Manawatū Water

MANAWATŪ DISTRICT COUNCIL

Statement on Funding Growth Policies

Prepared by Manawatū District Council Infrastructure

www.mdc.govt.nz/services/water

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Purpose

The Manawatu District Council's (the Council) Statement on Funding Growth Policies has been developed to meet the information disclosure obligations as a regulated supplier of water services, in accordance with the Water Services Information Disclosure Determination 2026.

Scope

This Statement applies to the ways in which Council funds growth, where it relates to the provision of water supply and wastewater services in the Manawatu District.

Background

On 15 May 2025, following consideration of the options available under the Local Water Done Well legislative reform programme and feedback received via public submissions, Manawatū District Council resolved to establish an in-house business unit to manage the delivery of water supply and wastewater services within the district.

The in-house business unit model enables Council to retain local ownership, governance and accountability for water services while introducing the financial, operational and regulatory disciplines required under the new water services framework. Council's approach is focused on providing safe, reliable, compliant and affordable services while planning appropriately for growth, resilience, environmental outcomes and the long-term renewal of water infrastructure.

In February 2026, the Commerce Commission issued the Water Services Information Disclosure Determination 2026 under section 52P of the Commerce Act 1986. The Determination applies to regulated suppliers of drinking water and wastewater services and establishes requirements for the disclosure of information relating to their financial performance, investment, asset management, service delivery and funding practices.

As a regulated supplier, Manawatū District Council provides drinking water and wastewater services across Feilding and a number of villages and rural communities. Council is responsible for operating, maintaining, renewing and developing the infrastructure required to support existing communities, meet regulatory requirements and provide for future residential, commercial and industrial growth.

Growth can create a need for new infrastructure, increased network capacity or the earlier delivery of planned capital works. The timing and location of development will not always align with Council's capital programme or the rate at which growth-related costs are recovered. This can result in Council carrying additional debt, financing costs and infrastructure capacity ahead of its full utilisation.

Council manages these risks through integrated infrastructure and land-use planning, its long-term planning and budgeting processes, development contributions, targeted funding arrangements where appropriate, and ongoing engagement with developers and other parties influencing the timing and scale of growth. This is intended to ensure that investment is appropriately staged, that costs are allocated transparently and equitably, and that existing water services customers do not unreasonably subsidise infrastructure required to enable growth.

Through its in-house business unit, Council is committed to delivering water services that provide best value for customers and the wider Manawatū community, both now and over the long term.

In accordance with the Water Services Information Disclosure Determination 2026, this Statement on Funding Growth Policies sets out Council's approach to funding water services infrastructure required to accommodate growth. It explains the funding mechanisms Council may use, the principles guiding the allocation of growth-related costs, and how Council will manage the financial risks arising from differences between the timing of infrastructure investment and development.

Responsibilities

This Statement is the responsibility of the Infrastructure Department of Council.

Definitions

Capital Expenditure – Spending on new council assets or replacement of existing Council assets, as identified in the Long-term Plan.

Long-term Plan – A plan, adopted every three years, that sets the strategic direction for the Council over the next 10 years and outlines Council's contribution towards achieving the community outcomes.

Non-residential – in relation to a charge, means a charge payable for a service other than a charge payable for a service supplied in respect of residential property.

Regulated supplier – has the same meaning as in clause 2(1) of Schedule 7 of the Commerce Act.

Residential – in relation to a charge, means a charge payable for a service supplied in respect of residential property.

Resource consent – Permission to use resources such as land, water and air, granted under the Resource Management Act 1991.

Vested asset – means an asset received in exchange for nominal or no consideration.

Wastewater service – has the same meaning as in section 57A(1) of the Commerce Act.

Water supply service – has the same meaning as in section 57A(1) of the Commerce Act.

Approach to funding growth

Council's approach to funding growth in water services recognises that new development can create additional demand for water supply and wastewater infrastructure. This may require new infrastructure, increased network capacity, upgrades to existing assets, or the earlier delivery of planned capital works.

Council will seek to allocate growth-related costs to those developments, properties or activities that create or contribute to the additional demand. A range of funding and contribution mechanisms may be used, depending on the nature, location and timing of the development and the infrastructure required.

Development contributions may be levied where development, or the cumulative effect of development, creates demand for new or expanded infrastructure and the associated capital expenditure is provided for in the Long-term Plan.

Financial contributions may be required through the resource consent process where this is provided for under the relevant district plan provisions. These contributions may be used to avoid, remedy, mitigate or offset the effects of development, including effects on water services infrastructure.

Capital contributions may be charged where a property connects to an existing Council water supply or wastewater network, or increases its demand on that network, and the relevant costs are not otherwise recovered through development contributions. Capital contributions recognise the value of infrastructure capacity already provided by Council.

Council may also require developers to design, construct and vest water services assets in Council where infrastructure is needed to service a development. Vested assets must meet Council's engineering standards and other applicable requirements before they are accepted into Council ownership.

Council may pursue third-party funding sources for growth-related infrastructure, including government funding, grants, subsidies, developer agreements, partnerships and other external contributions. The availability of third-party funding does not remove the obligation for growth to contribute an appropriate share of the costs it creates.

Council will determine the appropriate combination of funding mechanisms for each growth-related investment, having regard to legislative requirements, Council policies, the beneficiaries of the investment, the causes of the expenditure, affordability, timing and the equitable allocation of costs between existing customers and growth.

Where a project provides a combination of growth, renewal and level-of-service benefits, the project costs will be apportioned between those purposes on a fair and reasonable basis. The growth-related portion will be funded from applicable growth funding sources, while renewal and level-of-service components will be funded through the relevant Council funding mechanisms.

Council's objective is for growth to fund an equitable and proportionate share of the infrastructure costs attributable to it. This does not necessarily mean that every growth-related project will be fully funded in advance or from a single contribution mechanism, as the timing of infrastructure investment, development and revenue collection may differ.

Charges related to new connections or other types of growth

Development Contributions

Council will levy development contributions where the effect of a development, or the cumulative effect of developments, generates demand for new or expanded physical works or Council services, and where the associated capital expenditure has been provided for in the Long-term Plan. Development contributions will be used to fund the provision of additional infrastructure, including water supply and wastewater required to meet the increased demand arising from new residential and non-residential development. Development contributions are used to cater for the growth in demand for infrastructure that comes from new properties or activities, for example, when new connections are required which would increase demand on existing water service infrastructure.

Information on development contributions is located in the Manawatu District Council's Development and Financial Contributions Policy, which can be found at: Development and Financial Contributions Policy

Financial Contributions

Financial contributions are levied under the Resource Management Act 1991 (RMA). Section 108(10) of the RMA sets out the circumstances in which financial contributions may be imposed as conditions on resource consents.

Financial contributions may be required to avoid, remedy, or mitigate the adverse environmental effects of activities, regardless of whether those effects arise from growth. This includes, for example, contributing to the cost of infrastructure related to water supply and wastewater services where these are necessary to address identified environmental effects.

Council will require financial contributions where the effects of a development create a need for physical works or services, and those effects have not been anticipated or provided for in the Long-term Plan. These apply when required as a condition of resource consent under the District Plan, enabled by the RMA. Council's ability to levy financial contributions is established through the District Plan, with contributions based on actual expenditure.

Information on financial contributions is located in the Manawatu District Council's Development and Financial Contributions Policy, which can be found at: Development and Financial Contributions Policy

Capital Contributions

Council will levy capital contributions where a property connects to an existing Council water supply or wastewater network, or where an existing connection increases its demand on that network, and the costs are not otherwise recovered through development contributions. Capital contributions will be used to recover a fair and equitable share of the cost of infrastructure capacity already provided by Council. Capital contributions are generally used where growth creates additional demand from new connections or increased use, but where the relevant infrastructure expenditure is not included in a development contribution programme.

Information on capital contributions is located in the Manawatu District Council's Capital Contributions Policy, which can be found at: Capital Contributions Policy

Vesting of assets

Vesting of assets refers to infrastructure constructed or provided by a developer as part of a subdivision or development, which are subsequently transferred into Council ownership. Upon completion of the subdivision, ownership of the assets are vested in Council. At this point, Council assumes responsibility for the ongoing operation, maintenance, and eventual renewal of the infrastructure. The vesting of assets is a key mechanism by which Council facilitates and funds growth for water supply and wastewater, ensuring that the upfront capital costs associated with growth are borne by those creating the demand, rather than existing ratepayers.

Information on vested assets is located in the Manawatu District Council's Vested Assets Policy, which can be found at: Vested Assets Policy

Other sources of funding

Where additional sources of funding become available, such as government subsidies or grants, the Council may utilise these sources, where appropriate, to support the provision of water supply and wastewater services.

Questions

Any questions regarding this Statement should be directed to the General Manager Infrastructure in the first instance.

Effective date

This statement is effective from 1 August 2026.

Relevant document and legislation

- Commerce Act 1986
- Local Government Act 2002
- Local Government (Water Services) Act 2025
- Local Government (Water Services) (Repeals and Amendments) Act 2025
- Local Government (Water Services Preliminary Arrangements) Act 2024
- Manawatū District Council Annual Plan 2026/2027
- Manawatū District Council Capital Contributions Policy
- Manawatū District Council Development and Financial Contributions Policy
- Manawatū District Council Long-term Plan 2024-2034
- Manawatū District Council Vested Assets Policy
- Manawatū District Council Water Services Delivery Plan 2025
- Resource Management Act 1991
- Water Services Act 2021
- Water Services Authority – Taumata Arowai Act 2020
- Water Services Disclosure Determination 2026

Certificate for disclosures

We, Michael Ford (member of the governing body) and Shayne Harris (Chief Executive) of Manawatū District Council, having made all reasonable enquiries, certify that to the best of our knowledge:

a. The information prepared for the purposes of clauses 4.7 of the Water Services Information Disclosure Determination 2026 complies in all material respects with the determination.

b. The historical information used in the preparation of this Statement on Funding Growth Policies has been properly extracted from the Manawatū District Council's accounting and other records sourced from its financial and non-financial systems.

c. Sufficient appropriate records have been retained.

Date:	Date:
Shayne Harris	Michael Ford
Chief Executive, Manawatū District Council	Mayor, Manawatū District Council