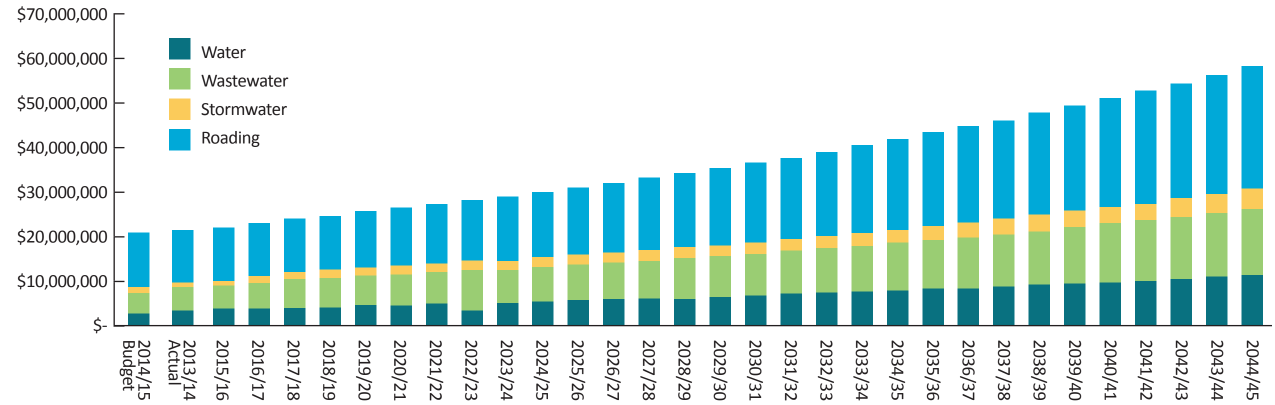
Based on the most likely scenario as set out in this strategy the following are the forecast capital and operating expenditure. For clarity, the capital expenditure has been split into three waters and roading, and renewal capital and growth related capital. Projects are categorised into purpose of expenditure based on the majority of expenditure, with individual projects not split between renewal and LOS increases/growth.

From years 11 to 30 capital expenditure is largely made up of renewal projects. These are based on the asset management plans and the assumptions on the useful life of assets. Council is currently in the process of improving the data quality for the 3 waters assets. This is part of an identified improvement programme in the 3 Waters AMP and includes condition assessments and detailed data by component. As the current forecasts are based on standard grouped asset lives and historical installation data there is a significant amount of flexibility in when any actual asset renewal will occur in the long term. Council staff will assess the actual condition and need for renewal for all major assets prior to the year programmed for renewal. This will allow Council to smooth the costs between years to remove spikes in expenditure.

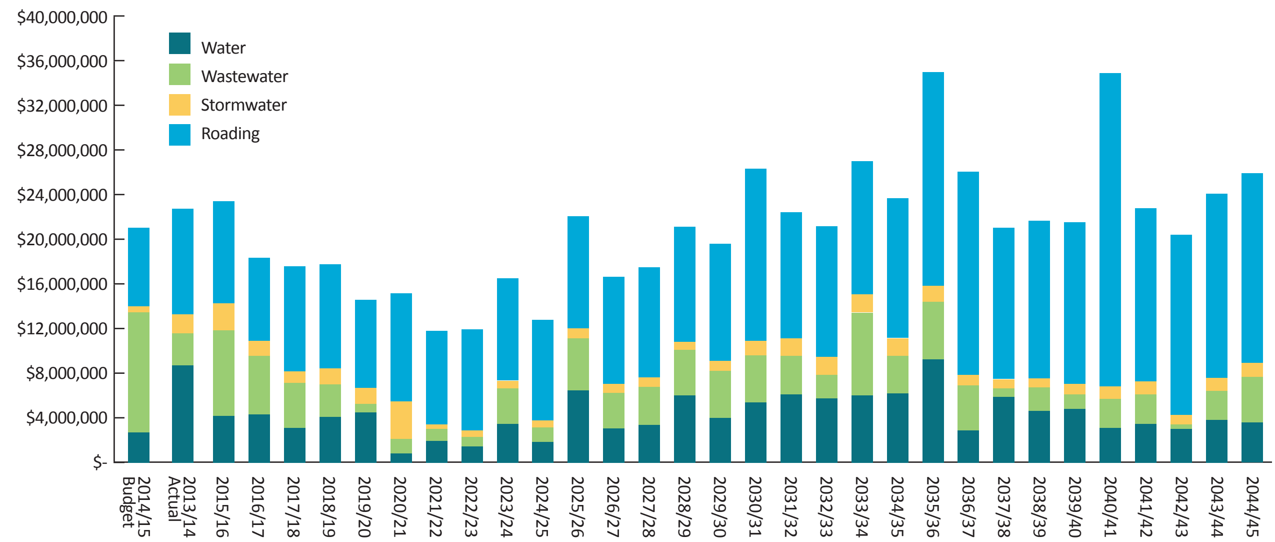
Annual Operating and Capital Expenditure Roading and 3 Waters



Annual Operating Expenditure Roading and 3 Waters



Annual Capital Expenditure Roading and 3 Waters



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 $12 million. Rates funding for depreciation is $8 million in 2014/15. Total renewals forecast for the next 30 years total $413 million, including $116 million for roading to be funded from NZTA. This leaves a shortfall in depreciation reserves of around $45 million across the 30 years. This reflects the renewal curve; the fund is expected to remain positive over the very long term (up to 100 years). It is expected that loan funding into the depreciation reserve will be required at some point to fund renewals. The more detailed condition assessment work underway may result in an extension to asset lives. If this occurs the renewal works required over the next 30 years are likely to reduce and loan funding may not be required.

This Strategy includes the funding of all renewals as programmed in the two AMPs. 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 Roading the funding is different as NZTA fund 53% of maintenance and renewal costs. This means that Manawatu 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 Roading AMP.

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. Capacity to borrow an additional $5 million and stay be within the Borrowing Management Policy has been built into the Financial Strategy. 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. There are two funding issues that may impact Council finances:

1. The current move in Roading to the national One Network Roading Classification could result in a lower level of subsidised funding. Council and the community may have to decide whether to accept changes to the current levels of service on some roads. The full impact of this will be known for the 2018 LTP process.
2. If development contributions revenue from developments is lower than expected then Council will need to consider alternative sources of funding for growth projects.

Assumptions

This strategy includes the most likely scenario for growth, demand and other external impacts that result in a need for significant expenditure. The drivers that result in this MLS are complex and the actual outcome is likely to differ to some extent. The following assumptions are key to this strategy:

Assumption	Confidence	Risk and Impact
Service levels will remain unchanged unless indicated	Medium	Increased service levels could result in higher than forecast rates. Service levels will be considered in each LTP process in response to community preferences and consent conditions.
Assets will on average remain operational at least until the years forecast	Low - Medium	For many pipes and structures actual life is not yet known. Failure of assets prior to that forecast would significantly increase rate requirements as reserves will be insufficient to fund replacements.
Changes in population, household numbers and commercial / industrial activity will occur as forecast (or not significantly different).	Low - High	Migration movements and business location decisions could result in population being higher or lower than expected. This can have a substantial impact on the number of 3 waters connections and road usage. Changing trends can usually be identified and responded to as the LTP is updated every three years.
Revaluations will occur frequently and not increase asset values faster than inflation forecasts	Low - Medium	Higher unit costs result in increased depreciation funding through rates.
NZTA FAR stays at 53%	Low - Medium	Lower grant levels will force the Council to increase rates funding or lower LOS. The FAR system has just been changed for the first time in over 30 years, and no further changes are expected in the medium term at least.
No major changes in land use as a result of demand of agricultural products	Low	A move to more intensive land use would generate more truck traffic and higher maintenance costs. Additional employment can result in faster urban growth.
Climate change and the expected impacts from this will impact as advised by the Ministry of Environment guidance	Low - Medium	• Water - Longer periods of drought result in increased demand, while flood events create turbidity. Demand management programmes (awareness, rain water storage etc.) are already underway to reduce peak demand. • Wastewater - Increased frequency and intensity of rainfall events results in infiltration and inflows that increase volumes to be treated. Programmes to address this include leak detection and stormwater works. • Stormwater - Increased frequency and intensity of rainfall events results in service levels falling. Increasing size and coverage of networks may be required.
National Policy Statement on Freshwater Management	Medium	**Water** Council sources a number of urban water supplies at least partly from waterways. The risk is that the new minimum standards for waterways will impact on the ability to source these supplies. The current resource consent condition restrict water takes during periods of low flow. Where this is an issue bores are generally used to supplement water takes. Council is assuming that these consent conditions will remain at current levels. **Wastewater** Discharge consents for wastewater are increasingly containing tougher conditions in order to improve waterway quality. Council is also a partner in the Manawatu River Accord and has committed to significant treatment and discharge upgrades for urban areas, including land based discharges in periods of low flow. Council is assuming that conditions on resource consents will continue to be restrictive. Substantial budgets are included for consent renewals. **Stormwater** Council is assuming that the current rules around stormwater discharge will continue. This includes the retention of stormwater on-site for many new developments.

Assumption	Confidence	Risk and Impact
No major natural disasters	Low - High	A major natural disaster is unlikely to occur in the short term, however can happen any day. If one does occur, especially on an urban area, will require a change to the timing of asset replacement and could result in a complete change in this Strategy.
Average inflation changes will be consistent with forecasts	Low - Medium	Inflation has been stable for some years and there is currently low inflation across most of the developed world. Changes in oil and commodity prices in 2014/15, if sustained, may lower price forecasts in year 1. Substantial changes in price levels above or below those forecast will result in higher / lower costs to operate and renew the assets.
No major changes in government legislation and resource consent policies / standards	High	Given the pace of legislative and resource consent standards reform recently changes over the next 30 years are likely. Changes that would impact on the way and / or funding of infrastructure include: • Government imposing a regional approach to delivering services – Council would no longer be directly responsible for setting levels of service or funding. • Forced amalgamations of Councils – the new larger Council would review all funding and levels of service. • Changes to the One Plan – standards for water quality, wastewater and stormwater discharges could increase resulting in higher costs for those connected to network services. Council has budgeted for the renewal of all resource consents over the next 30 years. • Drinking water standards could be increased increasing costs for all properties connected to urban water networks. Council will respond to significant changes as required and will consult on the impacts and appropriate responses.
No game-changing technology	High	Technology is rapidly changing and this is resulting in opportunities for efficiency gains and alternative methods of renewing assets. In the last 10 years advances in digital technology has enabled more efficient linkages between condition assessments in the field and asset management systems in the Council. Pipelines are becoming stronger and more flexible and this could result in longer asset lives and lower funding costs. These improvements are likely to continue and result in lower costs to deliver the same levels of service. If this occurs the results could be: • New road surfaces that last longer • Stronger structures that are cheaper to build (bridges etc.) • More efficient wastewater treatment that results in a cleaner discharge at the same or lower costs Overall the likely impact will be to allow Council to deliver higher levels

Appendix 1 Data Confidence

The following tables are from the 1 July 2014 Infrastructural Assets Valuation Reports –

- Transportation
- Water, Wastewater and Stormwater Asset Groups

Year	Data Confidence				Data Completeness				
	Very Uncertain	Uncertain	Reliable	Highly Reliable	60%	70%	80%	90%	100%
Bridges				•					•
Crossings		•				•			
Drainage		•			•				
Footpaths							•		
Islands			•				•		
Marking			•				•		
Retaining Walls		•				•			
Railings			•				•		
Shoulder			•				•		
SW Channel			•			•			
Signage			•				•		
Street Lighting			•					•	
Traffic Facility			•				•		
Carriageway				•					•

(For clarity of table the following components are established at Bridge 95%, Carriageway 98% completeness).

3 Waters Data Confidence

		Reticulation		Above Ground
	Water	Stormwater	Wastewater	
Quantity	2	2	2	3
Size	2	2	2	4
Material	2	2	2	3
Construction Date	2	2	2	2
Depth	3	4	4	NA
Cost	2	2	2	3

Grade	Description	Accuracy
1	Accurate	100%
2	Minor Inaccuracies	+/- 5%
3	50% estimated	+/- 20%
4	Significant data estimated	+/- 30%
5	All data estimated	+/- 40%

IIMM: Data Accuracy Grading System

Council in April 2004 changed its Utility Asset Management Software. Condition rating and confidence data will improve over time as this new system becomes fully populated with asset data.

These assets are revalued annually to fair value on a depreciated replacement cost basis as determined by an independent valuer. The valuation was performed internally by engineering staff and certified externally. All infrastructural asset classes carried at valuation were valued. Council's policy is to revalue these assets annually.

Note on data confidence

The Council has recently shifted the asset data system to AssetFinda, so very few confidence assessments have been made at this time under this system. Most of the spatial data has come off as-built plans and day-to-day operations have not highlighted major concerns with the integrity of the attributes of the reticulation network, the data confidence in such assets is good. Council has an ongoing commitment to improve procedures for annotating and assessing data confidence.

Manawatu District Council Funding Impact Statement Whole of Council For 1 July 2015 - 30 June 2025

	Annual Plan 2015 $000	Year 1 2016 $000	Year 2 2017 $000
Sources of operating funding			
General rates, uniform annual general charges and rates penalties	3,729	4,090	4,214
Targeted rates	24,172	25,617	27,239
Subsidies and grants for operating purposes	2,064	2,337	2,381
Fees and charges	4,124	3,677	4,321
Interest and dividends from investments	321	276	453
Local authorities fuel tax, fines, infringement fees and other receipts	3,553	3,454	3,600
Total operating funding	**37,963**	**39,451**	**42,208**
Applications of operating funding			
Payments to staff and suppliers	28,472	30,127	31,127
Finance costs	2,906	3,039	3,699
Other operating funding applications	0	0	0
Total applications of operating funding	**31,378**	**33,166**	**34,826**
Surplus (deficit) of operating funding	**6,585**	**6,285**	**7,382**
Sources of capital funding			
Subsidies and grants for capital expenditure	5,406	5,042	3,603
Development and financial contributions	821	960	991
Increase (decrease) in debt	7,345	15,451	6,549
Gross proceeds from sale of assets	1,500	2,050	2,050
Lump sum contributions	0	0	0
Total sources of capital funding	**15,072**	**23,503**	**13,193**
Applications of capital funding			
Capital expenditure			
- to meet additional demand	5,569	6,373	1,660
- to improve the level of service	6,630	11,705	5,482
- to replace existing assets	14,936	15,520	14,463
Increase (decrease) in reserves	(7,911)	(3,702)	(831)
Increase (decrease) of investments	2,433	(108)	(199)
Total application of capital funding	**21,657**	**29,788**	**20,575**
Surplus (deficit) of capital funding	**(6,585)**	**(6,285)**	**(7,382)**
Funding balance	**0**	**0**	**0**

Year 3 2018 $000	Year 4 2019 $000	Year 5 2020 $000	Year 6 2021 $000	Year 7 2022 $000	Year 8 2023 $000	Year 9 2024 $000	Year 10 2025 $000
4,156	4,164	4,301	4,398	4,458	4,617	4,760	4,861
28,571	29,360	30,493	31,259	32,024	33,261	34,336	35,272
2,376	2,413	2,471	2,551	2,602	2,676	2,776	2,845
4,497	4,611	4,736	4,891	5,048	5,221	5,393	5,578
440	437	434	431	428	425	422	419
3,243	3,315	3,476	3,491	3,588	3,291	3,303	3,410
43,283	**44,300**	**45,911**	**47,021**	**48,148**	**49,491**	**50,990**	**52,385**
31,245	31,315	32,449	33,202	33,898	35,090	36,168	37,136
4,076	4,431	4,678	4,855	4,929	4,854	4,825	4,820
0	0	0	0	0	0	0	0
35,321	**35,746**	**37,127**	**38,057**	**38,827**	**39,944**	**40,993**	**41,956**
7,962	**8,554**	**8,784**	**8,964**	**9,321**	**9,547**	**9,997**	**10,429**
4,543	4,292	3,822	4,585	4,024	4,138	4,262	4,397
1,018	1,043	1,071	1,099	1,130	1,163	1,199	1,237
6,030	5,804	2,416	3,506	(1,032)	(1,485)	516	(674)
2,684	0	0	300	0	0	0	0
0	0	0	0	0	0	0	0
14,275	**11,139**	**7,309**	**9,490**	**4,122**	**3,816**	**5,977**	**4,960**
1,701	3,293	2,423	3,948	498	580	269	670
4,835	2,442	1,292	3,393	956	903	930	1,156
14,759	14,572	12,811	11,648	11,513	11,541	16,526	13,256
1,143	(353)	(154)	(238)	792	676	(1,391)	690
(201)	(261)	(279)	(297)	(316)	(337)	(360)	(383)
22,237	**19,693**	**16,093**	**18,454**	**13,443**	**13,363**	**15,974**	**15,389**
(7,962)	**(8,554)**	**(8,784)**	**(8,964)**	**(9,321)**	**(9,547)**	**(9,997)**	**(10,429)**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Prospective Statement of Comprehensive Revenue and Expense

	Annual Plan 2015 $000	Note	Year 1 2016 $000	Year 2 2017 $000
Revenue				
Rates revenue	27,901		29,707	31,454
Interest revenue	321		276	453
Subsidies and grants	7,470		7,380	5,983
Development and financial contributions	345		680	697
Other revenue	8,155		7,410	8,215
Other gains/(losses)	1,082		416	417
Total revenue	**45,274**	1	**45,868**	**47,218**
Expenditure				
Personnel costs	8,958		9,464	9,920
Depreciation and amortisation expense	12,132	2	12,086	12,907
Finance costs	2,906		3,039	3,699
Other operating expenses	19,514		20,663	21,207
Total operating expenditure	**43,510**	1	**45,252**	**47,732**
Operating surplus/(deficit) before tax	**1,764**		**616**	**(514)**
Income tax expense	**0**		**0**	**0**
Net surplus/(deficit) after tax	**1,764**	3	**616**	**(514)**
Other comprehensive revenue and expense				
Gains on the revaluation of property, plant and equipment	9,377		11,256	15,020
Total other comprehensive revenue and expense	**9,377**		**11,256**	**15,020**
Total comprehensive revenue and expense for the year	**11,141**		**11,873**	**14,506**

Year 3 2018 $000	Year 4 2019 $000	Year 5 2020 $000	Year 6 2021 $000	Year 7 2022 $000	Year 8 2023 $000	Year 9 2024 $000	Year 10 2025 $000
32,728	33,524	34,794	35,657	36,482	37,878	39,096	40,133
440	437	434	431	428	425	422	419
6,919	6,705	6,293	7,135	6,626	6,814	7,038	7,242
713	729	746	764	783	803	825	848
8,045	8,240	8,537	8,717	8,983	8,872	9,070	9,377
417	0	0	0	0	0	0	0
49,262	**49,635**	**50,804**	**52,704**	**53,303**	**54,793**	**56,452**	**58,018**
10,153	10,357	10,576	10,800	11,041	11,308	11,581	11,879
13,462	14,167	14,520	14,977	15,610	16,097	16,676	17,172
4,076	4,431	4,678	4,855	4,929	4,854	4,825	4,820
21,092	20,958	21,873	22,402	22,857	23,782	24,587	25,257
48,782	**49,913**	**51,646**	**53,034**	**54,438**	**56,042**	**57,668**	**59,128**
480	**(278)**	**(842)**	**(330)**	**(1,135)**	**(1,249)**	**(1,216)**	**(1,110)**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**
480	**(278)**	**(842)**	**(330)**	**(1,135)**	**(1,249)**	**(1,216)**	**(1,110)**
13,083	14,691	21,101	17,555	18,972	27,014	22,059	24,271
13,083	**14,691**	**21,101**	**17,555**	**18,972**	**27,014**	**22,059**	**24,271**
13,563	**14,413**	**20,259**	**17,226**	**17,837**	**25,766**	**20,843**	**23,161**

Prospective Statement of Changes in Net Assets/Equity

	Annual Plan 2015 $000	Note	Year 1 2016 $000	Year 2 2017 $000
Opening Equity Balance	553,438	5	582,581	594,454
Total comprehensive revenue and expense for the year	11,141		11,873	14,506
Total comprehensive revenue and expense for the year	**564,579**		**594,454**	**608,960**

Year 3 2018 $000	Year 4 2019 $000	Year 5 2020 $000	Year 6 2021 $000	Year 7 2022 $000	Year 8 2023 $000	Year 9 2024 $000	Year 10 2025 $000
608,960	622,523	636,936	657,194	674,420	692,257	718,023	738,866
13,563	14,413	20,259	17,226	17,837	25,766	20,843	23,161
622,523	**636,936**	**657,194**	**674,420**	**692,257**	**718,023**	**738,866**	**762,027**

Prospective Balance Sheet

	Annual Plan 2015 $000	Note	Year 1 2016 $000	Year 2 2017 $000
Assets				
Current assets				
Cash and cash equivalents	1,472	5	1,275	798
Accounts receivable	6,312		6,583	6,744
Investment in Council Controlled Entities	208		141	227
Other financial assets	681		338	705
Non-current assets held for sale	1,500		634	634
Total current assets	**10,173**		**8,971**	**9,107**
Non-current assets				
Property, plant and equipment	598,413	5	643,906	666,087
Intangible assets	811		1,145	1,047
Forestry assets	29		40	0
Non-current assets for sale	2,299		0	0
Investment in Council Controlled Entities	3,416	5	4,544	4,317
Other financial assets	4,128		3,658	2,953
Total non-current assets	**609,096**		**653,293**	**674,405**
Total assets	**619,269**		**662,264**	**683,512**
Liabilities				
Current liabilities				
Accounts payable	7,551		7,973	8,168
Provisions	65		69	103
Employee entitlements	868		738	756
Borrowings	6,998	5	1,873	5,000
Total current liabilities	**15,482**		**10,653**	**14,028**
Non-current liabilities				
Provisions	660		661	606
Borrowings	38,548	5	56,496	59,918
Total non-current liabilities	**39,208**		**57,157**	**60,524**
Total liabilities	**54,690**		**67,810**	**74,552**
Net Assets	**564,579**		**594,454**	**608,960**
Equity				
Retained earnings	462,447	5	458,936	457,988
Other reserves	102,132		135,518	150,972
Total equity	**564,579**		**594,454**	**608,960**
Total Liabilities and Equity	**619,269**		**662,264**	**683,512**

Year 3 2018 $000	Year 4 2019 $000	Year 5 2020 $000	Year 6 2021 $000	Year 7 2022 $000	Year 8 2023 $000	Year 9 2024 $000	Year 10 2025 $000
2,712	2,378	2,291	2,114	3,007	3,769	2,404	3,120
6,915	7,095	7,290	7,502	7,730	7,976	8,244	8,535
281	333	352	412	414	377	402	290
0	13	7	7	7	8	8	8
0	0	0	0	0	0	0	0
9,908	**9,819**	**9,940**	**10,034**	**11,158**	**12,130**	**11,058**	**11,954**
685,426	706,407	729,668	751,091	767,578	791,634	815,303	837,668
950	855	761	669	578	489	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
4,036	3,703	3,351	2,940	2,526	2,149	1,747	1,457
2,953	2,942	2,935	2,928	2,921	2,913	2,905	2,897
693,365	**713,907**	**736,716**	**757,628**	**773,603**	**797,185**	**819,955**	**842,022**
703,273	**723,726**	**746,656**	**767,662**	**784,761**	**809,315**	**831,013**	**853,976**
8,375	8,594	8,830	9,086	9,362	9,661	9,985	10,338
45	46	47	49	95	52	54	56
776	796	818	841	867	895	925	957
8,000	7,500	11,500	10,000	8,000	7,000	8,000	7,000
17,196	**16,935**	**21,195**	**19,976**	**18,324**	**17,607**	**18,964**	**18,351**
607	603	599	591	538	527	510	598
62,948	69,252	67,668	72,674	73,642	73,157	72,673	72,999
63,555	**69,855**	**68,267**	**73,265**	**74,180**	**73,684**	**73,183**	**73,597**
80,751	**86,790**	**89,462**	**93,241**	**92,504**	**91,291**	**92,147**	**91,948**
622,523	**636,936**	**657,194**	**674,420**	**692,257**	**718,024**	**738,866**	**762,027**
457,963	457,621	456,712	456,313	455,106	453,782	452,488	451,296
164,560	179,315	200,482	218,107	237,151	264,241	286,379	310,731
622,523	**636,936**	**657,194**	**674,420**	**692,257**	**718,023**	**738,866**	**762,027**
703,273	**723,726**	**746,656**	**767,662**	**784,761**	**809,315**	**831,013**	**853,976**

Prospective Statement of Cash Flows

	Annual Plan 2015 $000	Note	Year 1 2016 $000	Year 2 2017 $000
Cash flows from operating activities				
Cash was provided from:				
Receipts from rates revenue	27,192		29,707	31,454
Interest received	305		258	435
Dividend received	12		18	18
Receipts from other revenue	16,677		15,470	14,895
Cash was disbursed to:				
Payments to suppliers and employees	(28,381)		(30,093)	(31,086)
Interest paid	(2,906)		(3,039)	(3,699)
Income tax paid	0		0	0
Goods and services tax (net)	0		0	0
Net cash from operating activities	**12,899**		**12,321**	**12,017**
Cash flows from investing activities				
Cash was provided from:				
Proceeds from sale of forestry	90		90	33
Proceeds from sale of property, plant and equipment	1,500		2,050	2,050
Net investments movements	2,558		62	479
Cash was disbursed to:				
Purchase of intangible assets	(339)		(665)	(52)
Purchase of property, plant and equipment	(26,796)		(32,933)	(21,553)
Net cash from investing activities	**(22,987)**		**(31,397)**	**(19,043)**
Cash flows from financing activities				
Cash was provided from:				
Proceeds from borrowing	14,406		15,451	8,422
Cash was disbursed to:				
Repayment of borrowings	(7,061)		0	(1,873)
Net cash from financing activities	**7,345**		**15,451**	**6,549**
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(2,743)		(3,625)	(477)
Cash, cash equivalents and bank overdrafts at the beginning of the year	4,215	5	4,900	1,275
Cash, cash equivalents and bank overdrafts at the end of the year	**1,472**		**1,275**	**798**

Year 3 2018 $000	Year 4 2019 $000	Year 5 2020 $000	Year 6 2021 $000	Year 7 2022 $000	Year 8 2023 $000	Year 9 2024 $000	Year 10 2025 $000
32,728	33,524	34,794	35,657	36,482	37,878	39,096	40,133
432	429	426	423	420	417	414	411
8	8	8	8	8	8	8	8
15,677	15,674	15,576	16,616	16,393	16,490	16,934	17,467
(31,245)	(31,315)	(32,449)	(33,202)	(33,898)	(35,090)	(36,168)	(37,136)
(4,076)	(4,431)	(4,678)	(4,855)	(4,929)	(4,854)	(4,825)	(4,820)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
13,525	**13,889**	**13,678**	**14,647**	**14,475**	**14,849**	**15,460**	**16,062**
40	0	0	0	0	0	0	0
2,684	0	0	300	0	0	0	0
932	279	346	359	419	421	385	410
(53)	(55)	(56)	(58)	(59)	(61)	(63)	(66)
(21,243)	(20,252)	(16,471)	(18,931)	(12,909)	(12,962)	(17,662)	(15,016)
(17,640)	**(20,028)**	**(16,180)**	**(18,331)**	**(12,549)**	**(12,602)**	**(17,340)**	**(14,672)**
11,030	13,804	9,916	15,006	8,968	6,515	7,516	7,326
(5,000)	(8,000)	(7,500)	(11,500)	(10,000)	(8,000)	(7,000)	(8,000)
6,030	**5,804**	**2,416**	**3,506**	**(1,032)**	**(1,485)**	**516**	**(674)**
1,914	(335)	(87)	(177)	894	761	(1,364)	716
798	2,712	2,378	2,291	2,114	3,007	3,769	2,404
2,712	**2,378**	**2,291**	**2,114**	**3,007**	**3,769**	**2,404**	**3,120**

Notes to the Financial Statements

Note 1

Reconciliation of Prospective Statement of Comprehensive Revenues and Expenses to the Funding Impact Statement (FIS)

The Funding Impact Statements throughout the document are prepared in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. They are do not comply with generally accepted accounting practices (GAAP). However, the core financial statements (prospective statement of comprehensive income, prospective statement of changes in equity, prospective balance sheet and the prospective statement of cash flows) are prepared in compliance with GAAP. The following is a reconciliation between the income and expenditure shown in the prospective statement of comprehensive income and the Council's overall funding impact statement.

	Annual Plan 2015 $000	Year 1 2016 $000	Year 2 2017 $000
Operating Revenue in the FIS	37,965	39,451	42,208
Subsidies and grants for capital expenditure	5,406	5,042	3,603
Development and financial contributions	821	960	991
Net gain and losses not included in FIS	1,082	416	417
Total Revenue in the Statement of Comprehensive Revenues and Expenditure	**45,274**	**45,869**	**47,218**
Applications of Operating Funding in the FIS	31,378	33,166	34,826
Depreciation not included in the FIS	12,132	12,086	12,907
Total Operating Expenditure in the Statement of Comprehensive Revenues and Expenses	**43,510**	**45,253**	**47,732**

Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
2018	2019	2020	2021	2022	2023	2024	2025
$000	$000	$000	$000	$000	$000	$000	$000
43,283	44,300	45,911	47,021	48,148	49,491	50,990	52,385
4,543	4,292	3,822	4,585	4,024	4,138	4,262	4,397
1,018	1,043	1,071	1,099	1,130	1,163	1,199	1,237
417	0	0	0	0	0	0	0
49,262	**49,635**	**50,804**	**52,705**	**53,303**	**54,792**	**56,452**	**58,018**
35,321	35,746	37,127	38,057	38,827	39,944	40,993	41,956
13,462	14,167	14,520	14,977	15,610	16,097	16,676	17,172
48,783	**49,913**	**51,647**	**53,034**	**54,437**	**56,042**	**57,669**	**59,128**

Note 2
Depreciation and Amortisation Expense per Group of Activities

	Annual Plan 2015 $000	Year 1 2016 $000	Year 2 2017 $000
Community Facilities	1,404	1,284	1,457
District Development	0	0	0
Emergency Management	7	6	8
Environmental and Regulatory	12	12	13
Governance and Strategy	0	0	5
Roading Network	7,030	6,863	6,976
Solid Waste	60	60	66
Stormwater and Drainage	379	461	509
Wastewater	1,429	1,189	1,473
Water Supply	1,185	1,609	1,711
Support Services	626	601	689
Total Depreciation and Amortisation	**12,132**	**12,086**	**12,907**

Year 3 2018 $000	Year 4 2019 $000	Year 5 2020 $000	Year 6 2021 $000	Year 7 2022 $000	Year 8 2023 $000	Year 9 2024 $000	Year 10 2025 $000
1,490	1,791	1,795	1,818	1,934	1,936	1,986	2,080
0	0	0	0	0	0	0	0
7	3	4	4	6	6	6	6
13	12	10	9	9	9	10	10
6	6	6	6	6	6	7	7
7,102	7,312	7,512	7,724	7,961	8,212	8,490	8,788
80	82	30	24	44	67	92	119
546	579	622	679	760	788	819	851
1,690	1,752	1,822	1,888	1,957	2,032	2,112	2,197
1,782	1,860	1,961	2,043	2,127	2,211	2,299	2,391
745	769	757	782	806	830	856	724
13,462	**14,167**	**14,520**	**14,977**	**15,610**	**16,097**	**16,676**	**17,172**

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 Income Statement.

	Annual Plan 2015 $000	Year 1 2016 $000	Year 2 2017 $000
Net surplus/(deficit) after tax	**1,764**	**616**	**(514)**
The surplus/(deficit) consists of the following			
Roading subsidy received from NZ Transport Agency to fund capital expenditure	3,804	3,692	3,603
Subsidies and Grants for capital expenditure	1,602	1,350	0
Capital contributions and connection fees used to fund capital expenditure	476	280	294
Development Contributions recognised as revenue but used to fund past of future capital expenditure in relation to growth	345	680	697
Depreciation not funded			
- Roading (renewal funded by NZTA subsidy)	(3,390)	(3,310)	(3,365)
- Parks (only 50% of depreciation is funded)	(219)	(146)	(168)
- Halls (depreciation is only funded on recreation complexes)	(197)	(220)	(221)
Loans principal repayments funded from rates			
- CBD Redevelopment Loans	72	79	84
- Ultra Fast Broadband		1	3
Gain on Property recognised	0	416	417
Write back of the impairment of debt	1,082	0	0
Use of reserves and special funds (including interest on growth account, subdivision development etc)	(1,811)	(2,206)	(1,858)
	1,764	**616**	**(514)**

Year 3 2018 $000	Year 4 2019 $000	Year 5 2020 $000	Year 6 2021 $000	Year 7 2022 $000	Year 8 2023 $000	Year 9 2024 $000	Year 10 2025 $000
480	**(278)**	**(842)**	**(330)**	**(1,135)**	**(1,249)**	**(1,216)**	**(1,110)**
4,543	4,292	3,822	4,585	4,024	4,138	4,262	4,397
0	0	0	0	0	0	0	0
305	314	325	335	347	360	374	389
713	729	746	764	783	803	825	848
(3,425)	(3,527)	(3,623)	(3,725)	(3,840)	(3,961)	(4,095)	(4,238)
(163)	(242)	(241)	(246)	(251)	(251)	(270)	(276)
(227)	(248)	(248)	(256)	(277)	(277)	(285)	(301)
90	97	104	111	119	128	137	147
6	8	9	9	10	11	12	12
417	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(1,779)	(1,701)	(1,736)	(1,907)	(2,050)	(2,200)	(2,177)	(2,088)
480	**(278)**	**(842)**	**(330)**	**(1,135)**	**(1,249)**	**(1,216)**	**(1,110)**

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 2015 $000	Year 1 2016 $000	Year 2 2017 $000
Water by meter included in rates	708	900	947

Note 5
Opening Balances

The opening balances for year 1 (1 July 2015) do not agree with the closing balances for the 2015 Annual Plan (30 June 2015). The annual plan is approved by Council in June 2014 and the annual plan closing balances reflect the planned position at that time. Actual results for the 2014/15 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 year 1 we have reforecasted the closing balances at 30 June 2015 to reflect known changes. This 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 2015 $000	Year 1 2016 $000	Year 2 2017 $000
Surplus (deficit) of operating funding	6,586	6,285	7,382
Surplus (deficit) of capital funding	(6,586)	(6,285)	(7,382)
Funding Balance	**0**	**(0)**	**(0)**
Loan principal repayments funded by rates	72	80	87
Depreciation funded by rates but transferred to reserve to fund renewal (current and future years)	8,326	8,410	9,153
Operating items funded from the transfer of reserves included in the capital activities	(1,811)	(2,206)	(1,858)
	6,587	**6,284**	**7,382**

Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
2018	2019	2020	2021	2022	2023	2024	2025
$000	$000	$000	$000	$000	$000	$000	$000
983	1,012	1,045	1,079	1,117	1,158	1,203	1,250

Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
2018	2019	2020	2021	2022	2023	2024	2025
$000	$000	$000	$000	$000	$000	$000	$000
7,962	8,554	8,784	8,964	9,321	9,547	9,997	10,429
(7,962)	(8,554)	(8,784)	(8,964)	(9,321)	(9,547)	(9,997)	(10,429)
0	**0**	**(0)**	**(0)**	**(0)**	**0**	**(0)**	**(0)**
96	105	113	120	129	139	149	159
9,646	10,149	10,407	10,750	11,242	11,608	12,026	12,357
(1,779)	(1,700)	(1,736)	(1,907)	(2,050)	(2,200)	(2,177)	(2,088)
7,963	**8,554**	**8,784**	**8,963**	**9,321**	**9,547**	**9,998**	**10,428**

Note 7
Reserve Fund Movements

Equity is made up of a number of reserves - refer to the Statement of Accounting Policies. Schedule 10, clause 16 requires the movement of these funds to be disclosed. 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 2015 $000	Year 1 2016 $000	Year 2 2017 $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	934	1,850	1,066
Transfers to reserves	345	680	697
Transfers from reserves	(1,994)	(1,464)	(1,049)
Closing Balance	**(715)**	**1,066**	**714**
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	10,939	8,535	5,117
Transfers to reserves	8,326	8,410	9,153
Transfers from reserves	(11,962)	(11,828)	(12,229)
Closing Balance	**7,303**	**5,117**	**2,041**

Year 3 2018 $000	Year 4 2019 $000	Year 5 2020 $000	Year 6 2021 $000	Year 7 2022 $000	Year 8 2023 $000	Year 9 2024 $000	Year 10 2025 $000
714	(267)	(1,793)	(2,819)	(3,980)	(4,706)	(5,865)	(6,691)
713	729	746	764	783	803	825	848
(1,694)	(2,255)	(1,772)	(1,925)	(1,509)	(1,962)	(1,651)	(2,051)
(267)	**(1,793)**	**(2,819)**	**(3,980)**	**(4,706)**	**(5,865)**	**(6,691)**	**(7,894)**
2,041	(797)	(2,524)	(2,719)	(523)	1,700	4,339	2,485
9,646	10,149	10,407	10,750	11,242	11,608	12,026	12,357
(12,485)	(11,876)	(10,602)	(8,554)	(9,019)	(8,969)	(13,880)	(10,464)
(797)	**(2,524)**	**(2,719)**	**(523)**	**1,700**	**4,339**	**2,485**	**4,379**

Note 7
Reserve Fund Movements (continued)

OTHER RESERVES	Annual Plan 2015 $000	Year 1 2016 $000	Year 2 2017 $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, Childrens Welfare Trust, Robert Dickson Educational Trust, Museum Trust and the Feilding and District Relief Trust.			
Opening balances	182	186	196
Transfers to reserves	11	7	7
Transfers from reserves	(7)	3	3
Closing Balance	**186**	**196**	**207**
Special Funds			
These are funds set aside by Council. The Council may alter them without refereces to any third pary 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	1,560	1,292	1,316
Transfers to reserves	50	49	50
Transfers from reserves	(504)	(25)	(26)
Closing Balance	**1,106**	**1,316**	**1,340**
Revaluation Reserves			
These reserves have been created from the revaluation movements of the property, plant and equipment. The following the rules of the required accounting standards.			
Opening balances	91,382	122,349	134,005
Transfers to reserves	9,377	11,256	15,020
Transfers from reserves	0	400	400
Closing Balance	**100,759**	**134,005**	**149,426**

Year 3 2018 $000	Year 4 2019 $000	Year 5 2020 $000	Year 6 2021 $000	Year 7 2022 $000	Year 8 2023 $000	Year 9 2024 $000	Year 10 2025 $000
207	217	230	242	256	269	285	300
8	8	9	9	10	10	11	11
3	4	4	4	4	5	5	5
217	**230**	**242**	**256**	**269**	**285**	**300**	**317**
1,340	1,365	1,417	1,471	1,527	1,585	1,645	1,707
51	52	54	56	58	60	63	65
(26)	0	0	0	0	0	0	0
1,365	**1,417**	**1,471**	**1,527**	**1,585**	**1,645**	**1,707**	**1,772**
149,426	162,977	177,668	198,769	216,325	235,297	262,312	284,371
13,083	14,691	21,101	17,555	18,972	27,014	22,059	24,271
469							
162,977	**177,668**	**198,769**	**216,325**	**235,297**	**262,312**	**284,371**	**308,642**

Note 7
Reserve Fund Movement (continued)

OTHER RESERVES	Annual Plan 2015 $000	Year 1 2016 $000	Year 2 2017 $000
Fair Value Through Other Comprehensive Revenue and Expenses			
Opening balances	82	82	0
Transfers to reserves	0	0	0
Transfers from reserves	0	(82)	0
Closing Balance	**82**	**0**	**0**
TOTAL OTHER RESERVES	**102,133**	**135,518**	**150,972**

Note 8
Impact of the 20 June 2015 weather event

A heavy rain event on the 20 June 2015 had an impact on our region. At this stage we are in the process of assessing the damage to our assets and the cost associated with reinstating our infrastructure. We are not in a position to quantify the impact.

While there was an initial impact on our water, wastewater and stormwater systems no significant long term effect on our assets has been identified. Disruptions to water mains were repaired immediately. Wastewater processes have been disrupted as a result of the flooding. Assessment of our utility assets is underway. An analysis of the flooding may identify areas for future improvements. One impact will be the delay in projects that are currently in progress. These projects will be carried forward to 2015/16.

Our roading infrastructure has been impacted by bridge washouts (two smaller bridges), road washouts and slips. An assessment our entire roading network is underway. Reinstatement costs will be subsidised by the NZTA.

In relation to our overall assets and expenditure (both operational and capital) the impact of the heavy rain event is not considered significant and we have not made any change to this Long Term Plan.

Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
2018	2019	2020	2021	2022	2023	2024	2025
$000	$000	$000	$000	$000	$000	$000	$000
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**
164,560	**179,315**	**200,482**	**218,107**	**237,151**	**264,241**	**286,379**	**310,731**

Benchmark Graphs

Long Term Plan Disclosure Statement

Long-term plan disclosure statement for the period commencing 1 July 2015.

What is the purpose of this statement?

The purpose of this statement is to disclose the Councils 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.

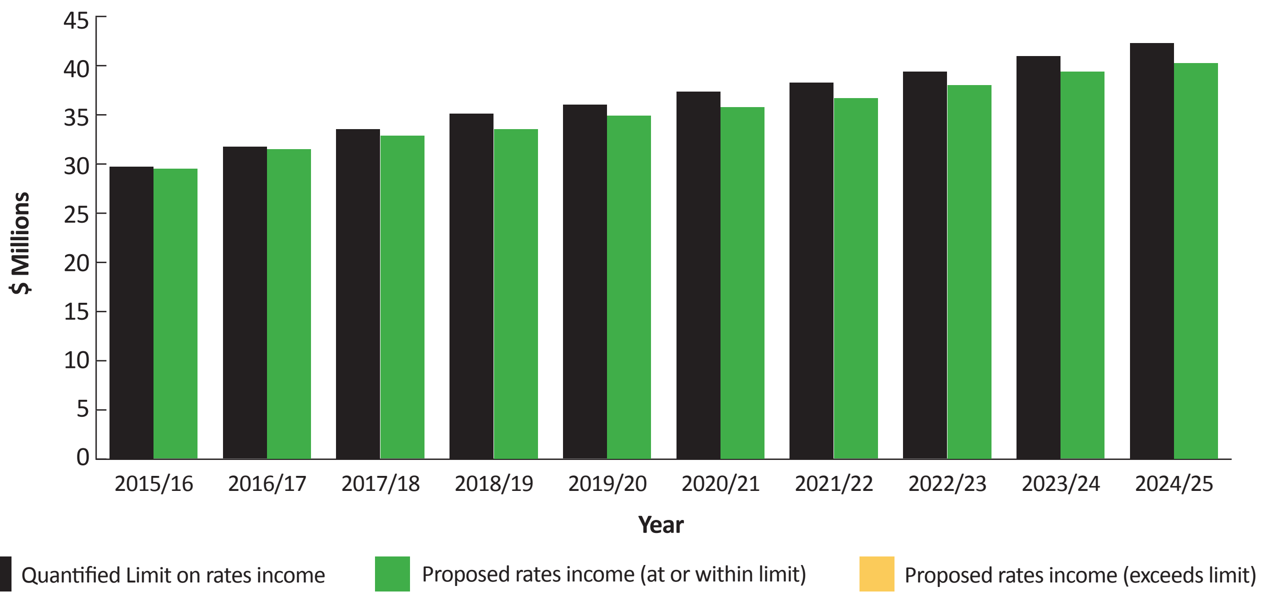
Rates affordability benchmark

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.

Rates (income) affordability benchmark

The following graph compares the Council's planned rates with a quantified limit on rates contained in the financial strategy included in this Long Term Plan. The quantified limit is the indicative rate increase limit.

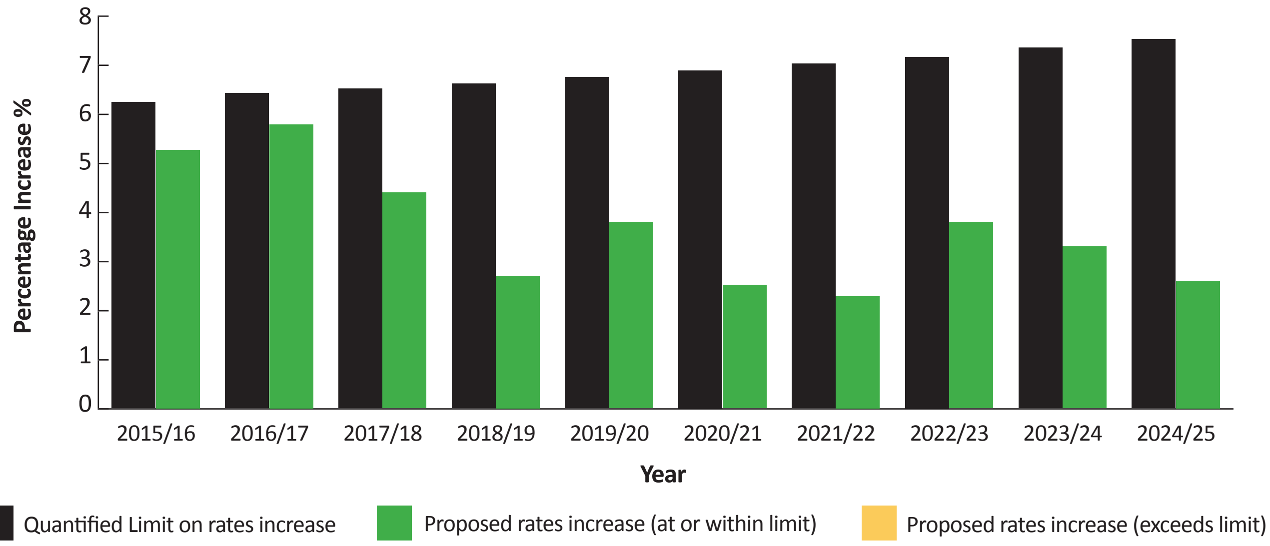


Rates in the funding impact statement and the statement of comprehensive revenue and expenses include rates revenue is specifically excluded from this benchmark. These include:

- 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 (increase) affordability benchmark

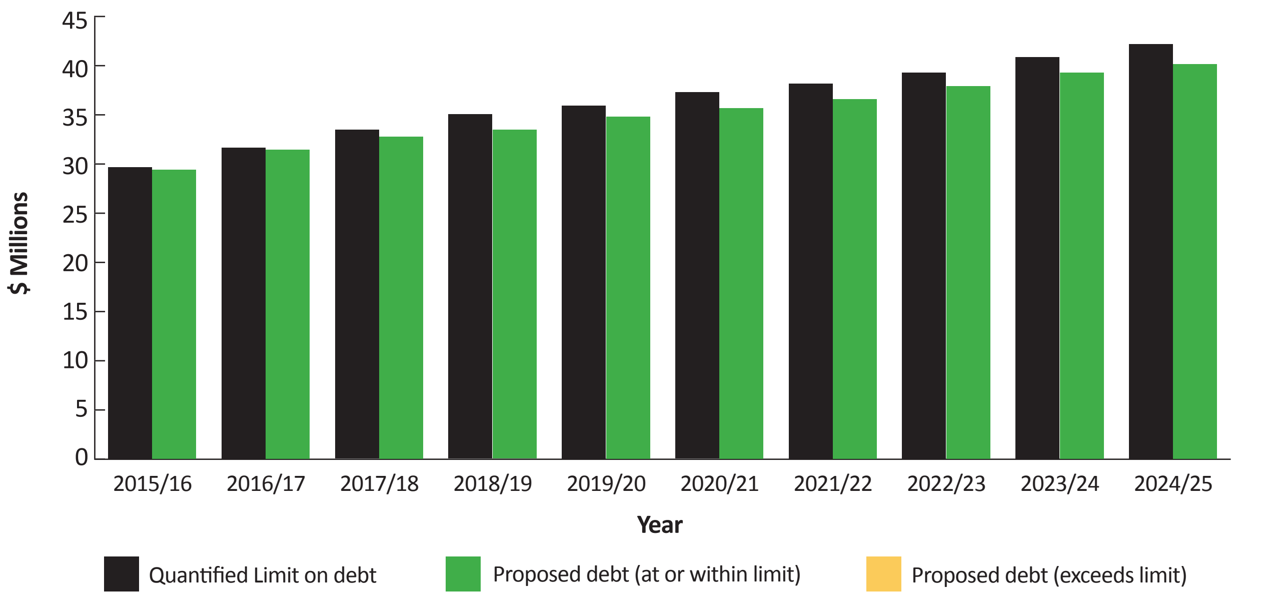
The following graph compares the Council's planned rates increases with quantified limit on rates increases contained in the financial strategy included in this Long Term Plan. The quantified limit is the Local Government Cost Index plus 4%, excluding significant new levels of service and growth in ratepayer numbers.



Debt affordability benchmark

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

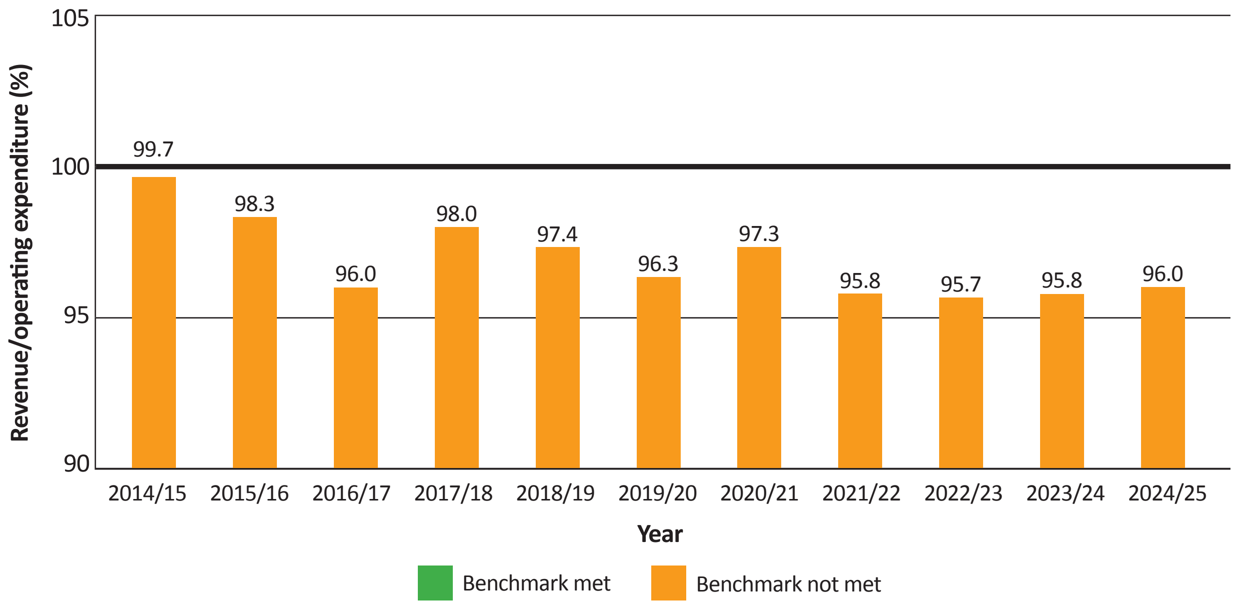
The following graph compares the Council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this Long Term Plan. The quantified limit is based on the measure in Council's Liability Management policy which yields the lowest debt. In this case, it is the interest expense being less than 10% of operating 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 balance budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



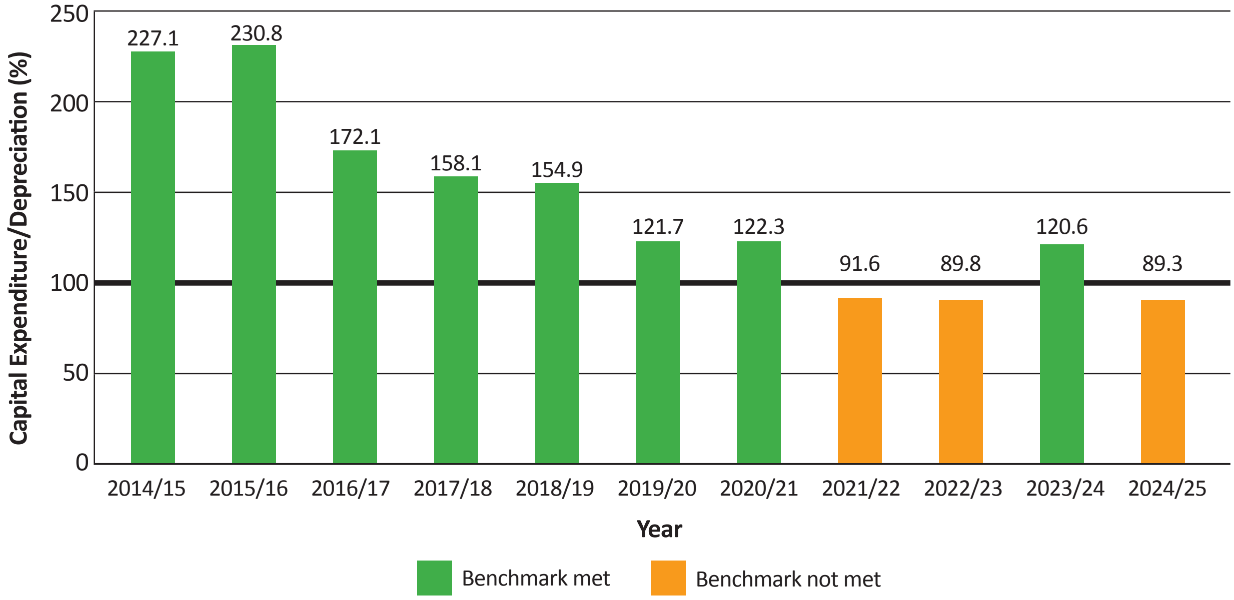
The main reasons for not meeting the benchmark are:

- 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.

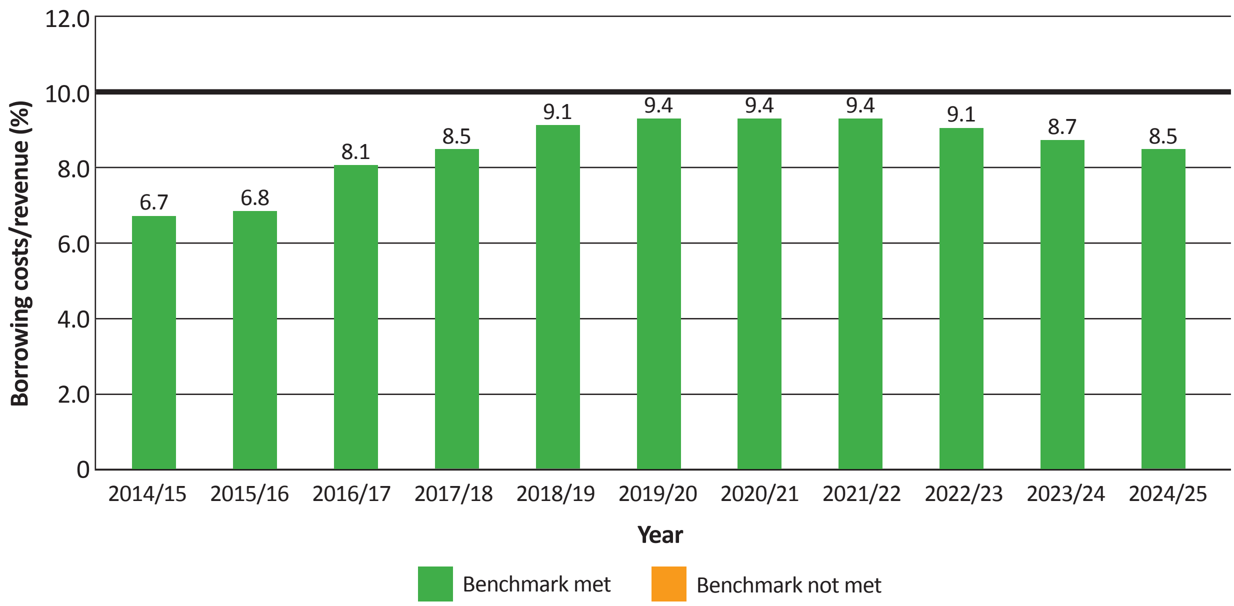


Over the ten years covered by the long term plan capital expenditure on essential services exceeds depreciation by $37m. Due to the nature and timing of the capital projects there are three years where the benchmark is not met.

Debt servicing benchmark

The following graph displays the Council's planned borrowing costs are a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluation of property, plant and equipment).

Because Statistic New Zealand projects the Council's population will grow as fast as the national population is projected to grow, it meets the debt servicing benchmark if it planned borrowing costs equal or are less than 10% of it planned revenue.



Statement of Accounting Policies

Notes to the Prospective Financial Statements

Statement of Accounting Policies

Reporting Entity

Manawatu District Council (the Council) is a territorial local authority governed by the Local Government Act 2002 and is domiciled and operates in New Zealand.

The economic entity consists of Manawatu District Council, which is the controlling entity and three controlled entities, The Feilding Civic Centre Trust, the Manawatu Community Trust and Heartland Contractors Ltd (100% owned). All controlled entities are incorporated and domiciled in New Zealand.

The primary objective of the Council is to provide goods or services for the community and social benefits, rather than making a financial return. Accordingly, the Council has designated itself as Public Benefit Entity (PBEs) as defined under the Public Benefit Entities International Public Sector Accounting Policies (PBE IPSAS).

These prospective financial statements are for the Manawatu 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.

Statement of Compliance

The prospective financial statements 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 Public Benefit Entity Standards (PBE Standards) for a Tier 1 entity.

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 presented in these prospective financial statements. These prospective financial statements have also been prepared on the basis of the assumptions stated.

The prospective financial statements have been prepared on a historical cost basis, except for assets and liabilities which are recorded at fair value. These are detailed in the specific policies below.

Presentation Currency and Rounding

The prospective financial statements are presented in New Zealand dollars and values are rounded to the nearest thousand dollars ($,000). The financial reporting model used calculates to the dollar but the Long Term Plan is rounded to the nearest thousand. Consequently, there will be rounding discrepancies in the financial statements.

The functional currency of the Council and its controlled entities is New Zealand dollars.

Controlled entities

A controlled entity is an entity where the Council has the power to control its financing and operating policies, so as to obtain benefits from the activities of that entity. This power exists where the Council controls the majority voting power on the governing body, or where such policies have been irreversibly predetermined by the 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.

The Council's investment in its controlled entities are carried at cost in the Council's own "controlling entity" prospective 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 the Council recognises in its prospective financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Exchange transactions

Exchange transactions are transactions where the 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, the 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.

Specific accounting policies for major categories of revenue are outlined below:

- Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised at the time the rates are invoiced.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- 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.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- 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 Land Transport New Zealand, 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.
- Sales of goods are recognised when the goods are delivered.
- Interest income 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 the 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 such time as the Council provides, or is able to provide, the service.

Borrowing Costs

In accordance with PBE IPSAS 5 Borrowing Costs, all borrowing costs are recognised as an expense in the period in which they are incurred.

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 the Council has no obligation to award on receipt of the grant application. Expenditure is recognised when a successful applicant has been notified of the Council's decision.

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 NZ$ (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.

Income Tax

Income tax expense includes current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus 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 surplus.

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 surpluses 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 surplus.

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 income or directly in equity.

Goods and Service Tax (GST)

All items in the prospective financial statements and funding impact 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 balance sheet.

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

The 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 balance sheet 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 in 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.

Trade and Other Receivables

Trade and other receivables are initially recognised at fair value, and then subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment is established when there is objective evidence, that the 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 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 and re-evaluates this designation at every reporting date.

The fair value of financial instruments traded in active markets is based upon the quoted market prices at the balance sheet 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. The 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. After initial recognition they are measured at their fair values. Gains or losses due to change in fair value are recognised in the surplus or deficit.

  Currently, the 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.

  These are initially recorded at fair value and are subsequently recognised at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

  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 balance sheet. Advances and loans are classified as "Other Financial Assets" in the balance sheet.

- **Held to Maturity Investments**

  Held to maturity investments are assets with fixed or determinable payments and fixed maturities that the Council has the positive intention and ability to hold to maturity. eg 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 the 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, any cumulative losses previously recognised in other comprehensive revenue and expense will be removed from other comprehensive revenue and expense and recognised in the surplus or deficit, even though the asset has not been derecognised. On derecognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is 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: include land, buildings, library books, plant and equipment, and motor vehicles.
- Restricted assets: include parks, reserves and associated assets owned by the Council which provide a benefit

or service to the community and cannot be disposed of because of legal or other Council restrictions.

- Infrastructure assets: are 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.

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 the 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.

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:

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%
Wastewater system		
Pipes	60 - 100 years	1 - 1.66%
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%

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 2014. Council's policy is to revalue land and buildings every three years.

- **Infrastructural Asset Classes: Water Supply, Wastewater, Stormwater Systems, Drainage Systems, Roads**

  These assets are revalued annually to fair value on a depreciated replacement cost basis. The valuation was performed internally by engineering staff. This valuation will be peer reviewed every three years. All infrastructural asset classes carried at valuation were valued. The last external valuation was carried out on 1 July 2013.

- **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. Under NZ IFRS, the 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. All additions and disposals since that valuation are accounted for at cost.

Accounting for Revaluations

The 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 off-sets 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 the 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 of the asset (usually five years). The amortisation charge for each period is recognised in the surplus or deficit.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Easements

Easements are not valued.

Forestry Assets

The Gordon Kear Forest is a joint venture between the Council and the Palmerston North City Council, with the Council owning a 23.3% share of the forest crop.

The forestry crop is independently revalued to fair value by Alan Bell of Alan Bell & Associates as at 30 June annually. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate, less estimated point of sale costs. Gains or losses arising from a change in fair value less estimated point of sale costs are recognised in the surplus or deficit.

Costs of a capital nature are capitalised each year and the costs to maintain the forestry assets are included 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.

Impairment of non-financial 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. Majority of the Council non-financial assets are non-cash generating assets.

At each balance date the 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 the Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Employee Entitlements

Short-Term Entitlements

Employee benefits 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 to, 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, the 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 the Council or economic entity 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 the 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, the Council recognises the leased asset and corresponding liability in the balance sheet 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 the 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 the 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 and
- Fair value through other comprehensive income 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 the Council.

Restricted reserves are those subject to specific conditions accepted as binding by the 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. 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.

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 of fair value through other comprehensive income 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, Accounting Estimates, Assumptions and Estimates

All judgements, 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 the 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, the 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 Manawatu District Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit.

To minimise this risk, Manawatu District 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 the Manawatu District Council's asset management planning activities, which gives Manawatu District Council further assurance over its useful life estimates.

Experienced independent valuers and a certifier perform Councils 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 the Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- where there has been a change of accounting policy.

Public Benefit Entity Financial Reporting Standard 42 Prospective Financial Statements (PBE FRS 42)

The Council has complied with PBE FRS 42 in the preparation of these prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

(i) 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.

(ii) Purpose for which the prospective financial statements are prepared

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span 1 year and include them within theLong 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 to reflect updated assumptions and costs.

(iii) Bases for assumptions, risks and uncertainties

The financial information has been prepared on the basis of best estimate assumptions as the future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within the Significant Forecasting Assumptions section of this Long Term Plan.

(iv) Cautionary Note

The financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material.

(v) Other Disclosures

The prospective financial statements were authorised for issue on 30 June 2015 by Manawatu District Council. The Council is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. The Long Term Plan is prospective and as such contains no actual operating results.

Rating System

Council provides local public services and infrastructure that the community need 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 the legal requirements
- Can be understood by the ratepayer and promotes accountability

The Rating system should be read in conjunction with the Council's Revenue & Financing Policy, and the Funding Impact Statement.

How Council calculate your rates

Rates are a property tax that is charged each year by the Council.

Council decide 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 house or land values, changes in Council costs, and changes in the services provided.

Types of rates

- General Rate – used to pay for services that are for public benefit and cannot be charged to specific users
- Uniform Targeted Rate – charged on every separately used or inhabited part of a property, used to pay for services that are provided to the community
- Targeted Rate – used to pay for identified services

***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, including flats and apartments and flats which share kitchen and bathroom 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

Rating units as at 30 June of the preceding year eg 2015/2016 = 30 June 2015

Manawatu District Council	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Total number of rating units LGA Schedule 10 Part 1 Clause 15A	14,629	14,849	15,072	15,298	15,527	15,760	15,996	16,237	16,480	16,727

Each property is put into a category that is decided from:

- where it is situated in the district
- what the property is used for
- what activities are allowed

This differential category decides what calculation is used for the General Rate, Roading Targeted Rate and Parks and Sports Grounds Targeted Rate charges.

Inspection of Rating Information Database

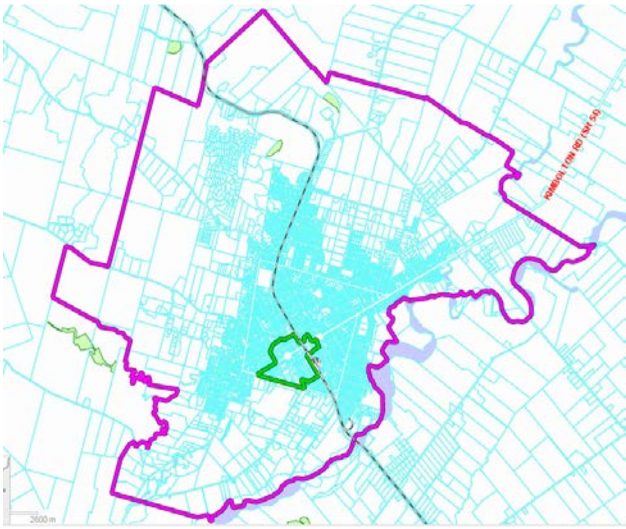
In accordance with the Local Government (Rating) Act 2002, the District Valuation Roll and Rates Records are available for public inspection at the Council Offices, 135 Manchester Street, Feilding, between the hours of 8.00am and 5pm on all business days of the week.

Differential Category	Description
1. Feilding Residential	Being all rating units situated within the 2009 Feilding differential rating area* 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* being properties zoned Rural 1, Rural 2 or Flood Channel 2 under the Manawatu District Plan.
3. Feilding CBD	Being all rating units situated within the 2009 Feilding Central Business differential rating area*, 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 Manawatu 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 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 Manawatu District that have been identified by the Valuer General as infrastructure utility networks.

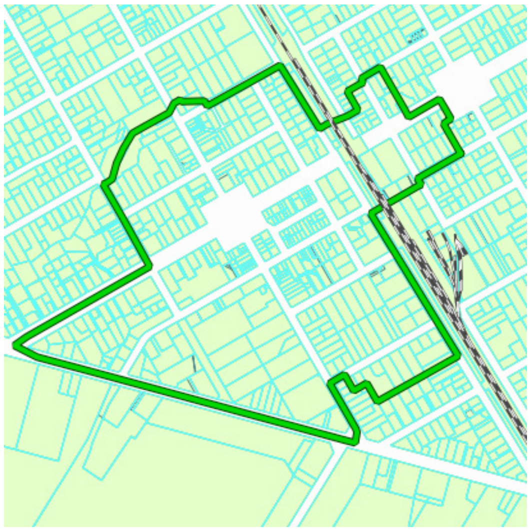
*"Feilding differential rating area" as delineated on the plan filed in the office of the Council

*"Feilding Central Business District differential rating area" as delineated on the plan filed in the office of the Council

"Feilding Differential Rating Area 2009"



"Feilding Central Business District Differential Rating Area 2009"



Goods and Services Tax (GST)

All amounts stated in this rating system document are GST inclusive.

General Rate

The capital value (CV) of the property is multiplied by the cents in the $ that the property category is assigned to.

Differential Category	Basis	Differential	Cents in the $	Estimated Revenue
1. Feilding Residential	CV	1.00	0.10797	1,482,000
2. Feilding Rural	CV	0.50	0.05399	147,420
3. Feilding CBD	CV	2.25	0.24294	292,691
4. Rural	CV	0.40	0.04319	2,063,554
5. Industrial and Commercial	CV	1.60	0.17275	228,762
6. Utilities	CV	1.60	0.17275	129,364

Total revenue collected from General Rates for 2015/2016 is $4,343,790.

Parks and Sports Grounds Targeted Rate

The capital value (CV) of the property is multiplied by the cents in the $ that the property category is assigned to.

Differential Category	Basis	Differential	Cents in the $	Estimated Revenue
1. Feilding Residential	CV	1.00	0.05494	754,132
2. Feilding Rural	CV	0.30	0.01648	45,010
3. Feilding CBD	CV	2.75	0.15109	182,037
4. Rural	CV	0.30	0.01648	787,547
5. Industrial and Commercial	CV	1.50	0.08241	109,133
6. Utilities	CV	1.75	0.09615	72,000

Total revenue collected from Parks and Sport Grounds targeted rate for 2015/2016 is $1,949,859.

This excludes the $25 target rate included in the Uniform Targeted Rates.

Roading Targeted Rate

The capital value (CV) of the property is multiplied by the cents in the $ that the property category is assigned to.

Differential Category	Basis	Differential	Cents in the $	Estimated Revenue
1. Feilding Residential	CV	1.00	0.09865	1,354,121
2. Feilding Rural	CV	0.65	0.06413	175,109
3. Feilding CBD	CV	2.75	0.27130	326,865
4. Rural	CV	0.65	0.06413	3,063,929
5. Industrial and Commercial	CV	1.50	0.14798	195,959
6. Utilities	CV	1.75	0.17265	129,283

Total revenue collected from Roading Targeted Rate for 2015/2016 is $5,245,266.

This excludes the $100 target rate included in the Uniform Targeted Rate.

Uniform Targeted Rates

This rate is charged for each separately used or inhabited parts of a rating unit.

The uniform targeted rates include the following services:

Activity	Uniform Targeted Rate 2015/16	Revenue to be collected 2015/2016
Animal Control	14	183,318
Cemeteries	23	301,569
Civil Defence	16	204,578
Governance & Strategy	164	2,143,652
Environmental & Regulatory Management	147	1,910,675
Local Halls and Recreation Complexes	40	522,705
Parks and Sports Grounds	25	325,150
Public Conveniences	33	435,073
Solid Waste	83	1,074,047
Roading	100	1,300,600
TOTAL	**$645**	**$8,401,367**

Kerbside Recycling Targeted Rate

This rate is applied to each separately used or inhabited parts of a rating unit that has the recycling service available, excluding vacant land.

Kerbside Recycling Targeted Rate	$124.00

Total revenue to be generated by Kerbside Recycling Targeted Rate for 2015/2016 is $816,720.

Makino Aquatic Centre and Libraries Targeted Rate

This rate is charged for each separately used or inhabited parts of a rating unit.

Within Feilding Differential Rating Area	$234.00
Outside the Feilding Differential Rating Area	$165.00

Total revenue generated by the Makino Aquatic Centre and Libraries Targeted Rate for 2015/2016 is $2,610,555.

Feilding CBD Redevelopment Targeted Rate

This rate is applied to properties that are in the Feilding CBD category.

The capital value of the property is multiplied by $ 0.21496 cents in the $.

Total revenue generated by Feilding CBD Redevelopment Targeted Rate for 2015/2016 is $253,954.

Feilding CBD Security Targeted Rate

This rate is applied for each separately used or inhabited parts of a rating unit that are in the Feilding CBD category.

Feilding CBD Security	$269.00

Total revenue to be collected by Feilding CBD Security Target Rate for 2015/2016 is $72,241.

Ultra-Fast Broadband Targeted Rate

This rate will be applied from the 2016/2017 rating year onwards, to each separately used or inhabited part of a rating unit that is zoned Industrial, used solely or principally for commercial or industrial purposes and is capable of being connected to this service as it runs past the rating unit.

Stormwater Targeted Rate

The Stormwater targeted rate is charged to all rating units within the following areas:

Within Feilding Differential Rating Area	$98.00
Zoned as Rongotea Village in district plan	$85.00
Zoned as Sanson Village in district plan	$86.00

Total revenue to be generated from Stormwater Target Rates 2015/2016 is $646,602.

Wastewater Disposal Targeted Rate

The Wastewater disposal targeted rate is based on the level of wastewater service provided to the property.

"Connected" –	A charge for each water closet 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 water closet for each residence.
"Serviceable" –	50% of the connected rate for rating unit that is capable of being connected to a Council wastewater scheme as the reticulations runs past the rating unit.
"Restricted" –	80% of the connected rate for each water closet or urinal, or each separately used or inhabited part of a rating unit 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 water closet for each residence. This includes Mount Taylor.

Wastewater disposal - Connected	$635.00
Wastewater disposal - Serviceable	$317.50
Wastewater disposal - Restricted	$508.00

Total revenue to be generated from Wastewater Disposal Targeted Rates 2015/2016 is $4,983,090.

Volumetric Wastewater Charges

For those users that have chosen volumetric charging, wastewater volumes will be based on flowmeter reading or 80% of the water consumption. The wastewater charge will be $160 every three months per connection. Should discharge exceed 304 cubic metres within the rating year, an additional charge of $0.80 per cubic metre will be charged.

Water Supply Targeted Rates - Urban

The Water supply targeted rate is based on the level of water service provided to the property.

"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 or extraordinary connection or those that have chosen volumetric charging.
"Serviceable" –	50% of the connected charge for each rating unit that is capable of being connected to the Council water supply as the supply runs past 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	$405.00
Water supply - Serviceable	$202.50
Water supply - Restricted	$324.00

Total revenue to be generated from Water Supply – Urban Targeted Rates 2015/2016 is $2,637,384.

Volumetric Water Charges

Those users that are extraordinary (as defined in Council's Bylaws) or have chosen volumetric charging have their water metered and charged three monthly based on the pipe size.

	3 Monthly	Annual
15 mm to 20 mm	$150.00	$600.00
25 mm	$160.00	$640.00
32 mm	$160.00	$640.00
40 mm	$170.00	$680.00
50 mm	$170.00	$680.00
100 mm	$200.00	$800.00
150 mm	$220.00	$880.00

Should consumption exceed the water usage of 380 cubic metres within the rating year, an additional consumption charge of $1.30per cubic metre will be charged.

Water Supply Targeted Rates - Rural

A water supply targeted rate is charged to properties in the schemes based on what units are allocated or supplied,

Stanway/Halcombe – unit charge	$218.00
Waituna West – unit charge	$348.00
Kiwitea rural water – unit charge	$258.75
Kiwitea rural water – additional unit supply	$336.38

Total revenue to be generated from Water Supply Targeted Rates – Rural for 2015/2016 is $1,081,222.

Rural Land Drainage Targeted Rates

This rate is charged for the properties that are part of the scheme, the cents in $ is multiplied by the land value.

Total revenue to be generated from the Rural Land Drainage Targeted Rate for 2015/2016 is $83,769.51.

Category	Cents in $	Estimated Revenue
Bainesse drainage district		
Bainesse Class A	0.000315	4,492
Bainesse Class B	0.000215	2,807
Bainesse Class C	0.000186	1,123
Makowhai drainage district		
Makowhai Class A	0.000272	4,330
Makowhai Class B	0.000200	2,887
Makowhai Class C	0.000038	1,443

Category	Cents in $	Estimated Revenue
Maire drainage district		
Maire Class A	0.000359	1,998
Maire Class B	0.000124	1,598
Maire Class C	0.000175	1,199
Maire Class D	0.000137	799
Oroua Downs drainage district		
Oroua Downs Class A	0.000759	27,152
Oroua Downs Class B	0.000362	20,364
Oroua Downs Class C	0.000211	13,576

Himatangi Beach Wastewater Supply - Capital Contribution Targeted Rate

A capital contribution targeted rate is charged on properties that ratepayers have signed an agreement to pay their capital contribution over a set term for the Himatangi Beach wastewater scheme.

Category	Targeted Rate
Three year term, 1 July 2013 to 30 June 2016	$3,725
Five year term, 1 July 2013 to 30 June 2018	$2,384
Ten year term, 1 July 2013 to 30 June 2023	$1,392
Twenty year term, 1 July 2013 to 30 June 2033	$923

Rongotea Water Supply - Capital Contribution Targeted Rate

A capital contribution targeted rate is charged on properties that ratepayers have signed an agreement to pay their capital contribution over a set term for the Rongotea water scheme.

Category	Targeted Rate
Three year term, 1 July 2015 to 30 June 2018	$1,510
Five year term, 1 July 2015 to 30 June 2020	$966
Ten year term, 1 July 2015 to 30 June 2025	$564
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 your Assessment. This covers the year 1 July 2015 and ending 30 June 2016.

The Rate Assessment is divided into four instalments. We send an invoice for each of the instalments August, November, February and May. The due date for payment of the invoice is the last Friday of the month it is invoiced.

- A 10 percent penalty will be charged to the invoice balance that is not paid by the due date.
- A 10 percent penalty will be charged on 1 July and again on 1 January to any balance that is not paid from previous years.

If you pay the annual rates by 27 November 2015, any penalty charged for instalment one will be reversed.

	Instalment One
Invoice Date	1 August 2015
Payment Due Date	28 August 2015
Penalty Date	1 September 2015
	Instalment Two
Invoice Date	1 November 2015
Payment Due Date	27 November 2015
Penalty Date	1 December 2015
	Instalment Three
Invoice Date	1 February 2016
Payment Due Date	26 February 2016
Penalty Date	1 March 2016
	Instalment Four
Invoice Date	1 May 2016
Payment Due Date	27 May 2016
Penalty Date	1 June 2016

Individual 2015/2016 rates are available online at www.mdc.govt.nz through the Property and Rates search function or contact Council on 06 323 0000.

Examples of different property categories and the impact of the rates rise.

Rating Category	Capital Value	2014/2015 Total Rates (GST Incl)	2015/2016 Total Rates (GST Incl)	$ Change	Percentage Change
Feilding Residential	$295,000	$2,749	$2,912	$163	5.9%
Feilding Residential (multi-unit)	$1,850,000	$27,969	$29,525	$1,555	5.6%
Feilding Rural	$430,000	$2,375	$2,516	$141	5.9%
Feilding Rural	$600,000	$1,819	$1,908	$89	4.9%
Feilding CBD	$310,000	$6,867	$7,043	$176	2.6%
Feilding CBD	$510,000	$7,525	$7,533	$8	0.1%
Rural with no services	$140,000	$923	$982	$59	6.4%
Rural with no services	$630,000	$1,512	$1,589	$77	5.1%
Rural with wastewater	$240,000	$1,629	$1,741	$112	6.9%
Rural with farming as one remission	$960,000	$1,156	$1,188	$33	2.8%
Rural with farming as one remission	$4,550,000	$5,478	$5,633	$155	2.8%
Industrial/Commercial	$1,260,000	$6,505	$6,815	$310	4.8%
Industrial/Commercial	$7,732,000	$29,824	$31,053	$1,229	4.1%
Utilities	$5,000,000	$22,101	$22,955	$854	3.9%
Utilities	$7,000,000	$30,611	$31,786	$1,175	3.8%

*Does not include volumetric charges (sewerage + water)

Rates Remission and Postponement Policies

These policies explain the conditions and criteria under which the Council might consider it appropriate to assist a ratepayer by providing rates relief.

Remission of a 'set of rates' refers to the Uniform Targeted Rate and differentiated targeted rates for the Makino Aquatic Centre and Districts Libraries.

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 a 'set of rates' for rating units that are farmed as a single entity.

Conditions and Criteria

- A rate remission of one or more 'set of rates' will be given to ratepayers who own or occupy more than one noncontiguous rating unit
- Where the rating units are used as a single farming operation
- Application must be submitted on the required form. This includes a statutory declaration signed by the owner or ratepayer confirming that the rating units will be operated as a single farm
- 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 - Business or Principal Financial Adviser 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 'sets of rates' set for additional unoccupied dwellings.

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
- The power, water and telephone services have been 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 'set of rates'
- 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.

Application must be submitted on the required form. 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. Annual reapplication is required on a form supplied by Council.

Delegations

The Chief Executive, General Manager - Business or Principal

Financial Adviser 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 may remit the penalty incurred where the application meets the following criteria:

- 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 penalty date of the second instalment
- 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 will 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, negotiations may be entered into regarding the amount of penalty charges to be repaid. For the duration of the agreement and provided that the conditions are adhered to the account will be exempt from current instalment penalty charges.

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.

Delegations

The Chief Executive, General Manager - Business or Principal Financial Adviser have the delegated authority to approve or decline applications under this policy.

Remission of the serviceable wastewater targeted Rate (half charge) and the serviceable water targeted rate (half charge)

Objective

This policy is to provide relief from the serviceable wastewater targeted rate (half charge) and 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

- Written application is required from the ratepayer of such rating units
- Confirmation that the on-site wastewater disposal and water supply systems were in place prior to Council extending their reticulation scheme.

This remission will continue until such time as the ratepayer connects to the Council services available.

Delegations

The Chief Executive, General Manager - Business or Principal Financial Adviser 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:

- Schools must meet the definition of an "Educational Establishment" as defined under section 54B Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act 2001
- Council will remit sewerage rates by subtracting the sum of calculation (b) from the sum of calculation (a)
- Calculation (a): Councils 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
- The Council calculation, for practical reasons, will be based on the Ministry of Education roll numbers as at

1 March each year.

Delegations

The Chief Executive, General Manager - Business or Principal Financial Adviser have the delegated authority to approve or decline applications under this policy.

Remission of rates charged to public utilities owned by not-for-profit organisations

Objective

Public utilities in differential category 6 that are owned by not-for-profit organisations, can receive 100% remission of rates charged.

Conditions and Criteria

- Only applies to those public utility rating units that are rated under rating category 6
- A recognised not-for-profit organisation defined by the Charities Commission or determined through common law.

Delegations

The Chief Executive, General Manager - Business or Principal Financial Adviser have the delegated authority to approve or decline applications under this policy.

Remission of rates charged to community, sporting and other organisations

Objective

To provide rating support to organisations whose outcomes support Council's Vision and Outcomes, and the Regional Development Strategy.

Conditions and Criteria

Council rates support will be administered annually, and Council may remit rates where the application meets the following criteria:

- A rating unit that may be owned by Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, Art or community purposes. Directly links with the Council's vision statement, outcomes and Regional Development Strategy goals
- A rating unit that is leased by a charitable organisation for a period of at least one year is used exclusively or 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. Directly links with the Council's vision statement, outcomes and Regional Development Strategy goals.

Full details of this policy are pertained in Council's Community Development Funding Community Rates Support policy.

Delegations

The Community Funding Subcommittee have the delegated authority to approve or decline applications under this policy.

Remission of the rates set for small dwellings

Objective

This policy is to provide for the relief from 'sets of rates' for ratepayers that own two or more separately used and inhabited parts of a rating unit, where the dwelling is considered to be small.

Conditions and Criteria

- Floor area (not including garage) is less than 65sq metres
- They must be used for residential purposes only
- The dwellings must be located on one rating unit
- 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 65sq 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.

The Council may, on the written application from ratepayers of such rating units, reduce each 'set of rates' charged up to 35%, where an excess of one set of rates applies. i.e. the first 'set of rates' will be at the full rate with 35% remission applying to each subsequent 'set of rates'.

Delegations

The Chief Executive, General Manager - Business or Principal Financial Adviser have the delegated authority to approve or decline applications under this policy.

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
- Where the Government has established a reimbursement scheme for rates relief in respect of such properties.

Council can set additional criteria for each event. This is because the criteria may change depending on the nature and 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.

Delegations

Individual events or calamity are to be approved by Council who will determine the criteria for the remission at that time.

Remission of rates for miscellaneous circumstances

Section 85 of the Local Government (Rating) Act 2002.

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, may remit on written application from ratepayers, all 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.

Delegations

The Chief Executive and the General Manager - Business have the delegated authority to approve or decline applications under this policy.

Rates postponement policy

Council maintains a policy of working with ratepayers who have fallen behind in the payments of rates. It has never experienced a situation where a ratepayer has got into extreme financial hardship and where rates postponement may have been a solution. Accordingly it does not believe it is necessary to postpone rates for those ratepayers who are in arrears. Instead Council will work with those ratepayers to manage the payment of their rates.

Remission and postponement policy for Maori 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 Maori freehold land.

Maori 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 Maori 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 Maori freehold land.

Council is aware that there is little, if any undeveloped Maori 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.

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 2015-25 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. libraries and archives, 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 Public	Private	Funding Mechanism Public	Private
Community Facilities				
Cemeteries	60%	40%	UTR	User Fees and Charges *[interment, plots etc.]*
District 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 and Sports Grounds	95%	5%	Targeted Rate (cv) / UTR	User Fees and Charges *[ground fees and hireage]*
Property	50%	50%	General Rate (cv)	User Fees and Charges *[leases and rent]*
Local 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
Rural Fire	100%	0%	General Rate (cv)	n/a
Environmental and Monitoring Services				
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.]*
District Planning and Policy	80%	20%	General Rate (cv) / UTR	User Fees and Charges *[consents, infringements etc.]*
Environmental Health and Monitoring	95%	5%	General Rate (cv) / UTR	User Fees and Charges [*registration, licences, permits etc.]*
Alcohol Licensing	50%	50%	General Rate (cv) / UTR	User Fees and Charges *[licences, certificates etc.]*
Governance and Strategy	100%	0%	UTR	n/a
Roading				
Feilding CBD Redevelopment	10%	90%	General Rate (cv)	Targeted Rate (cv) CBD only
Roading Network	55%	45%	Targeted Rate (cv) / UTR	Subsidies [NZTA subsidy]
Solid Waste				
Solid Waste	50%	50%	UTR	User Fees and Charges *[blue bag sales, transfer station gate takings, fines]*
Kerbside Recycling	0%	100%	n/a	Targeted Rate (fixed) available only

	Funding Split		Funding Mechanism	
Activity	**Public**	**Private**	**Public**	**Private**
Stormwater				
Urban Stormwater	20%	80%	General Rate (cv)	Targeted Rate (fixed) scheme only
Rural Land Drainage	0%	100%	n/a	Targeted Rate (cv) scheme only
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 meter - commercial, extraordinary users, voluntary volumetric]*

1. 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. 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 >>

60% Public | **40% Private**

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.

District Libraries

Funding Analysis

Libraries represent a collective community resource. Significant community benefits are associated with the provision of library services. These include access to information, opportunity for education, leisure and research, provision of a community centre for social gatherings, displays and learning and storage facilities for important historical and community information. A good library contributes to a sense of civic pride as well as protecting information for future generations.

Library services also provide private benefits through individual access to educational resources, research materials and leisure time reading. This can help increase personal knowledge and contribute to physical, mental, emotional and spiritual well-being. While the service is available to all, people can be excluded from its benefits through library hours, user charges and unavailability of particular books.

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.

Identified Funding Sources and Mechanisms

Funding Split >>

95% Public | **5%**

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, rates assessment and schedule of fees.

Recovery of exacerbator costs, through fines and other charges, will be in full.

Makino Aquatic Centre

Funding Analysis

The Makino Aquatic Centre provides public benefits such as:

- a facility available for water recreation
- educating about water safety and building confidence in the water
- contributing to community health and well-being
- adding to the attractiveness of the district for current and prospective residents

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 relaxation, health and sports fitness, 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 >>

65% Public	35% Private

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, rates assessment 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 and Sports grounds

Funding Analysis

Parks and sports grounds provide significant public benefits, including:

- resources for individuals and community groups to pursue active and passive leisure pursuits
- 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

Parks and sports grounds provide some private benefits to individuals and groups, such as participation in leisure opportunities (e.g. flying kites, walking the dog, exercise). Parks 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 and sports grounds. It is difficult to exclude people from enjoying the benefits of these areas. Misuse by groups and individuals (e.g. motorbikes on sand dunes) can cause additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split >>

95% Public	5%

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, rates assessment 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 facilities, and land are maintained and enhanced. Non-payment of leases or rent is an additional cost 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 general rate (based on capital value with differentials) (public funding).

The use of this funding source is transparent through the annual plan and rates assessment. 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.

Local Halls and Recreation Complexes

Funding Analysis

Local 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 social well-being and cohesion of a community and provide a source of community pride. Local 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 >>

100% Public

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 and rates assessment. Private funding (gathered through hall fees) is used at the discretion of the Hall Committee.

Recovery of exacerbator costs (e.g. vandalism, misuse) 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 provision of facilities for visitors. Quality public conveniences are a statement of district standards. 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 >>

100% Public

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 and rates assessment.

Recovery of exacerbator costs will be in full where possible.

2. District Development

Community Development

Funding Analysis

Community funding and development is of significant public benefit to the district as a whole.

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 >>

100% Public

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 through support of urban and rural business, enhancing the economic potential and employment opportunities of the district, promoting the district to potential investors and increasing the pride and well-being of the residents.

Economic Development funding effectively represents an investment in the district's potential. A healthy district economy is vital to the present and future viability of the community.

Employment opportunities available to existing residents as well as providing opportunities to attract new residents. Economic development is important to support community vitality and to enable the provision of improved facilities and services.

The Manawatu District Council, with Palmerston North City Council has agreed to establish a single economic development agency.

Benefits from Economic Development occur across the community now and in the future, depending on where funding support is applied. To maximise the potential of economic development funding, it is essential to provide and maintain a viable district infrastructure.

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.

Identified Funding Sources and Mechanisms

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 and rates assessment.

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 rates assessment and improving property values.

3. 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. These benefits are difficult to measure in dollar terms. Human actions, such as sabotage, may create Civil Defence emergencies.

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. A system of Civil Defence provides a 'safety cover' for the community.

The use of this funding source is transparent through the annual plan and rates assessment.

Recovery of exacerbator costs will be in full where possible.

Rural Fire

Funding Analysis

Rural Fire provides significant public benefits through protection of people, property and the environment, public health and safety and peace of mind for residents. The system aims to protect the whole community, although some individuals may benefit more than others. These benefits are ongoing in providing capacity to respond and in the future through response and recovery during and after an emergency. Deliberate lighting of fires or inadequate care and attention in managing scrub burn-offs can cause rural fires, causing additional costs.

Identified Funding Sources and Mechanisms

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). It is important that the service is readily available to all district residents and there are no barriers to discourage use. Through minimising risk to the community significant public benefit is obtained.

The use of this funding source is transparent through the annual plan.

Exacerbator costs will be recovered in full where person(s) can be identified and proven to have started or be responsible for a fire.

4. Environmental Services and Monitoring

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 >>

40% Public	60% Private

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 rates assessment.

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. people's actions creating a need for extra inspections) can cause additional costs to Council.

Identified Funding Sources and Mechanisms

Funding Split >>

40% Public	60% Private

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, schedule of fees and rates assessment. Recovery of the costs associated with extra inspections and other costs will be recovered in full where possible.

The development of environmental policy, such as policies on earthquake-prone buildings, monitoring and enforcement of building standards confers significant public benefits and funded through public funding.

District Planning and Policy

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

Funding Split >>

80% Public | 20%

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, schedule of fees and rates assessment.

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.

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.

Environmental Health and Monitoring

Funding Analysis

Public benefits of Environmental Health include enhancing public health and meeting the community's expectation for safe food premises. Applicants for consents receive significant private benefits through meeting legislative requirements and community expectations. The consent provides a signal that food 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 >>

95% Public | 5%

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, schedule of fees and rates assessment. Recovery of the costs associated with extra inspections and exacerbator costs will be in full where possible.

Alcohol Licensing

Funding Split >>

50% Public | 50% Private

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).

Legislation sets liquor-licensing fees which impacts on funding recoveries.

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.

Policy work in the liquor 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.

5. Governance and Strategy

Governance and Strategy

Funding Analysis

Governance provides significant benefits to all district residents. Council is a vehicle to make community decisions. 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. There is value in passing a system to develop policy to future generations.

Councillors or Mayors who do not serve their terms, vexatious submitters, complainants and non-voters 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.

Reserves may be used as appropriate for capital expenditure.

6. Roading Network

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 Manawatu 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 >>

10%	90% 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 rates assessment and improving 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 >>

55% Public	45% Private

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 and rates assessment.

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.

7. 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 and rates assessment.

8. Stormwater and Drainage

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 and rates assessment.

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 and rates assessment.

Over time capital expenditure, such as expansions to the system will be met.

Recovery of exacerbator costs will be in full where possible.

9. 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)
- increased potential for enhanced 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. However, rural water supplies in their current format do not provide a measurable level of public good.

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.

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 and rates assessment.

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.

10. 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.

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.

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 and rates assessment.

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

The Council is required to identify the significant forecasting assumptions and risks underlying the forecast financial estimates. The Council has made a number of assumptions in preparing this 10 year Long Term Plan (LTP). The issues / risks chosen for the assumptions reflect the key issues that will impact on the cost and levels of service delivered by Council. These have been identified from:

- Previous Long Term Plan processes, and
- Assessing the context, trends and legislative programme over the period 2014/15

Risks and uncertainty is based on the past trends and volatility of each issue, whether the issue can be seen to be impacting already, and the weight of expert opinion on the future likelihood of occurring.

Summary Table

	Significant Assumption	Level of uncertainty	
Non Financial Significant Assumptions		**Short term 1-3years**	**Long term 4-10+ years**
1. Population Growth	Steady and moderate growth of 0.3% to 0.9% a year will occur to 2028, slowing to between 0.0% to 0.1% a year out to 2043.	Medium	High
2. Household Growth	Household growth can be serviced from existing and planned council services and infrastructure.	Low	Medium
3. Ageing Population	That the proportion of residents that are aged over 65 will increase significantly over the long term leading to some changes in the way Council delivers services.	Low	Low
4. Infrastructural Capacity	That infrastructure has enough capacity (current and planned) to accommodate the forecast population, household and business growth.	Low	Low
5. Local Government Legislative Framework	Legislative changes will not have a significant effect on Council's finances or levels of service, or change the current governance arrangements. It is assumed existing shared service operation and collaboration will continue.	High	Low
6. Climate Change	It is assumed climate change will not pose a significant impact during the life of this Long Term Plan (10 years). However, in the much longer term Council is more likely to be affected by climate change.	Low	High
7. Natural Disasters	Manawatu 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.	Low	High

Financial Significant Assumptions	Significant Assumption	Level of uncertainty Short term 1-3years	Long term 4-10+ years
8. Transport – Funding from New Zealand Transport Authority (NZTA) and Transport Demand Trends	Manawatu District Council will receive funding from NZTA for the maintenance and renewal of roads. The proportion of NZTA funding will be 54% of costs in year one and then 53% of costs remaining at this level over the period of the Long Term Plan.	Low	Medium
9. Resource Consents held by Council	Renewed resource consents will be issued without major known changes to conditions. Resource consents issued for new / upgraded infrastructure will not contain significantly different conditions / standards to those anticipated in the project.	Low	Medium
10. Inflation	Costs will increase as set out in the Local Government Cost Index (LGCI) prepared by *BERL. Appendix one contains the BERL inflation adjusters (commissioned by the Society of Local Government Managers) used in producing this plan. These forecasts were issued in October 2014.	Low	Medium
11. Interest Rates	Council has budgeted for this Long Term Plan that interest on loans raised will be on average 6% over 10 years. It is assumed that return on investments made by Council will be on average 3.8% over 10 years.	Low	Medium
12. Useful life of significant assets	Useful lives of assets are as recorded in asset management plans or based upon professional advice.	Low	Medium
13. Capital works costs	Capital works costs will not vary significantly from those budgeted.	Low	Medium
14. Valuations	The value of infrastructure and land and buildings will increase at the same rate as the relevant inflation category over time.	Low	Medium
15. Renewability or otherwise of external funding	Council will be able to borrow at the required level.	Low	Low
16. Source of Funds for Future Replacement of Significant Assets	That the depreciation reserves will adequately fund the renewals of assets over the 10 year period and the longer term (to 2045). Additional details are set out in the Revenue and Finance Policy, Financial Strategy and Infrastructure Strategy.	Medium	Medium

* BERL - Business and Economic Research Limited, the company contracted by the Society of Local Government Managers to develop the Local Government Cost Index.

Significant Non-Financial Assumptions

1. Population Growth

Assumption	**Steady and moderate growth of 0.3% to 0.9% a year will occur to 2028, slowing to 0.1% a year out to 2043.**

Detailed Forecasts

As at 30 June

Population Growth Projections	2013 Census Base	2018 Forecast	2023 Forecast	2028 Forecast	2033 Forecast	2038 Forecast	2043 Forecast	Population Change 2013-2018	Population Change 2013-48
High growth		30,300	31,600	32,800	33,900	34,800	35,600	6%	25%
Manawatu District Council Forecasts	28,500	29,800	30800	31300	31500	31600	31600	5%	11%
Medium growth		29,700	30,300	30,800	31,200	31,300	31,200	4%	9%
Low growth		29,100	29,100	28,900	28,400	27,800	26,900	2%	-6%

Manawatu District Council uses population projections that are based on the actual medium growth Census figures and then adjusted to reflect current local trends.

The population of the Manawatu District has grown steadily over the last 9 years at around 0.8% a year. This growth rate is forecast to increase to around 0.9% a year from 2013 to 2018 before easing to 0.7% between 2018 and 2023, and 0.3% a year to 2028. Growth is then expected to reduce to 0.1% out to 2043. The bulk of this growth is expected in the southern area units. This assumes steady Palmerston North City and Feilding urban growth as the Manawatu Region will continue to expand its Distribution sector and as the centre for Food innovation (Food HQ), and net international immigration will be positive 2014 – 2016 resulting in higher growth in the 2013 to 2018 period.

Other employment growth is expected as a result of the development of the Region as Food HQ – the New Zealand centre of excellence in food innovation. Continued success in establishing logistics businesses is also expected, as is the growth in Feilding as a major NZ centre in agri-business. These positive employment impacts are not expected to be significant in the short term, but will help to underpin the steady growth in population forecast.

Risk	Council's levels of service would be affected by a major net loss of residents. The Council has little impact on these trends in the short to medium term. Government policy on defence (for example the size and funding for the Ohakea airbase), education etc. can impact significantly on population locally. Changes in the demand for dairy and red meat from China in particular will impact on farm gate prices over the next 10 years. As farm input costs rise to meet new environment and quality standards there is a continued trend to farm sizes increasing.
Level of uncertainty	Short term - Medium. Long term - High. The projections on which population growth is predicted are based actual Census figures and adjusted for local trends. Population flows from migration can be volatile and often actual changes are far more significant than forecasts. Over time however these fluctuations tend to result in an overall steady growth trend forecast.
Financial impact	Continued steady growth results in an increasing rating base that helps to fund planned increases in the level of service. A slower level of growth could potentially increase the costs per property of delivering levels of service.

1. Population Growth (continued)

Assumption	**Steady and moderate growth of 0.3% to 0.9% a year will occur to 2028, slowing to 0.1% a year out to 2043.**
Mitigating factors	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.
Data source	http://www.stats.govt.nz/browse_for_stats/population/estimates_and_projections/SubnationalPopulationProjections_HOTP2013base.aspx

2. Household Growth

Assumption	**Household growth (the number of households) can be serviced from existing and planned council services and infrastructure.**
Detailed Forecasts	Households forecast based on 2006 Census base Stats NZ Projections, MDC Population Forecast and Stats NZ occupancy forecasts - As at 30 June

Household Growth Projection	Total Households	Household % Change
2006 actual	11,198	4.0%
2013 Census base	12,151	8.5%
2016 forecast	12,461	2.6%
2021	12,965	4.0%
2026	13,559	4.6%
2031	14,025	3.4%
2036	14,406	2.7%
2041	14,718	2.2%
2046	14,831	0.8%

These forecasts carry the population growth assumptions combined with a flatter trend in the occupancy rate. The forecasts imply new dwellings to continue around 100 a year until 2031. Any sustained inward migration would result in a higher growth in dwellings, and a higher conversion of unoccupied dwellings into occupied dwellings. The strongest occupied household growth will be in the rural areas surrounding Feilding and Palmerston North.

The increase in households is forecast to be around twice that of the increase in population up to 2045. This reflects the ageing population and lower occupancy rates. The growth forecasts also assume:

- Less households on working farms.
- Lifestyle property demand in rural areas close to Palmerston North City and Feilding will continue.
- The same % of unoccupied dwellings.
- No major infill of Feilding.

Risk	The number of households grows at a much faster rate than forecast in the urban areas. This will increase the number of three waters network connections and increase the demand for infrastructure services, including stormwater runoff from hard surfaces in urban areas. If the number of households in urban areas does not increase then the costs of providing the planned higher environmental service levels in three waters will be higher per connection.

2. Household Growth (continued)

Assumption	**Household growth (the number of households) can be serviced from existing and planned council services and infrastructure.**
Level of uncertainty	Short term - Low. Long term - Medium. Small changes in these assumptions can have a moderate impact on the number of future households. There has been a very long term trend for the household occupancy rate to decrease, and Statistics New Zealand is forecasting this to continue. In the future this is tied to the ageing population and the large current and expected growth in single person households.
Financial impact	Financial forecasts assume a growth in the rating base of 1% a year. Household growth generally results in new subdivisions and therefore an increase in the rating base. This spreads the costs of providing Council services provided no major infrastructure growth is required. Changing trends that result in limited increases in the rating base will place more rating pressure on the existing households and businesses (for general rate funded activities), especially in the urban areas. An ageing population resulting in significantly more retired single person households will place more pressure on rating affordability.
Mitigating factors	Asset Management Plans indicate that capacity is available and sufficient land is currently zoned for expected household growth. The roading network, in general, can easily cater for increased transport activity. A higher increase in households might require additional investment by council but this is would be partly funded by development contributions.
Data source	http://www.stats.govt.nz/browse_for_stats/people_and_communities/Families/SubnationalFamilyandHouseholdProjections_HOTP06-31update.aspx

3. 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.**
Detailed Forecasts	The number of residents aged 65+ increased by over 20% from 2006 to 2013. Older people now make up 15.8% of the resident population (March 2013 Census results). This is expected to increase to 24% by 2028 and 29% by 2038. The 2013 Census results show a major shift in age structure for residents in the District. The median age in 2013 jumped to 41 years from 38 years in 2006. There has been an outflow of people aged 30-44 years and no increase in the number of families.
Risk	The increase in older people is happening at a faster rate than previously forecast. 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.
Level of uncertainty	Short term - Low. Long term - Low. 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.
Impact on Council Services	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.
Financial impact	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.
Mitigating factors	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.
Data source	http://www.stats.govt.nz/

4. Infrastructural Capacity

Assumption	**That infrastructure has enough capacity (current and planned) to accommodate the forecast population, household and business growth.**
Detailed Forecasts	**Roading** congestion in the District is considered to be low compared to national service levels. A small number of specific upgrades to intersections are planned to address some current issues. The majority of growth is likely to be in the southern rural areas and rural villages, particularly around Ohakea and Himatangi Beach. Current capacity is generally sufficient to cater for expected population changes. **Water supply** - Although there are more water supply connections, creating demand for water supply, this is offset by the fact that there is now lower water usage per connection. This is achieved through water saving appliances, public awareness and lower household occupancy rates. **Wastewater** - The planned upgrade of the Feilding Waste Water Treatment Plant and water supply storage will support substantial growth in the Feilding urban area. Growth areas are outlined in the Urban Growth Strategy. **Stormwater** - The increasing number of urban households result an increased stormwater network connections and stormwater runoff.
Risk	That current and planned infrastructure capacity will not meet future demand.
Level of uncertainty	Short term - Low. Long term - Low. A much higher growth rate would be required before capacity issues arose during the next 10 years
Impact on Council Services	Capacity exists to cater for forecast population and business growth. Growth significantly above this level may result in the need to expand the major infrastructure networks and would require funding. Funding would obtained through additional Development Contributions.
Financial impact	Urban growth that required additional 3 waters infrastructure capacity would require investment by council. This could be achieved through a combination of loan funding, development contributions and reserves.
Mitigating factors	Significant growth above the current Statistics New Zealand high forecasts would be required before current and planned capacity levels were reached. This is considered highly unlikely in the short term. Any major changes to the growth trend will be identified through census analysis and building consent figures.
Data source	Statistics NZ 2013 census and 2010 population forecasts update. Population and Household Projections 2016 to 2046, Manawatu District and Area Units, Community Services, MDC. Asset Management Plans MDC.

5. Local Government Legislative Framework

Assumption	**Legislative changes will not have a significant effect on Council's finances or levels of service, or change the current governance arrangements. It is assumed existing shared service operation and collaboration will continue.**
Detailed Forecasts	The Council is assumed to retain the current boundaries and it is assumed that there will be no forced amalgamations. Council also assumes that the current shared service agreements with Rangitikei District Council, Horizons and Palmerston North City Council will continue. 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. Key areas affected by potential legislative change are in regulatory and compliance areas including Health and Safety (2015/16) Resource Management Act (RMA) processes (2015/16 review) and earthquake prone building standards. Possible changes to the Building Act (2004) are likely to increase levels of service required by Council but still remain uncertain. The Activity management plans assume: • additional expenditure to assess all commercial and some multi-unit multi-story residential buildings • the current levels of service and demand continue for RMA processes but officers are closely monitoring the situation • an increased focus on health and safety processes.

5. Local Government Legislative Framework (continued)

Assumption	**Legislative changes will not have a significant effect on Council's finances or levels of service, or change the current governance arrangements. It is assumed existing shared service operation and collaboration will continue.**
Detailed Forecasts	Roading, Water Supply, Wastewater and Stormwater are also the subjects of ongoing reviews that could impact on the way these services are delivered. Local Government New Zealand is leading a review of possible efficiencies in the three waters activities. This Long Term Plan assumes that the Council will continue to deliver these infrastructural services within the existing legislative framework. It is also assumed that legislated minimum levels of service / standards (such as drinking water quality) will not be changed.
Risk	Decisions by other Councils could change the current shared service agreements and result in different cost structures or levels of service delivered by the Council. This risk is seen as moderate in the longer term but low in the short term. Changes in legislation could result in additional mandatory services or new policy requirements that will increase costs for the Council. This risk is seen as high. Council boundaries may be altered by the government or through a review by the Local Government Commission.
Level of uncertainty	Short term - High. Long term - Low. Government policy can change significantly, especially with a change of government. The government has signalled that the RMA will be reviewed later in 2015. Any changes to processes are likely to impact from 2016/17 with any required changes to the District Plan phased in over time. The government has stated that forced amalgamations will not occur. This may change over time. Any group in the community can now initiate a review of Council boundaries. Over time, if amalgamations proceed in other regions, it is likely that the issue of amalgamation with one or more neighbours will arise and be the subject of a Local Government Commission review.
Impact on Council Services	Council will comply with any legislated changes to services and standards. Any changes to the structure of local government involving the Manawatu District would result in a new Long Term Plan and a different governance arrangement. Changes to the mode of delivery for infrastructure services could result in different governance arrangements for those activities.
Financial impact	Additional resources will be required to assess the structural rating of all the buildings required under proposed changes to the Building Act. Government decisions around who will fund any additional assessments has not yet been confirmed. Additional costs could fall on Council. Changes to Resource Management Act and Health and Safety processes and policies, especially the District Plan structure, could result in significant additional costs to Council. Any amalgamation process could result in policy resources being diverted or additional advice being sought. 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.
Mitigating factors	Council continues to enjoy close working relationships with neighbouring Councils at the governance and officer levels. Specific requirements from new legislation can be partially addressed through changes to fees and charges, or through additional targeted rates.
Data source	National Party policy announcements, SOLGM, LGNZ, Government ministries, professional networks.

6. Climate Change

Assumption	**It is assumed climate change will not pose a significant impact during the life of this Long Term Plan (10 years). However, in the much longer term Council is more likely to be affected by climate change.**
Detailed Forecasts	Ministry for the Environment reports have predicted change in weather patterns including wind and rainfall. Although these changes (up until 2040) will not pose significant threats. While these impacts may not be significant in terms of the overall Council activities, there is expected to be impacts to the way activities allocate resources and the type of proactive projects undertaken. Many of these are already underway and are being built into normal operating budgets. • Roading – Increased frequency and intensity of rainfall events are leading to more drainage works in the road network that reduce long term maintenance costs resulting from wash-outs, slumping and scouring. • Water - Longer periods of drought result in increased demand, while flood events create turbidity. Demand management programmes (awareness, rain water storage etc.) are already underway to reduce peak demand. • 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. • Stormwater - Increased frequency and intensity of rainfall events results in service levels falling. Increasing size and coverage of networks may be required
Risk	Any significant climate change would affect demand for Council services and could adversely affect infrastructure.
Level of uncertainty	Short term - Low. Long term - High. There is lower level of uncertainty that weather patterns in the short term due to climate change will have adverse effects. There is a higher level of uncertainty about impacts of weather patterns in the long term as predictions are less certain.
Impact on Council Services	Any significant climate change 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.
Financial impact	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.
Mitigating factors	Financial impacts will be mitigated by ensuring adequate insurance cover is used and appropriate maintenance is undertaken as a preventative measure. Much more rapid climate change is possible and could result in frequent storm damage from flooding and wind. A watching brief will be maintained. Major flood protection works have been completed in the lower Manawatu and in the Kiwitea Stream in order to improve flood protection works as a result of the 2004 floods (Horizons). 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.
Data source	Intergovernmental Panel on Climate Change Fourth Assessment, NIWA and Ministry for the Environment. Three waters asset management plan, Roading asset management plan.

7. Natural Disasters

Assumption	**Manawatu 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.**
Detailed Forecasts	Natural disasters including earthquakes, floods and volcanic events occur in New Zealand occasionally. As a result of the Christchurch earthquakes Insurance is becoming increasingly difficult to obtain at an affordable level. It is assumed that natural disasters will not be catastrophic in scale such as experienced by Christchurch City recently. Any major natural disaster that results in significant repair costs to Council will be largely funded by insurance and/or government assistance (through various funding arrangements). Council maintains debt at a level that allows for additional borrowing to cover unexpected events. Climate change trends are increasing the risk that flooding will occur on a more regular basis. Moderate earthquakes are likely to occur in the Long Term Plan period but damaging earthquakes are far less likely.
Risk	Risk for localised disasters is low as insurance, reserves and existing funding agreements limit the financial exposure. There is a risk that Council may not have access to Government support in the future. The current risk partnership with government where the government covers 60% of costs to Water and Wastewater from natural disasters (leaving Council to cover 40% through external insurance cover or self-insurance) may not continue[1] . Current indications are that the criteria for government funding may be reviewed. Any reduction in government cover from 60% will result in increased insurance costs, the need to have a greater ability to borrow or higher risks. The % government contribution to Roading repairs through New Zealand Transport Authority and funding is offered depending on the size of the event. A series of natural disasters may exhaust Council reserves and prudent borrowing ability.
Level of uncertainty	Short term - Low. Long term - High. A high level of uncertainty exists around natural disasters. For this reason, considerable effort is placed on mitigating factors including the significant financial mitigating factors.
Impact on Council Services	Manawatu 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.
Financial impact	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	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. The Council also continues to be part of the Manawatu-Wanganui Civil Defence and Emergency Management Group working to ensure preparedness for any natural disaster, co-ordinate a response and support recovery. Emergency reserves of approximately $920,000 are currently held in contingency for such issues and Council ensures it is adequately insured. Loan facilities are also available should the need arise and the Council has significant capacity within its limits for the level of debt $5million. Major natural disasters are assumed to attract Government and private charitable sector support.
Data source	MDC, SOLGM

1 The 1991 Disaster Recovery Plan stated that central government would pay a maximum of 60% for all costs associated with the restoration of water and sewerage services after natural disasters.

Significant Financial Assumptions

8. Transport – Funding from New Zealand Transport Authority (NZTA) and Transport Demand Trends.

Assumption	**Manawatu District Council will receive funding from NZTA for the maintenance and renewal of roads. The proportion of NZTA funding will be 54% of costs in year one and then 53% of costs remaining at this level over the period of the Long Term Plan.**
Detailed Forecasts	In Manawatu District 91% of journeys to work (by usually resident people aged over 15years) was undertaken by car, van or truck. The heavy reliance on private transport is expected to continue with steady but minor gains in those people using public transport and walking / biking. Statistics New Zealand data shows that the large majority of residents who travel to work outside of the District travel to Palmerston North. In recent years traffic volumes have grown in the district but the large majority of roads still have less than 500 vehicles per day. The heaviest traffic volumes within the wider region is the Feilding to Palmerston North traffic corridor, including via Rangitikei Line and Milson Line. The Regional Land Transport strategy has identified the need to provide cost-effective and appropriate public transport in small towns and rural areas as a key transport issue for the region. NZTA are currently reviewing funding arrangements. A roading classification (One Road Network Classification) will be complete in 2016, this may result in a change in the total level of funding provided Manawatu District Council. Changes, if any, will be implemented in the 2018 Long Term Plan.
Risk	The total level of funding is reduced. If this occurs Council will need to make decisions about 1) making up funding difference or 2) reducing the current level of service.
Level of uncertainty	Short term - Low. Long term - Medium. Current and future NZTA funding is decided by NZTA and central government transport policies.
Impact on Council Services	Current NZTA policy has resulted in a stable funding environment. 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. Roading is a significant activity of Council and changes to NZTA funding can have a major impact on activity funding. Increased demand for cycleways and walkways will result in the need for increased funding.
Financial impact	Current NZTA policy has resulted in a stable funding environment. If NZTA reduced funding in the future and/or lowered levels of service (ONRC), increased rates (local share) or further efficiencies (or a combination of these) would be required to maintain service levels. Roading is a significant activity of Council and changes to NZTA funding can have a major impact on activity funding. Increased demand for cycleways and walkways will result in the need for increased funding.
Mitigating factors	More people walking or biking would slightly reduce the required maintenance on roads. New technology, better asset management and improved procurement practices may drive further efficiencies in the future reducing the costs of maintaining the roading network. Public transport is not traditionally a district council function but Council is working closely with provider Horizons Regional Council to ensure best and most appropriate services for the Manawatu.
Data source	MDC, NZ Stats 2013 Census, Horizons RLTS, NZTA FAR review, NZTA ONRC decisions. http://www.nzta.govt.nz/planning/investment/far-review/index.html#docs

9. Resource Consents held by Council.

Assumption	**Resource consents will be renewed and issued without major known changes to conditions. Resource consents issued for new / upgraded infrastructure will not contain significantly different conditions / standards to those anticipated in the project.**
Detailed Forecasts	Considerable impact would be felt if consents were issued with stricter conditions or consents were not renewed. In both cases, Council would face additional financial cost. It is assumed however that consents will be renewed without these additional impacts. Consents for planned major new projects and / or upgrades currently underway (such as the Feilding Waste Water Treatment Plant) are assumed to be issued in line with the standards and conditions contained in the project design specifications and Council AMPs.
Risk	If consents are issued with higher standards, or there is a tightening of existing consent conditions above those contained in the Council Asset Management Plans, communities could face significant costs to meet ongoing consent conditions. Operating in breach of consents would leave it open to legal implications and potentially fines.
Level of uncertainty	Short term - Low. Long term - Medium. Low in short term as standards are set by legislation and Horizons One Plan. In the long term standards may change as the One Plan is reviewed and/or government policy changes.
Impact on Council Services	If consents are renewed with different conditions, changes to levels of service and model of operation may be necessary. If consents cannot be obtained new works could be delayed, impacting on provision of services.
Financial impact	If there were changes to conditions or consents not renewed or issued, Council would face additional costs either to meet consents or to continue a process to apply for new consents. Council is well-positioned to support additional consent requirements however may change the timing of other infrastructure works or services. Affordability of services in small communities could become increasingly difficult.
Mitigating factors	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. The government has recognised the financial impacts on smaller communities and contestable funding has been available for both water and wastewater upgrades. The Council has recently been successful in obtaining some of this funding (Rongotea water reticulation and several wastewater treatment plant upgrades). This funding may be continued in the future.
Data source	Horizons One Plan. Existing consents.

10. Inflation

Assumption	**Costs will increase as set out in the Local Government Cost Index prepared by BERL. Appendix one contains the BERL inflation adjusters (commissioned by the Society of Local Government Managers) used in producing this plan. These forecasts were issued in October 2014.**
Detailed Forecasts	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.
Risk	It is possible that rates will vary significantly from that budgeted for, resulting in the need for major changes to future annual budgets. This risk is seen as low in the short term, although actual inflation is likely to vary across the forecast categories (both plus and minus).
Level of uncertainty	Short term - Low. Long term - Medium.
Impact on Council Services	Significant (and unexpected) cost increases will raise questions over levels of service and affordability.
Financial impact	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	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.
Data source	BERL inflation adjustors (provided through SOLGM).

11. Interest Rates

Assumption	**Council has budgeted for this Long Term Plan that interest on loans raised will be on average 6% over 10 years. It is assumed that return on investments made by Council will be on average 3.8% over 10 years.**
Risk	Prevailing interest rates will differ significantly from those estimated. Investment rates will generally follow interest rates and maintain a consistent difference.
Level of uncertainty	Short term - Low. Long term - Medium.
Impact on Council Services	Significant increases will impact the most on infrastructure and community activities with major upgrades or asset renewals planned.
Financial impact	Based on Council projected borrowings levels, interest costs will increase / decrease by between $583,000 and $800,000 per annum for every 1% movement in interest rates over 10 years. Council investments will increase / decrease by between $73,000 and $121,000 per annum for every 1% movement in interest rates over 10 years.
Mitigating factors	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 Local Government Finance Authority and as such has access to overseas sources of funds and lower interest rates.
Data source	Financial strategy and bank forecasts

12. Useful life of significant assets

Assumption	Useful lives of assets are as recorded in asset management plans or based upon professional advice.
Detailed Forecasts	Refer to Accounting Policies for Depreciation Rates. The overall expected lives of asset classes and the costs of renewals for the three waters and Roading is shown in the Infrastructure Strategy.
Risk	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 Council is currently rating too high for depreciation.
Level of uncertainty	Short term - Low. Long term - Medium. More information is provided in the Infrastructure Strategy.
Impact on Council Services	Insufficient renewals would impact on service reliability with increasing asset failures.
Financial impact	Relatively small changes (+/- 10%) to the lives of major assets can have a significant impact on the funding requirements for depreciation. Unbudgeted capital and / or maintenance expenditure would impact on finances by requiring funding – this could be addressed in a number of ways from borrowing (for renewals), using reserves or a rates increase.
Mitigating factors	Monitoring 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.
Data source	Asset management plans. Current infrastructure valuation reports.

13. Capital works costs

Assumption	Capital works costs will not vary significantly from those budgeted.
Detailed Forecasts	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.
Risk	Council could face higher than budgeted costs that does not fit within the Financial Strategy limits.
Level of uncertainty	Short term - Low. Long term - Medium.
Impact on Council Services	If costs are higher levels of service may be reduced to ensure budgets are met, or future projects deferred. If costs are lower Council could increase levels of service or reduce rate increases.
Financial impact	Higher than anticipated costs can increase levels of debt and unbudgeted interest payments if loan funds are used. This can flow on to affect Council's total debt levels. The opposite results from lower project costs.
Mitigating factors	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.
Data source	Asset Management Plans.

14. Valuations

Assumption	The value of infrastructure and land buildings will increase at the same rate as the relevant inflation category over time.
Detailed Forecasts	The following assumptions have been applied to projected asset revaluations: • the revaluations will reflect the changes predicted by BERL. • depreciation impact of inflation will be in the year following revaluation. • value of non-depreciable assets (e.g. land) is forecast to remain constant. Infrastructure assets are revalued annually and will increase in value at the same rate as the relevant inflation category. Land and buildings are revalued three yearly and will increase by the accumulated rate of the property inflation category over the previous three years. The last revaluation was 30 June 2014.
Risk	Increased valuations would require higher than forecast depreciation funding and this will impact on Council's other spending.
Level of uncertainty	Short term - Low. Long term - Medium.
Impact on Council Services	Higher valuations could result in higher depreciation requirements that impact on Council level of services able to be delivered within the forecast funding limits.
Financial impact	Higher than forecast increases in valuations result in more funding to cover depreciation costs.
Mitigating factors	Revaluations are done annually in order to ensure the Council accurately reflects the renewal costs of assets.
Data source	BERL price adjustors. Infrastructure valuation reports

15. Renewability or otherwise of external funding

Assumption	Council will be able to borrow at the required level.
Detailed Forecasts	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 resilient and positioned to support economic growth. Government finances are improving and there is high demand for government and local government debt. The Council now has access to the Local Government Finance Authority that can source funds from overseas as well as NZ. While it is likely Council will be able to secure loans, it cannot be guaranteed.
Risk	Inability to fund services or capital investment if Council is not able to borrow. Risk is seen as low as Council have access to the Local Government Finance Authority funding market. While it is likely Council will be able to secure loans, it cannot be guaranteed.
Level of uncertainty	Short term - Low. Long term - Low. Local government in New Zealand has no current or forecast issues in accessing debt funding.
Impact on Council Services	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.
Financial impact	If rates are used as an alternative source of funding for capital projects, rates requirements would rise and forecast levels of service would come under review.
Mitigating factors	There is high demand for local government debt. The Council now has access to the Local Government Finance Authority 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.
Data source	Reserve Bank Financial Stability Report November 2013. Local Government Finance Authority.

16. 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 2045). Additional details are set out in the Revenue and Finance Policy, Financial Strategy and Infrastructure Strategy.**
Risk	That there will be a shortfall in funds available to replace assets.
Level of uncertainty	Short term - Medium. Long term - Medium.
Impact on Council Services	A shortfall in funds would require Council to either: • Reduce service levels • Increase debt • Increase rates.
Financial impact	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 (2015/16 opening balance $7.3 million). This balance is forecast to reach $4.4 million at the end of the 10 year period (June 2026). This reflects that renewals are forecast to be more 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	Council is able to access borrowings to supplement depreciation reserves if required at levels forecast within the Long Term Plan.
Data source	Council Financial data, Asset Management Plans, Infrastructure Strategy.

Appendix 1 – SOLGM / BERL Price Adjustors as at October

The following table is extracted from the 'Forecasts of Price Level Change Adjustors – 2014 Update Note to Society of Local Government Managers'.

Table 3: Adjustors: percent (%) per annum change

Year ending	Road	Property	Water	Energy	Staff	Other	Earth-moving	Pipelines	Private sector wages
					% pa change				
Jun 15	0.4	1.9	4.7	4.2	1.6	1.5	1.7	1.8	1.7
Jun 16	1.2	2.2	5.2	3.5	1.8	2.3	1.8	2.1	1.7
Jun 17	1.4	2.4	3.8	3.8	1.9	2.5	2.6	2.5	1.8
Jun 18	2.2	2.5	3.0	3.9	2.0	2.6	2.4	2.6	1.9
Jun 19	2.4	2.6	3.2	4.1	2.1	2.7	2.0	2.8	2.0
Jun 20	2.5	2.8	3.3	4.3	2.2	2.9	2.1	2.9	2.1
Jun 21	2.7	2.9	3.5	4.5	2.3	3.0	2.3	3.1	2.1
Jun 22	2.8	3.0	3.7	4.7	2.4	3.1	2.4	3.2	2.2
Jun 23	3.0	3.2	3.8	4.9	2.5	3.3	2.5	3.4	2.3
Jun 24	3.1	3.3	4.0	5.1	2.6	3.4	2.9	3.5	2.4
Jun 25	3.3	3.4	4.2	5.3	2.7	3.6	3.1	3.6	2.5
20-year average % pa	3.2	2.9	3.5	4.7	2.4	3.0	3.0	3.0	2.2

Source: BERL

Table 6: LGCI, annual average percent (%) change

	Annual average % pa		
Year ending	CAPEX	OPEX	LGCI
Jun 15	2.08	1.95	2.00
Jun 16	2.34	2.16	2.24
Jun 17	2.61	2.33	2.45
Jun 18	2.64	2.43	2.53
Jun 19	2.67	2.57	2.61
Jun 20	2.80	2.71	2.75
Jun 21	2.96	2.85	2.90
Jun 22	3.11	2.99	3.04
Jun 23	3.27	3.13	3.19
Jun 24	3.48	3.27	3.36
Jun 25	3.67	3.41	3.53
20-year average % pa	3.23	2.93	3.06

Source: BERL

Maori Capacity to Contribute to Decision-Making

The Manawatu 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 Representatives Group, a Marae Consultative Standing Committee was established in 1998. Its principal purpose is to liaise between Council and local Tangata Whenua.

Membership of the Committee 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 Ngati Te Au, Ngati Rakau (Motuiti Marae) and Ngati Turanga (Paranui Marae) as although they are located in the Horowhenua District, they have mana whenua status within the Manawatu District. This is a similar situation to Parewahawaha Marae which is located in the Rangitikei District but who have mana whenua status in the Manawatu District. Council accepted the Committee's request and invited representation from the three suggested hapu. The hapu of Ngati Te Au and Ngati Turanga took up Council's invitation and are now represented on the Marae Consultative Standing Committee.

A continuing focus for the Marae Consultative Standing Committee will be to ensure that all Maori of the district are represented, and are able to have a say in Council decision-making and that Council is liaising with the people who have mana whenua.

The Marae Consultative Standing Committee 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.

The Local Electoral Act 2001 provides for the establishment of Maori Ward(s). Consideration of the establishment of a Maori Ward in the Manawatu District is required to be done before 23 November, two years prior to the next election. The Marae Consultative Standing Committee has previously established a Maori Representation Working Party tasked with the purpose of providing input to the Manawatu District Council representation review by considering the usefulness of a Maori ward or wards for the purpose of achieving effective Maori contribution to decision making at Manawatu District Council.

The Working Party last met in 2011 and voted not to establish a Maori Ward at that time but will be revisited in the future.

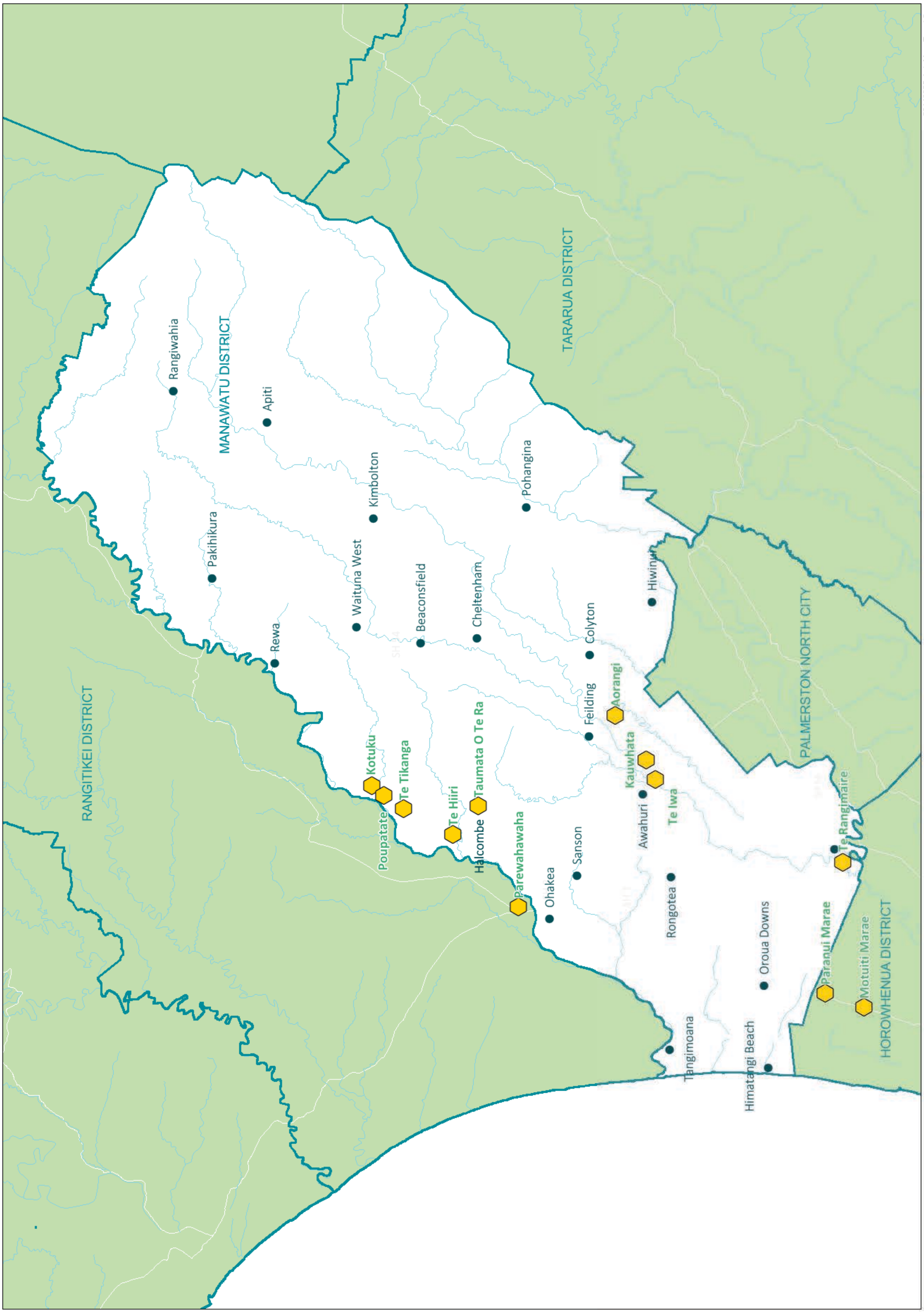
The Marae Consultative Committee continues to represent the interests of Tangata Whenua - the people of the land, as well as those with mana whenua status within the Manawatu District and is inclusive of all Maori in our community.

This policy does not replace Council's statutory obligation to consult with Iwi Authorities under legislation e.g. Resource Management Act.

mana whenua means customary authority exercised by an iwi or hapu in an identified area.

tangata whenua, in relation to a particular area, means the iwi, or hapu that holds mana whenua over that area.

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?

1. To enable the local authority and its communities to identify the degree of significance attached to particular issues, proposals, decisions, assets and activities.
2. To provide clarity about how and when communities can expect to be engaged in decisions made by Council.
3. To inform Council from the beginning of a decision-making process about the extent, form and type of engagement required.
4. 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?

5. 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 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.
6. The degree of importance attached to each criterion will be considered on a case-by-case basis.
7. If a proposal or decision is affected by a number of criteria, it is more likely to have a higher degree of significance.

8. In general, the more significant an issue, the greater the need for community engagement.

Principles and forms of engagement

9. 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.

10. 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.

11. 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

12. 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).

13. 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.

14. 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.

15. The Marae Consultative Standing Committee Terms of Reference, Memorandum of Understanding or any other similar high-level agreements will be considered as a starting point when engaging with Māori.

16. 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?

17. 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.

18. 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
    - Roading network
    - Wastewater reticulation networks and treatment assets
    - Water supply reticulation networks, treatment assets and storage facilities.

19. 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.

20. 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.

21. 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?

22. 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.

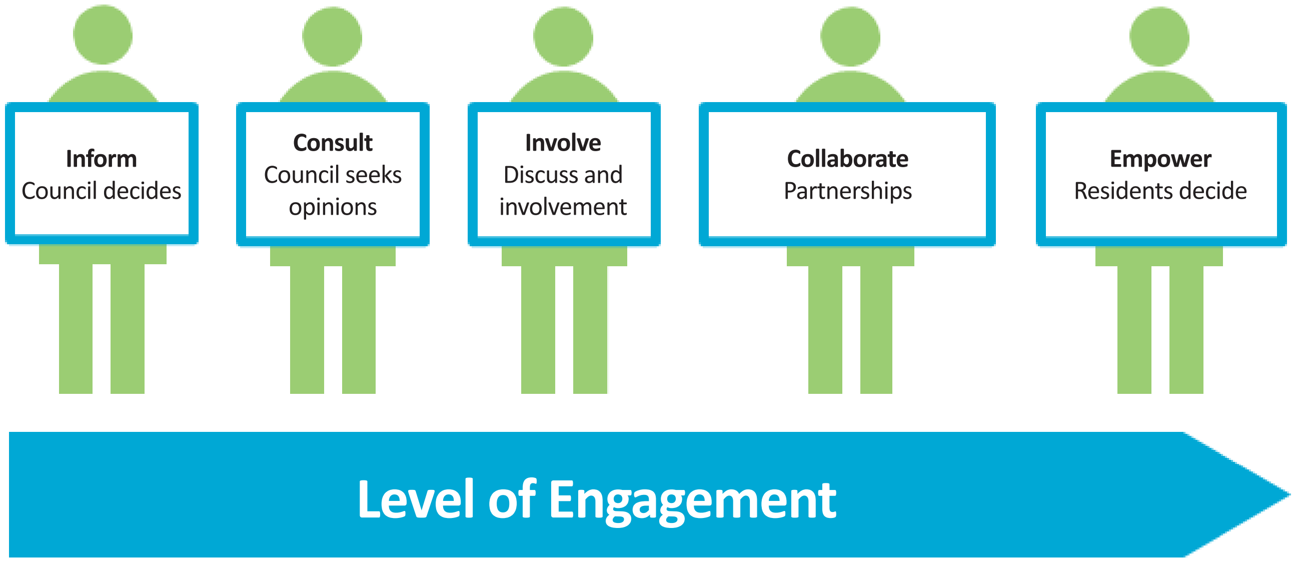
23. Some decisions made by Council are bound by legislation. In these situations, Council must follow the law and cannot use a flexible consultation process with the community.

When will this policy be reviewed?

24. 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.

25. 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?

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.
6. Differing levels of engagement may be required during the varying phases of decision-making on an issue, and for different stakeholders.
7. The Marae Consultative Standing Committee 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?

8. 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.
9. 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.
10. 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 Council 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.	Manawatu River 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.

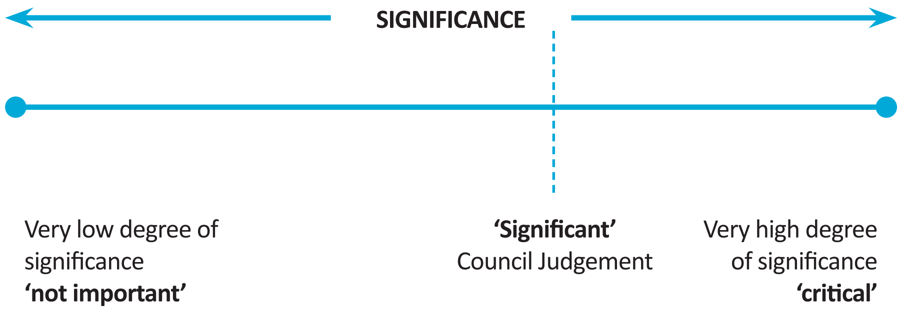
Appendix: Definitions

Legal purpose of the Significance and Engagement Policy	The purpose of a significance and engagement policy is: a) to enable the local authority and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and b) activities; and c) to provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets, or other matters; and d) to inform the local authority from the beginning of a decision-making process about - (i) the extent of any public engagement that is expected before a particular decision is made; and (ii) 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.

Section 5 of the Local Government Act requires the following to be listed in this Policy:

a) any asset or group of assets listed in accordance with section 90 (2) by the local authority; and

b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and

c) any equity securities held by the local authority in -

   (i) a port company within the meaning of the Port Companies Act 1988

   (ii) an airport company within the meaning of the Airport Authorities Act 1966

Strategic aspirations

Refer to any high level, direction setting goal or document that Council's aim to deliver.

Development Contributions Policy

1 Introduction

1.1 Legislative Requirements and Powers

1. Under Section 106 of the Local Government Act 2002 ('LGA 02'), the Council is required to have a policy on development contributions (DCP) or financial contributions. This policy must be reviewed every three years using the special consultative procedure.
2. The Council first adopted this development contribution policy as part of its LTCCP in 2006. Further reviews occurred in 2009 and 2013. As a result of changes in 2014 to the Local Government Act 2002 (LGA02) further changes have been made to the policy.
3. The purpose of development contributions under section 197AA of the LGA02 is to enable territorial authorities to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.
4. Under section 197B of the LGA02 there are 7 principles to take into account whenever preparing a development contributions policy or when requiring a development contribution as follows:
   a) development contributions can only be required when the effect or cumulative effects of development will create or have created a requirement for the territorial authority to provide or to have provided new or additional asset or assets of increased capacity.
   b) development contributions should be determined in a manner that is generally consistent with the capacity life of assets for which they are intended to be used and in a way that avoids over-recovery of costs allocated to development contribution funding.
   c) cost allocations used to establish development contributions should be determined according to who benefits (including the community as a whole) as well as who created the need for assets.
   d) development contributions must be used
      (i) for or towards the purpose of the activity or the group of activities for which the contributions were required; and
      (ii) for the benefit of the district or the part of the district that is identified in the development contributions policy in which the development contributions were required.
   e) sufficient information should be available to demonstrate what development contributions are being used for and why.
   f) development contributions should be predictable and consistent with the methodology and schedules in the development contributions policy.
   g) when calculating or requiring development contributions, territorial authorities may group together certain developments by geographic area or categories of land use, provided that –
      (i) the grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and
      (ii) grouping by geographic areas avoids grouping across an entire district wherever practical

1.2 When a Development Contribution is Required

A Development Contribution is required in relation to a development when:

- the effect of that development is to require new or additional assets or assets of increased capacity in terms of network infrastructure, reserves and ***community infrastructure***; and
- the Council incurs capital expenditure to provide appropriately for those assets, i.e. network infrastructure, reserves and community infrastructure.

The effect of a development in terms of impact on these assets includes the cumulative effect that a development may have in combination with another development. A Development Contributions 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 in anticipation of development.

1.3 Limitations to the Application of Development Contributions

Council will 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 (RMA), imposed a condition on a resource consent in relation to the same development for the same purpose; or
- Where the developer will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure; or
- Where the territorial authority has received or will receive sufficient funding from a third party to fund particular infrastructure.

1.4 Relationship to Resource Management Act

Development contributions under the LGA02 are in addition to, and separate from, financial contributions under the RMA. Council intends to use development contributions under this Development Contributions Policy as its main means of funding infrastructure required as a result of growth.

While Council generally considers development contributions under this Development Contributions Policy as its main funding tool for infrastructure it may also require Financial Contributions under the RMA. Council may require a Financial Contribution, as a condition of consent, in accordance with any relevant rule in the District Plan under the RMA. 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 Contributions may be required for a development that is different in location, scale or nature than that planned for, and where there are infrastructure works required to service the development. Planned infrastructure works as detailed in section 3.4, are to be funded by development contributions and third party funding, but do not include any provision for Financial Contributions.

Financial Contribution provisions are detailed in the District Plan Strategy, clause 7 and District Rule D. This includes provisions for requiring:

- Reserve contributions
- Utility sites (for infrastructure, i.e. pumping stations, reservoirs)
- New roads or accessways
- Upgrading and/or widening existing 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.

For settlements other than Feilding, Council as service provider may require capital contributions in respect of people outside the relevant rating area who wish to connect to town water or sewerage services.

2 Vision, Strategy And Council

The Council outlines its Vision, Strategy and Council outcomes in Part One of the Long Term Plan (LTP).

Council has developed Vision statements for the District, its Villages, rural community and Feilding urban township. The Vision statement both guides Council in its activity and provides a clear and a compelling picture of our future.

Council's vision is

Connected, vibrant and thriving Manawatu – the best rural lifestyle in New Zealand

The rural area vision statement is:

The food basket of New Zealand within a sustainable rural landscape that offers outstanding recreational opportunity.

The Villages vision statement is:

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

The Feilding urban vision statement is:

A thriving community enjoying the most vibrant country town in New Zealand, servicing the regional rural sector.

A set of outcomes was developed, which show the priorities Council is working towards:

- Manawatu District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga.
- The Manawatu District will attract and retain residents.
- Manawatu develops a broad economic base from its solid foundation in the primary sector.
- Manawatu and its people are connected via quality infrastructure and technology.
- Manawatu's built environment is safe reliable and attractive.
- Manawatu District Council is an agile and effective organisation.

3 Overview Of Proposed Development Contributions Policy

Section 201 of the LGA02 outlines the required contents of a Development Contributions Policy. The following section is consistent with this requirement of the Act.

3.1 Purpose of a Development Contributions Policy

The key purpose of the Development Contributions Policy is to ensure that growth, and the cost of infrastructure to meet that growth, is funded by those who cause the need for that infrastructure. Development Contributions are not a tool to fund the cost of maintaining infrastructure or improving levels of service. This cost will be met from other sources.

3.2 Trigger for Taking a Development Contribution

Under Section 202 of the LGA02 Council may apply a development contribution 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***

A resource consent, building consent or authorisation for a service connection is only a trigger for taking development contributions in the sense of timing, not in the definitional context. The application of development contributions by Council upon the granting of a resource consent, building consent or authorisation for service connection is subject to clause 1.2 and 1.3 of this Policy.

3.2.1 Preferred Stage of Applying a Development Contribution

It is Council's preference to apply a development contribution at the first stage of development, which is generally at the subdivision consent stage. It is not the intent of the Policy to delay the payment of contributions to subsequent consent/development stages. Deferring payment of development contributions to subsequent stages is both administratively onerous and also results in the same request at all subsequent development stages. Council considers that the subdivision consent stage is generally the most appropriate stage to take a development contribution for the following reasons:

- Practicality of implementation
- Economies of scale in implementation costs
- Best available knowledge for projections and allocating budgets

3.2.2 Payment of Development Contributions at Subsequent Development Stages

While generally development contributions will apply at subdivision consent stage, Council will apply contributions at the building consent stage or at the service connection stage on all types of development where ***additional units of demand*** are created in the absence of subdivision.

Refer also to clause 5.2 (Amount, Payment and Collection of Development Contributions).

3.2.3 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
- Non-Residential
- Rural

Development is categorised by type to adequately reflect the demand that type of development has on our infrastructure networks. 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. For example, the dominant activity in the industrial zone will be assumed to be non-residential and will therefore be subject to a non-residential development contribution.

However, there are exceptions where the underlying zone will not appropriately reflect the dominant activity proposed for a development. For example, a residential development / dwelling in a non-residential zone. In this circumstance it may be appropriate to levy a 'residential' ***unit of demand*** to that development where there is certainty that it will be the dominant activity on that particular site.

3.3 Activities Requiring a Development Contribution to Meet the Costs of Growth

Council may require a development contribution from any development for the following:

1. Capital expenditure **expected** to be incurred as a result of growth
2. Capital expenditure **already** incurred in anticipation of development.

Funding Council's capital expenditure for growth with development contributions must 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***
- Roading
- Wastewater
- Stormwater
- Water Supply

3. Attached to the policy is 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.

3.4 Capital Expenditure Council Expects to Incur as a Result of Growth

The total estimated capital expenditure Council expects to incur, as a result of growth, to meet increased demand, is summarised below in Table 1. Note that the estimated expenditure includes an allowance for professional services, including investigations, option assessment, detailed design and construction management.

In determining the total estimated growth component to be funded by Development Contributions, careful consideration was given to those matters listed under section 101(3) of the LGA 02 for each individual activity (network infrastructure or community facility). 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 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 of this Policy.

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 1, and is deducted from the amount due to growth and also the amount to be funded by development contributions. Third Party funding from the New Zealand Transport Agency (NZTA) is provided for in the capital expenditure for roading as shown in Table 1.

3.5 Capital Expenditure Council has Incurred in Anticipation of Development

Development contributions will also be required to meet the cost of capital expenditure already incurred in anticipation of development, where Council has assessed it appropriate and reasonable. This applies only where Council has made the decision to carry out the work on the basis that it is to be fully or partly funded by future development contributions.

Table 1 : Summary of 50 year Estimated Capital Expenditure and Funding for Growth

Activity	Planned Capital Expenditure Work	Total Level of Service Component	Third Party Funding	Total Estimated Growth Component	Total Estimated Growth Component to be Funded by Development Contributions
Water	$4.265M	$0.12M	$0	$4.145M	$4.145M
Wastewater	$1.730M	$0.375M	$0	$1.355M	$1.355M
Stormwater	$6.090M	$0	$0	$6.090M	$6.090M
Roading	$35M	$17.3M	$14.6M	$8.9M	$8.9M
Parks, Reserves and other Community Infrastructure	$13.0M	$7.5M	$0	$7.8M	$7.8M

3.6 Council Use of Development Contributions

Council will use development contributions only on the activity for which they are collected. This will be undertaken on an aggregated project basis for each of the activities.

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 1. Similarly third party funding received for capital expenditure, which Council will incur in anticipation of development, will also be excluded.

3.7 Level of Service

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. It is not appropriate for the level of service proportion of the identified infrastructure works to be funded by development contributions. Asset Management Plans, for each activity, define the relevant level of service for that activity.

3.8 Implementation and Review

It is anticipated that this Policy will be updated on a three yearly basis, or at shorter intervals if necessary. Any review of the policy may take account of:

- Any changes to significant assumptions underlying the Development Contributions Policy
- Any changes in the capital development works programme for growth
- Any changes in the pattern and distribution of development in the District
- Any changes that reflect new or significant modelling of the networks
- The regular reviews of the Funding and Financial Policies, and the Long Term Plan 2012-2022
- Any issues associated with the implementation of the Policy
- Any other matters Council considers relevant.

The three-year review period of the Policy is preferred and takes into account the following:

- The need for certainty of the fee structure over a reasonable duration
- Alignment with the required statutory update of the Council's Long Term Plan 2012-2022

The Policy would only be reviewed at a shorter interval than the preferred three year period where there was a significant change in the projected growth rates and assumptions, or issues associated with the implementation of the Policy arise, or a large growth capital work is required that was not anticipated.

3.9 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 Reorgansistion Scheme under the Local Government Act 2002 will be assessed and payable under the Manawatu District Council Development Contributions 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. Further guidance on determining a contribution payable based on the type of development is provided in section 3.2.3.

4 Significant Assumptions of the Development Contributions Policy

4.1 Approach to Methodology

The specific infrastructure demands created by individual developments are considered in the context of Council's wider community responsibilities as an infrastructure service provider. This is the basis of the methodology for assessing development contributions.

4.2 Development Contribution Areas

For the purposes of development contributions the District is broken into 9 development contribution areas based on activity ***service catchments***. (Refer to Map 1 in Appendix A of this policy). Note areas C to H are broken up into urban/ future urban and nodal.

4.3 Planning Horizons

A 50-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[1] infrastructure works within any given year on development contributions.

1 Lumpy infrastructure is where in any given year there are large sums assigned due to the discrete nature of the development work

Table 2 : Development Contribution Areas (refer to Appendix A : Map 1)

	Area	Activities for which Development Contributions will be Charged
A	Manawatu District	Roading, Parks, Reserves and other Community Infrastructure
B	Feilding Urban Area	Roading, Parks, Reserves and other Community Infrastructure, Water, Wastewater
C	Feilding Stormwater – Catchment C	Roading, Parks, Reserves and other Community Infrastructure, Water, Wastewater, Stormwater
D	Feilding Stormwater – Catchment D	Roading, Parks, Reserves and other Community Infrastructure, Water, Wastewater, Stormwater
E	Feilding Stormwater – Catchment E	Roading, Parks, Reserves and other Community Infrastructure, Water, Wastewater, Stormwater
F	Feilding Stormwater – Catchment F	Roading, Parks, Reserves and other Community Infrastructure, Water, Wastewater, Stormwater
G	Feilding Stormwater – Catchment G	Roading, Parks, Reserves and other Community Infrastructure, Water, Wastewater, Stormwater
H	Feilding Stormwater – Catchment H	Roading, Parks, Reserves and other Community Infrastructure, Water, Wastewater, Stormwater
I	Feilding Stormwater – Catchment I	Roading, Parks, Reserves and other Community infrastructure, Water, Wastewater, Stormwater

4.4 Projecting Growth

The Council acknowledges that new development is occurring throughout the Manawatu District. This places demands on the Council to provide a range of new and upgraded infrastructure. This Policy provides the means by which the Council may seek development contributions from new development where the effect of that development requires the Council to incur capital expenditure to provide services and infrastructure.

The successful application of this Development Contributions Policy is dependent on reliable estimates of the amount of new development that is expected to occur in the District and different parts of it. The estimates are required to inform infrastructure planning and to give Council some assurance as to the reliability of its predicted reserve and infrastructure requirements and that development will occur from which the Council can expect to recover growth – related expenditure.

This Development Contributions Policy uses the growth projections as set out in the Forecasting Assumptions section of the Long Term Plan.

4.5 Best Available Knowledge

The Feilding Framework Plan was adopted by Council in May 2013. Capital expenditure budgets and projected estimates of future asset works are based on the best available knowledge as the time of preparation. The policy will need to be updated, as practical, to reflect better information as it becomes available, as per Section 3.8 of this policy.

4.6 Growth in the District

Residential development in Feilding will take place within the current "greenfield" areas zoned residential and also in the 7 areas identified by Council as the basis of its long-term urban growth strategy. Further "infill" residential development within the District's existing residential areas is also assumed.

Further rural development, in particular rural-residential development, is assumed to continue in line with current trends. Non-residential development is also expected to continue within all relevant zones.

4.7 Unit of Demand

Different types of measurements are used to allocate units of demand for each community facility to residential, rural and non-residential developments (refer to clause 6.6.2 and Table 3 – Units of Demand and Measure for Community Facilities for further guidance). Council will demonstrate that it has attributed units of demand to particular developments or types of developments on a consistent and equitable basis. For all activities a differentiation is made between residential, rural and non-residential development due to the demand and use they place on the network activities. A specific explanation of units of demand allocated for each activity is provided in Section 6 of this policy. Clauses 6.6.4 – 6.6.7 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.

4.8 Level of Service Versus Growth

The infrastructure works required to service future growth in some cases improves the level of service to the existing community. Further, 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 50 years time.

Detailed below are the assumptions made, for each community facility, with a description of how the level of service and growth component have been apportioned.

Water Supply

The level of service component has been assessed at between 0% and 35% of the individual infrastructure works. An amount of 0% 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.

Wastewater

The infrastructure works identified include significant upgrades to the existing trunk sewer network to provide capacity for future growth. A large proportion of the trunk sewers are over 50 years in age, and are programmed for renewal within the next 50 years. 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, 0% level of service.

The major upgrade of the 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.

Roading

All of the roading infrastructure works have been assessed on the basis of New Zealand Transport Agency (NZTA) funding for 50% of the total cost. The remaining 50% of the works cost has been split between a growth component and a level of service component.

Road infrastructure works to service growth or with a growth component include:

- upgrading existing rural standard roads to urban standard roads within Feilding urban/future urban areas
- widening of existing urban and rural arterial roads to meet required level of service and provide for growth
- upgrading of intersections and other upgrades to provide for increased demand due to growth.

The proportion of level of service for the upgrading of rural roads to urban road standards has been assessed at 75% growth and 25% level of service. This is on the basis of limited existing development served by these roads.

Widening of existing arterial roads to provide for future growth, but to also improve the current level of service have been proportioned on the basis of 50% growth and 50% level of service.

Intersection upgrades have been assessed as 100% due to growth, with no level of service component. This is on the basis that the existing intersections are adequate with the current traffic demand.

Stormwater

The infrastructure works identified for stormwater have been assessed on a catchment-by-catchment basis, with specific development contribution areas for each catchment. The proportion of level of service to growth has been assessed based on the proportion of existing development to new development based on the relative area of each and the expected density of development. This is the basis of demand for stormwater which is in proportion to the percentage of impervious (roofs and hardstand) areas. The level of service component for the infrastructure works identified varies from 85% for catchments that are already well developed and have current capacity problems, through to 0% for catchments that are currently undeveloped and predominately rural in nature.

Parks, Reserves and other Community Infrastructure

For new community infrastructure, park and reserve facilities established specifically for new growth areas, a 100% of these infrastructure works are to be funded by growth, with a nil proportion to level of service. For new facilities driven by improvements to level of service, 25% of the cost has been attributed to future growth over the next 50 years. The remaining 75% of the cost for projects driven by increases to level of service will be funded through Council's usual funding mechanisms.

5 Administration of Development Contributions

5.1 Additional Considerations: Reconsiderations, Postponements, Refunds and Exceptional Circumstances of Development Contributions

5.1.1 Reconsiderations and Postponements

At the request of the applicant, the development contribution required on a development may be reconsidered or postponed.

5.1.2 Reconsideration Criterion

1. An applicant may request the Council to reconsider a requirement to make a development contribution if the applicant has grounds to believe that:
   a. the development contribution was incorrectly calculated or assessed under the 2015 Development Contributions Policy or
   b. The Council incorrectly applied the 2015 Developments Policy; or
   c. The information relied upon to assess the applicant's development against the 2015 Development Contributions Policy, or the way the Council has recorded or used the information when requiring a development contribution, was incomplete or contained errors.
2. 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 LGA02.
3. A reconsideration must be applied for before a development contribution is paid. Council will not allow reconsiderations retrospectively.

5.1.3 Postponements

Postponement of the land-based[2] portion of a development contribution applicable to the balance lot[3] of a development may be allowed by the Council at its discretion if no immediate capital works or expenditure are planned or required. Any such discretionary postponement will be conditional upon the applicant entering into a bond in the Council's favour for a term of not more than two years, for:

- the postponed sum, and
- interest until payment, at an interest rate determined by the Council, and
- all related costs.

Payment of such bond is to 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.

5.1.4 Postponements Criterion

1. Postponements must be applied for before a development contribution payment is made to Council. Council will not allow postponements retrospectively.

2 The land-based portion of a development contribution includes those charges that are calculated on the area of land included within a development.

3 A balance lot is a remaining allotment not yet intended for development that will be developed at a later date.

2. The postponed land-based portion of a development contribution will be reassessed at the next and any subsequent development phase.

3, In certain circumstances the Council may choose to only postpone part of the land-based portion of a development contribution applicable to the balance lot.

4. The postponed land-based portion of the development contribution that is applied at a subsequent development phase will be assessed on the development contribution charges applicable at the time.
5. Postponement of the land-based portion of a development contribution required on a development does not indicate that the development does not create additional units of demand,

5.1.5 Process for Reconsideration of Development Contribution

1. A request for reconsideration must be made within 10 working days after the date on which the applicant receives notice from the Council of the level of development contribution that the Council requires.
2. A request for reconsideration must be made in writing to the Council and identify the basis on which the reconsideration is sought.
3. The Council will consider the request for reconsideration with respect with respect to the criteria set out in clause 5.1.2 of the Policy.
4. The Council may reject, uphold, reduce or cancel the original amount of development contribution required and shall communicate its decision in writing to the person who lodged the request within 15 working days of receiving the request.
5. The Council will make the decision, by way of delegation to officers to an appropriate level, on the papers without convening a hearing.
6. A person who requested the reconsideration may object to the outcome of the reconsideration in accordance with section 199C and schedule 13A of the LGA.

5.1.6 Process for Consideration for Postponement of Development Contribution

1. Any request for a postponement of development contributions shall be made by notice in writing, from the applicant to Council, before development contributions required on the development are paid. Any request must set out reasons for postponement on the basis of which the Council's decision is to be made; there shall be no hearing.
2. Requests for a postponement shall be decided for the Council under delegation by:
   - Either the Council's CEO or the respective General Manager of the Council as to requests for postponement.

3. The Council's decision made under such delegation:
   a. May at its absolute discretion as to a request for postponement, decline, or approve such postponement for a term and on such conditions as to security as is provided and otherwise as may be adjudged reasonable.
   b. Shall be made and communicated to the applicant as soon as practicable,
   c. Shall take into account:
      - The Development Contributions Policy
      - Council's Revenue and Financial Policy
      - The extent to which the value and nature of works proposed by the applicant reduces the need for works proposed by Council in its capital works programme.
      - Existing uses on the allotment area of the proposed development.
      - Development contributions paid and/or works undertaken and/or land set aside as a result of:
        (i) Development Contributions.
        (ii) Agreements with Council.
        (iii) Financial Contributions under the RMA.
      - Any other matters the Council considers relevant, and
      - The timing, likelihood and type of capital works or expenditure planned or required within or surrounding the postponed balance lot.
   d. Must not have the practical effect of altering the methodology of this policy including the underlying averaging approach inherent in the calculation of units of demand.
4. In any case, Council retains the right to uphold the original amount of development contributions levied on any particular development.
5. The applicant may request a further review of an officer's determination on a request for a postponement. That review will be undertaken by the Hearings Committee. No further review will be available unless:
   a. The further request is received by Council together with the prescribed fee within 20 working days of receipt of the officer's decision; and
   b. The Hearings Committee gives leave for a further review.
6. The Hearings Committee will determine an application for leave on the papers. The Hearings Committee may give leave for a further review only if it is clearly arguable that the development contributions are manifestly excessive.
7. A Council decision must not have the practical effect of altering the methodology of this policy including the underlying averaging approach inherent to the calculation of units of demand.

5.1.7 Objections

1. An applicant may object to the assessed amount of a development contribution required by the Council.
2. The right to make an objection applies irrespective of whether a reconsideration of a requirement for a development contribution has been requested.
3. Pursuant to section 199C of the LGA 02, the right to make an objection does not apply to challenges to the content of the Development Contributions Policy

5.1.8 Objection Criteria

1. An objection may be made on the grounds 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 LGA 02 (Limitations applying to requirement for a development contribution); or
   (d) Incorrectly applied its development contributions policy to the objector's development.

5.1.9 Process for Objecting to a Development Contribution

1. A request for an objection must be made to Council within 15 working days after the date on which the applicant/agent received notice from the Council of the level of development contribution that the Council requires.
2. If the applicant/agent has received notice of the outcome of a reconsideration (section 5.1.5) of the Development Contribution Policy, the 15 working day period begins on the day after the date on which the applicant/agent receives the notice of the outcome.
3. The request to the Council for an objection must:
   (a) be in writing; 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.

4. The Council will as soon as practicable after receiving the objection select no more than 3 development contribution commissioners to decide the objection.
5. A hearing on an objection need not be held if:
   (a) The objector has indicated they do not wish to be heard or has otherwise agreed that no hearing is required or:
   (b) The development contribution commissioners who will hear and decide the objection are satisfied, having regard to the nature of the objection and the evidence already provided, that they are able to determine the objection without a hearing.
6. The selected development contribution commissioners will give parties notice of the date by which briefs of evidence relating to the objection must be exchanged. Briefs of evidence, and any additional or amended evidence, must be exchanged not later than 10 days before:
   (a) The commencement of a hearing; or
   (b) If there is no hearing, a date fixed by the commissioners.
7. Written copies of the development contributions commissioners ' decision will be served on the objector and the Council within 15 working days after:
   (a) The end of the hearing; or
   (b) If no hearing is held, the last day of the commissioners' consideration of the evidence.
8. If an applicant objects to the Council's requirement that a development contribution be made, the Council may recover from the applicant, pursuant to section 150 of the LGA, its actual and reasonable costs in respect of the objection. The costs the Council may recover include:
   (a) The selection, engagement, and employment of the development contributions commissioners and
   (b) The secretarial and administrative support of the objection process; and
   (c) Preparing for, organising, and holding the hearing.

5.1.10 Refunds

The refund of money and return of land if development does not proceed and refund of money or return of land if not applied to specified reserves purposes will be applied in accordance with Sections 209 and 210 of the LGA02 as set out in Appendix B of this policy.

Any refunds will be issued to the consent holder of the development to which they apply and will not be subject to any interest or inflationary adjustment.

5.2 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 x (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 – Construction for the current year.

PPIB = the Producers Price Index – Construction for the base year.

Subject to the Council's powers under section 208 LGA 02 the development contribution assessed under this Policy may be paid at any time until the consent or authorisation that triggered the assessment lapses or expires. If the consent or authorisation lapses or expires, a new consent will be required in which case the development contribution payable will be re-assessed. If the development contribution is not paid within 12 months of the date the assessment was made, then the development contribution shall increase annually on 1 July each year by the amount of increase in the Producer's Price Index – Construction for that year.

Development contributions payable on resource consents, building consents or service connections will be assessed at the time the applicant requests to pay.

If payment of development contribution is not received Council will enforce powers outlined in Section 208 LGA02. Those provisions state that 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(1)(c), withhold a service connection to the development:

(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.

5.3 Transitional Provisions

No refund will be given to previously paid or invoiced development contribution charges that were calculated under the 2006, 2009 and 2013 Development Contributions Polices.

Any development contributions that have been charged under the previous Development Contribution

Polices but no payment has been made can be reassessed under the 2015 Development Contribution Policy.

5.4 Valuing of Land

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 this development contributions policy. The exception is esplanade reserves, which will still be required to be set aside in accordance with the provisions of the Manawatu 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 RMA to identify future reserve requirements.

5.5 Special Circumstances

Council reserves the discretion to enter into specific arrangements with a developer for the provision of particular infrastructure to meet the special needs of a development, for example where a development requires a special level of service or is of a type or scale which is not readily assessed in terms of units of demand. Where a development is considered to be a special circumstance, an individual assessment will be undertaken by Council to determine the effect of the development on the network infrastructure, reserves and community facilities and the development contributions amount payable.

For the purposes of clarity, special circumstances include, but are not limited to, the following activities:

- Wet industries
- Service stations
- Fast food outlets
- Wind-farms
- Activities that require specific community facility upgrades.

The activities listed above have been identified as special circumstances for one of the following reasons:

- The potential effect the activity may have on the capacity of the network infrastructure, reserves and community infrastructure is likely to be greater than that taken into account when developing a methodology for the Development Contributions Policy and calculating the development contributions charges per unit of demand.
- The activity is likely to require the provision of particular infrastructure to meet the special needs of a development, for example 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.

Significant adverse effects on infrastructure of particular developments may be considered as part of the evaluation of application for resource consent and may influence consideration of the application in the absence of agreed mitigation with the Council.

The applicant shall provide sufficient information to enable the Council to determine whether or not a development is a special circumstance and to enable an individual assessment to be made (see clause 5.6).

5.6 Individual Assessments

Where an individual assessment is undertaken by Council for the purposes of a special circumstance, the following matters will be taken into account when determining the final development contributions amount payable:

(i) The schedules of contributions per unit of demand (fees) applicable at the time the application is received.

(ii) The relative measures of a unit of demand.

(iii) The factors used to portion out the 50-year residential and non-residential growth costs. Refer to section 4.8.

(iv) Previous contributions paid.

(v) The current or previous level of demand placed on the network infrastructure, reserves and community facilities.

(vi) The level of demand the proposed development will place on the network infrastructure, reserves and community facilities.

(vii)Any other matters Council considers relevant.

5.7 Development Agreements

1. Pursuant to section 207A of the LGA02, a developer may request that the Council enter into a contractual, agreement with the developer to provide infrastructure as an alternative to paying all or part of a development contribution. The contractual agreement in this instance is called a "***development agreement***".
2. Pursuant to section 207B of the LGA02, the Council will consider the request for a ***development agreement*** and provide written notice to the developer of its decision on the request, and the reasons for the decision without

necessary delay.

3. The content and effect of a ***development agreement*** must comply with sections 207D and 207E of the LGA02

4. Please refer to Manawatu District Council's guidance document which details 'agreement' options for deferred development contribution payments.

5.8 Non-Residential Brownfield Redevelopment

Non-residential brownfield redevelopment[4] 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 6 and 7 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.

5.9 Tax – GST

Development contributions are stated exclusive of Goods and Services Tax (GST), GST will be added at the time of collection.

5.10 Cross Boundary Development

In the situation where a proposed development lies partially in each of two or more development contribution areas, the development contribution for the entire development will be calculated based on the contribution applicable to the development contribution area that contains the majority of the development allotment area.

4 Brownfield redevelopment means further development of sites that are developed at or over 40% site coverage, or were at sometime 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

6 Community Facilities

6.1 Water Supply

This policy includes only the Feilding water service catchment as defined on Map 2 in Appendix C of this policy. No future growth works necessitating a development contributions policy have been identified for the other service catchments (other communities) within the District.

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.

6.1.1 Development Contributions Approach

A development contribution for the Feilding water service catchment will be based on the value of future identified growth works, and works already completed for the key network in anticipation of growth.

6.1.2 Who Gets Charged?

Under the above outlined method, all new developments in the Feilding water service catchment will be subject to a development contribution within identified development contribution areas.

6.1.3 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.

6.1.4 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 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 or service connection.

The measures for units of demand are summarised in Table 3 at the end 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 2006 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 2006) units of demand.

Refer also to clause 5.5 (Special Circumstances) and clause 5.7 (Non-Residential Brownfield Redevelopment).

Further guidance on measuring units of demand is provided in section 6.6.

6.2 Wastewater

This policy includes only the Feilding wastewater service catchment as defined on Map 3 in Appendix C of this policy. No future growth works have been identified for the other service catchments (other communities) within the District.

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.

6.2.1 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 works already completed for the key network in anticipation of growth.

6.2.2 Who Gets Charged?

Under the above outlined method, all new developments in the service catchment will be subject to a development contribution within identified development contribution areas.

6.2.3 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 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.

6.2.4 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. 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 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 or service connection.

The measures for units of demand are summarised in Table 3 at the end 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 2006 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 2006) units of demand.

Refer also to clause 5.5 (Special Circumstances) and clause 5.7 (Non-Residential Brownfield Redevelopment).

Further guidance on measuring units of demand is provided in section 6.6.

6.3 Roading

The roading network service catchment is contained within the Manawatu District Council Territorial Local Authority boundary. The roading 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 roading network is considered to be an unrestricted system. This means that the roading network can be accessed by anyone at any time in the District.

6.3.1 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 roading network for growth, and works already completed for the key network in anticipation of growth. The anticipated future growth capital development works are identified in the Roading Asset Management Plan.

The development contribution for the roading network is based only on the component of these works that result from increased demand generated by new residential, rural and non-residential development. The improvement in level of service and also third party funding is deducted from the total capital expenditure to be funded by development contributions.

6.3.2 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.

6.3.3 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.

6.3.4 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 and non-residential development is also assumed to create 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 or service connection.

The measure for a non-residential unit of demand is:

- Per 100m^2 of allotment area at subdivision; or
- Per 100m^2 GFA at building consent or service connection.

The measure for a rural (other) unit of demand is:

- Per 100m^2 GFA at building consent or service connection.

The measures for units of demand are summarised in Table 3 at the end 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 5.5 (Special Circumstances) and clause 5.7 (Non-Residential Brownfield Redevelopment).

Further guidance on measuring units of demand is provided in section 6.6.

6.4 Stormwater

This policy includes only Feilding stormwater service catchments as defined on Map 1 in Appendix A of this policy (areas C to I). No future growth works have been identified for the other urban areas.

The Feilding stormwater network is defined using a catchment-based approach because it is dependent on natural geographical features and events. The network is characterised by a number of relatively autonomous service catchments and within each of these is an integrated system of interdependent network components.

For the purposes of this policy there are seven defined service catchments that make up seven development contribution areas. 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 (4ha 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 service catchments will be based on a defined level of service, as outlined in Council's Stormwater Asset Management Plan, under a fully developed catchment scenario. For the purpose of determining the amount of development contributions, specific demand analysis has been undertaken on existing service catchments, and infrastructure requirements have been identified as a result.

6.4.1 Development Contributions Approach

A stormwater development contribution for each of the seven service catchments is based on the value of components to be located within each 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.

Current and planned future stormwater infrastructure provided in the six service catchments is anticipated to cater for the entire catchment when it is fully developed. Thus, in partially developed service catchments, infrastructure provision identified will specifically cater for growth in that service catchment.

6.4.2 Who Gets Charged?

Under the above outlined method, all new developments in the defined seven service catchments in the development contribution areas will be subject to a development contribution. New developments in other catchments will not be required to pay any development contributions for stormwater.

6.4.3 Justification for Approach

Demand investigations, undertaken by Council, tested stormwater catchments under a fully developed scenario. Additional development within existing developed stormwater catchments is likely to have little effect on the demand for additional stormwater infrastructure. In contrast, additional development in partially developed catchments would potentially have a significant effect on the demand for additional stormwater infrastructure.

6.4.4 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. The allotment area of development and hence information related to ***site coverage*** and impermeable surface area 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 unit of demand. All rural development is assumed to create zero units of demand. All non-residential development is assumed to create two units of demand due to increased ***site coverage*** and the proportion of impermeable surfaces compared with residential development.

The measure for a residential and non-residential unit of demand is:

- Per additional allotment at subdivision; or
- Per 100m^2 GFA at building consent or service connection.

The measures for units of demand are summarised in Table 3 at the end 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 5.5 (Special Circumstances) and clause 5.7 (Non-Residential Brownfield Redevelopment).

Further guidance on measuring units of demand is provided in section 6.6.

6.5 Parks, Reserves and other Community Infrastructure

The Manawatu 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.

6.5.1 Development Contributions Approach

The development contribution is district wide and is based on the value of identified future provision of district wide parks, reserves and community infrastructure associated with growth.

6.5.2 Who Gets Charged?

All residential and rural 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.

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 Manawatu 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.

It is intended that in the future the 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.

6.5.3 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 and 2 of Schedule 13 of the LGA02.

6.5.4 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 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 household unit*** at building consent or service connection.

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 5.5 (Special Circumstances).

Further guidance on measuring units of demand is provided in section 6.6.

6.6 Units of Demand for All Community Facilities Requiring a Development Contribution

6.6.1 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, building consent and service connection stage.

Units of demand can also be created outside of the subdivision process i.e. an additional dwelling on an existing lot. Therefore the Policy enables Council to assess units of demand created at the building and service connection stage also.

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 3.2.1 of this Policy and Council will apply this preference consistently.

Note generally a single unit of demand applies except for Non-residential stormwater, which is assessed to create two units of demand. Refer to section 6.4.4 for the basis for this.

6.6.2 Measuring Units of Demand

Different types of measurements are used to allocate units of demand for each community facility to residential, and rural.

The measures for units of demand is summarised at the end of this section in Table 3.

Further guidance on measuring units of demand is provided in clauses 6.6.4 - 6.6.7 and section 7.

Water and Wastewater

Residential and Non-Residential:

The measure of a residential unit of demand for water and wastewater is per additional ***allotment*** at subdivision or per ***connected equivalent household unit*** at building consent or service connection.

Rural:

Not applicable.

Note: Whether a lot or site has existing services on site or at the boundary does not necessarily determine an existing unit of demand i.e. the placement of a new dwelling on a site with existing services.

Roading

Residential:

The measure of a residential unit of demand for roading is per additional ***allotment*** at subdivision or per ***connected equivalent household unit*** at building consent or service connection.

Rural:

The measure of a rural (dwellings) unit of demand for roading is per additional ***allotment*** at subdivision or per equivalent household unit at building consent or service connection.

The measure for a rural (other) unit of demand for roading is per $100m^2$ GFA.

Non-Residential:

The measure of a non-residential unit of demand for roading is per $100m^2$ of ***allotment*** area at subdivision or per $100m^2$ of GFA at building consent or service connection.

Stormwater

Residential and Non-Residential:

The measure of a residential, including residential in nodal areas, or non-residential unit of demand for stormwater, within specific service catchments, is per additional ***allotment*** at subdivision or per $100m^2$ of GFA at building consent or service connection.

Rural:

Not applicable.

Parks Reserves and other Community Infrastructure

Residential and Rural:

The measure of a residential unit of demand for Parks, Reserves and other Community Infrastructure is per additional ***allotment*** at subdivision or per equivalent household unit at building consent or service connection.

Non-Residential:

Not applicable.

6.6.3 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 6.6.1 and shown in Table 3. Examples of applying the units of demand to development can be found in Section 8 of this policy.

Table 3 – Units of Demand and Measure for Community Facilities

	Unit of Demand			Measure:	Measure:
	Residential (incl nodal)	Rural	Non-Residential	Subdivision Stage	Building Consent or Service Connection Stage
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	2	Per additional allotment.	Per 100m^2 of GFA
District Roading	1	1	1	Residential and Rural - Per additional allotment. Non-Residential – Per 100m^2 of Allotment Area	Residential and Rural - Per equivalent household unit. Non-Residential and Rural (other) – Per 100m^2 of GFA*.
District Parks Reserves and other Community Infrastructure	1	1	0	Per additional allotment.	

For fees applied at the building consent stage for non-residential or rural development a minimum of 100m^2 of GFA or a minimum increase of 100m^2 GFA, applies.

6.6.4 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 2.9, which is the average number of occupants per dwelling in the Manawatu District (2006 Census).

Travellers' Accommodation:

For the purposes of establishing the number of equivalent household units that apply for travellers' 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 Manawatu District (Statistics New Zealand Accommodation Survey). For units that do not meet the definition of an equivalent household 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.

6.6.5 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 3 above as Rural (Other) and attract one unit of demand per 100m^2 GFA at the building consent or service connection 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.

6.6.6 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 100m^2) for roading, per additional allotment for water and wastewater (where applicable) and per equivalent area (per 700m^2) for stormwater. Subsequent non-residential building development on sites that have paid development contributions based on per additional allotment (2006 Policy) 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 11.1 Boundary Adjustments / Amalgamations for further guidance.

Refer to the non-residential development contributions assessment flowchart for further guidance.

Building Consent or Service Connection

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 2009 (2006 Policy) are not assumed to have paid in full should further development occur. Further development of these buildings may create additional units of demand.
- A new or additional building on an allotment with remaining development potential is assumed to create additional units of demand.
- As provided by clause 5.7 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 or service connection stage they will be assessed and measured based on:

- per GFA (per 100m^2) or the overall increase in GFA (per 100m^2) for roading and stormwater; and
- per connected equivalent household unit (EHU) for water and wastewater (except if a special circumstance applies, refer to clause 5.5)

For fees applied at the building consent stage for non-residential development a minimum of 100m^2 GFA, or a minimum increase of 100m^2 GFA, 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 and Special Circumstances

Refer to clauses 5.5 to 5.7 for further guidance on non-residential brownfield redevelopment and special circumstances.

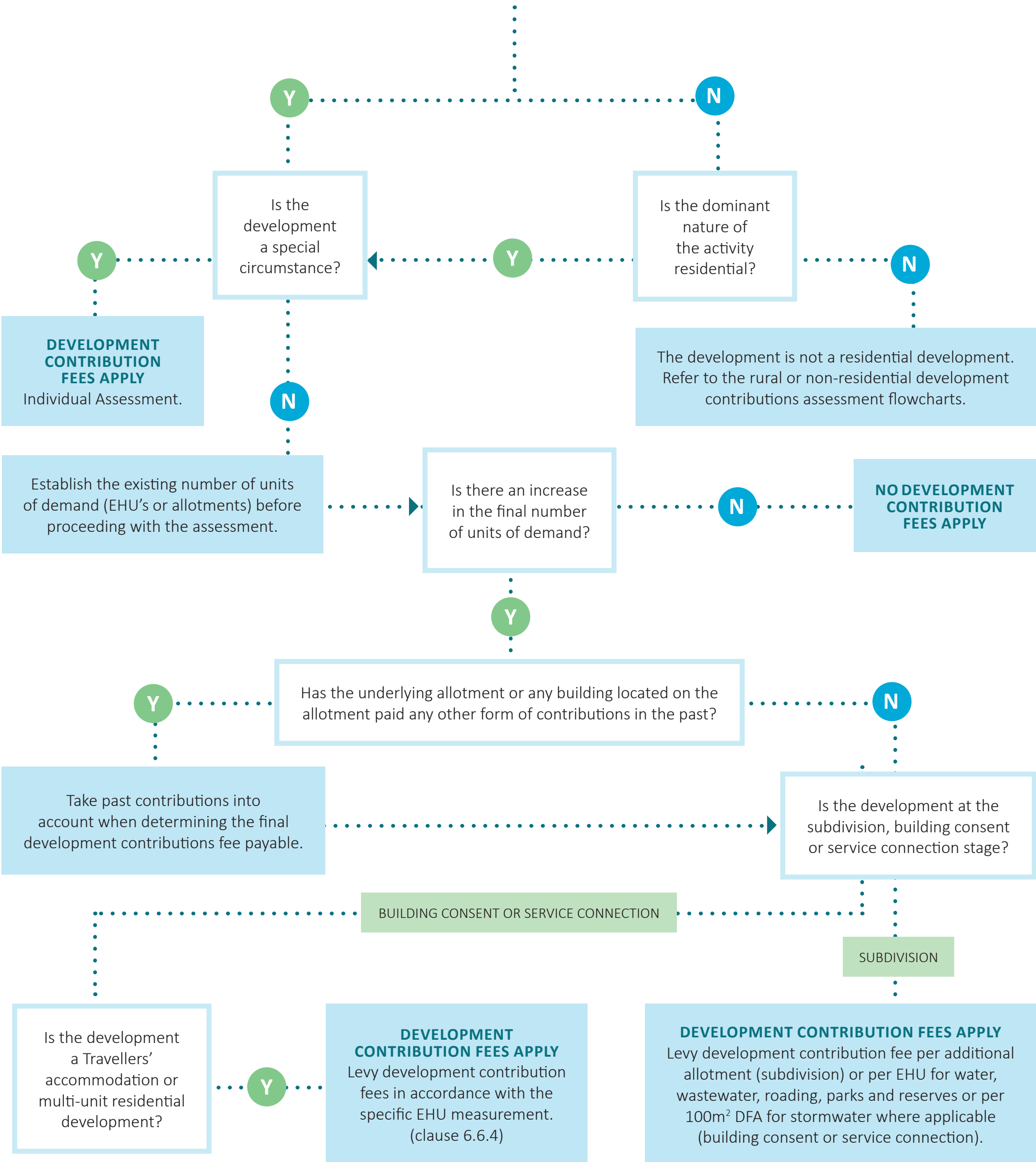
Refer to the non-residential development contributions assessment flowchart for further guidance.

7 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.

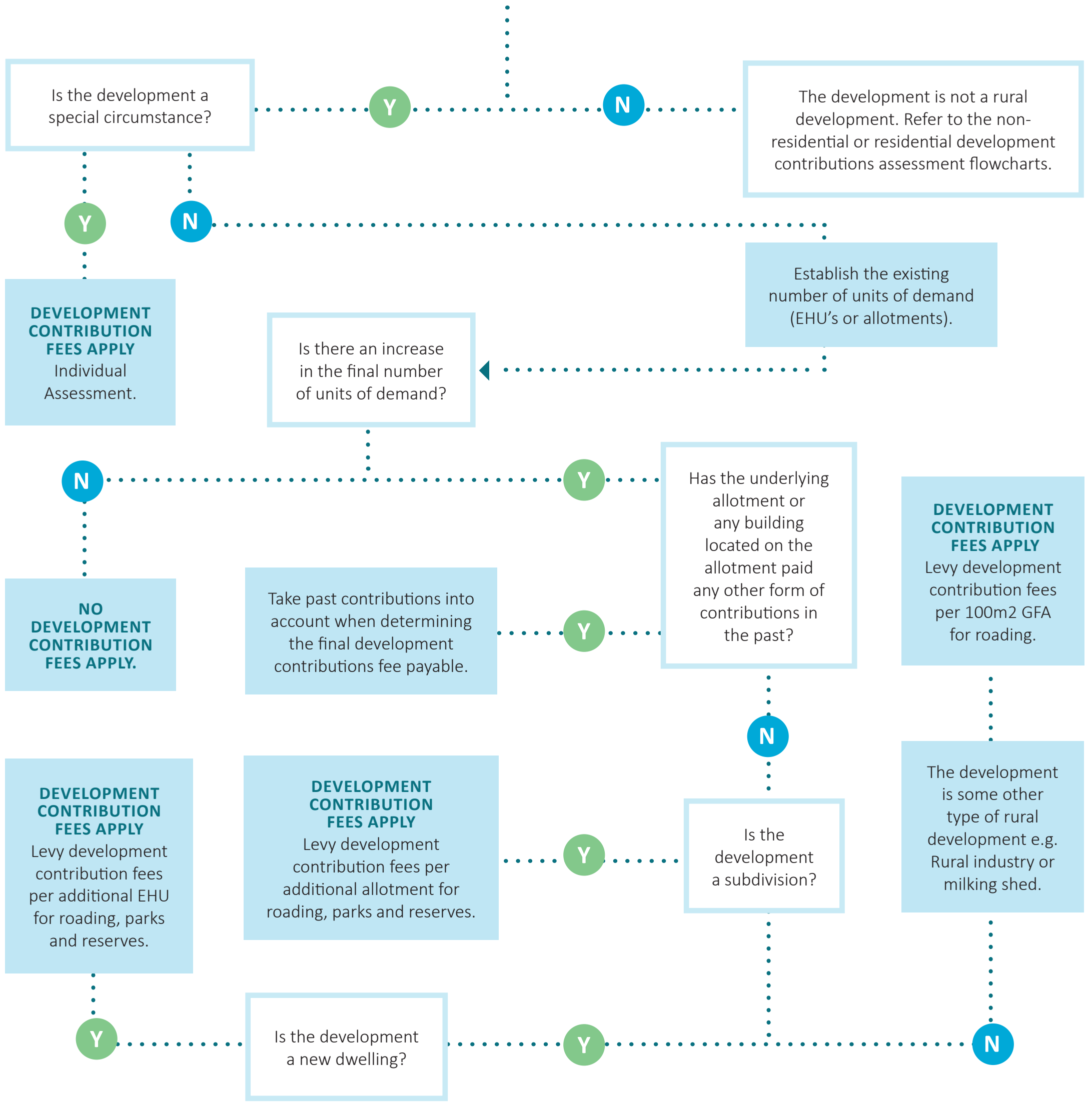
7.1 Residential Development Contributions Assessment Flowchart

Is the development in the residential zone?



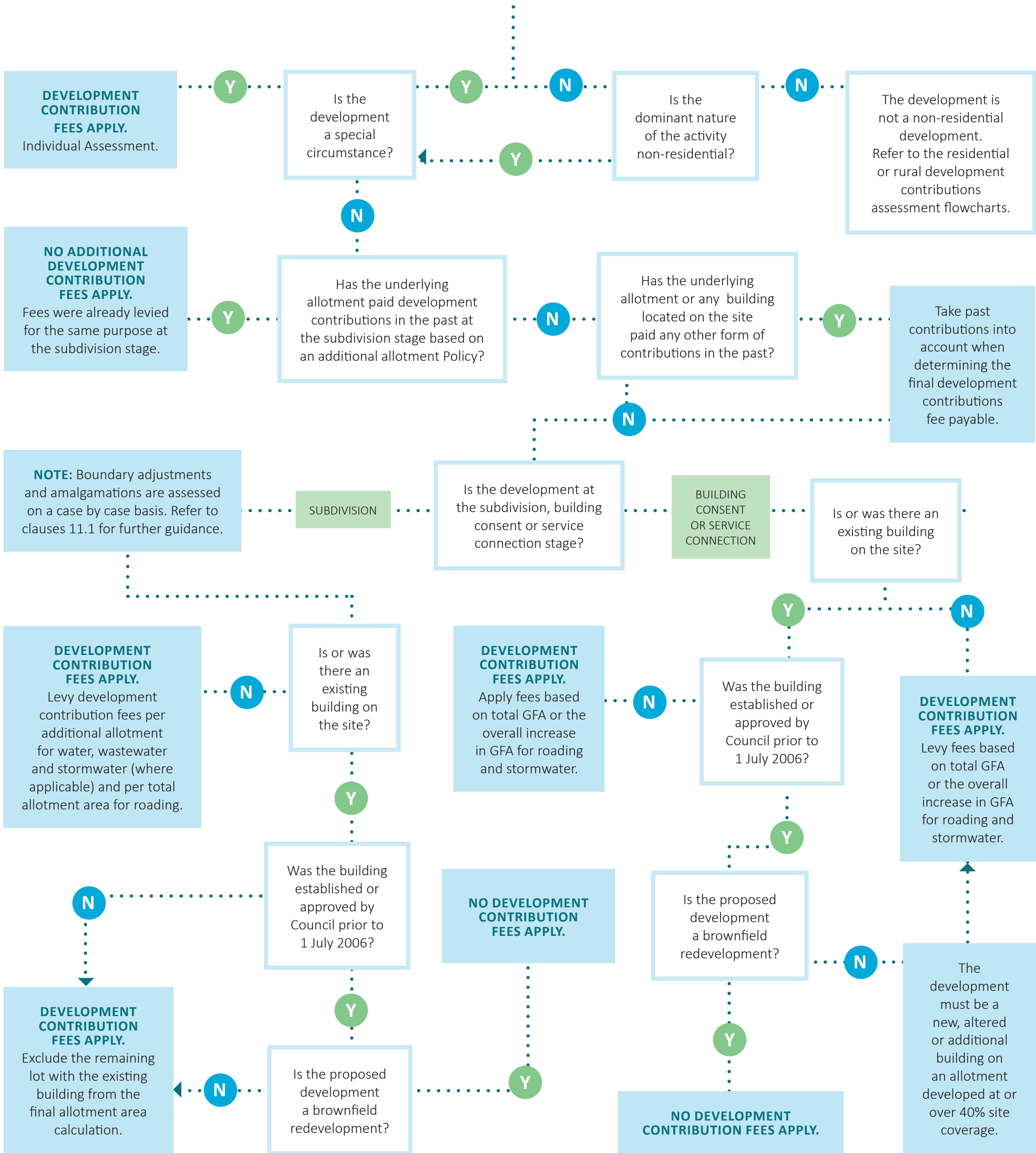
7.2 Rural Development Contributions Assessment Flowchart

Is the development in the rural zone? (Area A)?



7.3 Non-Residential Development Contributions Assessment Flowchart

Is the development a non-residential zone?



8 Schedule of Contributions Per Unit of Demand

Table 4 comprises the schedule of development contributions. The 'development contribution area' part of the schedule refers to Areas A to I which are geographically defined in Appendix A: Map 1. The 'development contributions' part of the schedule comprises the various community facilities and the contributions are per equivalent unit of demand for each respective community facility.

Section 9 describes how to work out your total development contribution for particular developments.

All fees in the schedule are GST exclusive, however GST will be applied to the total development contribution payable for the development.

This schedule should be read in conjunction with Table 3 - Units of Demand and Measure for Community Facilities.

The development contribution payable during the life of this Policy shall not be less than the amounts shown in the schedule of fees below and shall increase annually on 1 July of each year, in accordance with the following formula:

DC = BC x (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 below.

PPIC = the Producers Price Index – Construction for the current year.

PPIB = the Producers Price Index – Construction for the base year.

Table 4 Development Contributions Schedule 2015 ($ per Unit of Demand) – Development contributions are stated exclusive of Goods and Services Tax (GST), GST will be added at the time of collection.

	Roading				Water	
Development Contribution Area	Subdivision	Subdivision	Building Consent or Service Connection	Building Consent or Service Connection	Subdivision	Building Consent or Service Connection
Measure	Per additional Allotment	Per 100m² Lot Area	Per EHU	Per 100m² GFA	Per additional Allotment	Per EHU
A	$2035	$203	$2035	$510	$0	$0
B	$2035	$203	$2035	$510	$3,663	$3,663
C	$2035	$203	$2035	$510	$3,663	$3,663
D	$2035	$203	$2035	$510	$3,663	$3,663
E	$2035	$203	$2035	$510	$3,663	$3,663
F	$2035	$203	$2035	$510	$3,663	$3,663
G	$2035	$203	$2035	$510	$3,663	$3,663
H	$2035	$203	$2035	$510	$3,663	$3,663
I	$2035	$203	$2035	$510	$3,663	$3,663

Wastewater		Stormwater		Parks and Reserves	
Subdivision	Building Consent or Service Connection	Subdivision	Building Consent or Service Connection	Subdivision	Building Consent or Service Connection
Per additional Allotment	Per EHU	Per additional Allotment	Per 100m^2 GFA	Per additional Allotment	Per EHU
$0	$0	$0	$0	$1558	$1558
$4,139	$4,139	$0	$0	$1558	$1558
$4,139	$4,139	$2,744	$1,098	$1558	$1558
$4,139	$4,139	$3,733	$1,493	$1558	$1558
$4,139	$4,139	$581	$233	$1558	$1558
$4,139	$4,139	$279	$111	$1558	$1558
$4,139	$4,139	$477	$191	$1558	$1558
$4,139	$4,139	$721	$288	$1558	$1558
$4,139	$4,139	$6,557	$2,623	$1558	$1558

9 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, building consent or service connection.

Step 3

Check clause 6.6.3 - 6.6.6, Measuring Units of Demand – Specific Guidance and Notes.

Check the relevant Development Contribution Flowchart contained in section 7 to ensure Development Contributions Fees are applicable.

Using the Unit of Demand (Table 3) in Section 6.6.2 establish how many units of demand your development will create for each of the community facilities.

Step 4

Go to the relevant Development Contributions Schedule (Table 4 in Section 8) 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 1-4 and add GST of 15%.

Examples

In Section 10.1-10.7 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 2010.

10 Examples

10.1 Development Contributions Calculation – Example 1 (Residential):

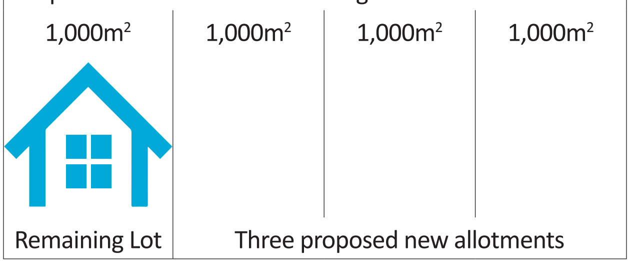
Consider the example of a proposed residential subdivision as shown in diagrams 1 and 2 below. The proposed subdivision is from an original lot size of 4000m^2 that is located within Area D. The proposed subdivision will result in the creation of three new additional allotments each consisting of an area of 1000m^2. 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 3000m^2. 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



Step1 *What Development Contribution Area is the development in?* Area D

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. Refer to Section 11.2 for guidance)

Step 4: *Determine Fees payable per unit of demand using Table 4*

Water	$3,663
Wastewater	$4,139
Roading	$2,035
Stormwater	$3,733
Parks, Reserves and other Community Infrastructure	$1,558

Step 5: Calculate Fees payable

Water	3	x	$3,663	=	$10,989
Wastewater	3	x	$4,139	=	$12,417
Roading	3	x	$2,035	=	$6,105
Stormwater	3	x	$3,733	=	$11,199
Parks, Reserves and other Community Infrastructure	3	x	$1,558	=	$4,674
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE					$45,384 (incl. GST)

Notes:

1. The 'Remaining Lot' of 1000m^2 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.

10.2 Example 2 (Rural):

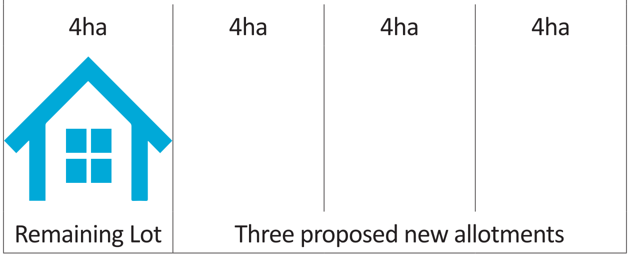
Consider the example of a proposed rural subdivision as shown in diagram 3 and 4. The proposed subdivision is from an original lot size of 16ha. The proposed subdivision will result in the creation of three new additional allotments each consisting of an area of 4ha. The Development Contributions applied will be worked out in relation to the new units of demand being created (three additional allotments) that will contain a total area of 12ha. An example to work out the appropriate contribution is set out below.

Diagram 3

Original Lot Size

Diagram 4

Proposed New Allotments for Original Lot



Step1 *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. Refer to Section 11.2 for guidance)

Step 4: *Determine Fees payable per unit of demand*

Roading	$2,035
Parks, Reserves and other Community Infrastructure	$1,558

Step 5: *Calculate Fees payable*

Roading	3	x	$2,035	=	$6,105
Parks, Reserves and other Community Infrastructure	3	x	$1,558	=	$4,674
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE					$10,779 (incl. GST)

10.3 Example 3 (Non-Residential):

Consider the example of a proposed non-residential subdivision. The proposed subdivision is from an original lot size of 10,000m^2 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 2000m^2, leaving a 4000m^2 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 6000m^2. The remaining lot of 4000m^2 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 units (4 final units less 1 existing unit)
Wastewater	3 additional units (4 final units less 1 existing unit)
Roading	6000m^2 additional (10,000m^2 less 4,000m^2) or 60 units (100m^2 of allotment area)
Stormwater	Not applicable
Parks, Reserves and other Community Infrastructure	Not applicable

Step 4: *Determine Fees payable per unit of demand*

Water	$3,663
Wastewater	$4,139
Roading	$510

Step 5: *Calculate Fees payable*

Water	3	x	$3,663	=	$10,989
Wastewater	3	x	$4,139	=	$12,417
Roading	60	x	$510	=	$30,600
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE					$54,006 (incl. GST)

10.4 Development Contributions Calculation – Example 4 (Non-Residential):

Consider the example of a proposed extension to an existing non-residential building. The existing 2000m^2 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 or a special circumstance. The proposed extension will add 1000m2 to the building. The Development Contributions applied will be worked out in relation to the 1000m^2 extension 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	0 additional units
Wastewater	0 additional units
Roading	1,000m^2 GFA or 10 units of demand (100m^2 of GFA)
Stormwater	0 additional units
Parks, Reserves and other Community Infrastructure	Not applicable

Step 4: *Determine Fees payable per unit of demand*

Roading	$510

Step 5: *Calculate Fees payable*

Roading	10	x	$510	=	$5,100
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE					$5,100 (incl. GST)

10.5 Example 5 (Non-Residential):

Consider the example of a proposed new non-residential building. The new building is to be located on a vacant allotment which is 20,000m^2 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 nor is it a special circumstance. The new building will have a GFA of 5,000m^2.

The Development Contributions applied will be worked out in relation to the existing lot size of 20,000m^2 and GFA of 5,000m^2.

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	1 additional unit
Wastewater	1 additional unit
Roading	5,000m^2 GFA or 50 units of demand (100m^2 of GFA)
Stormwater	Nil
Parks, Reserves and other Community Infrastructure	Not applicable

Step 4: *Determine Fees payable per unit of demand*

Water	$3,663
Wastewater	$4,139
Roading	$510

Step 5: *Calculate Fees payable*

Water	1	x	$3,663	=	$3,663
Wastewater	1	x	$4,139	=	$4,139
Roading	50	x	$510	=	$25,500
TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE					$33,302 (incl. 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 an additional unit of demand.
2. It is assumed for this example the activity is not a special circumstance.

10.6 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

10.7 Development Contributions Calculation – Example 7 (Non-Residential):

Consider the example of a proposed new 500m^2 non-residential building. The new building is to be located on a recently subdivided 1500m^2 allotment that paid development contributions based on allotment area at the time of subdivision under the 2006 Development Contributions Policy. The proposed new 500m^2 building does not create any additional units of demand.

TOTAL DEVELOPMENT CONTRIBUTIONS PAYABLE	$0

11 Guidance Notes

11.1 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.

The measure of a non-residential unit of demand for water and wastewater is per additional allotment at subdivision or per additional equivalent household unit, and for roading is per 100m^2 of allotment area at subdivision or per 100m^2 GFA 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.

11.2 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.

11.3 Granting consents does not assume that final contributions payment has been made

A development contribution can be levied either at the subdivision, building or service connection consent stage. Having a development contribution levied upon the granting of consent does not assume final payment. Under the Policy, payment of contributions is required prior to the issue of either: the 224 certificate (for subdivision), the code compliance certificate (for building consent), or service connection. As such, full and final payment of development contribution charges on a specific development will not be assumed until one of these criteria has been met.

11.4 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.

12 Glossary of Terms

Accessory Building has the same meaning as accessory building in the Manawatu 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, carports, tool sheds, pump sheds, playroom, recreation rooms, aviaries, glasshouses, and other similar structures".

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, or on behalf of, a local authority or a council-controlled organisation; and includes:

(a) the provision of facilities and amenities; and

(b) the making of grants; and

(c) the performance of regulatory and other governmental functions.

Allotment has the meaning given to it in section 218(2) of the Resource Management Act 1991 and for the purposes of the development contributions policy only, excludes allotments to be vested with Council as roads.

Allotment Area is the total land area of an allotment.

Applicant is the person/persons that apply for resource consent, building consent or service connection.

Asset Management Plan means Council documents that outline how the Council will manage and provide 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.

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 for the time being through a process under section 91; and

(b) includes any additional outcomes subsequently identified through community consultation by the local authority as important to the current or future social, economic, environmental, or cultural well-being of the community.

Connected Equivalent Household Unit means an equivalent 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 of a territorial authority; 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 Para 5.4 above

Development Contribution Areas relate to defined geographical areas to which a development contribution is applicable in relation to the service catchments within those areas for network infrastructure, community infrastructure and reserves.

Development Contributions Commissioner means a person appointed under section 199F of the LGA02.

Development Contribution Objection means an objection lodged under clause 1 of Schedule 13A of the LGA02 against a requirement to make a development contribution.

Development Contribution Policy means the policy on development contributions adopted under section 102(1) of the LGA02.

District means the Manawatu District.

Equivalent Household Unit has the same meaning as Dwelling Unit in the Manawatu District Plan.

"means a self contained home or residence of a single household, whether or not joined to another dwelling unit".

Financial Contribution has the same meaning as financial contributions in s108(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 Gross Floor Area in the Manawatu District Plan.

"means the sum of the gross area of all the floors of all buildings on a site, measured from the exterior faces of the exterior walls, or from the centre line of walls separating two buildings.

Gross floor area includes:

a) Basement space.

b) Elevator shafts and stairwells.

c) Floor space in interior balconies and mezzanines.

Gross floor area does not include lift towers, machinery rooms or car parking or manoeuvring areas within a building".

LGA 02 means the Local Government Act 2002 or any legislation substituted for the same.

Local Authority means a regional council or territorial authority.

Methodology has the same meaning as methodology in s197 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 an equivalent household 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 Manawatu 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 retires persons or people with disabilities.

RMA 1991 means the Resource Management Act 1991.

Rural Development means any activity in a rural zoned area, except an area identified for future urban expansion.

Schedule of Development Contributions means the schedule to the council's development contributions policy required by section 201 of the LGA02 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 district 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 stormwater catchments).

Service Connection means a physical connection to a service provided by, or on behalf of, a territorial authority.

Site Coverage has the same meaning as Site Coverage in the Manawatu 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, eg 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.

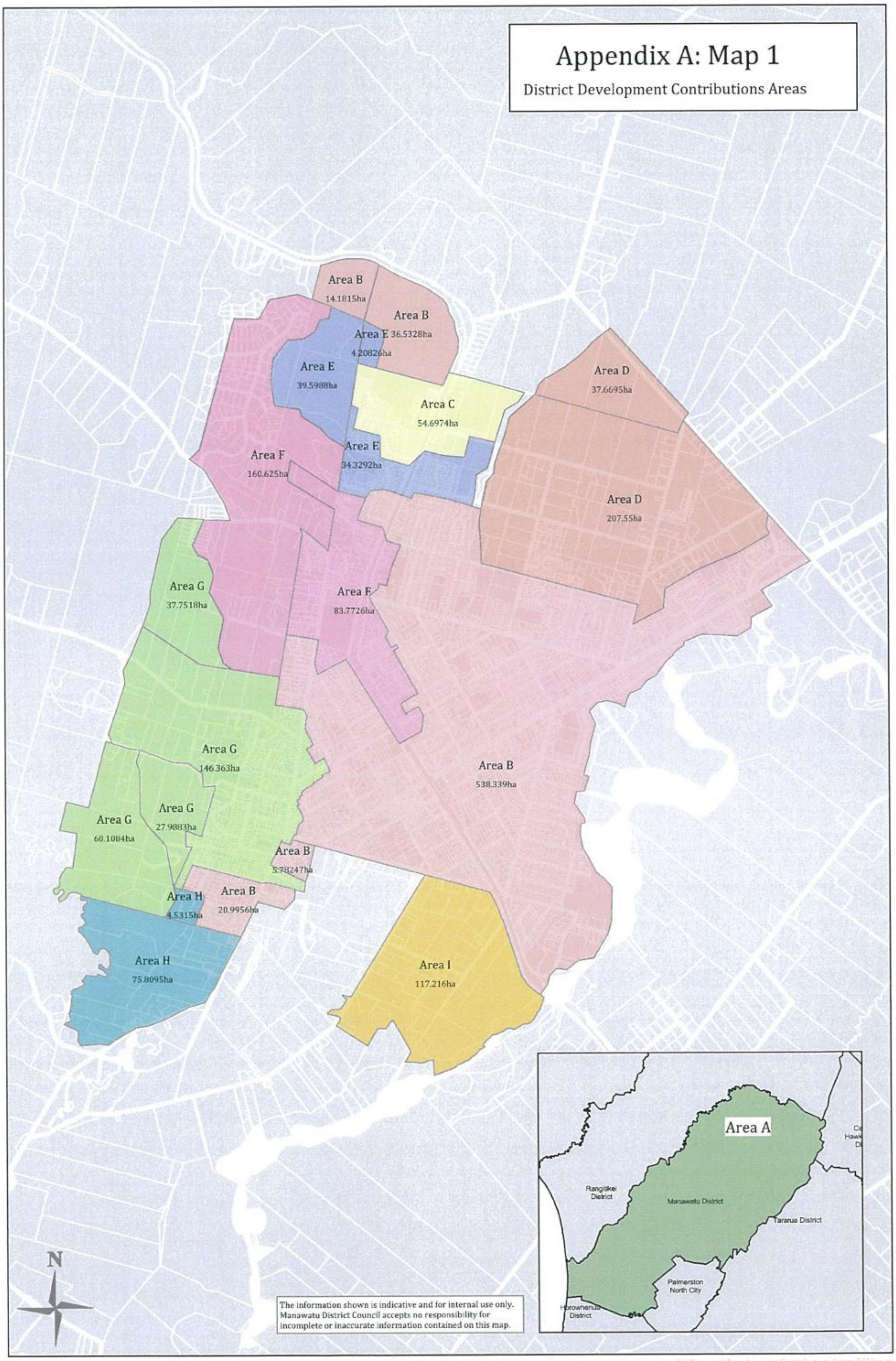
Travellers' Accommodation has the same meaning as Travellers' Accommodation in the Manawatu District Plan

"means places used for accommodating transient residents. It includes motels, motor camps, holiday flats, motor and tourist lodges and accommodation which is offered for a daily rental; and includes any ancillary service or amenity provided on the site such as a restaurant, swimming pool or playground".

Unit of Demand means measure of demand for community facilities.

Wet Industry means any activity located on an allotment greater than 5000m^2 which seeks to use water or discharge wastewater at a rate exceeding 200m^3 /ha/day (or per area equivalent).

Appendix A – Map 1 : Development Contributions Areas



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

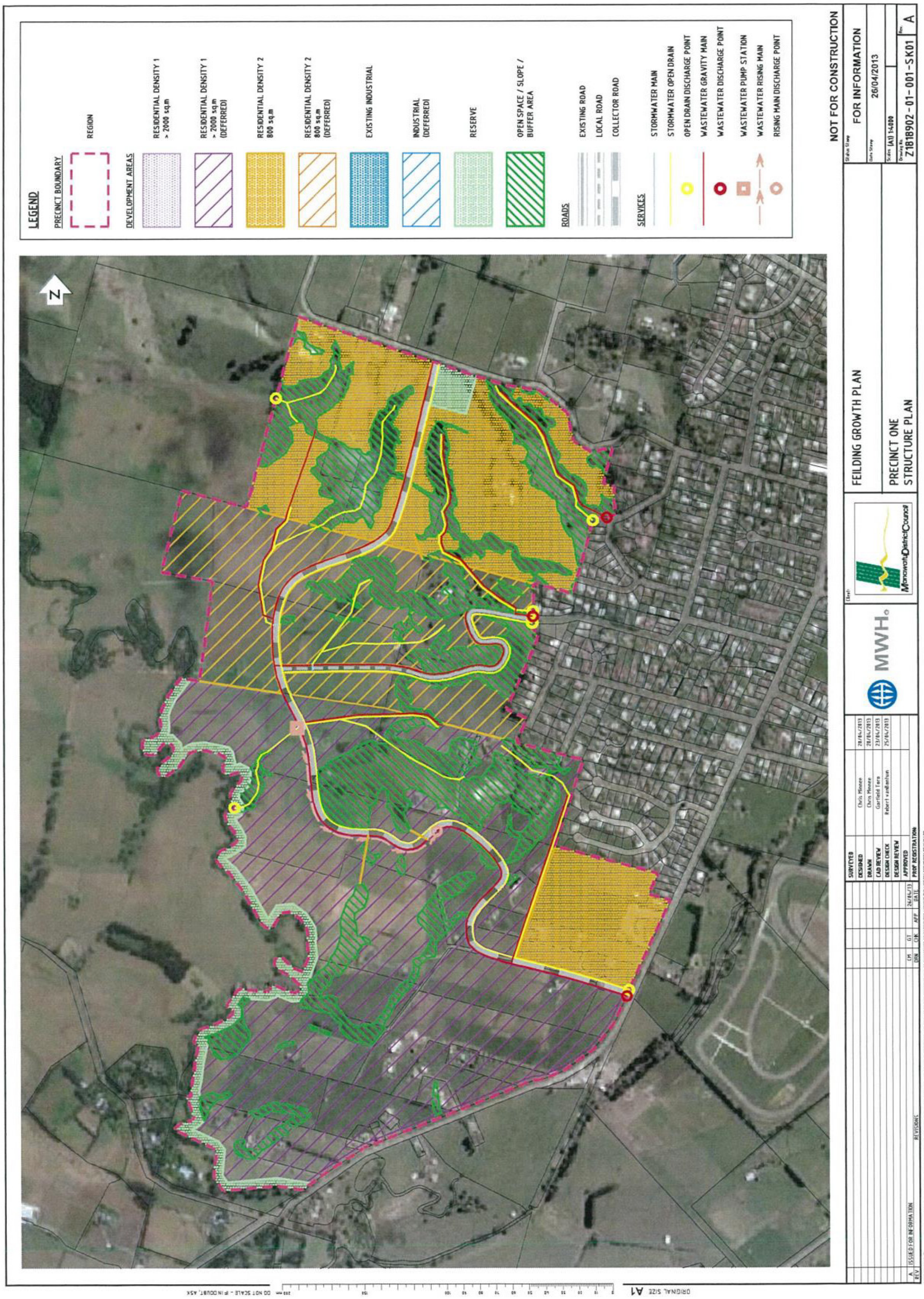
[1] If a development contribution has been required for a specified reserve purpose, a territorial authority must:

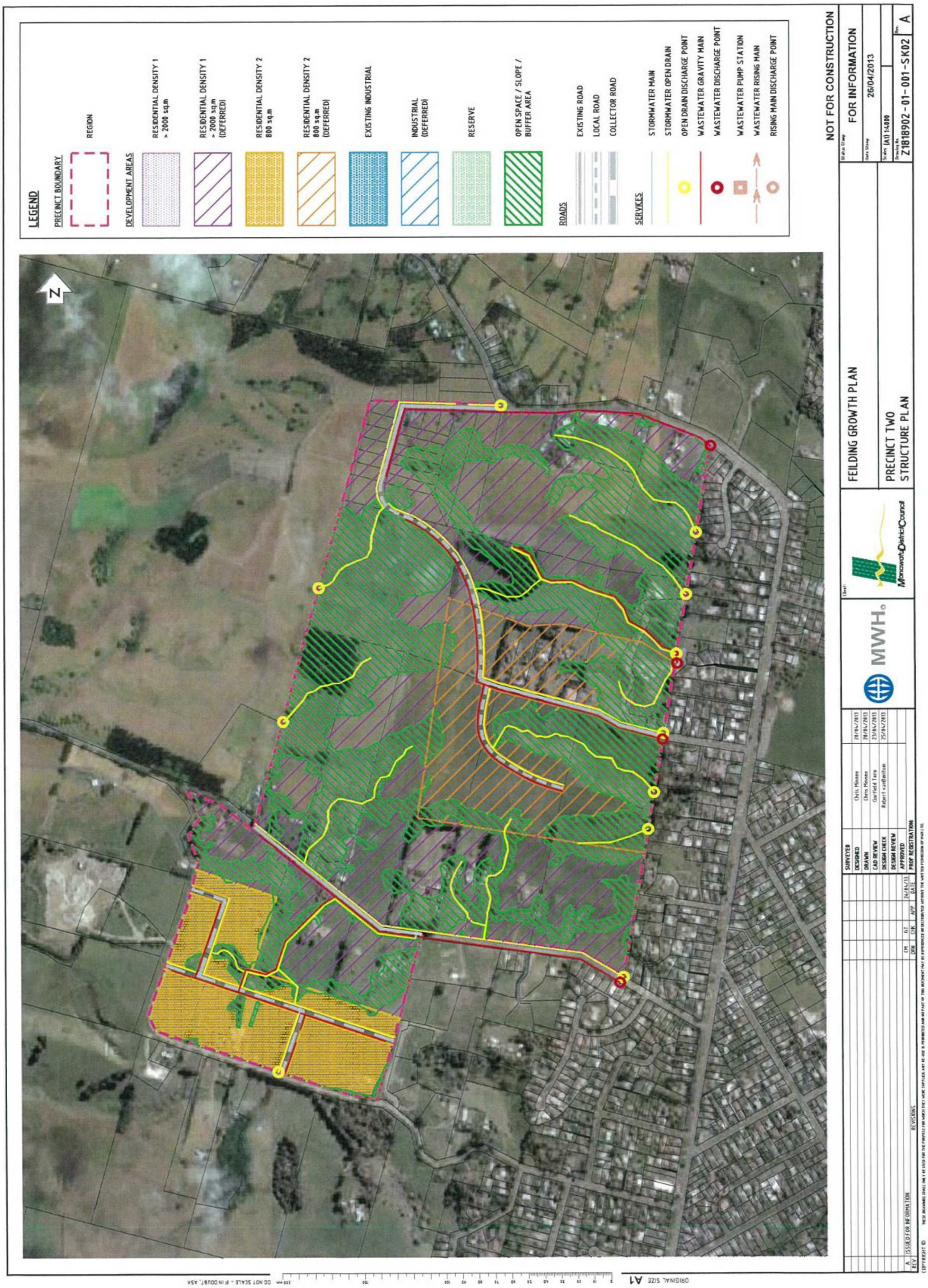
(a) refund money received for that purpose, if the money is not applied to that purpose within 10 years after the authority receives the money or other period specified in the development contribution policy; or

(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

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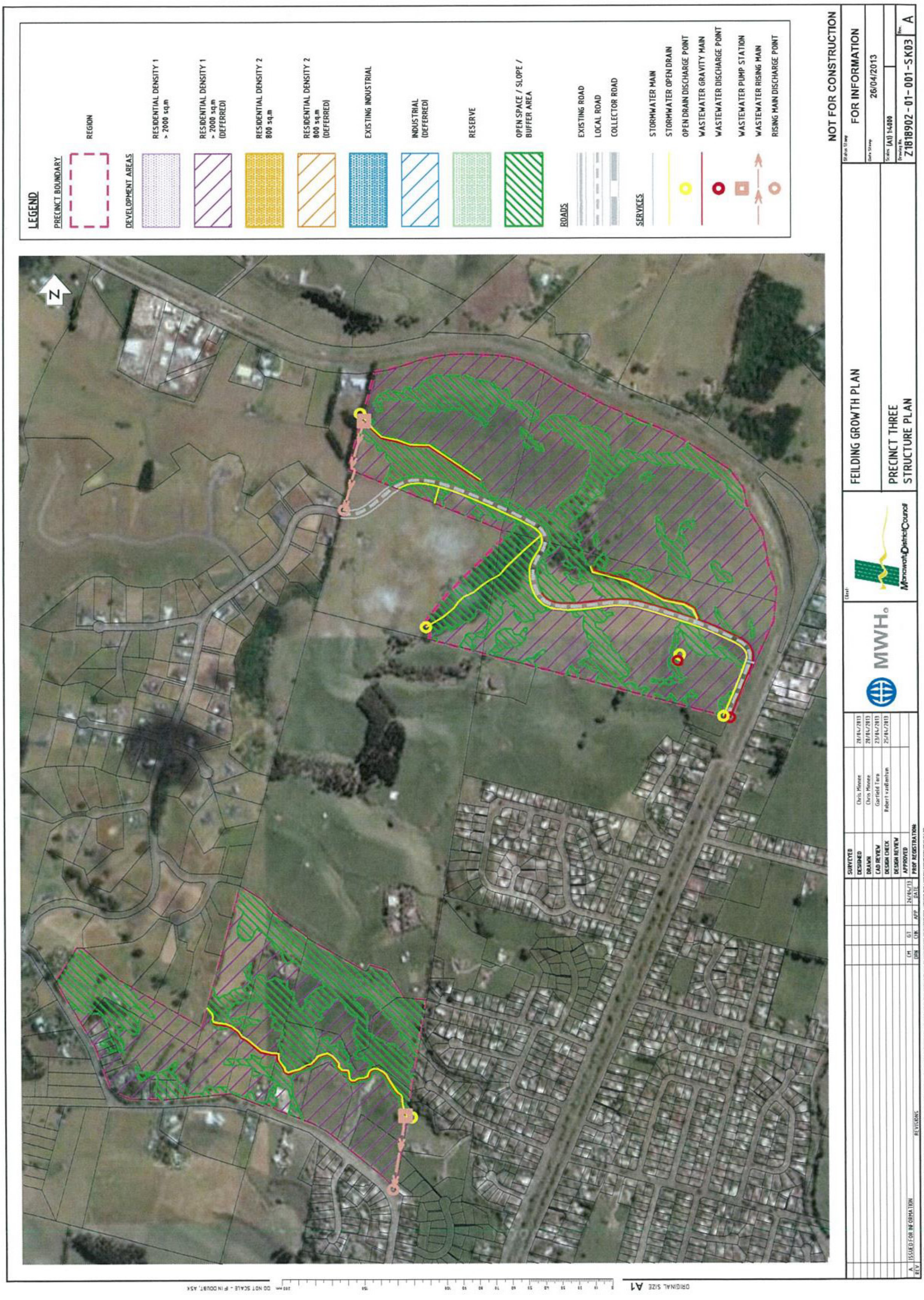
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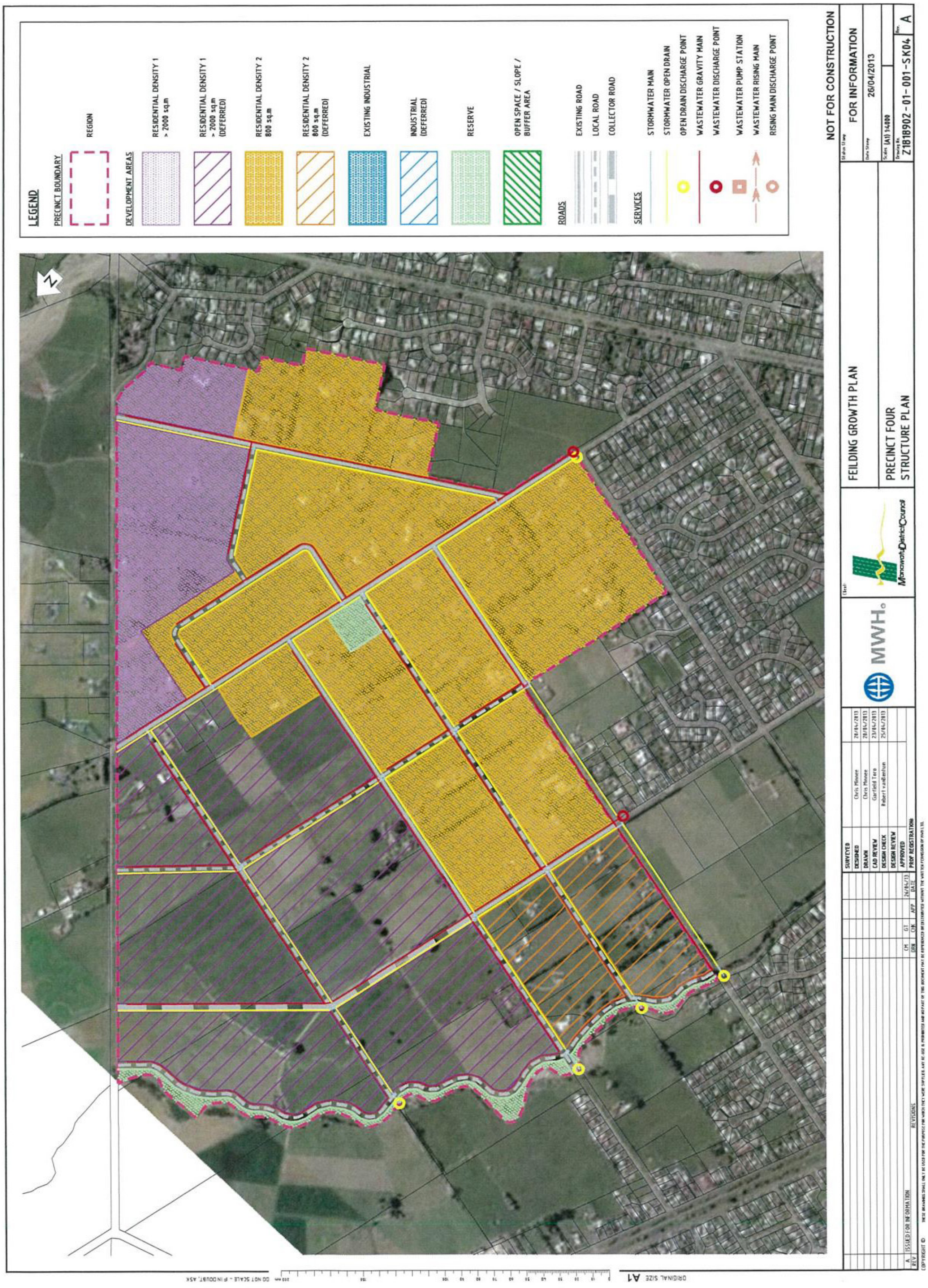
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DRAWN Chris Minnee 28/04/2013
CAD REVIEW Garfield Tera 23/04/2013
DESIGN CHECK Robert vanBentum 25/04/2013
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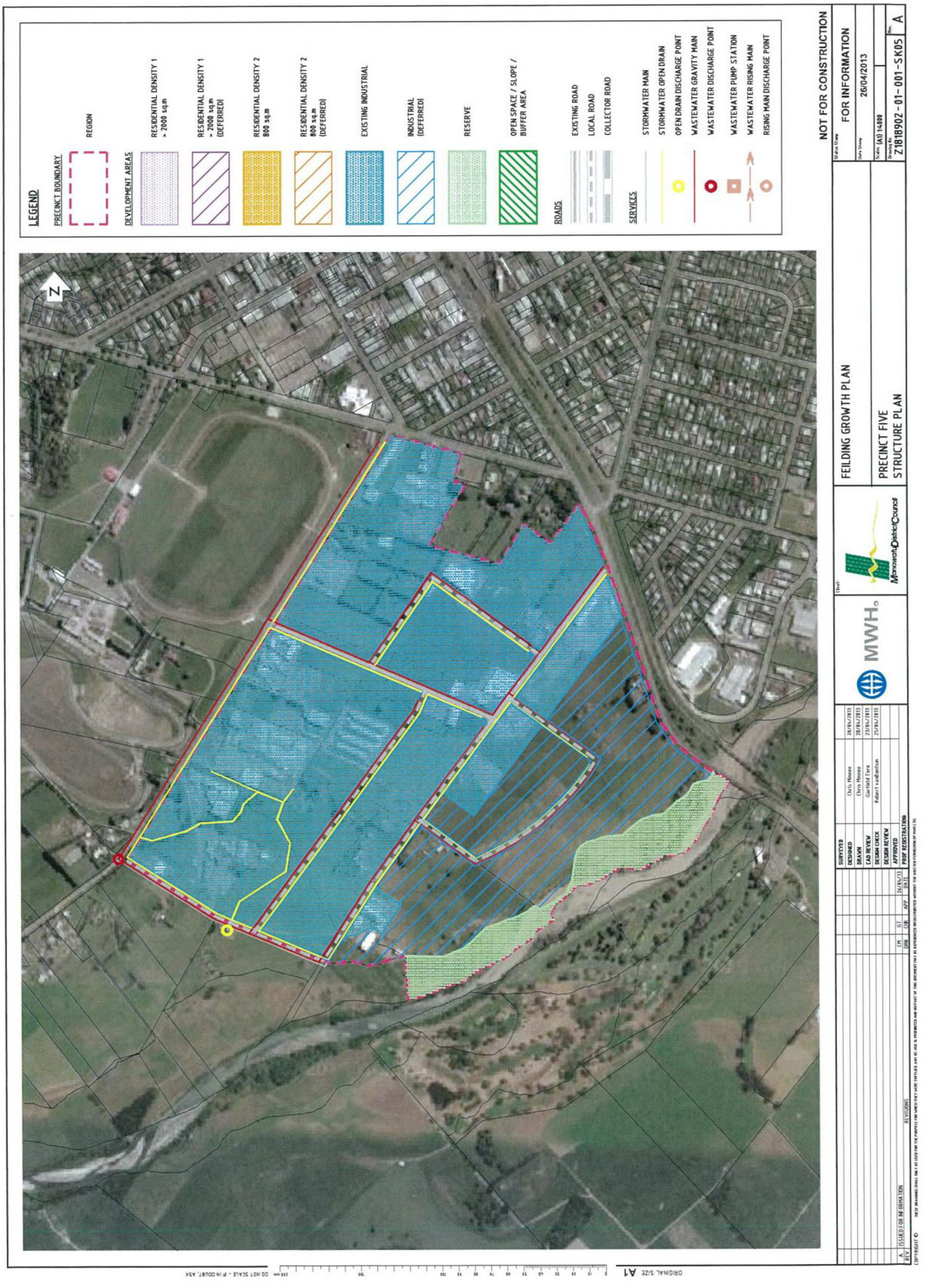

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Appendix D – Schedule of Assets for which development contributions will be used

Parks and Reserves

Reserve	Works to be done	Length	Estimated Cost of Works ($)	Estimated Cost of Works Incl. Land $	Land Cost	15%
Kowhai Park	New Cricket Pavilion & Public Toilets		$194,000	$0	$0	$0
Kowhai Park	New Footpaths/paths (hotmix)		$55,000	$70,000	$0	$10,500
Kowhai Park	New Carpark		$100,000	$100,000	$0	$15,000
Kowhai Park	More Gardens		$20,000	$20,000	$0	$3,000
Kowhai Park	New Bird Aviaries		$200,000	$200,000	$0	$30,000
Kowhai Park	New Play Area		$24,000	$0	$0	$0
Kitchener Park	New Toilets		$100,000	$100,000	$0	$15,000
Kitchener Park	Seal Entrance, Driveway and Car parks		$100,000	$100,000	$0	$15,000
Kitchener Park	Shelter		$20,000	$20,000	$0	$3,000
Makino Park	Car park/planting/seats		$200,000	$200,000	$0	$30,000
Timona Park	Provide Car park along Road (sealed?)		$150,000	$150,000	$0	$22,500
Timona Park	Planting		$40,000	$40,000	$0	$6,000
Timona Park	Toilets (Simon St end)		$100,000	$100,000	$0	$15,000
Johnston Park	Upgrade Road (from Awa St to Poole St)		$30,000	$50,000	$0	$7,500
Johnston Park	New Toilets		$100,000	$100,000	$0	$15,000
Victoria Park	New Toilets		$100,000	$0	$0	$0
Rimu Park	Hard Courts including fences		$500,000	$500,000	$0	$75,000
Rimu Park	Car Parking		$100,000	$100,000	$0	$15,000
Rimu Park	Walkways		$50,000	$50,000	$0	$7,500
Rimu Park	Subsurface drainage of sports fields		$50,000	$50,000	$0	$7,500
Rimu Park	New Pavillion		$150,000	$150,000	$0	$22,500
Pharazyn (New Park)	Land Purhase (4 ha)		$800,000	$800,000	$800,000	$120,000
Pharazyn (New Park)	Playground		$150,000	$150,000	$0	$22,500
Pharazyn (New Park)	Sports fields including subsurface drainage		$50,000	$50,000	$0	$7,500
Pharazyn (New Park)	Toilets		$250,000	$250,000	$0	$37,500
Pharazyn (New Park)	Car Parking		$120,000	$120,000	$0	$18,000
Pharazyn (New Park)	Shelter		$20,000	$20,000	$0	$3,000

Engineering & Contingency 40%	Total Cost*	Revised total cost @ 15% Eng	Reason	Third Party Funding	Portion due to Growth (%)	Level of Service Component	Total Cost Due to Growth ($)	Land Cost Due to Growth ($)
$0	$194,000	$0	Complete	$0	25%	$0	$0	0
$0	$55,000	$80,500		$0	25%	$34,875	$20,125	0
$0	$100,000	$115,000		$0	25%	$71,250	$28,750	0
$0	$20,000	$23,000		$0	25%	$14,250	$5,750	0
$0	$200,000	$230,000		$0	25%	$142,500	$57,500	0
$0	$24,000	$0	Complete	$0	25%	$0	$0	0
$0	$100,000	$115,000		$0	25%	$71,250	$28,750	0
$0	$100,000	$115,000		$0	25%	$71,250	$28,750	0
$0	$20,000	$23,000		$0	25%	$14,250	$5,750	0
$0	$200,000	$230,000		$0	25%	$142,500	$57,500	0
$0	$150,000	$172,500		$0	25%	$107,000	$43,000	0
$0	$40,000	$46,000		$0	25%	$28,500	$11,500	0
$0	$100,000	$115,000		$0	25%	$71,250	$28,750	0
$0	$30,000	$57,500		$0	25%	$15,625	$14,375	0
$0	$100,000	$115,000		$0	25%	$71,250	$28,750	0
$0	$100,000	$0	Complete	$0	25%	$0	$0	0
$0	$500,000	$575,000		$0	100%	$0	$575,000	0
$0	$100,000	$115,000		$0	100%	$0	$115,000	0
$0	$50,000	$57,500		$0	100%	$0	$57,500	0
$0	$50,000	$57,500		$0	100%	$0	$57,500	0
$0	$150,000	$172,500		$0	100%	$0	$172,500	0
$0	$800,000	$920,000		$0	100%	$0	$920,000	800,000
$0	$150,000	$172,500		$0	100%	$0	$172,500	0
$0	$50,000	$57,500		$0	100%	$0	$57,500	0
$0	$250,000	$287,500		$0	100%	$0	$287,500	0
$0	$120,000	$138,000		$0	100%	$0	$138,000	0
$0	$20,000	$23,000		$0	100%	$0	$23,000	0

Parks and Reserves (continued)

Reserve	Works to be done	Length	Estimated Cost of Works ($)	Estimated Cost of Works Incl. Land $	Land Cost	15%
Pharazyn (New Park)	Walkways		$50,000	$50,000	$0	$7,500
Pharazyn (New Park)	Planting		$40,000	$40,000	$0	$6,000
Pharazyn (New Park)	Fencing		$60,000	$60,000	$0	$9,000
Ranfurly (New Park)	Land Purhase (2 ha)		$400,000	$400,000	$400,000	$60,000
Ranfurly (New Park)	Playground		$150,000	$150,000	$0	$22,500
Ranfurly (New Park)	Sports fields including subsurface drainage		$100,000	$100,000	$0	$15,000
Ranfurly (New Park)	Toilets		$200,000	$200,000	$0	$30,000
Ranfurly (New Park)	Car Parking		$120,000	$120,000	$0	$18,000
Ranfurly (New Park)	Shelter		$100,000	$100,000	$0	$15,000
Ranfurly (New Park)	Walkways		$50,000	$50,000	$0	$7,500
Ranfurly (New Park)	Planting		$30,000	$30,000	$0	$4,500
Ranfurly (New Park)	Fencing		$30,000	$30,000	$0	$4,500
Railway Reserve	Land Purchase		$350,000	$0	$350,000	$0
Railway Reserve	Walkway/Cycleway (hotmix - full length - 5km)		$200,000	$200,000	$0	$30,000
Railway Reserve	Safety barriers for walkway at intersections		$30,000	$30,000	$0	$4,500
Railway Reserve	Planting (Trees)		$40,000	$0	$0	$0
Railway Reserve	Furniture/Shelters		$50,000	$50,000	$0	$7,500
Walkways/ Reserve Linkages	Aorangi Street/Makino Stream Bridge	20m	$150,000	$150,000	$0	$22,500
Walkways/ Reserve Linkages	1. Kitchener to Aorangi (Fences and path)	4.0km	$150,000	$350,000	$0	$52,500
Walkways/ Reserve Linkages	2. Railway to Johnston Park (Fences and path)	0.7km	$35,000	$60,000	$0	$9,000
Walkways/ Reserve Linkages	3. Timona to Herlihy (Fences and path)	1.7km	$100,000	$150,000	$0	$22,500
Walkways/ Reserve Linkages	4. James Palmer to Rimu (Fences and path)	1.0km	$160,000	$150,000	$0	$22,500
Walkways/ Reserve Linkages	5. Cemetery to Railway Reserve (Fences and path)	1.8km	$200,000	$200,000	$0	$30,000

Engineering & Contingency 40%	Total Cost*	Revised total cost @ 15% Eng	Reason	Third Party Funding	Portion due to Growth (%)	Level of Service Component	Total Cost Due to Growth ($)	Land Cost Due to Growth ($)
$0	$50,000	$57,500		$0	100%	$0	$57,500	0
$0	$40,000	$46,000		$0	100%	$0	$46,000	0
$0	$60,000	$69,000		$0	100%	$0	$69,000	0
$0	$400,000	$460,000		$0	100%	$0	$460,000	400,000
$0	$150,000	$172,500		$0	100%	$0	$172,500	0
$0	$100,000	$115,000		$0	100%	$0	$115,000	0
$0	$200,000	$230,000		$0	100%	$0	$230,000	0
$0	$120,000	$138,000		$0	100%	$0	$138,000	0
$0	$100,000	$115,000		$0	100%	$0	$115,000	0
$0	$50,000	$57,500		$0	100%	$0	$57,500	0
$0	$30,000	$34,500		$0	100%	$0	$34,500	0
$0	$30,000	$34,500		$0	100%	$0	$34,500	0
$0	$350,000	$0	Complete	$0	25%	$0	$0	87,500
$0	$200,000	$230,000		$0	25%	$142,500	$57,500	0
$0	$30,000	$34,500		$0	25%	$21,375	$8,625	0
$0	$40,000	$0	Complete	$0	25%	$0	$0	0
$0	$50,000	$57,500		$0	25%	$35,625	$14,375	0
$0	$150,000	$172,500		$0	100%	$0	$172,500	0
$0	$150,000	$402,500		$0	100%	$0	$402,500	0
$0	$35,000	$69,000		$0	25%	$17,750	$17,250	0
$0	$100,000	$172,500		$0	25%	$56,875	$43,125	0
$0	$160,000	$172,500		$0	100%	$0	$172,500	0
$0	$200,000	$230,000		$0	100%	$0	$230,000	0

Parks and Reserves (continued)

Reserve	Works to be done	Length	Estimated Cost of Works ($)	Estimated Cost of Works Incl. Land $	Land Cost	15%
Walkways/ Reserve Linkages	6. Kowhai to Kitchener (Fences and path)	1.8km	$160,000	$200,000	$0	$30,000
Walkways/ Reserve Linkages	7. Herlihy to New Pharazyn Park (Fences and path)	1.5km	$100,000	$150,000	$0	$22,500
Walkways/ Reserve Linkages	8. Western Walkway (Fences and path)	3.0km	$250,000	$260,000	$0	$39,000
Walkways/ Reserve Linkages	9. Stonebridge to Lethbridge (bridge, drainage, fences, path)	0.2km	$300,000	$300,000	$0	$45,000
Precinct 5	Land Purchase and Development		$50,000	$25,000	$25,000	$3,750
Leisureville	Footpath network within Makino Park – Council-side of the stream		$136,800	$136,800	$0	$20,520
Leisureville	Footpath network on the Library-side of the stream		$30,000	$30,000	$0	$4,500
Leisureville	Pedestrianisation of Hobson Street		$80,000	$80,000	$0	$12,000
Leisureville	Construction of BBQ area, seating, planting		$40,000	$50,000	$0	$7,500
Leisureville	Second Bridge		$100,000	$1,000,000	$0	$150,000
Leisureville	Construction of playground and dome		$400,000	$400,000	$0	$60,000
Leisureville	Construction of carpark on the opposite side of Aorangi Street		$77,000	$77,000	$0	$11,550
Leisureville	Upgrade and beautify the Makino Stream		$200,000	$200,000	$0	$30,000
Rural Area Park Developments	Development of Existing and New Parks		$5,000,000	$2,000,000		$300,000
Feilding High School	Courts and changing rooms		$200,000	$200,000	$0	$30,000
View Shafts on South Street	Land Purchase and Development		$50,000	$240,000	$240,000	$36,000
	TOTALS		**$13,741,800**	**$11,508,800**	**$1,815,000**	**$1,726,320**

Engineering & Contingency 40%	Total Cost*	Revised total cost @ 15% Eng	Reason	Third Party Funding	Portion due to Growth (%)	Level of Service Component	Total Cost Due to Growth ($)	Land Cost Due to Growth ($)
$0	$160,000	$230,000		$0	25%	$0	$57,500	0
$0	$100,000	$172,500		$0	100%	$0	$172,500	0
$0	$250,000	$299,000		$0	100%	$0	$299,000	0
$0	$300,000	$345,000		$0	100%	$0	$345,000	0
$0	$50,000	$28,750		$0	100%	$0	$28,750	25,000
$0	$136,800	$157,320		$0	25%	$97,470	$39,330	0
$0	$30,000	$34,500		$0	25%	$21,375	$8,625	0
$0	$80,000	$92,000		$0	25%	$57,000	$23,000	0
$0	$40,000	$57,500		$0	25%	$25,625	$14,375	0
$0	$100,000	$1,150,000		$0	25%	$862,500	$287,500	0
$0	$400,000	$460,000		$0	25%	$285,000	$115,000	0
$0	$77,000	$88,550		$0	25%	$54,863	$22,137	0
$0	$200,000	$230,000		$0	25%	$142,500	$57,500	0
$0	$5,000,000	$2,300,000		$0	25%	$4,425,000	$575,000	0
$0	$200,000	$230,000		$0	25%	$142,500	$57,500	0
$0	$50,000	$276,000		$0	25%	$207,000	$69,000	60,000
$0	**$13,741,800**	**$13,235,120**				**$7,450,708**	**$7,754,842**	**$1,372,500**

Urban Road Upgrading

Road	New/ Existing	Hierachy Function	From	To	Length (m)	Existing Width (m)	Length Required (m)	Extra Width Required (m)	Road Widening ($/m2)	Overlay Existing Pavement ($/m2)
Arnott Street	Existing	Local	Reids Line West	Pharazyn Street		5	980	0.9	$28,224	$112,700
Awahuri 1A	New	Collector	Awahuri Rd	Ranfurly Rd	2450		2450	8.4	$658,560	$ -
Awahuri 1B	New	Collector	Glasgow Tce	Road 1A	345		345	8.4	$92,736	$ -
Awahuri Feilding Road	Existing	Arterial	50 KPH Sign	Kawakawa Road	2404	9.5	2404		$ -	$ -
Bowen Street	Existing	Local	Warwick Street	Stafford Street	404	13.5	404		$ -	$ -
Campbell Street	Existing	Local	East Street	Park Boundary	354	7.5	354		$ -	$ -
Cemetery Road	Existing	Local	50 KPH Sign	SH 1	215	5.9	215		$ -	$ -
Churcher Street	Existing	Collector	Port Street East	Roots Street	430	5.2	430	3.2	$44,032	$51,428
Churchill Avenue	Existing	Local	North Street	Sherwill Street East	472	8.5	472		$ -	$ -
Coronation Street	Existing	Local	Awahuri Road	Cul De Sac	138	6.8	138		$ -	$ -
Denbigh Street									$ -	$ -
Drake Street	Existing	Local	South Street East	Poole Street	418	6	418		$ -	$ -
Edinburgh Street	Existing	Local	North Street	Sherwill Street East	462	7.5	462		$ -	$ -
Edmay Street	Existing	Local	Harris Street	Owen Street	143	5	143		$ -	$ -
Elizabeth Street	Existing	Local	North Street	Sherwill Street East	428	7.5	428		$ -	$ -
Eyre Street North	Existing	Local	Weld St	Denbigh Street	190	12.6	190		$ -	$ -
Fagan Street	Existing	Local	Phillips Street	20km Sign	57	3.9	57		$ -	$ -
Fergusson	Existing	Local	Stafford Street	Aoragi Street	66	13.4	66		$ -	$ -
Fergusson Street	Existing	Local	South Street East	Manchester Street	412	12.1	412		$ -	$ -
Fergusson Street	Existing	Local	Stafford Street	Aorangi Street	66	13.4	66		$ -	$ -
Fitzoy Street	Existing	Local	Manchester Street	Church Street	229	5.9	229		$ -	$ -
Gieson Road	Existing	Local	Awahuri Road	Glasgow Terrace	258	7.1	258		$ -	$ -
Halcombe Road	Existing	Collector	West St	Top of passing lane	600	7.4	600	1	$19,200	$102,120
Halcombe Road	Existing	Arterial	West Street	Mount Taylor Drive	1174				$ -	$ -
Harford Street	Existing	Local	West Street	Wellesly Street	212	5.6	212		$ -	$ -
Harris Street	Existing	Local	South Street East	End	186	3.9	186		$ -	$ -
Haybittle Street	Existing	Local	Gladstone Street East	Carthew Street	172	10.2	172		$ -	$ -
Highfeild Road	Existing	Local	Kerb Ends RHS	Cul De Sac	373	5.1	373		$ -	$ -
Highfeild Road	Existing	Local	Kerb Ends RHS	Cul De Sac	373	5.1	373		$ -	$ -
Highfield Road	Existing	Local	End of Kerb	End	371	6.5	0	0	$ -	$ -
Industrial 5A	New	Collector	End of Turners	Road 5B	800	1	800	8.4	$215,040	$ -
Industrial 5B	New	Collector	Road 5A	Kawakawa Road	600	0	600	8.4	$161,280	$ -
Industrial 5C	New	Local	Road 5A	Kawakawa Road	1000	0	1000	5.9	$188,800	$ -
Industrial 5D	New	Local	Turners 5A	Turners Road	800	0	800	5.9	$151,040	$ -
Industrial 5E	New	Local	Turners Road	Road 5D	450	0	450	5.9	$84,960	$ -
Kimbolton Road									$ -	$ -
Kimbolton Road									$ -	$ -
Kimbolton Road North	Existing	Distributor	Edwards Street	Grammar Street	228	13.2	228		$ -	$ -

Kerb & Channel ($/m)	Sumps & Laterals	Footpath ($/m)	Berm ($/m)	Street Lighting ($/m)	Earth works	Engineering & Contingency	Total	Total Rounded	Level of Service Component	NZTA Financial Assistance	Growth Proportion	Growth Amount
$ -	$ -	$117,600	$19,600	$39,200		$47,598	$364,922	$370,000	$92,500	$196,100	75%	$130,425
$147,000	$49,000	$147,000	$49,000	$98,000	$411,600	$234,024	$1,794,184	$1,800,000	$900,000	$954,000	50%	$423,000
$20,700	$6,900	$20,700	$6,900	$13,800	$57,960	$32,954	$252,650	$260,000	$130,000	$137,800	50%	$61,100
$144,240	$48,080	$144,240	$48,080	$96,160	$ -	$72,120	$552,920	$560,000	$280,000	$296,800	50%	$131,600
$24,240	$8,080	$24,240	$8,080	$16,160	$ -	$12,120	$92,920	$100,000	$50,000	$53,000	50%	$23,500
$21,240	$7,080	$21,240	$7,080	$14,160	$ -	$10,620	$81,420	$90,000	$45,000	$47,700	50%	$21,150
$12,900	$4,300	$12,900	$4,300	$8,600	$ -	$6,450	$49,450	$50,000	$25,000	$26,500	50%	$11,750
$51,600	$17,200	$51,600	$8,600	$17,200		$36,249	$277,909	$280,000	$70,000	$148,400	75%	$98,700
$28,320	$9,440	$28,320	$9,440	$18,880	$ -	$14,160	$108,560	$110,000	$55,000	$58,300	50%	$25,850
$8,280	$2,760	$8,280	$2,760	$5,520	$ -	$4,140	$31,740	$40,000	$20,000	$21,200	50%	$9,400
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	50%	$0
$25,080	$8,360	$25,080	$8,360	$16,720	$ -	$12,540	$96,140	$100,000	$50,000	$53,000	50%	$23,500
$27,720	$9,240	$27,720	$9,240	$18,480	$ -	$13,860	$106,260	$110,000	$55,000	$58,300	50%	$25,850
$8,580	$2,860	$8,580	$2,860	$5,720	$ -	$4,290	$32,890	$40,000	$20,000	$21,200	50%	$9,400
$25,680	$8,560	$25,680	$8,560	$17,120	$ -	$12,840	$98,440	$100,000	$50,000	$53,000	50%	$23,500
$11,400	$3,800	$11,400	$3,800	$7,600	$ -	$5,700	$43,700	$50,000	$25,000	$26,500	50%	$11,750
$3,420	$1,140	$3,420	$1,140	$2,280	$ -	$1,710	$13,110	$20,000	$10,000	$10,600	50%	$4,700
$3,960	$1,320	$3,960	$1,320	$2,640	$ -	$1,980	$15,180	$20,000	$10,000	$10,600	50%	$4,700
$24,720	$8,240	$24,720	$8,240	$16,480	$ -	$12,360	$94,760	$100,000	$50,000	$53,000	50%	$23,500
$3,960	$1,320	$3,960	$1,320	$2,640	$ -	$1,980	$15,180	$20,000	$10,000	$10,600	50%	$4,700
$13,740	$4,580	$13,740	$4,580	$9,160	$ -	$6,870	$52,670	$60,000	$30,000	$31,800	50%	$14,100
$15,480	$5,160	$15,480	$5,160	$10,320	$ -	$7,740	$59,340	$60,000	$30,000	$31,800	50%	$14,100
			$12,000			$19,998	$153,318	$160,000	$80,000	$84,800	50%	$37,600
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	50%	$0
$12,720	$4,240	$12,720	$4,240	$8,480	$ -	$6,360	$48,760	$50,000	$25,000	$26,500	50%	$11,750
$11,160	$3,720	$11,160	$3,720	$7,440	$ -	$5,580	$42,780	$50,000	$25,000	$26,500	50%	$11,750
$10,320	$3,440	$10,320	$3,440	$6,880	$ -	$5,160	$39,560	$40,000	$20,000	$21,200	50%	$9,400
$22,380	$7,460	$22,380	$7,460	$14,920	$ -	$11,190	$85,790	$90,000	$45,000	$47,700	50%	$21,150
$22,380	$7,460	$22,380	$7,460	$14,920	$ -	$11,190	$85,790	$90,000	$45,000	$47,700	50%	$21,150
$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	75%	$0
$48,000	$16,000	$48,000	$16,000	$32,000	$134,400	$76,416	$585,856	$590,000	$295,000	$312,700	50%	$138,650
$36,000	$12,000	$36,000	$12,000	$24,000	$100,800	$57,312	$439,392	$440,000	$220,000	$233,200	50%	$103,400
$60,000	$20,000	$60,000	$20,000	$40,000	$118,000	$76,020	$582,820	$590,000	$295,000	$312,700	50%	$138,650
$48,000	$16,000	$48,000	$16,000	$32,000	$94,400	$60,816	$466,256	$470,000	$235,000	$249,100	50%	$110,450
$27,000	$9,000	$27,000	$9,000	$18,000	$53,100	$34,209	$262,269	$270,000	$135,000	$143,100	50%	$63,450
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	50%	$0
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	50%	$0
$13,680	$4,560	$13,680	$4,560	$9,120	$ -	$6,840	$52,440	$60,000	$30,000	$31,800	50%	$14,100

Urban Road Upgrading (continued)

Road	New/ Existing	Hierachy Function	From	To	Length (m)	Existing Width (m)	Length Required (m)	Extra Width Required (m)	Road Widening ($/m2)	Overlay Existing Pavement ($/m2)
Lethbridge Road	Existing	Local	Makino Road	??					$ -	$ -
Lethbridge Road	Existing	Local	Makino Road	??		5.6	1300	0.3	$12,480	$167,440
Lethbridge Street	Existing	Local	Railway Crossing	End		7	0	0	$ -	$ -
Lethbridge Street									$ -	$ -
Makino Road	Existing	Local	Lethbridge Rd	Reids Line		6	0	0	$ -	$ -
Makino Road	Existing	Collector	Roots Street	Lethbridge Road	197	8.6	0	0	$ -	$ -
Makino Road	Existing	Collector	North Street	Lethbridge Road	2080	8.6	0	0	$ -	$ -
Makino Road	Existing	Local	100 KPH Sign	Reids Line West	774	6.2	774		$ -	$ -
Makino Road	Existing	Local	Lethbridge Road	Rids Line West	740	6.2	740		$ -	$ -
Makino Road Feilding	Existing	Local	Roots Street	Lethbridge Road	196	8.6	796		$ -	$ -
Makino Road Feilding	Existing	Local	North Street	Lethbridge Road	2006	8.5	2006		$ -	$ -
Makino Road Feilding	Existing	Local	North Street	50 KPH Sign	1871	8.6	1871		$ -	$ -
Mananui Street	Existing	Local	Approx 460m on bend near river	Owen Street	212	9.7	212		$ -	$ -
Monkton Street	Existing	Local	Weld Street	Derby Street	349	7.4	349		$ -	$ -
Mt Taylor 3A	New	Collector	End of Lethbridge	Mt Taylor Drive	1450	0	1450	8.4	$389,760	$ -
Nelson Street	Existing	Local	East Street	Seal End	533	6	533		$ -	$ -
Osbourne Terrace	Existing	Local	Haggit Street	End	194	5.2	194		$ -	$ -
Owen Street	Existing	Local	South Street East	Mahinui Street	341	5.4	341		$ -	$ -
Pharazyn 4A	New	Local	Pharazyn Street	Makino Stream	1200	1	1200	5.9	$226,560	$ -
Pharazyn 4C	New	Local	Root Street	Port Street	450	0	450	5.9	$84,960	$ -
Pharazyn 4E	New	Local	Reids Line West	Roots Street	800	0	800	5.9	$151,040	$ -
Pharazyn 4H	New	Local	Pharazyn Street	Road 4I	500	0	500	5.9	$94,400	$ -
Pharazyn 4J	New	Local	Pharazyn Street	Arnott Street	600	0	600	5.9	$113,280	$ -
Pharazyn 4K	New	Local	Root Street	Reids Line West	1000	0	1000	5.9	$188,800	$ -
Pharazyn 4L	New	Local	Pharazyn Street	End	1000	0	1000	5.9	$188,800	$ -
Pharazyn Street	Existing	Collector	Florence	Sherwill Street	153	7	140	1.4	$6,272	$22,540
Pharazyn Street	Existing	Collector	Sherwill Street	Arnott Street		7.2	220	1.2	$8,448	$36,432
Pharazyn Street	Existing	Collector	Arnott Street	Roots Street		7.2	640	1.2	$24,576	$105,984
Pharazyn Street	Existing	Collector	Roots Street	Reids Line		7.2	500	1.2	$19,200	$82,800
Pharazyn Street	Existing	Local	Florence Place	Sherwill Street East	159	7	159		$ -	$ -
Pharazyn Street	Existing	Local	Arnot Street	Roots Street East	638	7.1	638		$ -	$ -
Pharazyn Street	Existing	Local	Roots Street East	Reids Line West	511	7.3	511		$ -	$ -
Poole Street	Existing	Local	East Street	End	458	6	458		$ -	$ -
Port Street East	Existing	Local	Pharazyn Street	end of Formation	410	5	0	0	$ -	$ -
Port Street East	Existing	Local	end of Formation	end of Formation			0	0	$ -	$ -
Port Street East	Existing	Local	Churcher Street	end of Formation	212	3.1	0	0	$ -	$ -
Port Street East	Existing	Local	Churcher Street	End	417	3.2	0	0	$ -	$ -
Port Street East	Existing	Local	Pharazyn Street	Wet End of Street	1454	5	1454		$ -	$ -
Port Street East	Existing	Local	Pharazyn Street	End	1246	5	1246		$ -	$ -

Kerb & Channel ($/m)	Sumps & Laterals	Footpath ($/m)	Berm ($/m)	Street Lighting ($/m)	Earth works	Engineering & Contingency	Total	Total Rounded	Level of Service Component	NZTA Financial Assistance	Growth Proportion	Growth Amount
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	50%	$0
	$ -		$26,000			$30,888	$236,808	$240,000	$120,000	$127,200	50%	$56,400
$ -	$ -	$ -	$ -			$ -	$ -	$ -	$ -	$ -	75%	$0
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	50%	$0
			$ -			$ -	$ -	$ -	$ -	$ -	50%	$0
$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	75%	$0
$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	75%	$0
$46,440	$15,480	$46,440	$15,480	$30,960	$ -	$23,220	$178,020	$180,000	$90,000	$95,400	50%	$42,300
$44,400	$14,800	$44,400	$14,800	$29,600	$ -	$22,200	$170,200	$180,000	$90,000	$95,400	50%	$42,300
$47,760	$15,920	$47,760	$15,920	$31,840	$ -	$23,880	$183,080	$190,000	$95,000	$100,700	50%	$44,650
$120,360	$40,120	$120,360	$40,120	$80,240	$ -	$60,180	$461,380	$470,000	$235,000	$249,100	50%	$110,450
$112,260	$37,420	$112,260	$37,420	$74,840	$ -	$56,130	$430,330	$440,000	$220,000	$233,200	50%	$103,400
$12,720	$4,240	$12,720	$4,240	$8,480	$ -	$6,360	$48,760	$50,000	$25,000	$ 26,500	50%	$11,750
$20,940	$6,980	$20,940	$6,980	$13,960	$ -	$10,470	$80,270	$90,000	$45,000	$47,700	50%	$21,150
$87,000	$29,000	$87,000	$29,000	$58,000	$243,600	$138,504	$1,061,864	$1,070,000	$535,000	$567,100	50%	$251,450
$31,980	$10,660	$31,980	$10,660	$21,320	$ -	$15,990	$122,590	$130,000	$65,000	$68,900	50%	$30,550
$11,640	$3,880	$11,640	$3,880	$7,760	$ -	$5,820	$44,620	$50,000	$25,000	$26,500	50%	$11,750
$20,460	$6,820	$20,460	$6,820	$13,640	$ -	$10,230	$78,430	$80,000	$40,000	$42,400	50%	$18,800
$72,000	$24,000	$72,000	$24,000	$48,000	$141,600	$91,224	$699,384	$700,000	$350,000	$371,000	50%	$164,500
$27,000	$9,000	$27,000	$9,000	$18,000	$53,100	$34,209	$262,269	$270,000	$135,000	$143,100	50%	$63,450
$48,000	$16,000	$48,000	$16,000	$32,000	$94,400	$60,816	$466,256	$470,000	$235,000	$249,100	50%	$110,450
$30,000	$10,000	$30,000	$10,000	$20,000	$59,000	$38,010	$291,410	$300,000	$150,000	$159,000	50%	$70,500
$36,000	$12,000	$36,000	$12,000	$24,000	$70,800	$45,612	$349,692	$350,000	$175,000	$185,500	50%	$82,250
$60,000	$20,000	$60,000	$20,000	$40,000	$118,000	$76,020	$582,820	$590,000	$295,000	$312,700	50%	$138,650
$60,000	$20,000	$60,000	$20,000	$40,000	$118,000	$76,020	$582,820	$590,000	$295,000	$312,700	50%	$138,650
$8,400	$2,800	$8,400	$2,800	$5,600		$8,521	$65,333	$70,000	$17,500	$37,100	75%	$24,675
$26,400	$8,800	$26,400	$4,400	$8,800		$17,952	$137,632	$140,000	$35,000	$74,200	75%	$49,350
$ -	$ -	$76,800	$12,800	$25,600		$36,864	$282,624	$290,000	$72,500	$153,700	75%	$102,225
$ -	$ -	$60,000	$10,000	$20,000		$28,800	$220,800	$230,000	$57,500	$121,900	75%	$81,075
$9,540	$3,180	$9,540	$3,180	$6,360	$ -	$4,770	$36,570	$40,000	$20,000	$21,200	50%	$9,400
$38,280	$12,760	$38,280	$12,760	$25,520	$ -	$19,140	$146,740	$150,000	$75,000	$79,500	50%	$35,250
$30,660	$10,220	$30,660	$10,220	$20,440	$ -	$15,330	$117,530	$120,000	$60,000	$63,600	50%	$28,200
$27,480	$9,160	$27,480	$9,160	$18,320	$ -	$13,740	$105,340	$110,000	$55,000	$58,300	50%	$25,850
$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	50%	$0
$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	75%	$0
$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	75%	$0
$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	75%	$0
$87,240	$29,080	$87,240	$29,080	$58,160	$ -	$43,620	$334,420	$340,000	$170,000	$180,200	50%	$79,900
$74,760	$24,920	$74,760	$24,920	$49,840	$ -	$37,380	$286,580	$290,000	$145,000	$153,700	50%	$68,150

Urban Road Upgrading (continued)

Road	New/ Existing	Hierachy Function	From	To	Length (m)	Existing Width (m)	Length Required (m)	Extra Width Required (m)	Road Widening ($/m2)	Overlay Existing Pavement ($/m2)
Port Street West	Existing	Local	Dewe Ave	End	126	7.2	0	0	$ -	$ -
Port Street West	Existing	Local	Dewe Ave	End	165	6.8	165		$ -	$ -
Port Street West	Existing	Local	Dewe Ave	End	165	6.8	165		$ -	$ -
Ranfurly 2D	New	Local	Ranfurly Rd	Totara Lane	600		600	5.9	$113,280	$ -
Ranfurly 2E	New	Local	Ranfurly Rd	Road 2D	250		250	5.9	$47,200	$ -
Ranfurly 2F	New	Collector	Sandon Rd	Halcombe Rd	800		800	8.4	$215,040	$ -
Ranfurly 2G	New	Collector	Highfield Rd	Road 2F	400		400	8.4	$107,520	$ -
Ranfurly Road	Existing	Local	Glasgow Terrace	50/100 Sign		8.2	0	0	$ -	$ -
Ranfurly Road	Existing	Local	50/100 Sign	Sandon Road	1350	6	1350	0	$2.40	$186,300
Ranfurly Road	Existing	Local	50kph Sign	Sandon Road	1482	6	1482		$ -	$ -
Ranfurly Road Feilding	Existing	Local	Glasgow Terrace	50kph Sign	203	8.8	203		$ -	$ -
Ranfurly Road Feilding	Existing	Local	Glasgow Terrace	50kph Sign	203	8.8	203		$ -	$ -
Reid Line West	Existing	Local	Makino Road	Pharazyn Street		5.9	0	0	$ -	$ -
Reid Line West	Existing	Local	Arnott Street	Pharazyn Street	830	5.5	830	0.4	$10,624	$104,995
Reid Line West	Existing	Local	Norfolk Cresent	Arnott Street	153	5.5	153	0.4	$1,958	$19,354
Reid Line West	Existing	Local	Pharazyn STreet	Makino Road	1207	5.9	1207		$ -	$ -
Reid Line West	Existing	Local	Arnot Street	Pharazyn Street	830	5.5	830		$ -	$ -
Reid Line West	Existing	Local	Norfolk Cresent	Arnott Street	202	5.8	202		$ -	$ -
Roots Street	Existing	Local	Churcher Street	End	301	3	301		$ -	$ -
Roots Street East	Existing	Local	Pharazyn Street	Churcher Street	828	4.9	828	1	$26,496	$93,315
Roots Street East	Existing	Local	Churcher Street	End			0	0	$ -	$ -
Roots Street West	Existing	Local	Makino Road	End of Seal	321	4.7	320	1.2	$12,288	$34,592
Roots Street West	Existing	Local	End of Seal	End	54	3	100	2.9	$9,280	$6,900
Sandon Road	Existing	Local	50 KPH Sign	Ranfurly Road	1300	6.7	1300	1.7	$70,720	$200,330
Seddon Street Link	Existing	Local	Kimbolton Road	Seddon Street	109	8.6	109		$ -	$ -
Seddon Street North	Existing	Local	Seddon Street	Cul De Sac (North End)	300	8.6	300		$ -	$ -
Seddon Street South	Existing	Local	Seddon Street	Cul De Sac (South End)	77	8.7	77		$ -	$ -
Sherwill Street	Existing	Local	Pharazyn Street	Churchill Ave		8.5	0	0	$ -	$ -
Sherwill Street	Existing	Local	Churchill Avenue	Pharazyn Street	467	8.4	467		$ -	$ -
Shewill Street East	Existing	Local	Churchill Avenue	Pharazyn Street	467	8.4	467		$ -	$ -
South Street East	Existing	Local	East Street	Mahinui Street	511	8.2	511		$ -	$ -
South Street West	Existing	Local	Kimbolton Road	Russel Street	851	12.3	851		$ -	$ -
Stafford Street	Existing	Local	Bowen Street	Eyre Street	213	13.4	213		$ -	$ -
Stafford Street	Existing	Local	Bowen Street	Eyre Street	213	13.4	213		$ -	$ -
Tingey Avenue	Existing	Local	East Street	Cul de sac	331	8.1	331		$ -	$ -
Warwick Street	Existing	Local	Bowen Street	Fergusson Street	222	13.5	222		$ -	$ -
Warwick Street	Existing	Local	Kimbolton Road	Fergusson Street	111	13.5	111		$ -	$ -
Warwick Street	Existing	Local	Bowen Street	Fergusson Street	222	13.5	111		$ -	$ -
Wellington Street	Existing	Local	East Street	Drake Street	388	5.5	388		$ -	$ -
Windsor Terrace	Existing	Local	South End	End	226	6	226		$ -	$ -

Kerb & Channel ($/m)	Sumps & Laterals	Footpath ($/m)	Berm ($/m)	Street Lighting ($/m)	Earth works	Engineering & Contingency	Total	Total Rounded	Level of Service Component	NZTA Financial Assistance	Growth Proportion	Growth Amount
$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	75%	$0
$9,900	$3,300	$9,900	$3,300	$6,600	$ -	$4,950	$37,950	$40,000	$20,000	$21,200	50%	$9,400
$9,900	$3,300	$9,900	$3,300	$6,600	$ -	$4,950	$37,950	$40,000	$20,000	$21,200	50%	$9,400
$36,000	$12,000	$36,000	$12,000	$24,000	$70,800	$45,612	$349,692	$350,000	$175,000	$185,500	50%	$82,250
$15,000	$5,000	$15,000	$5,000	$10,000	$29,500	$19,005	$145,705	$150,000	$75,000	$79,500	50%	$35,250
$48,000	$16,000	$48,000	$16,000	$32,000	$134,400	$76,416	$585,856	$590,000	$295,000	$312,700	50%	$138,650
$24,000	$8,000	$24,000	$8,000	$16,000	$67,200	$38,208	$292,928	$300,000	$150,000	$159,000	50%	$70,500
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	75%	$0
$162,000	$54,000	$162,000	$27,000	$54,000	$ -	$96,795	$742,097	$750,000	$187,500	$397,500	75%	$264,375
$88,920	$29,640	$88,920	$29,640	$59,280	$ -	$44,460	$340,860	$350,000	$175,000	$185,500	50%	$82,250
$12,180	$4,060	$12,180	$4,060	$8,120	$ -	$6,090	$46,690	$50,000	$25,000	$26,500	50%	$11,750
$12,180	$4,060	$12,180	$4,060	$8,120	$ -	$6,090	$46,690	$50,000	$25,000	$26,500	50%	$11,750
	$ -					$ -	$ -	$ -	$ -	$ -	50%	$0
	$ -			$33,200		$22,322	$171,141	$180,000	$90,000	$95,400	50%	$42,300
$ -	$ -	$9,180	$3,060	$6,120		$5,950	$45,623	$50,000	$12,500	$26,500	75%	$17,625
$72,420	$24,140	$72,420	$24,140	$48,280	$ -	$36,210	$277,610	$280,000	$140,000	$148,400	50%	$65,800
$49,800	$16,600	$49,800	$16,600	$33,200	$ -	$24,900	$190,900	$200,000	$100,000	$106,000	50%	$47,000
$12,120	$4,040	$12,120	$4,040	$8,080	$ -	$6,060	$46,460	$50,000	$25,000	$26,500	50%	$11,750
$18,060	$6,020	$18,060	$6,020	$12,040	$ -	$9,030	$69,230	$70,000	$35,000	$37,100	50%	$16,450
$ -	$ -	$99,360	$16,560	$33,120		$40,327	$309,179	$310,000	$77,500	$164,300	75%	$109,275
$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	75%	$0
$ -	$ -	$38,400	$6,400			$13,752	$105,432	$110,000	$27,500	$58,300	75%	$38,775
$ -	$ -	$12,000	$2,000	$4,000		$5,127	$39,307	$40,000	$10,000	$21,200	75%	$14,100
$ -	$ -	$156,000	$26,000	$52,000	$44,200	$82,387	$631,637	$640,000	$160,000	$339,200	75%	$225,600
$ -	$ -	$6,540	$2,180	$4,360	$ -	$3,270	$25,070	$30,000	$15,000	$15,900	50%	$7,050
$18,000	$6,000	$18,000	$6,000	$12,000	$ -	$9,000	$69,000	$70,000	$35,000	$37,100	50%	$16,450
$4,620	$1,540	$4,620	$1,540	$3,080	$ -	$2,310	$17,710	$20,000	$10,000	$10,600	50%	$4,700
$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	75%	$0
$28,020	$9,340	$28,020	$9,340	$18,680	$ -	$14,010	$107,410	$110,000	$55,000	$58,300	50%	$25,850
$28,020	$9,340	$28,020	$9,340	$18,680	$ -	$14,010	$107,410	$110,000	$55,000	$58,300	50%	$25,850
$30,660	$10,220	$30,660	$10,220	$20,440	$ -	$15,330	$117,530	$120,000	$60,000	$63,600	50%	$28,200
$51,060	$17,020	$51,060	$17,020	$34,040	$ -	$25,530	$195,730	$200,000	$100,000	$106,000	50%	$47,000
$12,780	$4,260	$12,780	$4,260	$8,520	$ -	$6,390	$48,990	$50,000	$25,000	$26,500	50%	$11,750
$12,780	$4,260	$12,780	$4,260	$8,520	$ -	$6,390	$48,990	$50,000	$25,000	$26,500	50%	$11,750
$19,860	$6,620	$19,860	$6,620	$13,240	$ -	$9,930	$76,130	$80,000	$40,000	$42,400	50%	$18,800
$13,320	$4,440	$13,320	$4,440	$8,880	$ -	$6,660	$51,060	$60,000	$30,000	$31,800	50%	$14,100
$6,660	$2,220	$6,660	$2,220	$4,440	$ -	$3,330	$25,530	$30,000	$15,000	$15,900	50%	$7,050
$6,660	$2,220	$6,660	$2,220	$4,440	$ -	$3,330	$25,530	$30,000	$15,000	$15,900	50%	$7,050
$23,280	$7,760	$23,280	$7,760	$15,520	$ -	$11,640	$89,240	$90,000	$45,000	$47,700	50%	$21,150
$13,560	$4,520	$13,560	$4,520	$9,040	$ -	$6,780	$51,980	$60,000	$30,000	$31,800	50%	$14,100
						TOTALS	**$7,030,000**	**$7,180,000**	**$3,430,000**	**$3,810,000**		**$1,760,000**

Water, Stormwater and Wastewater

ID	Location	Project Name	Project Description
	Feilding	Feilding - Almadale Reservoir Replacement	Replacement of 6000 m^3 reservoir with potential increase to 8000 m^3
ST1009 006	Feilding	Feilding - Kawakawa Rd Development	From 2014-2015 budget; inc. detention pond; Precinct 5; designed and tendered; contractor to be engaged; no impact on Roading
WW2016 001	Feilding	Feilding - Pharazyn St Sewer Main (Florence Pl to Kimbolton Rd)	From 2012 AMP; same contract for Seddon St, Roots St, Pharazyn St water/sewer
	Feilding	Feilding - Precinct 4 Stormwater - Arnott St (Extend to Reid Line)	650 m of 1050 mm, 4 MH; WW already done
	Feilding	Feilding - Precinct 4 Stormwater - Churcher St	420 m of 900 mm CONC, 4 MH
	Feilding	Feilding - Precinct 4 Stormwater - Pharazyn St (Arnott St to Roots St)	630 m of 1350 mm CONC, 6 MH; WS and WW already done
	Feilding	Feilding - Precinct 4 Stormwater - Pharazyn St (Roots St to Reid Line)	500 m of 900 mm CONC, 5 MH; WS and WW already done
	Feilding	Feilding - Precinct 4 Stormwater - Port St	Complete gap; 520 m of 900 mm; 5 MH
	Feilding	Feilding - Precinct 4 Stormwater - Roots St	Complete gap; 900 mm, 1320 m, 13 MH
	Feilding	Feilding - Precinct 4 Wastewater - Churcher St (Port St to Roots St)	420 m of 150 mm CONC, including replacement of existing 100 mm, 4 MH
	Feilding	Feilding - Precinct 4 Wastewater - Port St	Complete gap; 520 m of 150 mm; 5 MH
	Feilding	Feilding - Precinct 4 Wastewater - Roots St	Complete gap; 150 mm, 1320 m, 13 MH
	Feilding	Feilding - Precinct 4 Water Supply - Arnott St (Extend to Reid Line)	150 mm, 550 m, 50 mm ID rider main; WW already done
	Feilding	Feilding - Precinct 4 Water Supply - Churcher St (Port St to Roots St)	Estimate from MWH spreadsheet with updated unit rates
	Feilding	Feilding - Precinct 4 Water Supply - Pharazyn St Rider Main (FG13638 to Roots St)	Joanna; install and collect DCs; 50 mm ID
	Feilding	Feilding - Precinct 4 Water Supply - Pharazyn St Rider Main (FG13638 to Reid Line)	Joanna; install and collect DCs; 50 mm ID
	Feilding	Feilding - Precinct 4 Water Supply - Port St	Complete gap; 150 mm, 400 m
	Feilding	Feilding - Precinct 4 Water Supply - Roots St	Complete gap; 150 mm, 1350 m, 13 MH
	Feilding	Feilding - Precinct 5 Stormwater - Stage 1	From end of Turners Rd to Kawakawa Rd; swales only at $200/m
	Feilding	Feilding - Precinct 5 Stormwater - Stage 2	From Brian Green development to end of Turners Rd; swales only at $200/m
	Feilding	Feilding - Precinct 5 Wastewater	From Brian Green development to end of Turners Rd and through to Kawakawa Rd
	Feilding	Feilding - Precinct 5 Water Supply - Darragh Rd Water Main Duplication	Duplicate 150 mm trunk main along north side; 580 m

Category	Project Priority	Project Estimate	Growth	Inc LOS	Renewals	O&M
Water Treatment - Renewals	High	2,000,000	0.25	0	0.75	0
Stormwater Reticulation - New Works	High	180,000	1	0	0	0
Wastewater Reticulation - New Works	High	173,027	1	0	0	0
Stormwater Reticulation - New Works	Medium	920,000	1	0	0	0
Stormwater Reticulation - New Works	Medium	520,000	1	0	0	0
Stormwater Reticulation - New Works	Medium	1,400,000	1	0	0	0
Stormwater Reticulation - New Works	Medium	600,000	1	0	0	0
Stormwater Reticulation - New Works	Medium	650,000	1	0	0	0
Stormwater Reticulation - New Works	Medium	1,600,000	1	0	0	0
Wastewater Reticulation - New Works	Medium	100,000	1	0	0	0
Wastewater Reticulation - New Works	Medium	120,000	1	0	0	0
Wastewater Reticulation - New Works	Medium	310,000	1	0	0	0
Water Reticulation - New Works	Medium	220,000	1	0	0	0
Water Reticulation - New Works	Medium	160,000	1	0	0	0
Water Reticulation - New Works	Medium	75,000	1	0	0	0
Water Reticulation - New Works	Medium	75,000	1	0	0	0
Water Reticulation - New Works	Medium	170,000	1	0	0	0
Water Reticulation - New Works	Medium	560,000	1	0	0	0
Stormwater Reticulation - New Works	Medium	200,000	1	0	0	0
Stormwater Reticulation - New Works	Medium	200,000	1	0	0	0
Wastewater Reticulation - New Works	Medium	450,000	1	0	0	0
Water Reticulation - New Works	Medium	170,000	1	0	0	0

Water, Stormwater and Wastewater (continued)

ID	Location	Project Name	Project Description
	Feilding	Feilding - Precinct 5 Water Supply - Turners Rd (Stage 1)	Duplicate from corner of East St and South St to Brian Green development; 250 mm, 870 m
	Feilding	Feilding - Precinct 5 Water Supply - Turners Rd (Stage 2)	From Brian Green development to end of Turners Rd; 250 mm, 480 m
	Feilding	Feilding - Precinct 5 Water Supply - Turners Rd (Stage 3)	From end of Turners Rd to Kawakawa Rd; 250 mm, 580 m
WW2016 001	Feilding	Feilding - Roots St East Sewer Main (Pharazyn St to 21 Roots St)	From 2012 AMP; same contract for Seddon St, Roots St, Pharazyn St water/sewer; complete; from Pharazyn St to MH???
WS2024 001	Feilding	Feilding - Roots St East Water Main (Pharazyn St to 21 Roots St)	From 2012 AMP; same contract for Seddon St, Roots St, Pharazyn St water/sewer; complete; from Pharazyn St to MH???
ST1009 001	Feilding	Feilding - Stormwater Asset Growth	From 2014-2015 budget; include Turners Rd
	Feilding	Feilding - Stormwater Growth - Area F	MWH modelling; Precinct 3 (Lethbridge, Church, Beattie)
	Feilding	Feilding - Stormwater Growth - Area G	MWH modelling; Precinct 1/2 (West St, Ranfurly, Sandon Rd)
	Feilding	Feilding - Stormwater Growth - Area H	MWH modelling; Precinct 1 (Awahuri Rd)
ST1009 007	Feilding	Feilding - Stormwater Growth - Pharazyn St Stage 2	From 2014-2015 budget; within Area D; Precinct 4
WW2016 001	Feilding	Feilding - Wastewater Growth	From 2014-2015 budget; use for any increases in capacity required on wastewater reticulation renewal projects
	Feilding	Feilding - Wastewater Growth - Area B	MWH modelling; Kimbolton Rd, North St, Derby St
	Feilding	Feilding - Wastewater Growth - Area E	MWH modelling; Precinct 3
	Feilding	Feilding - Wastewater Growth - Area F	MWH modelling; Precinct 3
	Feilding	Feilding - Wastewater Growth - Area G	MWH modelling; Precinct 2
	Feilding	Feilding - Wastewater Growth - Area H	MWH modelling; Precinct 1
	Feilding	Feilding - Water Supply Growth - Area B	MWH modelling; Precinct 4/3
	Feilding	Feilding - Water Supply Growth - Area C	MWH modelling; Precinct 3
	Feilding	Feilding - Water Supply Growth - Area F	MWH modelling; Precinct 2/3
	Feilding	Feilding - Water Supply Growth - Area G	MWH modelling; Precinct 2
	Feilding	Feilding - Water Supply Growth - Area H	MWH modelling; Precinct 1
	Feilding	Feilding - Water Supply Strategy	Study to be commissioned into options for future look of supply. Any associated physical works would come under the period of the next Long Term Plan, 2018-2028.
WW2013 004, WW2033 001	Feilding	Feilding - WWTP Upgrade	From 2014-2015 budget

Category	Project Priority	Project Estimate	Growth	Inc LOS	Renewals	O&M
Water Reticulation - New Works	Medium	600,000	1	0	0	0
Water Reticulation - New Works	Medium	270,000	1	0	0	0
Water Reticulation - New Works	Medium	330,000	1	0	0	0
Wastewater Reticulation - New Works	High	7,603	1	0	0	0
Water Reticulation - New Works	High	13,943	1	0	0	0
Stormwater Reticulation - New Works	High	1,139,317	1	0	0	0
Stormwater Reticulation - New Works	Low	350,000	1	0	0	0
Stormwater Reticulation - New Works	Low	2,100,000	1	0	0	0
Stormwater Reticulation - New Works	Low	190,000	1	0	0	0
Stormwater Reticulation - New Works	High	111,000	1	0	0	0
Wastewater Reticulation - New Works	High	41,878	1	0	0	0
Wastewater Reticulation - New Works	Low	2,140,425	1	0	0	0
Wastewater Reticulation - New Works	Low	140,896	1	0	0	0
Wastewater Reticulation - New Works	Low	1,391,824	1	0	0	0
Wastewater Reticulation - New Works	Low	2,262,065	1	0	0	0
Wastewater Reticulation - New Works	Low	2,478,403	1	0	0	0
Water Reticulation - New Works	Low	2,012,427	1	0	0	0
Water Reticulation - New Works	Low	64,211	1	0	0	0
Water Reticulation - New Works	Low	1,178,418	1	0	0	0
Water Reticulation - New Works	Low	3,338,304	1	0	0	0
Water Reticulation - New Works	Low	2,490,870	1	0	0	0
Water Treatment - New Works	High	10,000	1	0	0	0
Wastewater Treatment - New Works	High	1,450,000	0.25	0.5	0.25	0

Water, Stormwater and Wastewater (continued)

ID	Location	Project Name	Project Description
WW2015 001	Himatangi Beach	Himatangi Beach - Sewerage Scheme	From 2014-2015 budget
	Himatangi Beach	Himatangi Beach - Standby Bore	From 2012 AMP; still required
WS2020 001	Rongotea	Rongotea - New Water Scheme	Reservoir $500k; reticulation $1m, of which $723k was spend in 2013-2014; WTP budget for pump house (being tendered) and M&E (contract with Alf Downs) $500k
		TOTAL	

Category	Project Priority	Project Estimate	Growth	Inc LOS	Renewals	O&M
Wastewater Treatment - New Works	High	200,000	1	0	0	0
Water Treatment - New Works	Medium	200,000	0.4	0.6	0	0
Water Treatment - New Works	High	1,500,000	1	0	0	0
		36,864,610				

Council Controlled Organisations

The Council does some of its work through Council Controlled Organisations (CCOs).

A CCO is any organisation in which the Council owns or controls at least 50 percent of the voting rights or has the right to appoint at least 50 percent of the directors or trustees. 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 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, not by the Council. Every year the Trust provides the Council with a completed Statement of Intent which outlines its activities for the year ahead and describes how it will meet the Council's objectives.

Manawatu District Council's Council Controlled Organisations:

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

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:

1. The promotion of any purpose or purposes within the Manawatu region for the advancement of education particularly in the arts, culture, environment, recreation and sport and the fostering of a sense of community;
2. Engendering a feeling of regional pride through strategies reflecting the positive image within the Manawatu region;
3. Creating an awareness of the arts, culture, environment, recreation and sport of the Manawatu region;
4. Encouraging participation of the community of all ages and persuasions including youth amateur in the arts, culture, environment, recreation and sport;
5. To manage, control, develop, promote, market, enhance and maintain the Civic Centre for the use and enjoyment of the Manawatu Community and the wider New Zealand community.

Manawatu Community Trust

The Manawatu Community Trust has been a Council Controlled Organisation (CCO) since June 2008. Council established the Manawatu Community Trust for the following purposes:

1. Any charitable purpose within the Manawatu district
2. To create a fund to be used for:
    - 2.1. The promotion of any purpose or purposes within the Manawatu district for the relief of poverty and for the benefit of the residents of the Manawatu district;
    - 2.2. The promotion of health services for the residents of the Manawatu district;
    - 2.3. The promotion of wellbeing services for residents of the Manawatu district - these services shall include services promoting the improvement of the lifestyle, health and welfare of residents of the Manawatu district and creating a sense of community for the benefit of the residents of the Manawatu district;
    - 2.4. The promotion of housing for the elderly and disabled residents of the Manawatu 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.

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.

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 Manawatu 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.

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 was 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 draft 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 2011/12 Council approved a wastewater system at Himatangi Beach, and a reticulated water scheme at Rongotea. Both these schemes were completed in the 2014/15 financial year.

Residents in Himatangi Beach were consulted and a new reservoir and up-graded treatment is proposed in the draft Long Term Plan. Land has been purchased at Feilding Wastewater Treatment Plant for sludge drying purposes. Development investigations have been undertaken for Feilding to assess the effect of increased stormwater runoff on urban systems. Up-grades to the stormwater network and facilities are currently underway with more works planned in the draft Long Term Plan as necessary 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 Manawatu 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 table below.

Water Safety Plan Status

Scheme	Category	WSP Status
Feilding	Large supply	Approved
Himatangi Beach	Small supply[1]	Drafted (due 30/6/2015)
Sanson		Approved
Stanway-Halcombe		Drafted (due 30/6/2015)
Waituna West		Drafted (due 30/6/2015)
Rongotea		New scheme
Kiwitea Rural	Not required	
Oroua No. 1 Rural	Not required	

The Feilding Wastewater Treatment Plant is currently being designed and Council is working closely with Horizons Regional Council to deliver a compliant solution. This project is included in this draft long term plan. As signatory to the Manawatu River Accord the Council is part of a joint application to central government for a grant to upgrade the Kimbolton Wastewater Treatment Plant.

An application for Ministry of Health funding has been lodged for Sanson as this supply is of variable quantity, requiring supplementing from Feilding in dry weather. The reservoir capacity for Sanson will also need to be increased as part of the up-grade.

Stormwater management is being increased to comply with the One Plan. The Makino Stream and the Taonui Basin are both at design capacity now.

Overall, Council considers that this draft 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.

1 May be reclassified as "minor supply" depending on latest Census data.

Waste Management and Minimisation Plan

Council adopted a Waste Management and Minimisation Plan (WMMP), as required by the Waste Management Act 2008, in 2010/11. The WMMP signalled a review of levels of service and the intention to increase recycling services. This draft Long Term Plan includes increased levels of service in recycling.

Since 2009, Council has installed a Recycling container at Rongotea, implemented kerb-side recycling for Feilding, and approved funding for the Enviroschools education programme.

Overall Council considers that this draft Long Term Plan contains no significant variation to the strategies and major issues contained in the WMMP.

Legal Requirements

Schedule 10 (6)

Variation between territorial authority's Long Term Plans and assessment of water and sanitary services and waste management plans

A Long Term Plan for a territorial authority must identify and explain any significant variation between the proposals outlined in the long-term plan and the territorial authority's-

(a) assessment of water and other sanitary services under section 125

(b) waste management and minimisation plans adopted under section 43 of the Waste Minimisation Act 2008.

There are no significant variations between the LTP and the 2009 assessment of sanitary services and waste management plans other than a public expectation of a higher level of service.

To the reader

Independent auditor's report on Manawatu District Council's 2015-25 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). I have carried out this audit using the staff and resources of Audit New Zealand. We completed the audit on 30 June 2015.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
    - long-term, integrated decision-making and coordination 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 part three pages 170 to 174 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from the District Council's audited information.

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 complete accuracy of the information in the plan.

Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards, relevant international standards and the ethical requirements in those standards.[1]

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

[1] The International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and The International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information.*

forecast information in the plan. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our audit 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 over the next 30 years;
- the information in the plan is based on materially complete and reliable asset and activity information;
- the Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within 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 within 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 aspects of the plan, 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

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with, or interests in, the Council or any of its subsidiaries.

Phil Kennerley
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Governance Structure

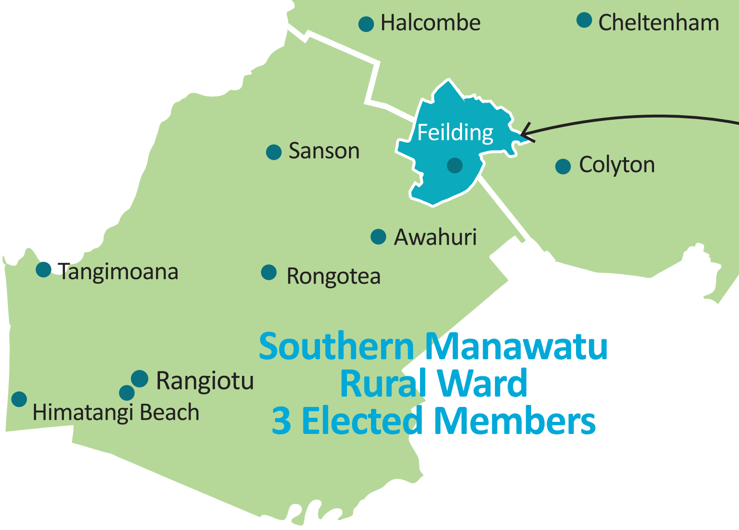
Manawatu District Mayor

Margaret Kouvelis

Northern Manawatu Rural Ward

Steve Bielski

Alison Short

Feilding Ward

Tony Jensen (Deputy Mayor)

Barbara Cameron

Shane Casey

Wayne Ellery

Albert James

Southern Manawatu Rural Ward

Jo Heslop

Howard Voss

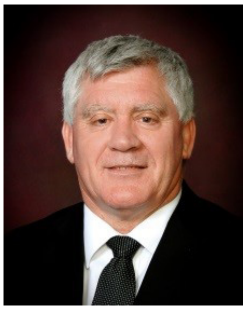
Andrew Quarrie

Executive Team

Chief Executive
Lorraine Vincent

Community and Strategy General Manager
Brent Limmer

Infrastructure General Manager
Hamish Waugh



Business General Manager
Shayne Harris

People and Culture General Manager
Linda Gordon

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 infrastructural assets to a specified level of service.

Community – a network of people and organisations linked together by common factors. This might refer to a network of people linked by place (that is, a geographic community), common interest or identify (for example, a hapu, a voluntary organisation or society), an administrative community (such as a district).

Communitrak Survey - survey which measures satisfaction with Council services, and asks questions on Council policy and direction, rates issues, contact with Council, information and representation. The survey also compares Council performance against a peer group of councils and a national survey of 1,006 interviews.

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. The following organisations are specifically excluded from being CCOs: Local Government New Zealand; Civic Assurance; Infrastructure Auckland; Watercare Services; and port, energy or electricity companies.

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.

Email Panel – a randomly selected panel of district residents who answer questionnaires via email. Questionnaires are on satisfaction with Council services or residents' thoughts on Council proposals.

Exacerbator Costs – additional or unplanned costs incurred by Council through deliberate acts of vandalism and other forms of damage.

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 council community plan and in an annual plan.

Generally Accepted Accounting Practice (GAAP) – approved financial reporting standards (as defined by section 2(1) of the Financial Reporting Act 1993) 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.

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.

Pavement – in the context of roads, pavement refers to the sealed part of the road that vehicles drive on. This is not to be confused with footpaths which some people refer to as pavements.

Service Levels – the defined service parameters or requirements for a particular activity or service areas against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.

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 authority, in terms of its likely impact on, and likely consequences for the future social, economic, cultural and environmental well-being of the district.

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