

PRE-ELECTION REPORT 2016

# Looking back, looking forward.

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# Welcome

It's my pleasure to present the Pre-Election Report for Manawatu District Council.

The Manawatu District Council is a complex and dynamic organisation providing services to nearly 30,000 people. During a single term the Council will make hundreds of decisions that affect the lives of district residents. Every three years a local body election is held and residents have an opportunity to vote for a Mayor and Councillors to represent them. On 8 October 2016 an election will be held. This Pre-Election Report includes information that can help inform election debate by drawing attention to the performance of the outgoing Council and key issues the next Council will face over the coming years.

Included in this Pre-Election Report is information about the past - 'looking back' to see whether the Council has met its targets and stayed within the limits of its Financial Strategy. It also outlines details about the future - 'looking forward' at the Council's expenditure issues and the major projects it has planned. The Council's aim is to remain an agile and effective organisation that delivers great customer service. Our projects reflect this aim and include improvements to our information management system, a refurbished "smart library" with emphasis on communication and information, and well-designed infrastructure and community facilities that fit the needs of our vibrant community's future. All of these projects keep moving the district towards the vision of being a connected, vibrant and thriving Manawatu.

This report is a summary; much of the information included here is sourced from more detailed documents such as the Long Term Plan, Annual Plan, and Annual Report. These documents are available on request. I am always happy to answer questions and provide further information.

It is a legal requirement of the Chief Executive to prepare a PER and make it available before the election. The timing and information in the report will make it a useful reference for the community and prospective candidates to inform debate during the election campaign about the issues facing the district. This report is apolitical, it is based on fact and has been prepared by myself, without input from the current elected members.

Regards



**Dr Richard Templer**  
Chief Executive  
Manawatu District Council



# Introduction

Here are some things you might want to know about the Pre-Election Report before you begin.

## What is a Pre-Election Report (PER)?

The PER is a report that provides information to promote public discussion about the issues facing the Council. It is required by Section 99A (4) Local Government Act 2002.

## What is the purpose of having a PER?

The purpose of the PER is to stimulate informed debate about local authority funding and expenditure issues during the local election campaigns. The PER must be made available to the community by 29 July 2016, this is two weeks before the local body election nominations close on 12 August.

## Why haven't I seen a PER before?

This is the second PER for Manawatu District Council. The first PER was prepared in 2013. Changes were made to the Local Government Act in 2012 requiring all Councils throughout New Zealand to prepare a PER.

## What kind of information is included in the PER?

PERs include information about the past 'looking back' to see whether the Council has met the targets and stayed within the limits of its Financial Strategy. It also outlines details about the future, 'looking forward' at the Council's expenditure issues and the major projects it has planned.





## Why does the Chief Executive have to prepare the PER?

The PER is a legal obligation placed specifically on the Chief Executive. The PER is an apolitical document that is based on fact and is created without influence from any of the current elected members.

## How was this report prepared?

The PER reflects decisions made in the 2015-25 Long Term Plan. The forecast financial data, major projects and forecasts are sourced from the Long Term Plan. Any major changes to the direction of Council approved in the next Long Term Plan in 2018-28 will alter the forecasts in this report.

## How accurate is the information included in the PER?

The PER has not been separately audited, however the majority of information included in the PER has been audited, either as part of the 2015-25 Long Term Plan, the 2016/17 Annual Plan or various Annual Reports. Information that has not been audited includes:

- Any forecast financial information that has changed from the 2015-25 Long Term Plan information that has not been significant enough to be included in any amendment to the Long Term Plan
- Financial results for the year ended 30 June 2016.

## Where can I get copies of the PER?

A copy of the PER is available at [www.mdc.govt.nz](http://www.mdc.govt.nz) or from Council offices 135 Manchester Street Feilding. Alternatively a copy can be posted to you on request by phoning 323 0000.



# About the Manawatu District - what makes us unique?

The Manawatu District is bounded by Rangiwahia in the north and Himatangi Beach in the south. The Rangitikei River forms the western boundary and just beyond Palmerston North City the Ruahine ranges form the eastern boundary. Outstanding natural features are plentiful with ranges forming the backdrop to the picturesque Pohangina Valley and windswept West Coast beaches and sand dunes.

The landscape is predominately rural with over 220,000 hectares of agricultural land. This equates to 1.5% of New Zealand's total agricultural land. The land is comprised of fertile soil and is the largest repository of Class 1 and 2 soils in the North Island. The local economy is dominated by the primary sector with agriculture, mainly dairy and cattle farming, livestock and cropping farming accounting for 25% of the District's Gross Domestic Product.

The Manawatu District is home to 27,456 people. Feilding is the largest town and acts as a service centre to the surrounding rural community. The town has a thriving central business district and industrial area hosting significant national retailers, manufacturers and an international pharmaceutical company. Smaller communities around the district act as local service centres, with tourism and visitor industries increasingly prominent. Manawatu District is centrally located with significant regional operations nearby including Palmerston North Airport, Massey University, UCOL, Linton Army Camp, Ohakea and Palmerston North Hospital.



# Current Direction

Over the past three years the Council has worked towards the following vision and community outcomes:

## Vision

### DISTRICT

CONNECTED, VIBRANT & THRIVING

# MANAWATU

.....  
**the best rural  
lifestyle in New Zealand**

### VILLAGES

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

### RURAL

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

### FEILDING URBAN

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



# Community Outcomes



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

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



AGILE ORGANISATION

Manawatu District Council is an agile and effective organisation.



# Our Activities

The services we provide are driven by our Community Outcomes. Council is involved with a wide range of projects and activities throughout the District.



**Emergency Management** - Civil Defence and Rural Fire Services ensure public safety, increase public readiness and respond when necessary.



**Infrastructure** - Roads, bridges, footpaths, rubbish collection and recycling, drains, drinking water, are all infrastructure activities undertaken to maintain community safety.



**District Development** - Economic and Community Development build a strong and vibrant community through supporting groups, activities and events, and by ensuring our regional and local economy enhances our quality of life.



**Governance and Strategy** - Ensuring that the Council's legal obligations are met as per the Local Government Act 2002 and the Resource Management Act 1991, strategic planning and providing opportunities for community participation in decision-making.



**Community Facilities** - Makino Aquatic Centre, Libraries, Community Halls and Recreation Centres, Parks and Sportsgrounds, Cemeteries and Public Conveniences are provided for the social, recreational and cultural needs of the community.



**Environmental Services and Monitoring** - Ensuring public safety through the provision of Animal Control, Building Control, Environmental Health and Monitoring, District Planning and Policy.

# Council Finances

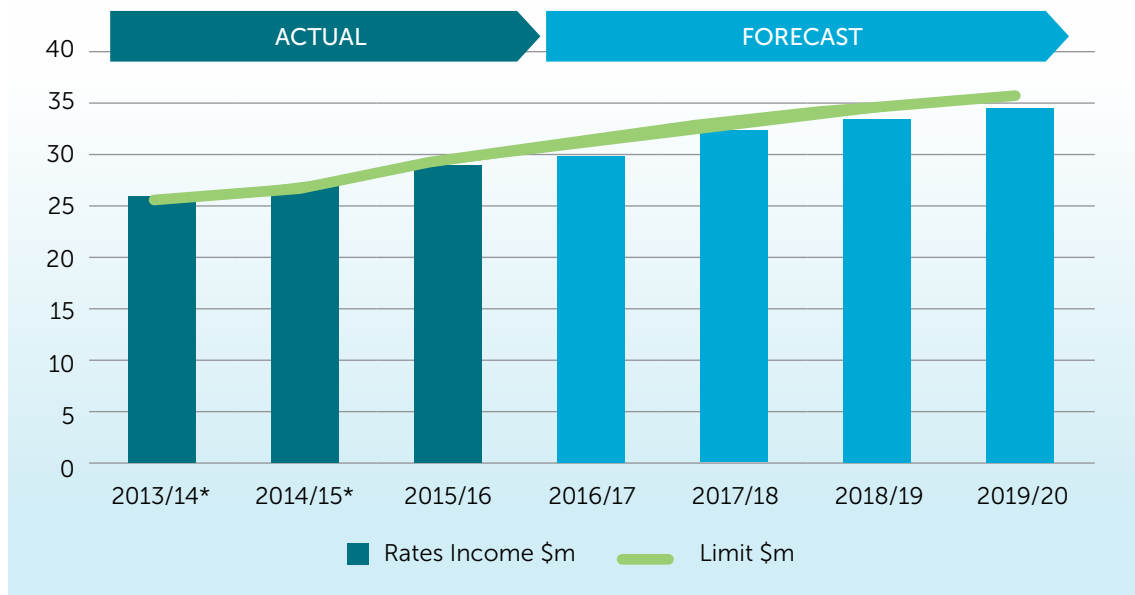
## The Financial Strategy

The Council has a Financial Strategy that complies with the Local Government Act 2002. This Strategy outlines how the Council intends to manage its finances prudently. This means the Council will act with careful deliberation and will always consider the financial implications of decisions on the community. The Financial Strategy provides a financial framework for making decisions. It enables Council to assess proposed spending against rates and borrowing requirements, outlines the council's self-imposed limits for the total rates, the percentage increase in total rates, and the level of debt.

Meeting financial targets is very important to the Council and it will not trade off this objective for gains in other objectives. The Council has identified the level of risk it is willing to accept in pursuit of its financial and strategic objectives. Council has confirmed that it has no appetite for financial risk and will maintain its long term financial viability and overall financial strength.

The following section explains how Council operates within the limits of the Financial Strategy.

## Rates Income 2013-19



The graph above shows Council's total rates income and limits as outlined in the Financial Strategy. Total rates represent the amount of targeted and general rates collected to provide services and projects.

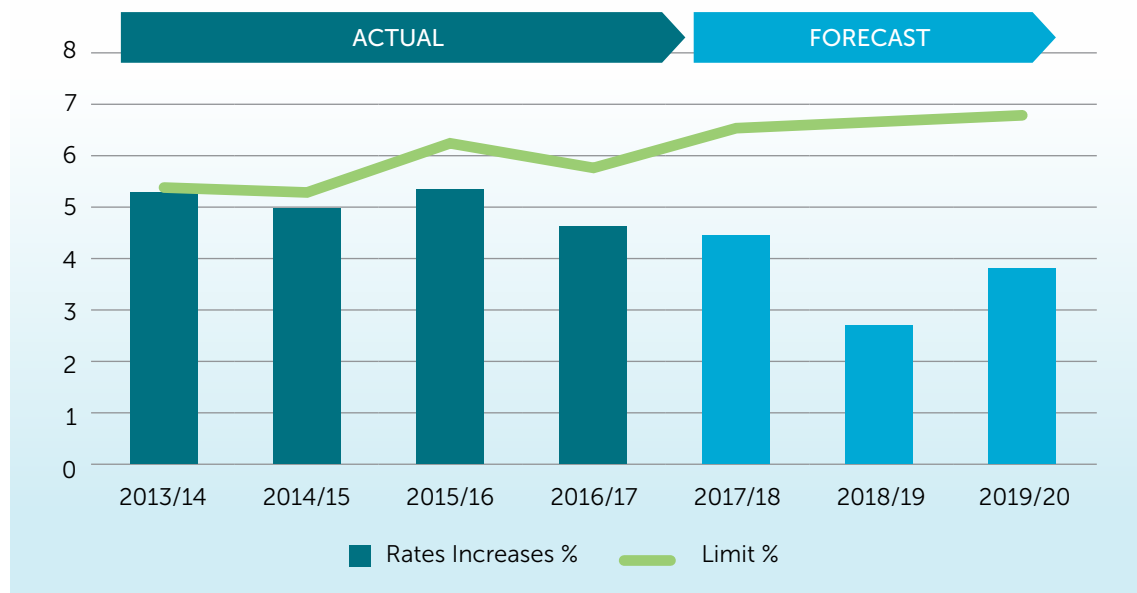
The limits reflect the maximum amount of income that Council can collect from rates. The limits increase steadily over the 7 years from 2013-19. Limits begin at 25.7 million in 2013/14

\* Rates income in 2013/14 and 2014/15 does not include rates collected from water meter charges. Due to a change in reporting regulations charges collected from water meters are included in rates from 2015/16 onwards.

and rise to the highest point \$35.9 million in 2019/20. In most years rates income is within the limits set by the Financial Strategy with the exception of 2013/14. In 2013/14 Council actually collected \$200,000 more rates than its limit allowed and breached the parameters of Financial Strategy. The breach was due to additional income collected from subdivisions. Council has limited ability to control this income stream as it is driven by the amount of property development in the district. The breach was disclosed in the 2013/14 Annual Report.

Mirroring the trend in limits, rates income will also gradually increase over the 7 years from 2013-19 rising from \$25.9m in 2013/14 to \$34.8m in 2019/20. Actual/forecast rates increase year on year with the largest increase of \$2.7 million noted between 2016/17 and 2017/18. The basis for the rises are price increases associated with providing services.

## Rates Increases 2013-19



Looking back, actual rates increases have been below, or the same as, the limits from 2013/14 to 2016/17. In 2013/14 the rates increases at 5.3% match the limit of 5.3%. Looking ahead, from 2017/18 increases in actual rates reduce with lowest average rates increase of 2.7% expected in 2018/19. Reductions cease the following year with a 3.8% increase expected 2019/20.

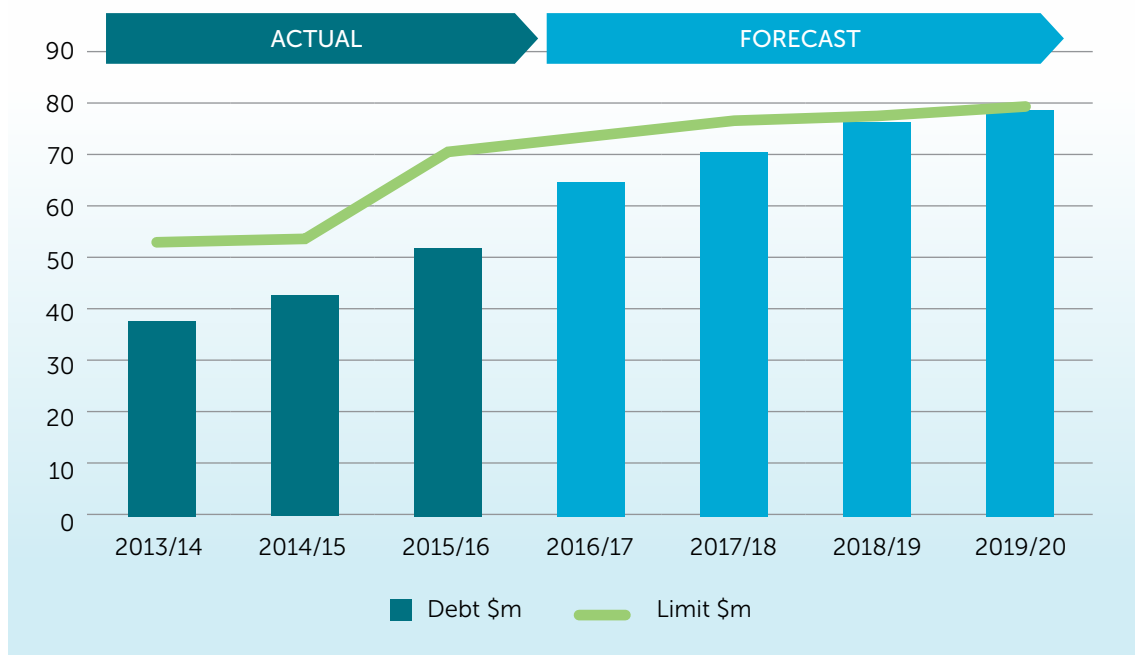
Increases in rates are largely due to the increases in operating costs associated with major infrastructure projects. Most of these increases impact on Feilding (urban and township) and village ratepayers as they benefit directly from these services. Please note rates figures do not reflect the individual rate rises (or decreases) but the percentage rise in total rates revenue for the district.

As outlined in the Financial Strategy, rates increases for 2015-25 have been limited to the Local Government Cost Index (LGCI)<sup>1</sup> plus four percent<sup>2</sup>. Increases reflect the need to budget for inflation increases and capital works that affect Council operations (pipelines, roads, energy, staff costs etc).

<sup>1</sup> The LGCI measures the year-on-year price change of goods and services typically used by local authorities.

<sup>2</sup> From 2012-15 the rates limits were set at LGCI+2%. This policy was reviewed in 2015 as part of the 2015-25 LTP and increased to LGCI +4%.

## Debt 2013-19



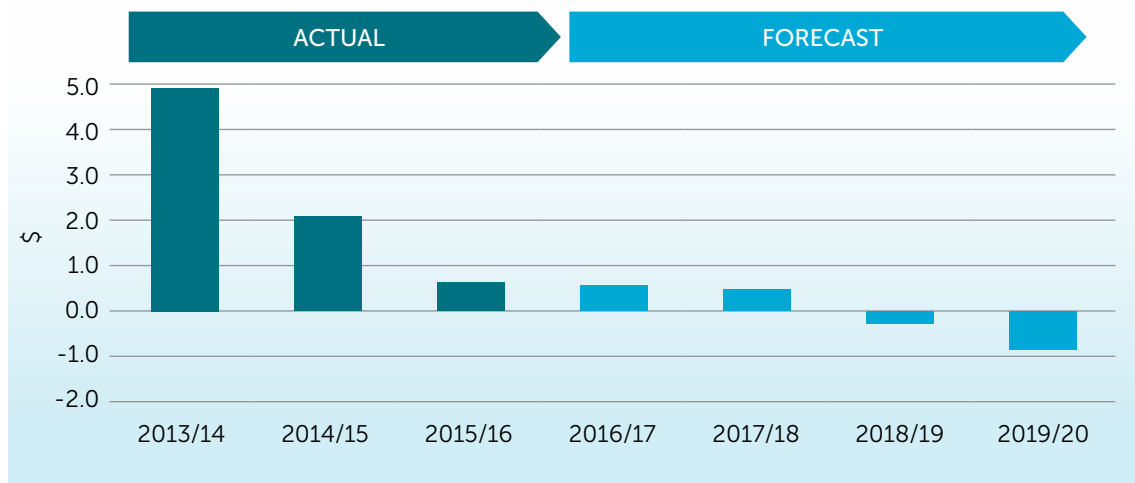
Over the past 3 years 2013/14 and 2015/16 debt levels have remained well below the strategy limits. Lower debt levels in these years were mainly due to the delay of significant infrastructure projects, resulting in cash levels being higher and debt levels lower than expected. Projects can be delayed for a variety of reasons including weather, availability of resources etc. Usually projects that are unable to be completed in the previous year are carried forward to the following year.

Looking ahead, debt levels are forecast to increase from 2016/17 due to investment in infrastructure projects. Despite increases, debt levels remain within policy limits. The closest debt levels get to policy limits is in 2019/20 where Council intends to have \$79.2 million debt against a policy limit of \$79.7 million. Council has an asset base value of \$630 million.

Taking a prudent approach to debt levels has kept borrowing below the maximum debt levels set by the Council's Financial Strategy. Having the capacity to borrow funds when required enables Council to meet unexpected demands for significant funds, including natural disasters or major failures in key assets.



## Balancing our Budget 2013-19



The graph above shows Council's operating surpluses and deficits.

Council is required by law to balance its budget. This means that operating expenses should be covered by operating revenues. However there are certain circumstances that permit Council not to have a balanced budget. These circumstances must be outlined in the Financial Strategy. As shown above during 2013/14-2019/20 there will be an operating deficit in 2 out of 7 years. The main reasons are:

- Not funding depreciation on non-strategic assets
- Not funding depreciation on the portion of roading subsidies provided by New Zealand Transport Agency
- Not funding the interest expenses on loans taken out for growth purposes when the interest and principal repayments will be met from future Development Contributions.

# Financial Challenges Ahead

## Affordability

Affordability will continue to be a key consideration for Council in the coming years. Focus will be on managing the costs of providing services, projects and maintaining assets within the communities ability to pay. The capital works and activity expenditure programme Council has outlined in the Long Term Plan 2015-25 has been designed to fit within the targeted limits in the Financial Strategy. Any new proposals for expenditure will be examined against the financial limits Council set for itself.

The Council has met the rates and debt affordability benchmarks by ensuring that:

- Planned rates are considered affordable if the planned rates income is equal or is less than the quantifiable limit on rates, and
- Planned rates increases are equal to or less than limit on rates increases.
- Council's maximum level of debt servicing is within the limit.

In addition to meeting benchmarks, cost savings are actively sought throughout the organisation. Budgets are reviewed every year. A continuous improvement approach to project planning and service delivery reviews ensures that Council meets its aim of delivering good quality local infrastructure, public services and performance of regulatory functions in the most cost efficient way. External funding for projects is sought wherever possible. The Council has been successful in securing grants that have reduced costs to ratepayers e.g. Central Energy Trust have granted \$450,000 towards the Makino Aquatic Centre redevelopment.

## Investment in infrastructure

Investing in infrastructure will continue to be a major focus for the Council over the coming years. Improvements to existing infrastructure and building new infrastructure enables Council to provide quality services to residents as well as meeting required standards. Funding capital projects is costly. For example, the Feilding Water Treatment Plant will require upgrades to ensure that consent conditions are met. The total estimated cost of improvements between 2016-36 is estimated to be \$14 million. Bridges will be another area of focus with 27 bridges throughout the district nearing the end of their useful lives within the next 25 years at an estimated cost of \$25 million. The Manawatu district is experiencing modest population growth of around 0.3%-0.9% per annum. Council has planned for further residential and economic growth and has the capacity and capability to cater for this. Between 2015-40 Council has budgeted \$47 million for stormwater, water and wastewater infrastructure in residential and industrial growth areas<sup>3</sup>.

<sup>3</sup> As noted in the 2015 Infrastructure Strategy.

Council will fund the forecast expenditure from a variety of sources. Funding is dependent on the type of asset and whether the nature of the improvement is for renewal, growth or an increase in the levels of service. Council has not forecast any significant funding issues that will disrupt its ability to maintain levels of service in the next 30 years. However there are two funding issues that may impact on Council finances:

- If there is a change in the level of subsidy received from New Zealand Transport Authority (NZTA) as a result of One Network Road Classification Council will have to fund a greater portion of roading projects or decrease the level of service. The impact of this will be known by 2018.
- If the Development Contributions revenue is lower than expected then Council will need to consider alternative sources of funding for growth projects.





# Past performance - looking back, three years before the election 2013-16

This section provides an overview of the major projects completed during the previous three years. Every year the Council is required to produce an Annual Report that outlines how well it achieved its targets. The following information has been gathered from the Council's Annual Reports.

## Improving infrastructure

Improving infrastructure has been a major focus for the Council over the past three financial years 2013/14 to 2015/16. Good quality infrastructure will cater for population growth and increase capacity for future industrial growth.

### Feilding Wastewater Treatment Plant

Continued process improvements at the Feilding Wastewater Treatment Plant have improved the quality of treated effluent. Better quality effluent coming out of the plant means there is less impact on the environment when it is discharged into the Oroua River. Discharging effluent must be carefully managed; the Plant operates within the conditions set out by consent from Horizons Regional Council. Upgrades were necessary to ensure that Council could continue to meet its consent conditions.





Council's new resource consent will allow spray irrigation of a significant proportion of the treated effluent onto land. This provides a land treatment option and reflects the Council's commitment to the Manawatu River Accord and local Iwi by removing significant volumes of treated effluent from the Oroua River.

## Water Supply

Council have continued to install new water supply assets throughout various parts of the district. These improvements have increased the capacity to supply water and cater for population growth. Specific examples include:

- A new water bore at Himatangi Beach providing the community an alternative 'back up' source of water.
- Upgrades at the Almadale Water Treatment Plant, including the use of ultra violet treatment have been undertaken to ensure mandatory drinking water standards are met.
- Completion of the Rongotea water supply providing a reliable clean domestic water supply for connected residents as well as fire-fighting capability for the village.

## Himatangi Beach Community Wastewater Scheme

Another significant infrastructure project has been the development of the Himatangi Beach Community Waste Water Scheme. This project was initiated in 2010 when the Himatangi community indicated interest in establishing a waste water scheme. The new reticulation and treatment system replaces existing privately owned septic tanks. The scheme is optional, and most of the town's property owners are participating. The new system reduces the risk of waste water leaching into the ground and caters for the seasonal peak flows experienced at the beach community. It is also future proofed to ensure that projected growth in the village can be met. The installation of the scheme was completed in 2013.



# Community Facilities and Economic Development

## Makino Aquatic Centre

The Makino Aquatic Centre has undergone a major redevelopment over the last 6 months and will re-open late July 2016. A new learners pool has created more swimming space at the Centre and a children's wet deck play area will create more fun options for users. Upgrades to the changing rooms including refurbishment of the fixtures and fittings will also provide more user-friendly changing areas. The final cost of this project will be \$6 million and has been funded by loans and grant funding.

## Economic Development

In the next decade the Council intends to significantly influence economic growth and prosperity in the district and wider region. Growing Manawatu is the Council's first Economic Development Strategy. It provides a framework and actions to realise the District's economic development potential in regards to location, land and infrastructure. The new Central Economic Development Agency has been established to deliver services on behalf of the Manawatu District and Palmerston North City.

## Major Achievements

- Overall, Council has successfully operated within the financial targets established by the Financial Strategy
- Council has met the majority of benchmarks for rates and debt affordability
- Successful delivery of \$50 million of infrastructure projects
- The adoption of the Council's first Significance and Engagement Policy outlining to community how they can expect to be involved in Council decision making.
- The adoption of the Council's first Infrastructure Strategy ensuring that the long term management of assets and financial impacts are provided for
- Working in partnership with neighbouring Councils to investigate the most efficient ways to deliver infrastructure services
- Working alongside Palmerston North City Council to create the Central Economic Development Agency (CEDA). CEDA will deliver economic development and tourism services for Manawatu District and Palmerston North City.
- Responding to the 2015 flood event
- Major reorganisation change to ensure that the Council is responsive, modern and agile
- Supporting the Manawatu Community Trust and the establishment of the Feilding Integrated Family Health Centre

- Receiving grants from the Ministry of Health to assist towards the costs of installing water treatment plants at Rongotea and Sanson.

## Other Projects

### Community Facilities

- Review of the Feilding and Districts Library Services and installation of new technology and library management software
- Completion of the first stage of the railway land beautification project, Green Spine.

### District Development

- Progress on the Community Planning Project, most villages in the District now have plans that include a shared community vision and action plan. Two significant action plan items completed in this term include the development of walkways in Halcombe and Pohangina Valley.

### Emergency Management

- Re-establishment of the Manawatu Volunteer Rural Fire Force.

### Environmental Services and Monitoring

- Maintaining accreditation to be a Building Consent Authority.

### Governance and Strategy

- Supporting Nga Manu Taiko with the development of an action plan and establishment of Te Kaunihera working group
- Progressing the District Plan Review.

### Infrastructure

- Installation of Ultra-Fast Broad Band in the Feilding Industrial area.



# Future performance - looking forward, three years beyond the election 2017-20

Manawatu District is in the enviable position of attracting new residents and businesses and maintaining the provision of good quality services. Over the next three years Council will continue to be responsive and seek ways of improving services whilst maintaining business as usual. This will include:

## Community Planning

The Community Planning project will continue over the next three years. Started in 2012, a number of rural villages throughout the district have now developed Community Plans. The development of the Plan is facilitated by Council and involves community members creating a shared vision and plan of action for the development of their community. The Community Committees work towards achieving the actions set out in the plans with the support of Council and other stakeholders. During 2016-19 Tangimoana, Waituna West, Cheltenham and Hiwinui will develop Community Plans. There is \$50,000 per annum allocated in the budget for Community Plan projects.

Currently members of the Feilding community are discussing the possibility of establishing a Feilding Community Committee. If a Committee is established then the Council will consider a Community Plan for Feilding.

## Creating a smart library

Change is underway to ensure that district libraries are meeting the needs of our community now and into the future. Some changes are already in place while others will be brought in over the coming years. There are already longer opening hours, new services and programmes offered. Efficiencies have been gained through the introduction of the new Radio Frequency Identification self-service technology and the new library management system. In 2017/18 Council has budgeted \$542,000 for modernisation of the facility.

## Manawatu River Accord and the One Plan

Manawatu District Council is a member of the Manawātū River Leaders' Accord and is undertaking projects to improve the quality of the Oroua River, a tributary of the Manawātū 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 toilet facilities with sealed septic units have been installed at Bartletts Ford, and will soon be installed at Londons Ford and Tangimoana. These sealed units meet the Council's commitment to the One Plan.

## Growing our District

Council is committed to growing the District and the wider region. Together with eight neighbouring councils the aim is to double exports by 2025 through the Central New Zealand Agribusiness Strategy, Regional Growth Study and the implementation programme, Accelerate>25. The Council's Economic Development Strategy "Growing Manawatu" will be implemented and Council will continue to support transformative projects like Food HQ. Alongside this, Manawatu District Council has partnered with Palmerston North City Council and reformed economic development, tourism and promotion services. Together the Council's endeavours will help us grow and attract business, help retain talented people and secure investment – all of which contribute to our District's vibrant economy and social well-being of residents.

## Working with others

Recent changes to the Local Government Act clearly outline increased expectations that Council will collaborate to deliver services in the most efficient and effective way for residents. Manawatu District Council has a long history of positive working relationships with neighbouring Councils. Currently shared services arrangements are in place to deliver core infrastructure, animal control, rural fire, emergency management and building control services. Over the coming years Manawatu District Council will continually seek opportunities to collaborate across the wider Manawatū-Whanganui region.

## Continued investment in infrastructure

Over the coming years Council will continue to invest in infrastructure across the district. Between 2015-41 Council intends to spend \$98 million on a variety of infrastructure projects including:

- Feilding Wastewater Treatment Plant. The total estimated cost of improvements between 2016-36 is estimated to cost \$14 million.
- Replacing and refurbishing bridges will be another area of focus with 27 bridges throughout the district nearing the end of their useful lives within the next 25 years at a cost of \$25million.
- Between 2015-40 Council has budgeted \$47 million for stormwater, water and wastewater infrastructure in residential and industrial growth areas.
- The process to renew a consent for taking water or discharging wastewater requires time and money. Between 2016-39 \$4.2 million will be spent on re-consenting.

## Major Projects

The table below shows the major projects Council has planned for 2016-19. These projects will help ensure that the Council's vision becomes a reality, *"connected, vibrant, thriving Manawatu - the best rural lifestyle in New Zealand"*.

Note that the actual expenditure on projects in future years will be subject to tenders, further Council decisions and possible changes to project designs. It is also possible that some major projects could be delayed.

In 2018 the Council will adopt another Long Term Plan. However, an earlier amendment or variation to the current Long Term Plan could also result in projects not proceeding, or additional projects added.



Major Projects	2016/17	2017/18	2018/19	2019/20
<b>Sanson Playground.</b> A new playground will be constructed during 2016-18. A site has yet to be determined.	\$156,000			
<b>Earthquake strengthening.</b> In 2015-18 earthquake strengthening will be undertaken on Council owned buildings to ensure they meet safety standards.	\$183,000			
<b>Cemetery extension.</b> To meet the increased demand for burials more space is required at the Feilding, Halcombe and Rongotea Cemeteries.	\$272,000	\$21,000	\$512,000	\$165,000
<b>Makino Precinct Plan.</b> Projects include Makino X-treme Skate Park	\$554,000	\$423,000		
<b>Feilding Library.</b> Building refurbishment and modernisation.		\$542,000		
<b>Electronic Document Records Management System.</b> The system will enable Council to manage information and provide better customer services.	\$607,000			
<b>District Plan Review.</b> The District Plan review is underway, it includes reviewing the existing policies and rules that manage and protect our local environment.	\$408,000			
<b>CBD redevelopment.</b> The programme of redevelopment works will continue on Bowen Street and Warwick Street.		\$230,000 (Bowen Street)	\$131,000 (Warwick Street)	
<b>Feilding to Palmerston North cycle-way.</b> This project will provide a commuting option for thousands of residents in both Feilding and Palmerston North.	\$38,000	\$1.2m		
<b>Stormwater.</b> To cater for population growth Council will install new storm water pipes in various parts of the Feilding township.	1.5m	\$558,000m	\$936,000	\$903,000
<b>Water supply.</b> To cater for population growth Council will install new water supply pipes in various parts of the District.	\$389,000	\$172,000	\$848,000	\$632,000
<b>New water bore at Sanson.</b> To improve the water supply at Sanson.	\$285,000			
<b>Mangaweka Bridge.</b> The bridge needs refurbishing, this will be a joint project with Rangitikei District Council.		\$1.8m		
<b>Resource Recovery Centre.</b> Design and construction of a purpose built centre.	\$780,000			
<b>Feilding Wastewater Treatment Plant upgrade and renewal.</b> This will cover costs of installing an irrigation system and effluent pond that will enable Council to discharge effluent to land.	\$5.8m			
<b>Almadale Water Treatment Plant.</b> Additional upgrades are required to achieve mandatory water standards.	\$1.0m			

\*2016/17 major projects are not legally required in this report but have been included for completeness.

# Notes about the report

## Risks and Assumptions

The forecasts contained in this PER carry a number of risks and assumptions. These are set out in detail in the 2015-25 Long Term Plan. The risks could impact significantly on the actual financial performance over the next three years. At the time of writing this report the immediate significant risks include:

- Legislative change that could alter the activities and / or responsibilities of the Council
- Resource consent conditions for major wastewater upgrades requiring additional treatment
- Changes in economic conditions that result in significant changes to the demand for Council services
- Changes in NZTA funding
- Changes to the forecast moderate growth rate.

## Financial Strategy

The Rates Income limit noted in the Financial Strategy excludes the rates impacts of any higher levels of service. This is stated in the Financial Strategy (see 2015-25 Long Term Plan – page 110).

## Further Information

- Long Term Plan 2015-25
- Annual Plan 2016/17
- Annual Reports

These documents are available at [www.mdc.govt.nz](http://www.mdc.govt.nz) or from Council office 135 Manchester Street Feilding. Alternatively a copy can be posted to you on request by phoning (06) 323 0000.

# Financial Information

The next pages contain financial information for the Manawatu District Council for the years 2013/14-2019/20. Including:

- Summary Funding Impact Statement
- Summary Statement of Financial Position



## Summary Funding Impact Statement

[illegible]

## Summary Statement of Financial Position

	Actual 2013/14 \$000	Actual 2014/15 \$000	Actual 2015/16 \$000	AP** 2016/17 \$000	LTP* 2017/18 \$000	LTP* 2018/19 \$000	LTP* 2019/20 \$000
<b>Assets</b>							
Current assets							
Financial assets	13,966	11,182	17,051	9,782	9,908	9,806	9,933
Other current assets	634	720	717	634	0	13	7
<b>Total current assets</b>	<b>14,600</b>	<b>11,902</b>	<b>17,768</b>	<b>10,416</b>	<b>9,908</b>	<b>9,819</b>	<b>9,940</b>
<b>Non-current assets</b>							
Other non-current assets	577,120	608,266	613,062	645,355	686,376	707,262	730,430
Financial assets	4,861	7,739	5,994	7,285	6,989	6,645	6,286
<b>Total non-current assets</b>	<b>581,981</b>	<b>616,005</b>	<b>619,056</b>	<b>652,640</b>	<b>693,365</b>	<b>713,907</b>	<b>736,716</b>
<b>Total assets</b>	<b>596,581</b>	<b>627,907</b>	<b>636,824</b>	<b>663,056</b>	<b>703,273</b>	<b>723,726</b>	<b>746,656</b>
<b>Liabilities</b>							
Current liabilities							
Other current liabilities	8,532	8,492	12,056	10,303	9,196	9,435	9,695
Borrowings	7,065	0	0	5,000	8,000	7,500	11,500
<b>Total current liabilities</b>	<b>15,597</b>	<b>8,492</b>	<b>12,056</b>	<b>15,303</b>	<b>17,196</b>	<b>16,935</b>	<b>21,195</b>
<b>Non-current liabilities</b>							
Other non-current liabilities	701	612	609	606	607	603	599
Borrowings	31,110	42,900	52,599	57,768	62,948	69,252	67,668
<b>Total non-current liabilities</b>	<b>31,811</b>	<b>43,512</b>	<b>53,208</b>	<b>58,374</b>	<b>63,555</b>	<b>69,855</b>	<b>68,267</b>
<b>Total liabilities</b>	<b>47,408</b>	<b>52,004</b>	<b>65,264</b>	<b>73,677</b>	<b>80,751</b>	<b>86,790</b>	<b>89,462</b>
<b>Equity</b>	<b>549,173</b>	<b>575,903</b>	<b>571,560</b>	<b>589,379</b>	<b>622,522</b>	<b>636,936</b>	<b>657,194</b>
<b>Total Liabilities and Equity</b>	<b>596,581</b>	<b>627,907</b>	<b>636,824</b>	<b>663,056</b>	<b>703,273</b>	<b>723,726</b>	<b>746,656</b>

\* LTP (Long Term Plan) refers to Council's Ten Year Plan 2015/16 to 2024/25.

\*\* AP refers to Council's Annual Plan 2016/2017.

# Glossary

**Annual Plan** – budget, project and performance information prepared annually by local authorities as required by the Local Government Act 2002.

**Annual Report** – report on the Councils performance against the annual plan. Content is specified by the Local Government Act 2002 and the document is audited.

**Financial Year** – a period of twelve months ending 30 June.

**Infrastructure** - structures and facilities (e.g. buildings, roads, water pipes, water treatment plants) required for the operation of a community.

**Long Term Plan** - an audited 10-year plan prepared by local authorities under the Local Government Act 2002. Contains strategic planning including the Financial Strategy, Infrastructure Strategy and provides 10-year budgets, expenditure programmes and performance targets.

**Manawatu River Accord** - in August 2010 an Accord was signed and members pledged to take action and improve the state of the Manawatu River. The goal is to improve the Manawatu River, the mauri (life force) of the Manawatu River Catchment, such that it sustains fish species, and is suitable for contact recreation, in balance with the social, cultural and economic activities of the catchment community.

**New Zealand Transport Authority (NZTA)** – a Government agency with responsibility for planning and investing in the land transport network, managing the state highway network, and providing access to, and use of, the land transport system. The agency co-funds, (with local and regional government) local roads, public transport infrastructure and services.





**Manawatu District Council**  
135 Manchester Street  
Private Bag 10001  
Feilding 4743

P 06 323 0000  
F 06 323 0822  
E [public@mdc.govt.nz](mailto:public@mdc.govt.nz)  
[www.mdc.govt.nz](http://www.mdc.govt.nz)