



Environmental Scan 2025



Executive Summary

The Manawatū District Council's Environmental Scan 2025 provides an overview of the key issues, trends, and opportunities shaping the future operating environment of the Manawatū District. It is intended to inform strategic thinking and decision-making and to guide the preparation of the Council's 2027-2037 Long-Term Plan (LTP) and Council's Water Services Strategy. The Scan examines the social, economic, environmental, and legislative factors influencing the District and its communities, drawing on national and regional data, policy analysis, and community insights. By collating relevant information, the Scan assists Council to identify challenges, anticipate change, and plan effectively for the future.

The Manawatū District continues to experience steady population growth, reaching 33,700 in 2024. This increase, driven primarily by internal migration, lifestyle appeal, and employment opportunities, presents both opportunities and challenges. It supports economic growth and housing demand, yet also places greater pressure on infrastructure and the delivery of essential services.

Demographic change is reshaping the community, with an ageing population and increasing cultural diversity. These shifts require Council to ensure its planning, engagement, and service delivery are inclusive and reflective of the District's diverse population. Strengthening relationships with tangata whenua remains a key priority, ensuring that Māori voices continue to be represented in local decision-making.

The District's economy remains anchored in agriculture and manufacturing, supported by growth in professional and technical services that contribute to greater economic diversification and resilience. However, affordability pressures are increasing, with rising living costs, housing demand, and financial hardship affecting many households. While housing remains more affordable than the national average, the

persistent gap between supply and demand highlights the importance of continue collaboration with Kāinga Ora and Manawatū Community Trust to expand affordable community housing options.

The impacts of natural hazards remain a concern. Flooding, drought, and coastal hazards, particularly in areas such as Tangimoana and Feilding, pose increasing risk to people, property, and infrastructure. Council continues to invest in mitigation and resilience initiatives, including stormwater upgrades, roadside drainage, and building in extra durability and capacity into infrastructural replacements. These initiatives, alongside community-led preparedness programmes, strengthen the District's ability to adapt and recover from adverse weather events.

National policy and legislative reforms continue to influence the local government sector. The introduction of Local Water Done Well, the proposed implementation of rates banding, the potential two-stage 'Simplifying Local Government' reforms, the replacement of the Resource Management Act, and reforms in the areas of building consent processing and emergency management, represent substantial shifts in how councils operate, plan, and fund their activities. Council is well positioned to respond to these changes, with established practices that prioritise efficiency, accountability, and delivery of high-quality core services for the community.

Overall, the Environmental Scan presents a picture of a District that is growing, resilient and forward-looking, yet also navigating complex challenges associated with affordability, demographic change, and environmental risk. The Scan underscores the importance of evidence-based planning, strong partnerships, and sound governance to ensure that the Manawatū District remains a connected, inclusive, and prosperous community, well positioned for the future.

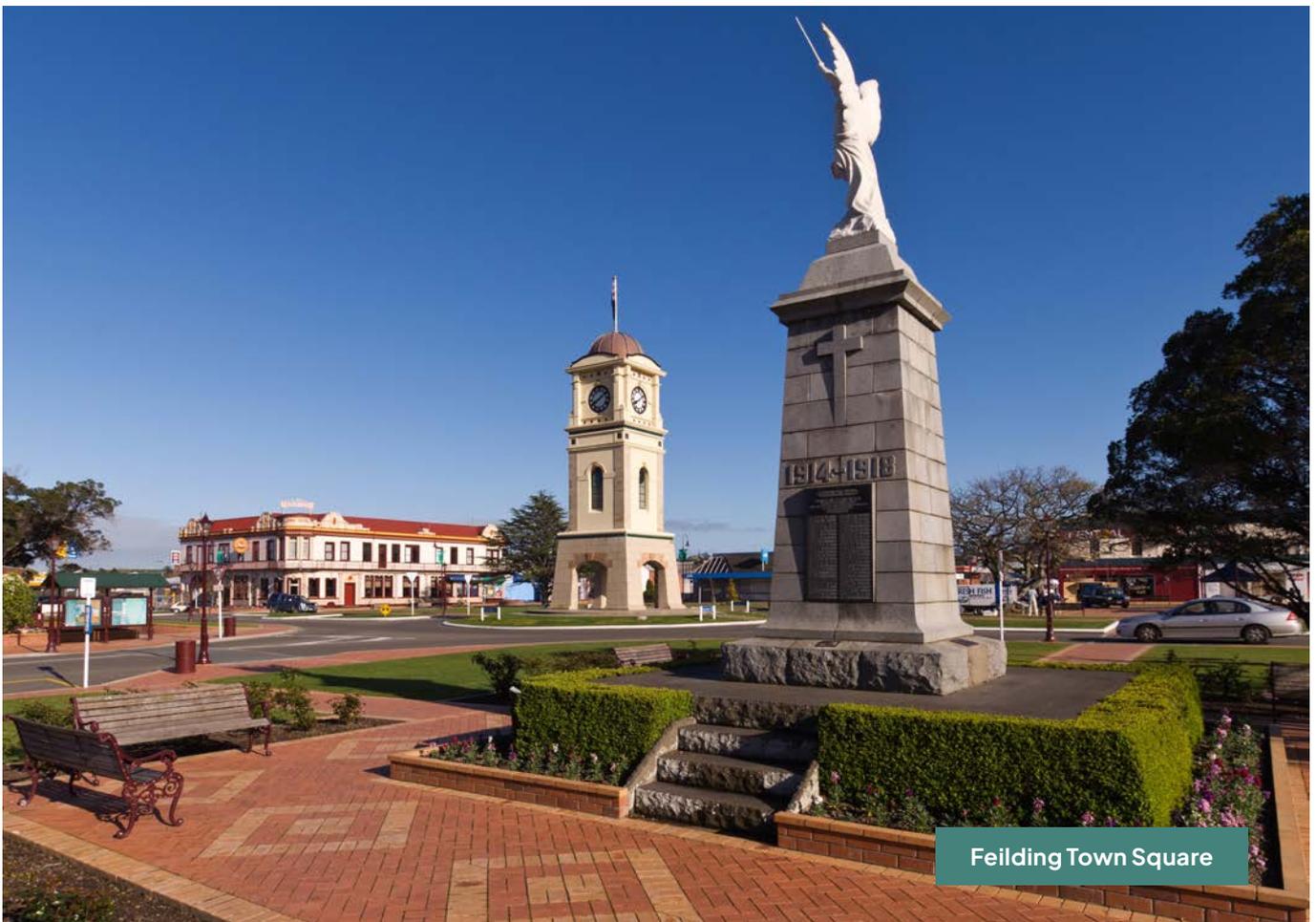
Purpose

The Environmental Scan provides a snapshot of the current issues and opportunities shaping the Manawatū District Council's (MDC) future operating environment. It is designed to support strategic thinking and decision-making, and guide the development of MDC's Long-Term Plan (2027-2037) (the "LTP"). The Scan will also inform the development of the Water Services Strategy, one of the three key documents in the new planning and accountability framework for water services.

It highlights existing and emerging trends, policy and legislative changes, community shifts, and broader social, economic, technological, and environmental drivers that may impact the

Manawatū District and its communities. This information enables Council to align priorities and allocate resources accordingly.

This scan draws on a wide range of sources, including national and regional data, policy frameworks, community insights, and expert commentary. The content reflects the most current information available at the time of publication, provides a baseline understanding of the broader context in which Council operates, and serves as a reference point throughout the strategic planning process. It strengthens our understanding of the Manawatū District so we can plan better for our future.



District Profile and Community Context



Our Place: The Manawatū District

The Manawatū District spans 256,300 hectares of diverse landscape. It is bounded by the Ruahine Ranges to the east and extends westward to the coastal dunes and beaches of the Tasman Sea. The terrain transitions from rugged hill country and forested ranges in the east into rolling farmland and river plains, shaped by the Pohangina, Ōroua, Manawatū and Rangitīkei rivers.

Fertile agricultural land dominates the District's central area, while the south-eastern boundary adjoins Palmerston North City. Manawatū also shares boundaries with Rangitīkei District to the west and north-west, Tararua District to the east, and Horowhenua District to the south.

The combination of hill country, river valley, and coastal environments gives a distinctive physical geography.

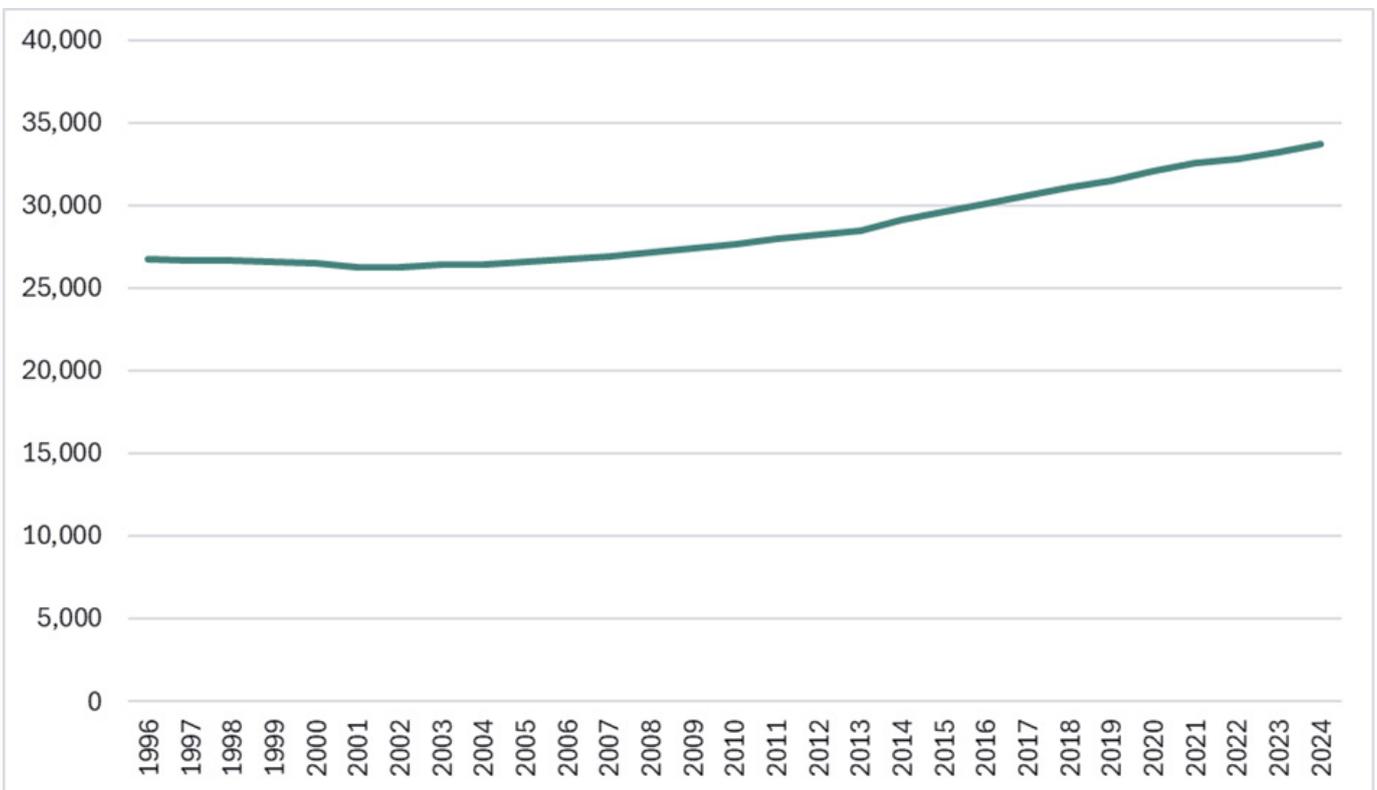
The District includes several rural villages and settlements, with Feilding serving as the largest urban centre and administrative hub. Within the District are six mana whenua iwi, and other iwi have recognised areas of interest and statutory acknowledgements. There are seven operational marae in the District, along with a number of historical marae sites where physical structures are no longer present but ancestral ties and cultural significance remain.

Population

Figure 1 shows that the Manawatū District maintained a relatively stable population of around 26,500 through the late 1990s and early 2000s, before beginning to see more pronounced growth from 2008 onward. This upward trend has continued consistently, with the population reaching 33,700 in 2024. This represents a 1.5 percent increase from June 2023 to June 2024 and equated to an increase of 490 people. This growth was made up of a net internal migration

of 420 people, a net international migration of 50 people, and a natural increase of 20 people. A large proportion of the District’s internal migration comes from our surrounding districts, with Palmerston North being the biggest contributor. Population growth reflects the District’s appeal as a lifestyle destination close to larger urban centres, a strong agricultural economy and recent movement of squadrons to the Ōhakea base.

Figure 1: Population of the Manawatū District

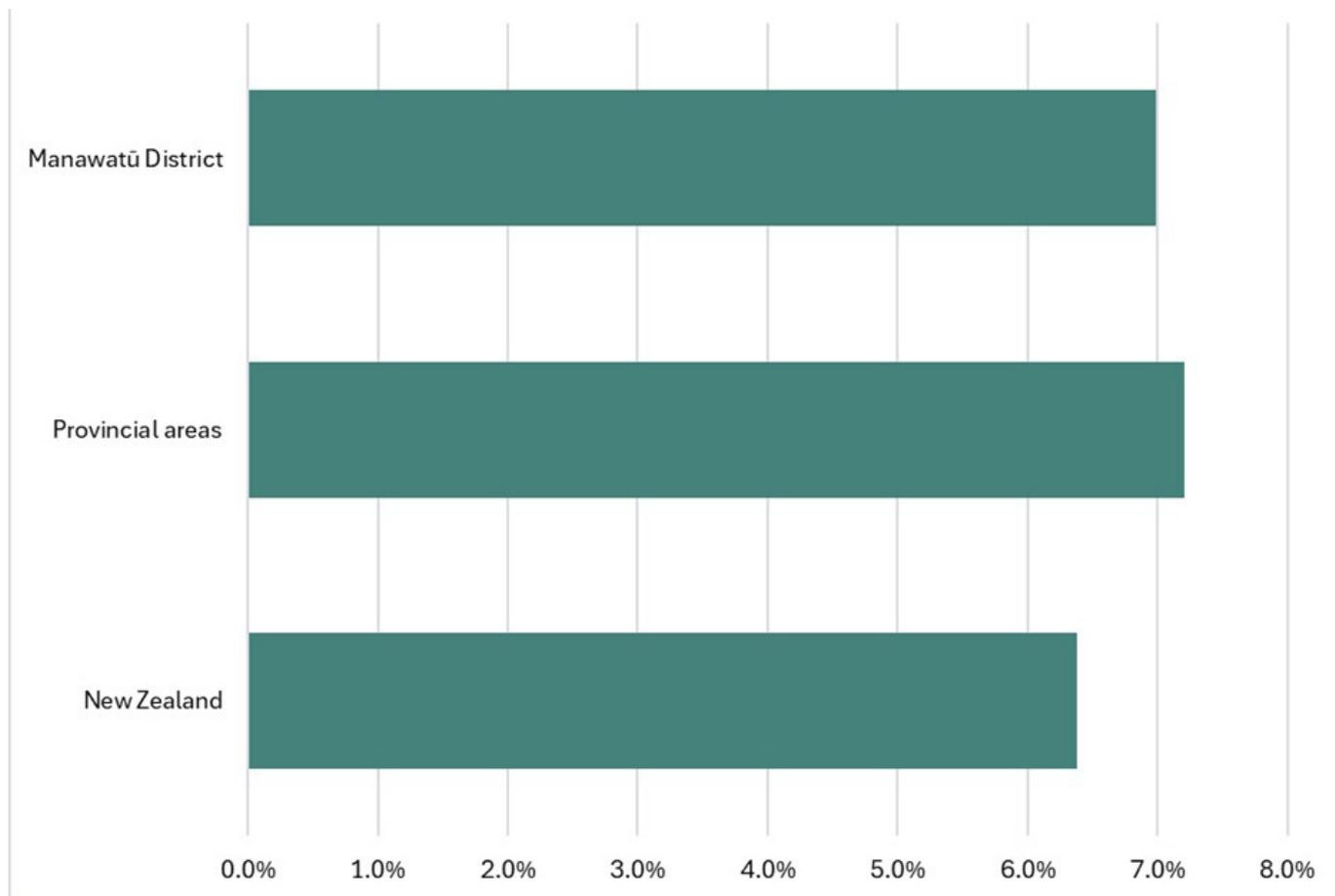


(Stats NZ, Population, 2025)

Figure 2 illustrates that over the five-year period from 2019 to 2024, the Manawatū District experienced a population growth rate of approximately 7.0 percent. This is slightly above the national average of around 6.3 percent but closely aligns with the growth observed across other provincial areas, which sat at just above 7.0

percent. The data suggest that recent population growth of the Manawatū District is consistent with broader trends across provincial New Zealand, driven by internal migration, lifestyle-related relocations, and regional development outside of major urban centres.

Figure 2: Population Percentage Change Over the Past Five Years, 2019–2024



(Stats NZ, Population, 2025)

Key Considerations

Funding infrastructure to accommodate population growth will continue to be a significant challenge for Council. Through its LTP, Council must forecast future population and household growth as this is critical for planning our infrastructure maintenance, renewal, and growth programmes. Council must ensure it has sufficient land available that is ready to meet future residential and industrial demand, while avoiding surplus capacity. Council must also anticipate where growth demand will occur and whether this will be within Feilding or in our surrounding rural villages. This is to minimise the need to respond to ‘out-of-sequence’ development and reduce strain on existing infrastructure, inefficient service delivery, higher costs, and disruption to strategic sequencing of land use planning.

Planning for growth is complicated by the need to consider the most likely population growth scenario and meeting housing capacity targets

set under the National Policy Statement of Urban Development (NPS-UD). The NPS-UD requires councils, through their District Plan, to provide development capacity to meet 30 years of demand, based on Statistic New Zealand high household projections. In addition, while not a legislative requirement, tier 3 councils like MDC are strongly encouraged to provide a further 20% of development capacity over and above expected demand as a “competitiveness margin.” The NPS-UD also requires that all local authorities be satisfied that the additional infrastructure to service the development capacity is likely to be available. This means that the infrastructure necessary to support development must be planned, funded and deliverable in the short term, and that planning and funding for future infrastructure investment over the medium and long-term is coordinated via Council’s LTP and Infrastructure Strategy.

Demographics

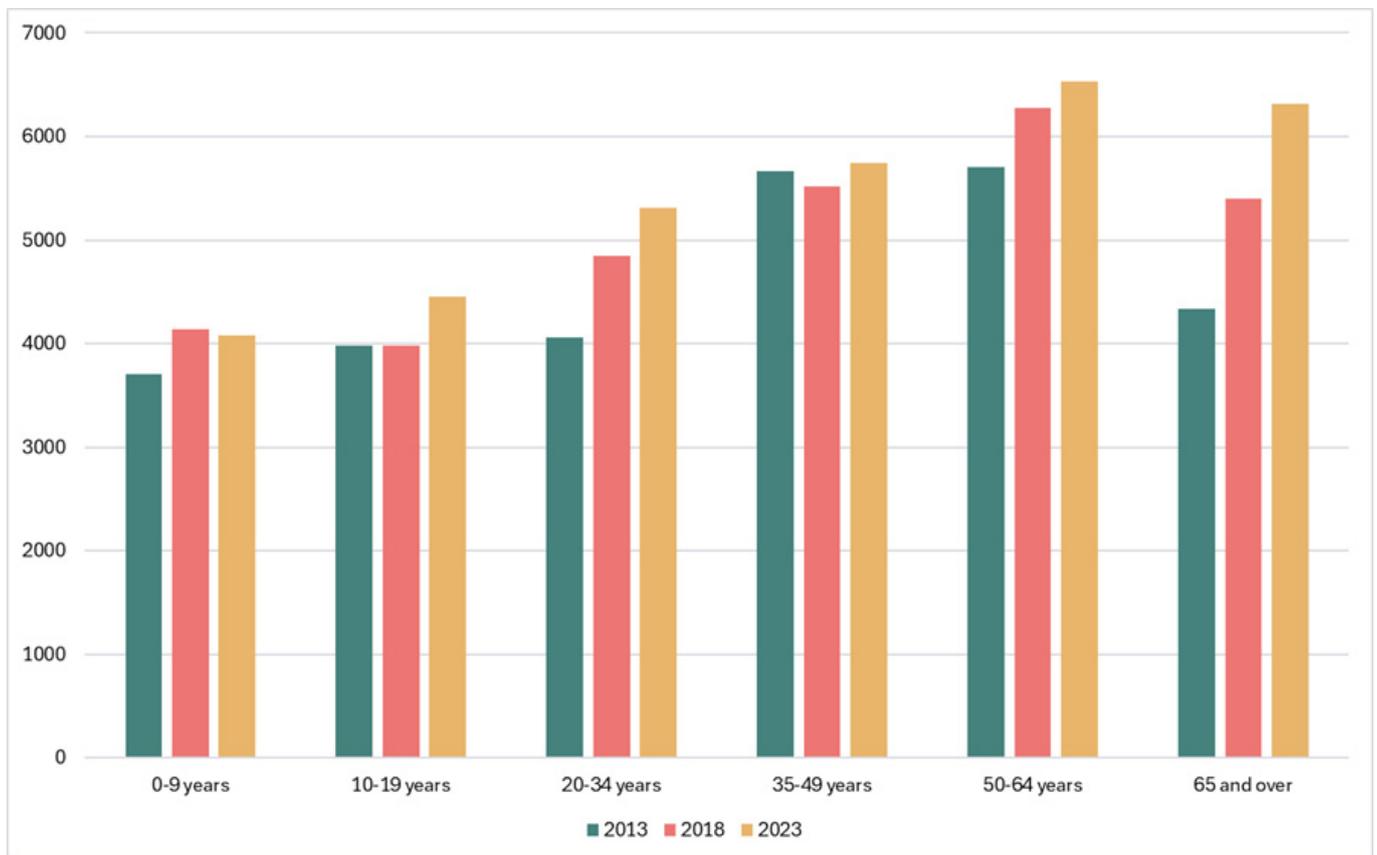
The age structure of the Manawatū District population has changed gradually over the past decade. Between 2013 and 2023, all broad age groups experienced growth, with particularly notable increases among children aged 0–9 years, young adults aged 20–34 years, and residents aged 65 and over. Growth in the older population is especially significant, with the number of residents aged 65 years and over increasing steadily during this period. This trend reflects both national patterns of population aging and the District’s attractiveness as a retirement destination. Meanwhile, the working-age population (20–64 years) has remained relatively stable with moderate increases, suggesting continued workforce availability.

growing across all ages while gradually shifting towards an older age profile. This is consistent with the national trend seen in the most recent census results; however, the median age of residents in the Manawatū District sits above the national median age. Nationally the median age for 2024 was 37.9 and for the Manawatū District it was 40.8.

In line with national trends, the majority of people in the Manawatū District identified as either male (49.4%) or female (50.2%) in the 2023 Census. For the first time, respondents were able to elect to identify as another gender. Over 100 people in our District selected this category, reflecting a broader recognition of gender diversity within our community.

Figure 3 shows the age group distribution over time and illustrates that the Manawatū District is

Figure 3: Population of the Manawatū District

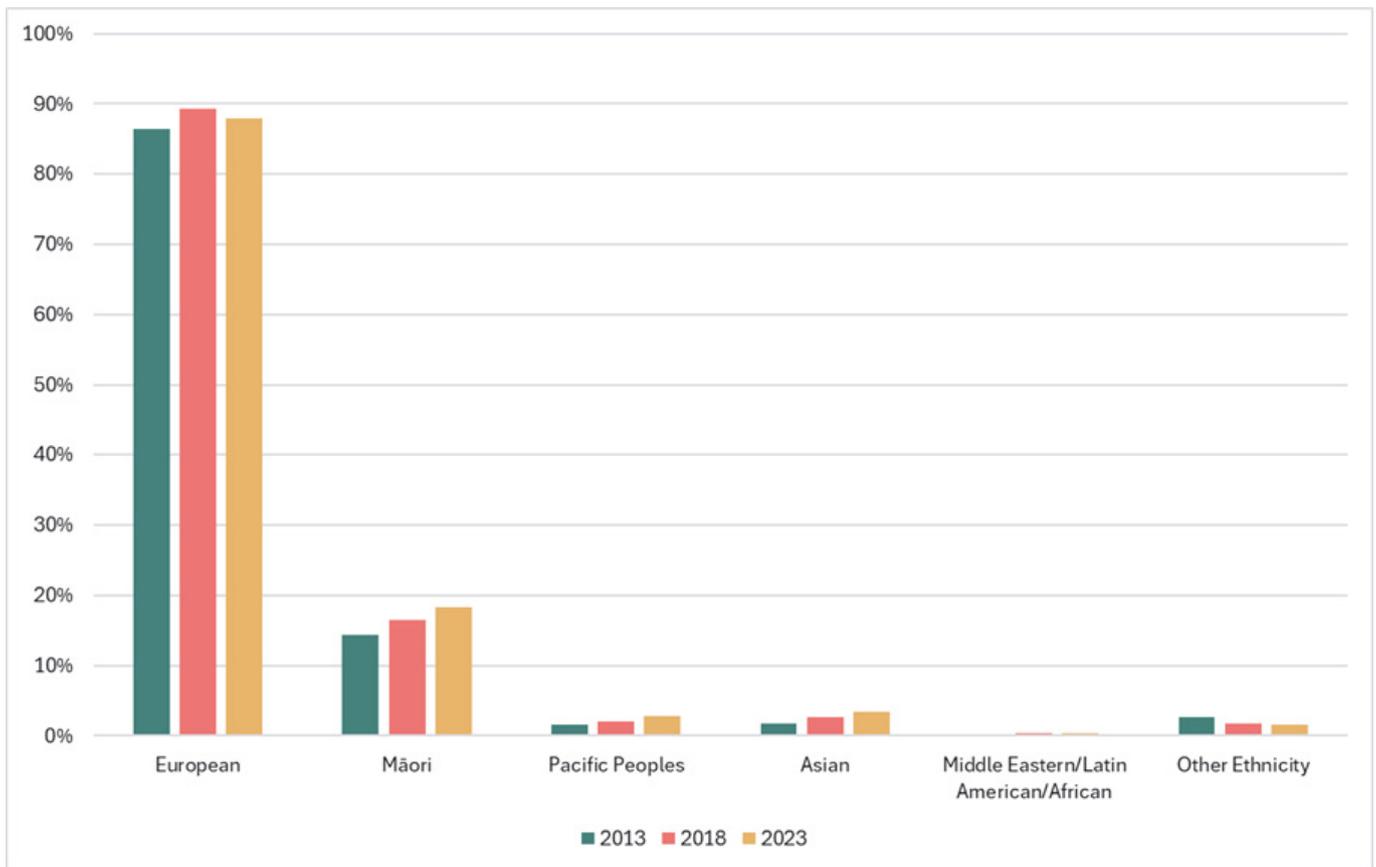


(Stats NZ, Age, 2025)

Figure 4 illustrates that the ethnicity composition of the Manawatū District is becoming more diverse. While European remains the largest ethnic group, there have been consistent increases across Māori, Pacific Peoples, Asian, and MELAA (Middle Eastern, Latin American, and African) populations between the 2013 and 2023 censuses.

As of 2023, 18.3% of the District’s population identify as Māori, slightly above the national average of 17.8%, though below the Manawatū-Whanganui Region percentage of 25.1%. These population shifts reflect broader demographic changes occurring across New Zealand.

Figure 4: Population of Manawatū District by Ethnicity



(Stats NZ, Ethnicity, 2025)

Key Considerations

When designing its engagement material for the LTP, Council needs to be mindful of the changing demographic profile of the Manawatū District, including shifts in both age and ethnicity. Council must tailor its engagement approach to ensure that groups that have historically been under-represented are given meaningful opportunities to participate in shaping future priorities.

A growing proportion of older adults in the population raises questions about whether current infrastructure and services, such as housing, transport, and health-related amenities, are fit for purpose and able to meet future demand. At the same time, advocating for services that support young people with education, training, and employment opportunities is critical to maintaining balance across age groups and sustaining a vibrant local economy.

Council also has a role in attracting, supporting, and welcoming new residents to the District, recognising the value of population growth in addressing skills shortages, supporting local businesses, and enhancing community vitality. Increasing cultural diversity presents opportunities for economic growth, for innovation, stronger community connections, and broader cultural expression, but also requires Council to ensure its services and decision-making processes are inclusive and reflective of the District's full range of communities. Ultimately, the LTP must be responsive to these demographic trends so that it reflects the needs, aspirations, and opportunities for all people in the Manawatū District, now and into the future.

Relationship Building with Tangata Whenua

Most iwi within the Manawatū District have yet to settle their historical Te Tiriti o Waitangi claims. This can create challenges related to the capacity and resources available to support the ability of consistent engagement between tangata whenua and Council.

Under section 81 of the Local Government Act 2002 (LGA) councils are required to maintain and improve opportunities for Māori to contribute to local government decision-making processes. They must also foster Māori capacity to participate in the decision-making process. Additionally, when making significant decisions related to land or bodies of water, councils must consider the cultural and traditional relationship Māori have with ancestral land, waterways, sites of significance, wāhi tapu, native species, and other taonga.

Tensions between Council and members of the former Marae Consultative Committee, which arose during the establishment of the Māori Ward, were easing prior to the Local Government elections. A key Council goal remains the re-establishment of a standing iwi Māori committee to meet regularly with elected members. The recently updated Significance and Engagement Policy was partly informed by feedback from Te Kōtūi Reo Taumata, the local

marae and hapū collective. Throughout the 2022-2025 triennium, the Māori Ward Councillor has worked closely with Te Kōtūi Reo Taumata to ensure that Māori voices are heard.

In the 2022-2025 triennium, Council initiated annual funding for marae and hapū, aimed at providing a level of support comparable to that offered to the District's Community Committees. To strengthen these relationships and support this initiative, a Liaison Councillor was appointed to work with each committee. Though the frequency and depth of interaction was varied, feedback on the initiative has generally been positive. Discussions typically included marae business, Council kaupapa (matters), project updates, and community initiatives. The interactions kept people informed and helped with whakawhanaungatanga (relationship building). Staff support and assistance in a range of matters was appreciated and acknowledged. Marae and hapū noted the need for tikanga-informed engagement, but overall, there is support for the Liaison Councillor model.

In contrast to the previous government's approach to iwi Māori and Te Tiriti o Waitangi, the current coalition government, has removed or reversed policies that strengthened engagement between local government and tangata whenua. One example is the amendment to the Local Electoral Act 2021, which required Councils with Māori wards to hold a binding referendum. The outcome of this referendum means that Tapuae, the Māori Ward for MDC, will be discontinued in 2028. The referendum result has been particularly disappointing to Te Kōtūi Reo Taumata, and it is currently uncertain what the decision will mean for their ongoing relationship with Council.

Key Considerations

Council must consider how it responds to national changes and local challenges in ways that build and maintain lasting, trusting relationships with tangata whenua. This requires an ongoing commitment to strengthening engagement between elected members and iwi/hapū, particularly given the outcome of the 2025 Māori Ward referendum.

Advancing the cultural competence of both staff and elected members is essential to this process, enabling the organisation to engage respectfully and effectively, while recognising the unique status of tangata whenua.

Council also needs to identify clear steps and pathways to continue moving the organisation forward, such as embedding cultural competency training, creating opportunities for joint decision-making, and ensuring that iwi and hapū perspectives are consistently considered in planning, policy, and service delivery. In doing so, Council can demonstrate its commitment to relationship-building and create a stronger foundation for shared outcomes that benefit the entire District.



Community Honours

Environmental Challenges and Resilience



Vulnerability to Natural Hazards

The different geographies of the Manawatū-Whanganui region determine how hazards and associated risks are experienced. Rainfall patterns, dry spells, and drought vary across the region. Within the Manawatū District, this variation in landscape creates distinct hazard exposures.

Human activity further shapes vulnerability to natural hazards. Land development that increases impermeable surfaces, such as roads, driveways, and hard-stand areas, reduces natural absorption and accelerates stormwater runoff, compounding the risk of flooding in low-lying areas. As the District grows, more people, homes, and infrastructure are being placed in or near areas already exposed to hazards such as flooding and coastal inundation. This highlights the importance of careful land-use planning. Council is actively addressing this through initiatives such as updated flood hazard overlays, revised rules for subdivision and development in flood-prone areas, and detailed stormwater modelling in growth precincts to set minimum floor levels and manage runoff. These measures aim to ensure that new development does not increase existing risk, while still acknowledging that exposure rises as population and asset density in hazard-prone locations grows.

Low-lying floodplains in the District are particularly exposed to flooding and ponding, especially along the Rangitīkei, Manawatū, Pohangina and Ōroua Rivers. Feilding township, for example, has experienced repeated floods, most notably in 2004 when the Makino Stream burst its banks and more than 90 homes were evacuated, and again in 2015 when widespread inundation caused significant damage. Flooding is therefore the highest-priority hazard for the District, with projections indicating that both frequency and severity will increase over time. Recent NIWA modelling suggests that extreme events, once considered “1-in-200 year” floods, may occur twice as often by the end of the century.

Coastal settlements such as Tangimoana face additional risks from storm surges, coastal erosion,

and sea-level rise, with the potential for compound flooding where coastal and riverine hazards converge. The District’s hill country presents a different hazard profile, being less prone to widespread inundation but highly susceptible to landslides and erosion during severe storms. The 2004 floods, for example, caused thousands of slope failures across the lower North Island, and climate change is expected to make such events more common through more intense rainfall. The hill country west of the Ruahine Range, which covers much of the District’s rural area, is particularly vulnerable to slips and erosion, posing risks to transport networks, and rural connectivity.

Settlement patterns further influence how hazards affect people and infrastructure. Urban centres such as Feilding concentrate populations, housing, and critical assets, meaning that a single flood can have widespread consequences across households, businesses, and essential services. By contrast, rural communities are more dispersed, which reduces the number of homes affected at once but creates challenges of isolation when roads, bridges, or utilities are damaged. Rural livelihoods are also more directly exposed to weather extremes, with farming and land-based industries especially vulnerable to drought, heavy rain, or wind damage.

Climate change intensifies risks across these contexts. Flood management schemes such as the Makino floodgates, which are a key part of the Lower Manawatū Scheme, face increasing pressure from extreme weather. Freshwater ecosystems are threatened by higher temperatures, altered rainfall, drought, river erosion, sea-level rise, and salinity stress, while low-vegetation waterways across the Manawatū Plains are especially exposed to rising temperatures. Approximately 7,850 residential buildings are currently exposed to inland flooding in the District. Commercial and manufacturing facilities located on the Manawatū Plains are also at risk, which has significant implications for the local economy given manufacturing accounts for around 13.7 percent of District employment.

Transport networks are becoming increasingly susceptible to closures due to flooding and landslides, raising the risk of community isolation. These events also create financial strain for Council, as funds earmarked for maintenance, rehabilitation, and resealing are frequently diverted to emergency works.

Impacts of Major Events and Disruptions

Across the Manawatū District, significant weather events and global health crises have highlighted how quickly communities can be disrupted, infrastructure damaged, and local resources strained. Severe storms, riverine flooding, drought, and coastal hazards already affect the District and are projected to intensify under climate change, with more frequent and severe events expected in the coming decades. These weather extremes threaten homes, roads, and farmland while also creating cascading social and economic impacts, from community displacement and emergency costs to long-term recovery challenges.

The COVID-19 pandemic highlighted how rapidly a global health crisis can affect even small, rural communities, disrupting supply chains, limiting access to services, and challenging local wellbeing. It also underlined the importance of strong social networks, coordinated responses, and adaptive service delivery in maintaining resilience during time of crisis.

Between July 2016 and June 2022, Council incurred costs totalling \$9,285,041 associated with unplanned weather and emergency events. In the 2022/23 financial year Council experienced two back to back events, Cyclones Hale and Gabrielle. These events caused damage totalling \$3,475,605 in the response phase, and \$9,775,000 in the recover phase for the reinstatement of three bridges. These figures demonstrate the financial scale of natural hazard events and dedicated reserve funding as Council's roading assets are not covered by insurance cover. Reinstatement costs from the 2022/23 cyclone events remain ongoing due to current resourcing and financial constraints.



Mitigation of Natural Hazard Risk

The Manawatū District Council, in partnership with the Manawatū-Whanganui Regional Council (Horizons), plays a central role in mitigating natural hazard risks and enhancing resilience across the district. Horizons is primarily responsible for region-wide management of activities that aim to avoid or mitigate the impacts of natural hazards, including ownership and maintenance of major flood protection infrastructure such as stopbanks and drainage schemes that reduce flooding risks from rivers and streams. MDC's complementary responsibilities are grounded in the Resource Management Act 1991 and the Building Act 2004, which empower the Council to manage land use and urban development in ways that reduce hazard exposure. Council also manages urban stormwater networks to minimise localised flood risks.

Major flood protection works have been completed for the lower Manawatū, the KIWITEA Stream, and the Ōroua River flood control scheme, with stopbanks designed to withstand the current 1% Annual Exceedance Probability (AEP) flood event, commonly referred to as a one-in-100-year flood. Complementing these regional assets, MDC is advancing a significant programme of stormwater upgrades in Feilding to strengthen resilience to the anticipated impacts of climate change, particularly higher-intensity rainfall events. Comprehensive stormwater modelling for Feilding has assessed 10- and 100-year flood scenarios under current and future climate conditions, with similar modelling underway for Halcombe village. When renewing or expanding three waters infrastructure, Council ensures capacity is future-proofed to accommodate more frequent and severe weather events.

Manawatū District Council, working in partnership with Horizons Regional Council, is progressing an integrated Feilding Flood Resilience Programme to reduce the risk and impact of flooding across Feilding. The Programme supports strategic alignment and coordinated investment, with a Feilding Flood Resilience Governance Group established as a joint committee. The group comprises representatives from Horizons, Manawatū District Council, iwi and landowner

representatives, and members with specialist expertise, supported by staff from both organisations. The work responds to Feilding's history of flooding and severe weather events and focuses on improving how heavy rainfall and floodwaters are managed through a combination of river management, stormwater upgrades and detention areas, supported by system-wide modelling to inform investment decisions. Key elements include joint hydrological modelling to better understand flood risk, proposed changes to the operation and capacity of the Reid Line Spillway to divert more water away from the urban area, targeted capacity and resilience upgrades along the Makino Stream (particularly at known constriction points), and alignment of MDC's urban stormwater upgrades with Horizons' river infrastructure. Using technical advice to guide decision-making, the programme is prioritising the most effective mix of interventions to deliver staged improvements that strengthen flood protection in the short term while planning for long-term resilience. This work also contributes to efforts to secure central government co-investment in Feilding's flood resilience, recognising the increasing scale and cost of flood risk and the need to treat flood protection as shared national infrastructure rather than the burden of local communities in isolation.

The Feilding Water Resilience Project represents another key investment, designed to secure the town's drinking water supply by reducing dependence on the Ōroua River and ageing infrastructure at the Almadale Water Treatment Plant. A core objective of the project is to strengthen the natural hazard resilience of Feilding's potable water network. In rural areas, MDC continues to support communities in exploring new rural stock water supply schemes to enhance resilience to drought and ensure continuity of supply during extended dry periods.

Council continues to invest in maintenance and renewal of roading infrastructure to improve network resilience, reducing the risk of closures caused by landslides or storm events, and

minimising the duration of disruptions. Ongoing work on roadside drainage is strengthening the network's ability to withstand high-intensity rainfall events, and is helping to reduce the cost of emergency works. Council is also enhancing the resilience of its three-waters network through new construction and renewal projects that use more durable design materials and pipelaying techniques. Critical infrastructure assets have been prioritised for renewal ahead of other assets of a similar age to further strengthen network resilience and reduce overall risk exposure.

Recognising that financial preparedness is essential to effective hazard response, Council has also implemented several measures to ensure it can respond to more frequent and intense weather events. These include maintaining a self-insurance reserve of \$1 million, investing in external insurance, building resilience reserves through the LTP, and retaining a self-imposed \$5 million debt buffer to preserve borrowing capacity in the event of a major disaster.

MDC's work extends beyond physical and financial resilience to strengthening community-led preparedness. Through the Community Activated Emergency Centre (CAEC) framework, Council supports local committees across the district to manage the critical hours and days following an emergency, before external assistance arrives. Training and resources are provided to enable communities to activate and operate their CAECs independently, including through scenario-based exercises focused on earthquakes, first aid, psychological first aid, and emergency management skills. This initiative has empowered communities to self-organise, maintain communication with the Emergency Operations Centre, and build stronger networks of mutual support.

Tangimoana's experience vividly illustrates the need for this district-wide approach to resilience. During the February 2004 floods, intense rainfall caused the Rangitīkei River to overflow its banks, inundating homes and roads, displacing families, and leaving behind widespread silt and debris. It was the largest civil defence response in decades and underscored the village's acute vulnerability to extreme weather. Looking ahead, Tangimoana faces increasing exposure to climate-related hazards that are expected to intensify. In the short to medium

term, heavy rainfall, winter storms, and storm surges are likely to become more frequent and severe, alongside heightened risks of drought, heat, and fire. Over the longer term, sea-level rise will further exacerbate these threats through more frequent coastal erosion, saltwater intrusion, and storm-tide inundation. When combined with river flooding, the potential impacts are significant. Projections suggest that by 2100, flood frequency along the Rangitīkei River could increase up to four-fold.

To address these challenges, MDC, Horizons, and the Tangimoana community have signed a Statement of Intent, committing to share information, technical expertise, and support for the development of an Adaptation Pathways Plan. An MDC representative sits on the Tangimoana Resilience Group, alongside a Horizons representative and two members of the Tangimoana Community Committee, working collaboratively to guide the village's long-term adaptation planning. The group has identified several priority actions, the most urgent being an integrated modelling study to explore future options for managing flood risk, stormwater, and septic systems. This study will provide a technical foundation for evidence-based decision-making and inform Tangimoana's long-term adaptation strategy. MDC and Horizons are currently considering options to jointly fund the project, estimated to cost between \$40,000 and \$100,000.

Together, these district-wide and community-specific initiatives reflect an integrated approach to resilience building linking infrastructure investment, financial prudence, community empowerment, and strategic adaptation planning. They position the Manawātū District to better withstand the growing impacts of climate change and natural hazards, while supporting communities such as Tangimoana to adapt and thrive in the face of an increasingly unpredictable climate.

Earthquake Prone Buildings

The Building (Earthquake-prone Buildings) Amendment Act 2016 introduced changes to the Building Act 2004 that made councils responsible for:

- Identifying potential earthquake-prone buildings (EPBs)
- Notifying building owners to obtain a structural engineer's assessment (initial or detailed)
- Determining earthquake ratings based on engineering reports
- Issuing EPB notices and adding buildings to the national EPB Register

The Manawātū District is in a high seismic risk zone, as identified by the National Seismic Hazard Model. In high-risk areas, the standard period for completing seismic strengthening of EPBs is 15 years from the date of notice. However, priority buildings, such as those with unreinforced masonry on key thoroughfares, have a shortened timeframe of 7.5 years.

The Building (Earthquake-prone Building Deadlines and Other Matters) Amendment Act 2024 extended remediation deadlines for EPBs by four years. As a result, owners of priority buildings must now complete strengthening work by 24 March 2032, while owners of non-priority buildings have until 12 August 2040.

As of 2025, there are 66 earthquake-prone buildings remaining in the District (noting that this figure includes multiple address points for some individual buildings and is expected to change as buildings are reassessed under the proposed risk-based framework). To date, 15 Code Compliance Certificates have been issued for completed remediation up to the recommended strengthening percentages. There are currently four active building consents for earthquake strengthening in the District, with work either already underway or due to commence shortly.

In late 2025, the Government announced its intention to introduce further reforms to the EPB system via the Building (Earthquake-prone Buildings) Amendment Bill. These changes aim to make the framework more targeted and

risk-based, reducing compliance costs for building owners while maintaining public safety.

Key aspects of the proposed changes include:

- Removing the use of percentage-based New Building Standard (NBS) ratings to determine EPB status. Instead, specific building types will be directly assessed.
- Focusing regulatory attention on high-risk unreinforced masonry (URM) buildings and three-storey (or higher) heavy concrete construction buildings located in medium- and high-seismic zones.
- For many one- to two-storey URM buildings in urban centres, the primary requirement will be securing facades that face public spaces or adjoining properties.
- Allowing building owners to apply for extensions of up to 15 years in total to complete required seismic work. This will also apply to owners whose previous deadlines expired on or before the commencement of the new legislation, with the new timeframe beginning from the date their application for an extension is approved, rather than being added to the prior deadline.

While the removal of percentage-based NBS ratings is intended to reduce compliance costs and enable a more proportionate, risk-based approach, Council has identified potential risks relating to regulatory certainty and understanding of seismic risk. To mitigate these risks, Council has advocated for nationally consistent standards and methodologies, as well as clear transitional arrangements to support implementation.

Under the Bill, Feilding will be treated as an urban centre, meaning that facade-securing requirements will apply to one to two-storey URM buildings within the town centre. Smaller settlements, such as Rongotea, Cheltenham, and Sanson, classified as rural towns with populations under 10,000, will not be required to undertake facade-securing work unless the building is three storeys or more. Building owners in these villages who voluntarily complete façade-securing work

to mitigate risk may have their earthquake-prone status removed from the national register.

In Council's submission on the Bill, Council has advocated for the development of nationally endorsed standards and engineering solutions for façade strengthening and securing, particularly for one- and two-story URM buildings, to reduce design, costs, address liability concerns, and improve consistency of outcomes.

Many earthquake-prone buildings in the District have heritage value and contribute to the character and identity of urban centres. Council has advocated for a more nuanced, tiered approach that prioritises the retention and strengthening of façades for heritage buildings highly valued by their communities, while providing a workable pathway to demolition where remediation of lower-value heritage buildings is demonstrably unaffordable. As heritage provisions are addressed through planning legislation, there is a need for central government to ensure alignment between earthquake prone building requirements and heritage provisions for consistency across legislation.

The proposed expansion of the MBIE Chief Executives role in EPB designation also introduces potential risks relating to process clarity, resourcing, and timeliness, which may affect Council's ability to provide certainty to building owners during implementation.

Overall, the forthcoming reforms signal a shift towards a more targeted approach to managing earthquake prone buildings. Council will play a key role in supporting building owners to understand their new obligations, navigate transitional arrangements, and respond to ongoing strengthening and façade securing requirements, while also manage residual risks associated with regulatory change, including transitional uncertainty, implications for heritage buildings, and the need for clear national guidance to ensure consistent implementation

Key Considerations

When undertaking long term planning, Council must ensure that climate change and natural hazard risks are fully integrated into forecasting and decision-making. One way this is achieved is through the inclusion of climate change impacts as a key forecasting assumption in the LTP. It is also important that Council continues to maintain resilience reserves, self-insurance reserves, and financial buffers so it is financially positioned to respond effectively when natural hazard events occur. Past events, such as the 2004 and 2015 floods or Cyclones Hale and Gabrielle, provide lessons on infrastructure vulnerability and community disruption, and these learnings must inform future planning and investment.

Council also has a role in helping communities adapt to natural hazard risks, as demonstrated through initiatives like the Tangimoana Resilience Project and the CAEC framework. This role includes public education to raise awareness of natural hazard risks and practical steps residents can take to reduce their own vulnerability to risk, alongside supporting remote rural communities that may become isolated during severe events.

The consenting process plays an important role in ensuring that natural hazards are avoided or mitigated through land-use decision-making. At the same time, there are significant infrastructure considerations, such as ensuring the resilience of water supply (including rural stock water supply schemes to mitigate drought risk) and maintaining and upgrading urban stormwater networks to reduce flood risk. Council also leads emergency management response and recovery, which can require significant and sustained funding. Together, these responsibilities highlight the need for a balanced approach that builds community resilience, protects infrastructure, and ensures Council is financially prepared to respond to increasingly frequent and severe natural hazard events.



CASE STUDIES

Manawatū Resource Recovery Centre

MDC's strategic vision for waste management and minimisation, as outlined in its Waste Management and Minimisation Plan, is to be a community leader enabling a circular economy across all waste streams.

In addition to rubbish and recycling collection, MDC is focused on reducing the amount of waste sent to landfill through innovative initiatives at the Manawatū Resource Recovery Centre and by building partnerships with external organisations. Current initiatives include polystyrene recycling, blister pack recycling, Tyrewise, and e-waste recycling, all of which are well-utilised by the community.

From November 2025, MDC will introduce a kerbside food waste collection service in Feilding, fully funded through Waste Levy Funds. Organic material currently accounts for approximately 40 percent of the contents of blue rubbish bags, with a significant portion comprising food waste. When disposed of in landfill, food waste generates methane—a greenhouse gas considerably more potent than carbon dioxide.

To address this, MDC is committed to converting food waste into renewable energy. In 2024, a partnership was established with Powerco to support this objective. Collected food waste will initially be transported to Ecogas's facility in Reporoa for processing until MDC's own anaerobic digester is operational. Once completed, the digester will enable local processing of food waste, producing bioenergy to power the Manawatū Wastewater Treatment Plant, with surplus energy exported to the national grid.

Nature-Based Solutions: Kawakawa Nursery's Impact on Resilience

MDC's Kawakawa Nursery plays a vital role in building local resilience and sustainability by growing eco-sourced native plants tailored to the district's environment. Since 2016, nursery production has grown dramatically from around 5,000 plants annually to 300,000 in 2024 providing robust native species for various projects including riparian restoration, wetland creation, and amenity beautification. Its plants support important initiatives like Feilding's stormwater detention ponds, enhancing flood resilience while creating attractive walking tracks, and the Manawatū Wastewater Treatment Plant wetland, where over 80,000 native plants act as a living filtration system to treat millions of litres of wastewater daily before it enters the Ōroua River.

Kawakawa Nursery also supports community groups, iwi, schools, and regional conservation projects by providing plants at set prices, and growing species beyond its regular list if required. The nursery recently released a Propagation Guide designed to help people grow eco-sourced native plants at home, reinforcing its commitment to community involvement and biodiversity. Overall, Kawakawa Nursery exemplifies how local government can lead environmental stewardship through nature-based solutions that protect, restore, and increase biodiversity, improve water quality, and enhance community well-being in Manawatū.

Reducing our Carbon Footprint

MDC is committed to leading by example in creating a more sustainable future. To support this, the Council has partnered with a specialist carbon management organisation to accurately measure and monitor greenhouse gas (GHG) emissions. This partnership provides a robust, evidence-based understanding of the emissions generated by Council's operations and services. While Council has made progress in embedding systems for ongoing measurement and reporting, this work is still developing. Current efforts include undertaking in-house calculations for the 2024/25 reporting period (with technical input from Carbon EES), which will strengthen Council's ability to monitor and report emissions over time. With clear data and ongoing monitoring, Council will be better positioned to identify priority areas for action, set reduction targets as part of an internal Emissions Reduction Plan, and track progress over time.

The most recent emissions inventory estimates that Council's organisational GHG emissions for the 2019/20 reporting period were approximately 9,370 tonnes of carbon dioxide equivalent (tCO₂e). The majority of these emissions stemmed from wastewater treatment plants (48.25%), followed by purchased goods and services (31.93%), and purchased electricity

(7.10%). This profile highlights the importance of targeted interventions within infrastructure management and procurement to achieve meaningful emissions reductions. Council is currently preparing updated emissions figures for the 2024/25 financial year, which are expected to be available by mid-November 2025. Early indications suggest the major contributors to emissions remain broadly consistent with the 2019/20 profile, with wastewater treatment, procurement, and electricity continuing to account for the largest proportions.

The Office of the Auditor-General (OAG) has specifically indicated that New Zealand territorial authorities should prepare for possible future requirements to report on their greenhouse gas emissions, due to expectations that public sector reporting will follow the obligations already imposed on large private entities. This is not yet a binding legal mandate.

In anticipation of this evolving accountability environment, MDC is proactively building the systems and capabilities required to meet potential future audit and reporting expectations. By embedding rigorous emissions measurement and verification practices now, Council is preparing to respond confidently to emerging national standards and the likely expectation that local authorities will publicly report and validate their organisational emissions profiles.



CASE STUDY

Churchill Bridge

When Cyclone Gabrielle struck New Zealand in 2023, it caused widespread damage across the Manawatū District. One of the hardest hit areas was the Pohangina Valley, where both the Churchill and Makieke bridges were destroyed by severe flooding. In the immediate aftermath, much of Pohangina and Pohangina Valley East was isolated due to floodwaters and road closures.

Four spans of the 75-metre Churchill Bridge and three of its piers were swept away, leaving only the abutments and a small section of deck remaining. The Pohangina River also altered its course as significant volumes of stone and debris were deposited during the event. Before reconstruction could commence, the riverbed required realignment. Rock recovered during this process was crushed and reused in the new bridge foundations.

With funding support from NZTA, MDC awarded the contract for earthworks and bridge construction in 2024. The new bridge was completed and opened on 3 October 2025, with Elected Members, MDC Officers, and Ngāti Kauwhata present. The structure was built approximately two metres higher than the original, improving resilience to future extreme weather events. Construction of the new Makieke Bridge is scheduled for completion by February 2026.



The Manawatū District Economy



Structure of the Local Economy

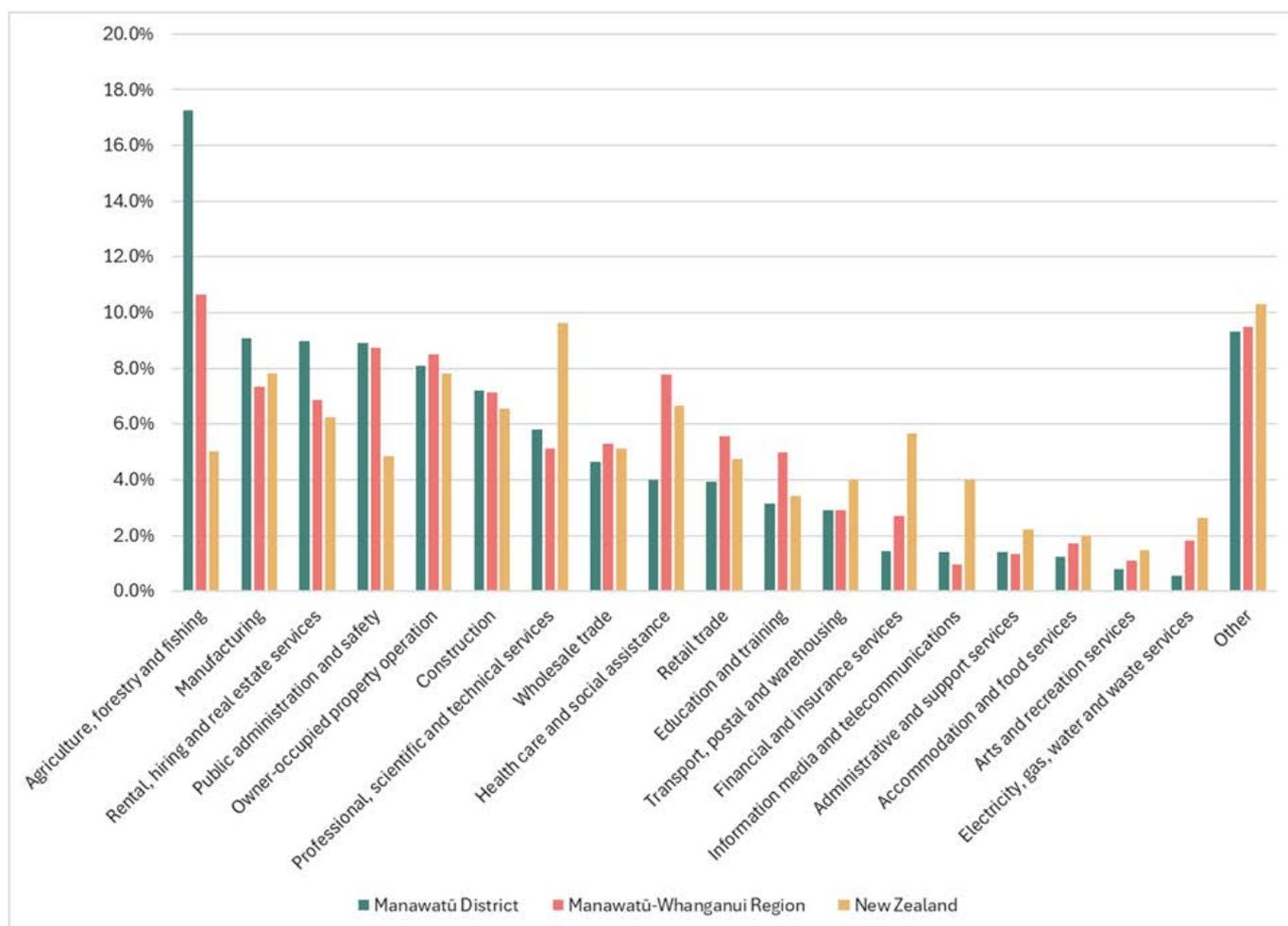
The agricultural, forestry and fishing industry contributes significantly to the Manawatū District economy, accounting for a larger portion of local Gross Domestic Product (GDP) than both the wider Manawatū-Whanganui region and New Zealand overall.

Supporting industries such as manufacturing, rental, hiring and real estate services, and professional, scientific, and technical services are often linked to servicing or adding value to the agricultural sector. For example, manufacturing in the District is proportionally larger than the national average, and professional services are steadily growing. The District's economy demonstrated resilience during the Covid-19 pandemic, with agriculture providing a stable

foundation even as other sectors slowed. In recent years, diversification has increased, with notable growth in public administration and safety, and professional, scientific, and technical services. This growing diversity reduces the District's reliance on agriculture alone and helps buffer against sector-specific downturns, supporting greater long-term economic stability.

Feilding has two main industrial areas: the Kawakawa Industrial Park and Mahinui. The Kawakawa Industrial Park is a focus for future growth, while the Mahinui industrial area includes a wide range of businesses and remains a stable place of employment for Feilding.

Figure 5: GDP Industry Structure

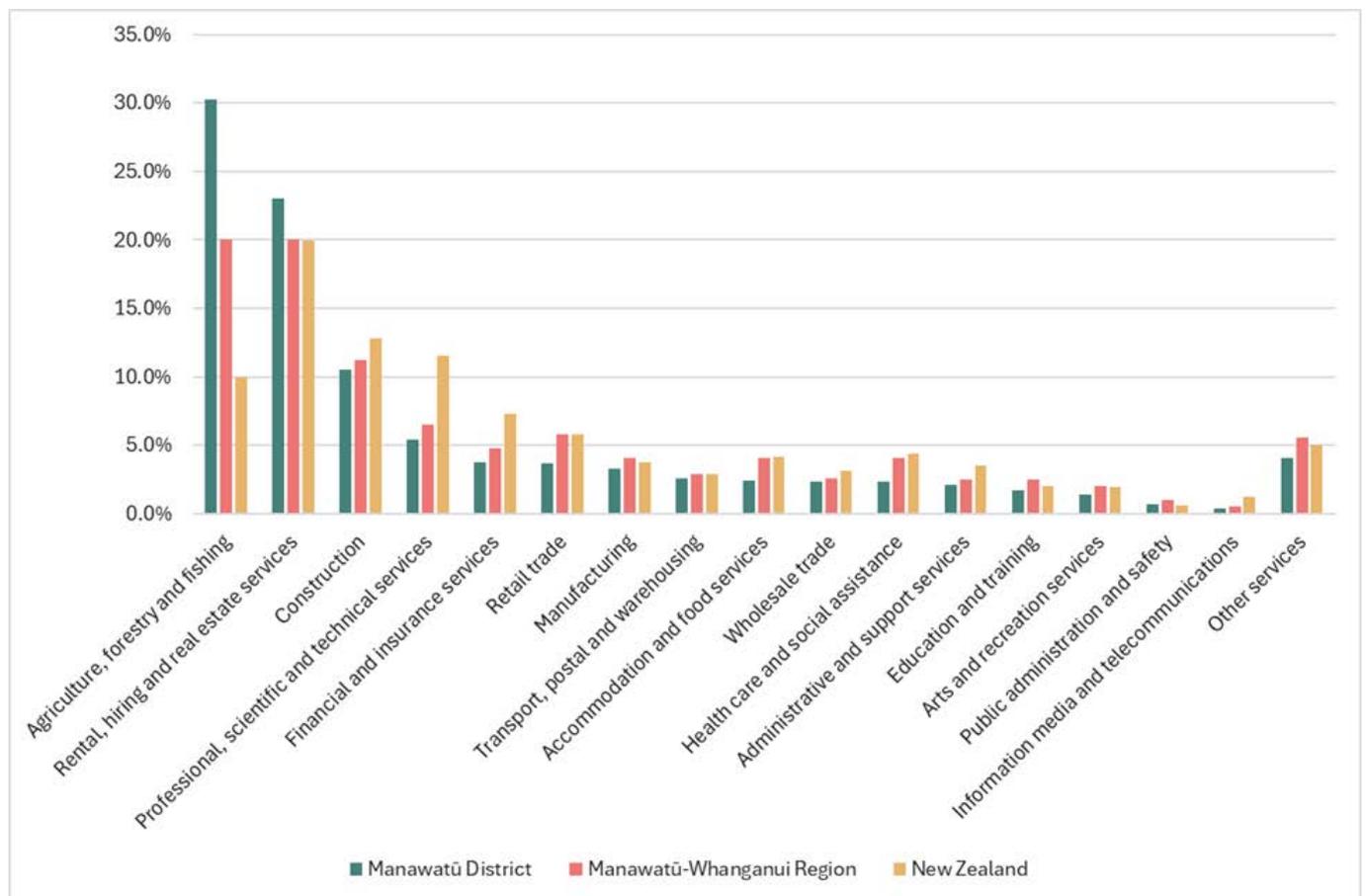


(Infometrics, Economy structure, 2025)

Figure 6 below shows the Business Industry Structure. It presents the number of business units across each industry, with only economically significant enterprises included. The Manawatū District has a particularly high concentration of business units in agricultural, forestry and fishing, accounting for nearly one-third of all businesses in the District. This is a markedly larger share than both the regional and national averages, reflecting the District's strong reliance on primary industries.

Rental, hiring and real estate services also account for a large share of business units in the District. However, unlike agriculture, this industry's proportion is very similar to both the regional and national levels, suggesting it is a constant feature across the economy rather than a local point of difference.

Figure 6: Business Industry Structure



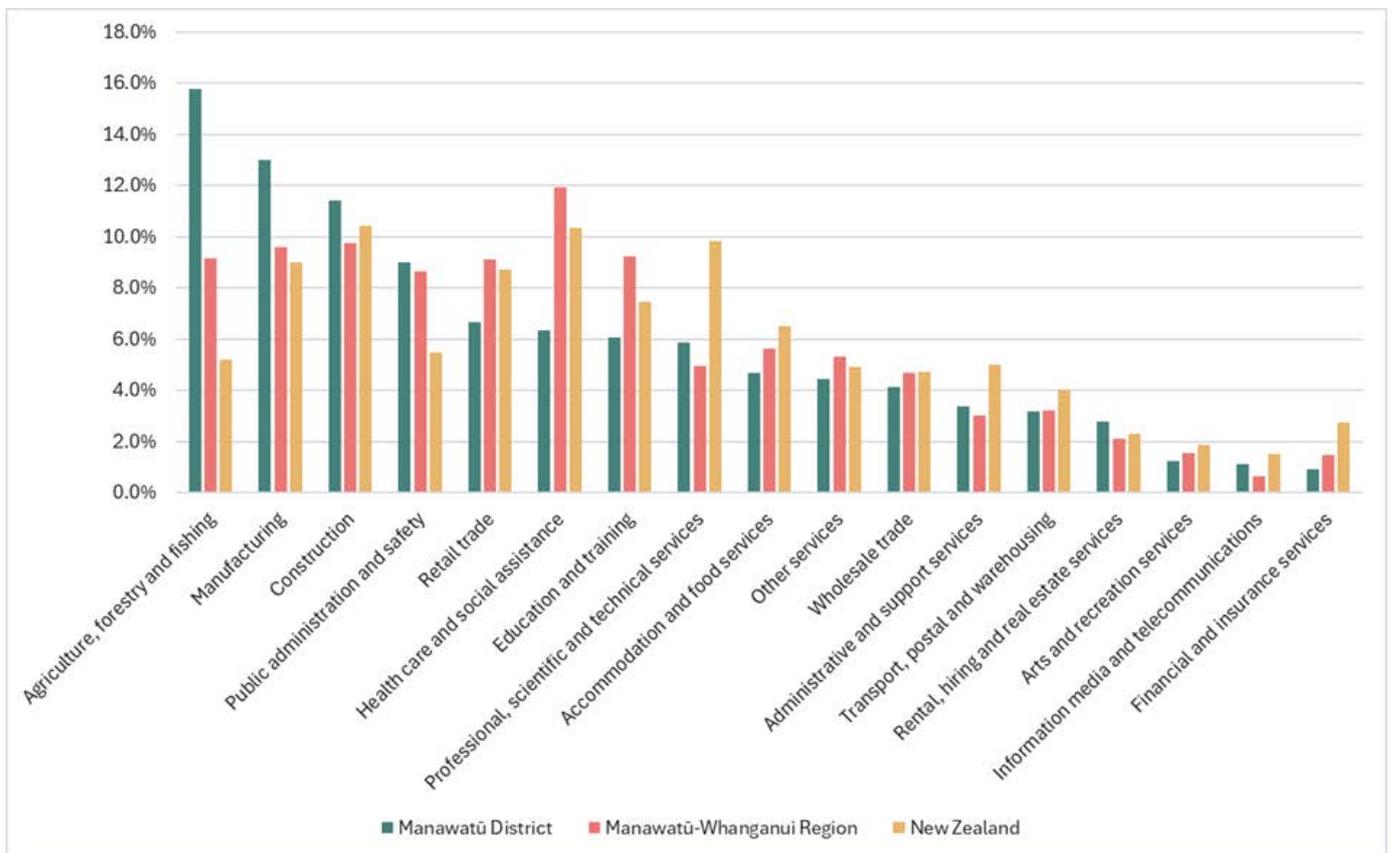
(Infometrics, Business industry structure, 2025)

Labour Market and Employment Trends

Consistent with the agriculture, forestry and fishing industry being the largest contributor to the local economy, this industry is also the District's largest employer, accounting for a much greater share of jobs than in the wider Manawatū-Whanganui region or nationally. Manufacturing is the second largest employer, with a strong concentration in meat and meat product manufacturing.

Employment in healthcare and social assistance is comparatively lower in the District compared to the Manawatū-Whanganui region and nationally, largely because the District does not have a hospital. This limits the scale of health-care related employment compared to other parts of the country.

Figure 7: Employment Numbers by Industry

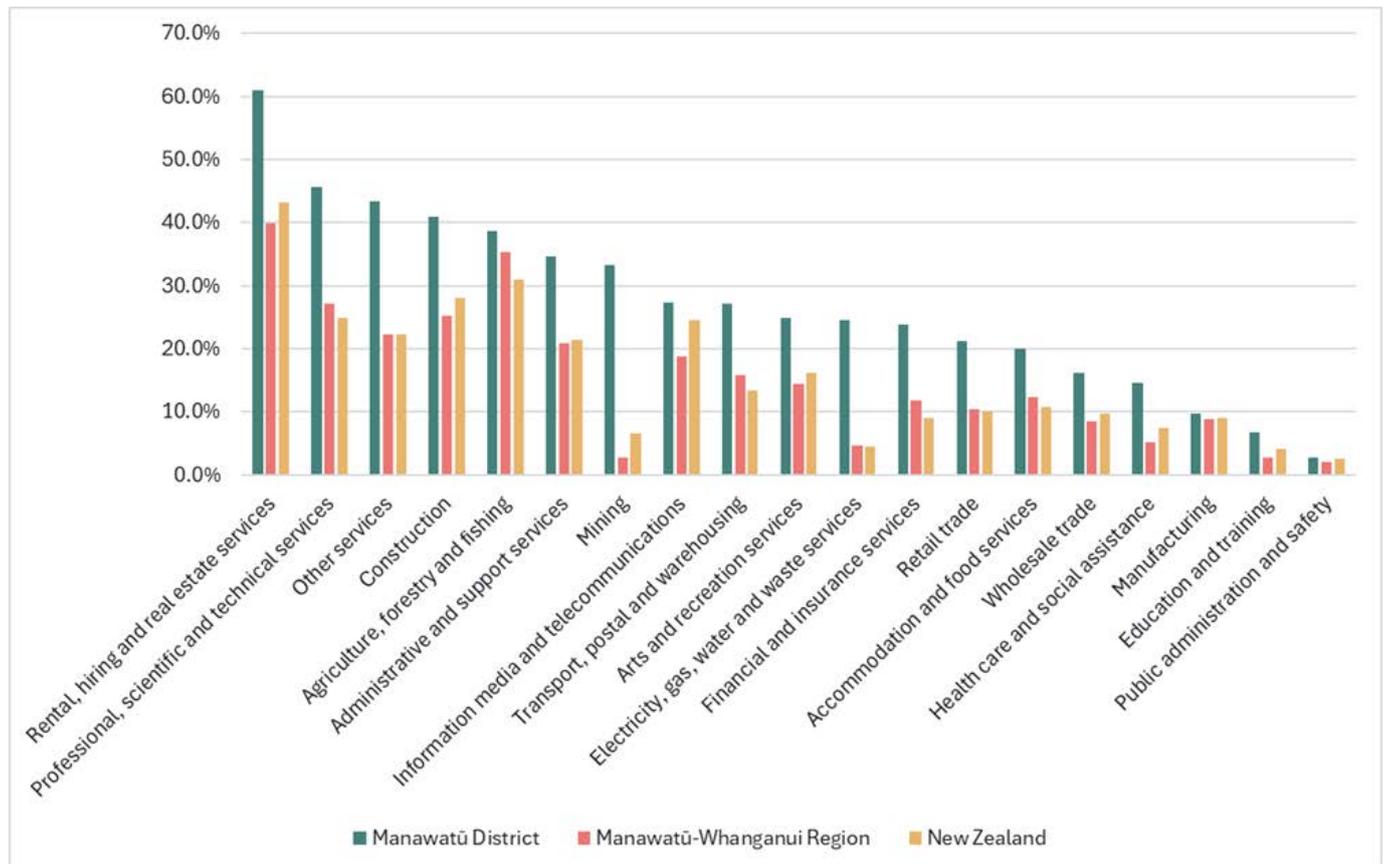


(Infometrics, Employment structure, 2025)

Self-employment is a notable feature of the District's labour market. At 25.7% of the total number of filled jobs, it sits well above the national average of 15.5%. This higher rate reflects the

large number of small businesses and owner-operators within the District. Many of these roles are linked to the rental, hiring and real estate industry, particularly landlords.

Figure 8: Percentage of Those Self-Employed by Industry

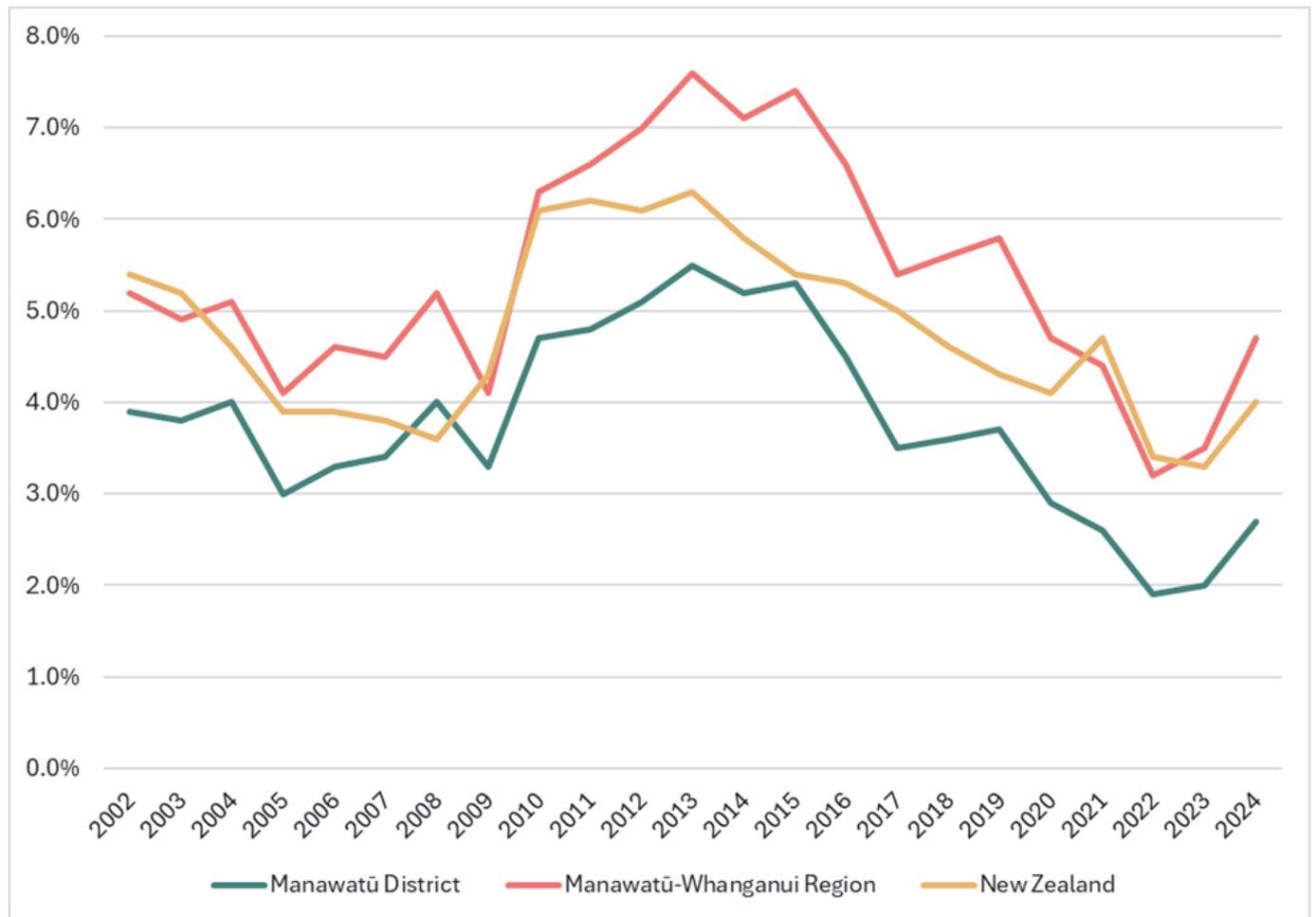


(Infometrics, Self employment rate, 2025)

The unemployment rate in the Manawatū District has been consistently lower than both the regional and national rates since 2015. This reflects the relative stability of jobs in primary and

manufacturing sectors, even as other industries fluctuate. However, in line with national trends, unemployment has increased slightly over the past year.

Figure 9: Unemployment Rate

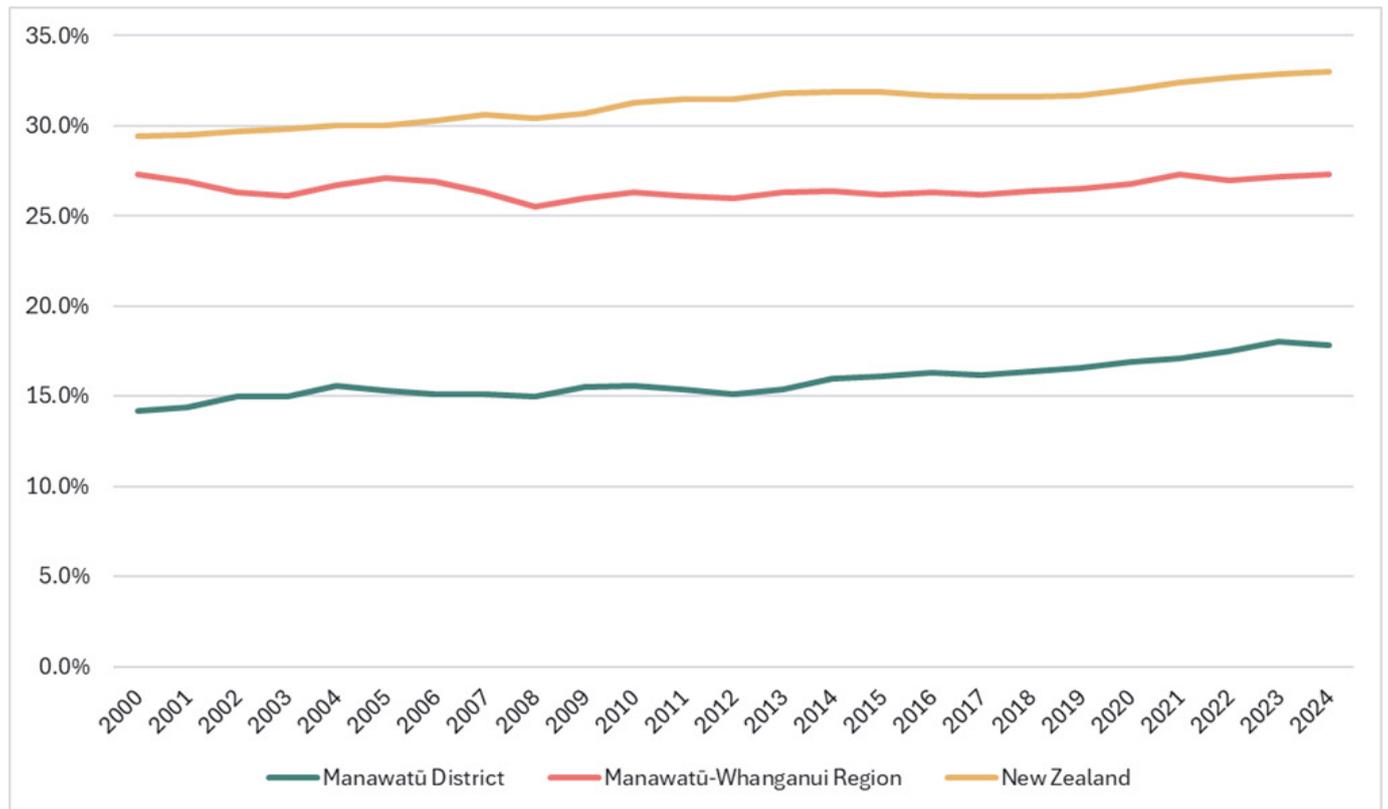


(Infometrics, Unemployment Rate, 2025)

Knowledge-intensive industries have shown a steady increase in employment share in recent years. Knowledge-intensive industries are those in which at least 25% of the workforce is qualified to degree level and at least 30% are employed in

professional, managerial, scientific or technical occupations. While the District remains less concentrated in these industries than the national average, the upward trend signals gradual diversification of the local economy.

Figure 10: Percentage of Knowledge Intensive Employment

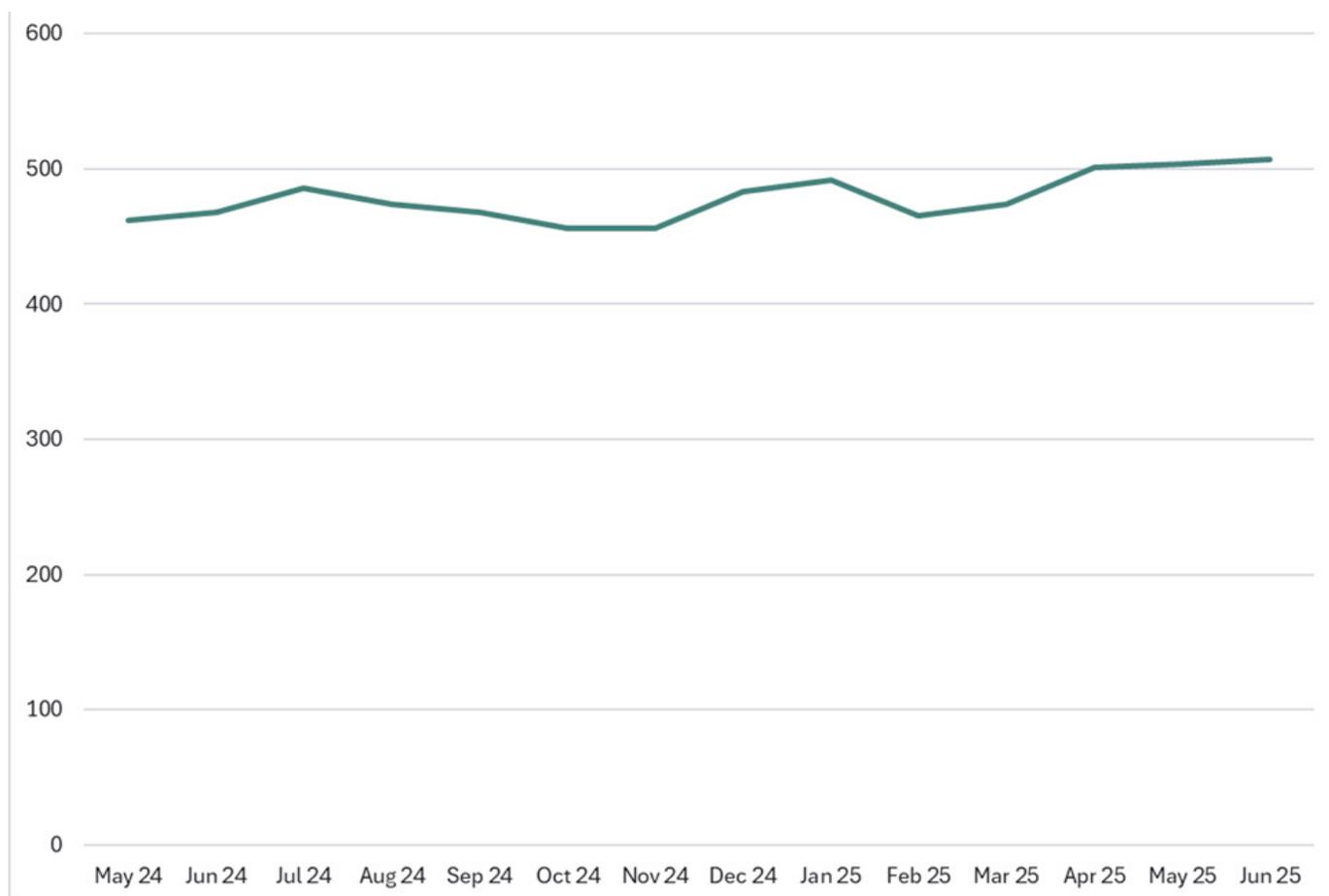


(Infometrics, Knowledge intensive employment, 2025)

Jobseeker Support (work-ready) recipients in the District have risen steadily over time, but this increase has been modest in comparison to other

areas. In the past year, numbers grew by around 5.0%, which is likely due to the District’s more stable job market and lower overall unemployment.

Figure 11: Jobseeker – Work Ready Benefit Recipients



(Ministry of Social Development, Jobseeker Support (Work Ready), 2025)

Key Considerations

Understanding the District’s economic structure is essential for Council’s long-term planning, as it informs forecasting of industrial and commercial land use and potential land use change. The resilience of the economy and local employment is also an important factor when considering future financial stability.

Given the importance of the agricultural, forestry and fishing industries to the Manawatū District in terms of numbers of businesses, employment and contribution to GDP, Council must continue

to advocate for the needs of this sector, as well as the industries and businesses that support it, particularly when responding to new national direction. At the same time, Council must remain mindful of the benefit of growing diversity in the local economy, as this reduces reliance on a single sector and supports greater long-term stability.

MDC is one of two stakeholders in the Central Economic Development Agency (CEDA) and provides funding to support its role in promoting economic development across the regions. This includes supporting business and sector growth, attracting inward investment, and building a

skilled workforce by strengthening the local talent pipeline. This partnership is a key mechanism through which Council contributes to economic development, while also ensuring alignment with its own strategic priorities.

MDC also needs to be clear about its own role in business and employment development, recognising that while CEDA leads much of this work, MDC plays an important role in enabling conditions for growth through planning, infrastructure, and advocacy. Given the current economic climate, the potential impacts of large business closures also warrant consideration, as such closures have become more frequent in other districts.



CASE STUDY

Kawakawa Industrial Park

In the 2018–28 Long-Term Plan, MDC committed to the Turners Road extension, linking the existing Turners Road to Kawakawa Road to enable the development of the Kawakawa Industrial Park. The Park is the District’s primary industrial growth area, comprising 74 hectares of industrial-zoned land in Feilding. It is strategically located near the Manawatū Wastewater Treatment Plant and provides excellent connections to State Highways 3 and 54. Stage One of the Turners Road extension has been completed, and construction of Stages Two and Three are continuing in 2025/26.

Already home to a growing number of businesses, the Kawakawa Industrial Park reflects MDC’s vision for a well-serviced and connected industrial hub: one that supports employment, enhances productivity, and encourages sustainable growth, while maintaining proximity to key transport routes and both urban and rural communities.

A further milestone has been the completion of the Turners Road Reservoir, a critical infrastructure asset that strengthens the resilience of Feilding’s water supply. Located on the Feilding side of the Ōroua River, the reservoir supports the town’s daily water demand and provides a secure water source in the event of fire or civil defence emergencies. It also ensures a more reliable water supply for industrial operations within the area.

Together, these investments deliver essential infrastructure that supports commercial and industrial expansion, fosters local employment opportunities, and contributes to a resilient district economy.

Infrastructure and Connectivity



Access to High-speed Internet

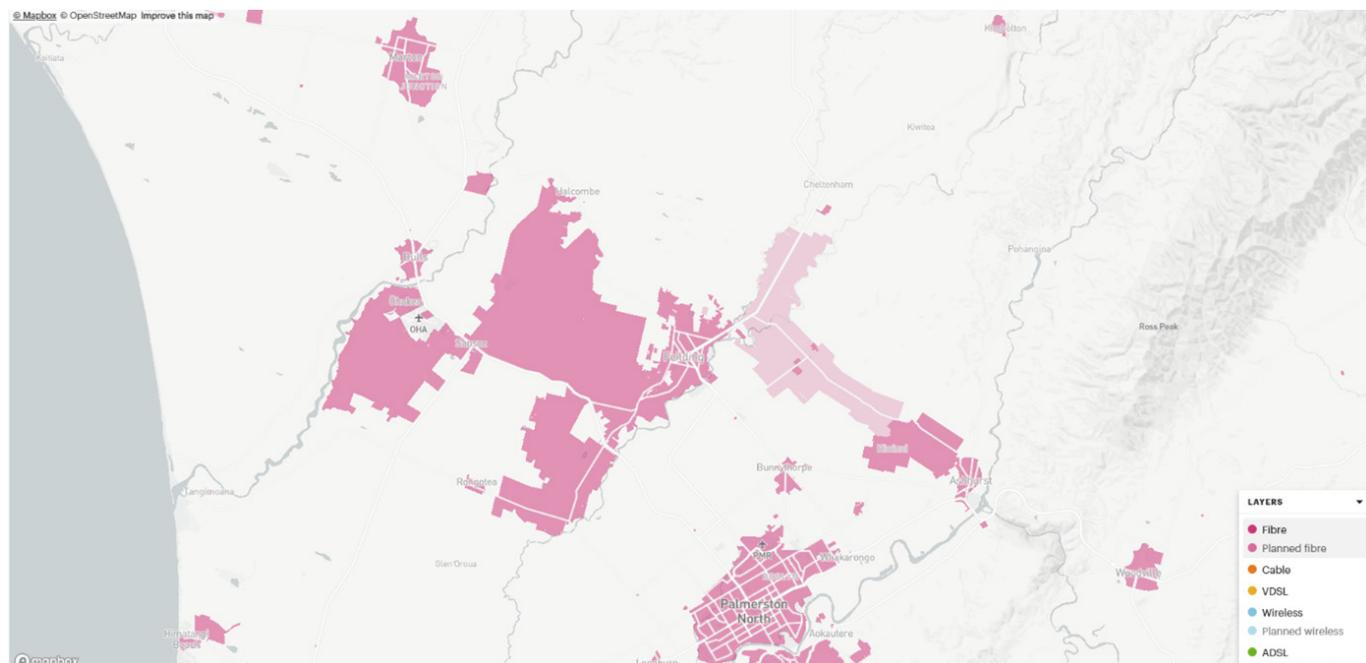
Figure 12 shows that fibre providing high-speed internet access is currently limited to the main urban areas of the Manawatū District, particularly Feilding and the smaller villages along main transport routes. This coverage accounts for around 60% of the District. Wireless internet reaches most other areas, but connection quality can vary, with speeds often slower and less reliable than fibre. With the exception of a small area on the outskirts of Feilding, no additional areas are included in Chorus Limited's fibre expansion programme. This means there is currently no long-term plan to expand fibre to more remote rural communities.

The Rural Broadband Initiative is helping rural communities access faster and more reliable wireless internet, but progress has been uneven, and some isolated areas remain underserved.

Improvements in satellite-based systems such as Starlink offer alternative connectivity options for rural households and businesses, and may help reduce the digital divide over time.

The cost of high-speed internet can also be a barrier to access, affecting both Feilding residents and rural communities, with the latter often facing higher prices for slower or less reliable services. As of the 2023 Census, 89% of households in Feilding reported having internet access, around 1.5% percentage points lower than the national rate. This highlights that roughly one in ten households continue to face barriers to home internet access. These barriers can impact education, business, and social inclusion, particularly for lower-income families and elderly residents.

Figure 12: Map of Areas with Current or Planned Broadband Coverage



(Broadband Map NZ, 2025)

Key Considerations

Limited connectivity undermines access to remote learning, telehealth and online health services, employment and government services. It constrains economic development, particularly for small businesses, remote workers, and rural industries such as agriculture. Without reliable broadband, communities face a greater risk of social isolation and exclusion from vital information and civic engagement, including participation in Council processes such as the development of the LTP.

Council continues to advocate for the implementation of modern telecommunications infrastructure across the District. However, the populations of our rural villages, including Tangimoana, Āpiti, and Sanson, are currently too small, or too slow-growing to be included in the national 5G rollout programme. These communities also do not meet the eligibility criteria for the two alternative programmes, which focus on state highways and tourism locations.

Connecting Rural and Urban Interests

The Manawatū District has just under half of the population living in rural or village areas. These communities often do not have access to the same services as urban areas. For this reason, many services within Feilding are funded through targeted rates, meaning only urban ratepayers contribute to certain amenities. Conversely, the rural roading network is considerably larger and more costly to maintain. This can sometimes lead to perceptions among rural communities that they receive less visible investment. Through the 2027-37 LTP, Council is hoping to improve its ability to report on where investment is taking place by linking projects geographically.

Over the past 10 years, the rural and village population has grown slightly faster than Feilding's. During this period, rural and village areas have grown by 1.7 percent each year, while Feilding's growth has averaged 1.3 percent annually. This difference is likely due in part to the relative ease of subdividing larger properties in rural communities. However, recent restrictions on developing highly productive soils may limit future land availability for housing in some areas.

To ensure Council is planning effectively for growth in both rural and urban areas, work is underway to gain a clearer understanding of how our villages may grow. This will help ensure that infrastructure planning and investment are directed to the right places.

While we have councillors elected to represent the rural wards, all elected members of Council share responsibility for supporting our rural communities by serving as liaison councillors to one or more of our community committees. There are currently 16 active community committees across the Manawatū District. These committees are established as advisory bodies to help Council address the unique needs of each area. They play an important role as a link between local communities and Council, facilitating the exchange of information, ideas, and recommendations.

The Manawatū Wastewater Centralisation Project is an example of how combining services across Feilding and surrounding villages can reduce costs and simplify consenting processes. Once completed, the project will connect wastewater from Halcombe, Sanson, Rongotea, Awahuri, Cheltenham, and Kimbolton to the Feilding treatment plant.

CASE STUDY

Manawatū Wastewater Treatment Plant

Since January 2015, MDC has made substantial investments in the Manawatū Wastewater Treatment Plant, including the purchase of additional land, new assets, and infrastructure to support the irrigation of treated wastewater to land. MDC is now leveraging this investment through its Wastewater Centralisation Project, which involves piping wastewater from Sanson, Rongotea, and Halcombe to the Manawatū Wastewater Treatment Plant for treatment and discharge.

This approach ensures that all communities receive a consistent, high standard of wastewater treatment through a single, well-managed facility. The project also delivers significant environmental benefits, as the centralisation of southern district villages will result in more than 100 kilometres of waterways being permanently free from treated wastewater discharge.

MDC has worked closely with the New Zealand Defence Force to deliver a permanent wastewater

solution for the Ōhakea Base, connecting it to the Manawatū Wastewater Treatment Plant via the Sanson pipeline. The Sanson pipeline is now operational, and the Rongotea connection is scheduled for completion by August 2026. This stage of the project has presented particular challenges owing due to sandy soils and high groundwater levels. To manage these conditions, the project design incorporates ground stabilisation measures, including sheet piling and dewatering, with construction timed for the drier summer months when conditions are most favourable.

During summer, treated water from the plant is used to irrigate MDC-owned land, producing grass that is later harvested by a local contractor. In winter, the treated wastewater passes through New Zealand's largest constructed wetland, which contains more than 80,000 native plants. Acting as a natural filter, these plants help purify the water as it moves slowly through the wetland system, a process taking approximately three days before it enters the Ōroua River.



MDC Water Treatment Plant

Affordability and Access to Services



Cost of Living

Figure 13 shows the deprivation index scores for the Manawatū District at the Statistical Area 2 (SA2) level. Deprivation in the District ranges from decile 1 (least deprived) to decile 8 (moderate to high deprivation), with no areas in the highest categories of 9 or 10. The areas with the highest deprivation are concentrated in parts of Feilding, while much of the surrounding rural area sits between deciles 3 and 6.

When comparing the 2023 deprivation index to the 2018 index, there is no noticeable change - seven of the SA2s decreased by one or two points, two increased and the rest remained the same. The main driver of this movement is likely to be changes in the parameters measured for each index, although some small shifts in circumstances for particular households may also have contributed.

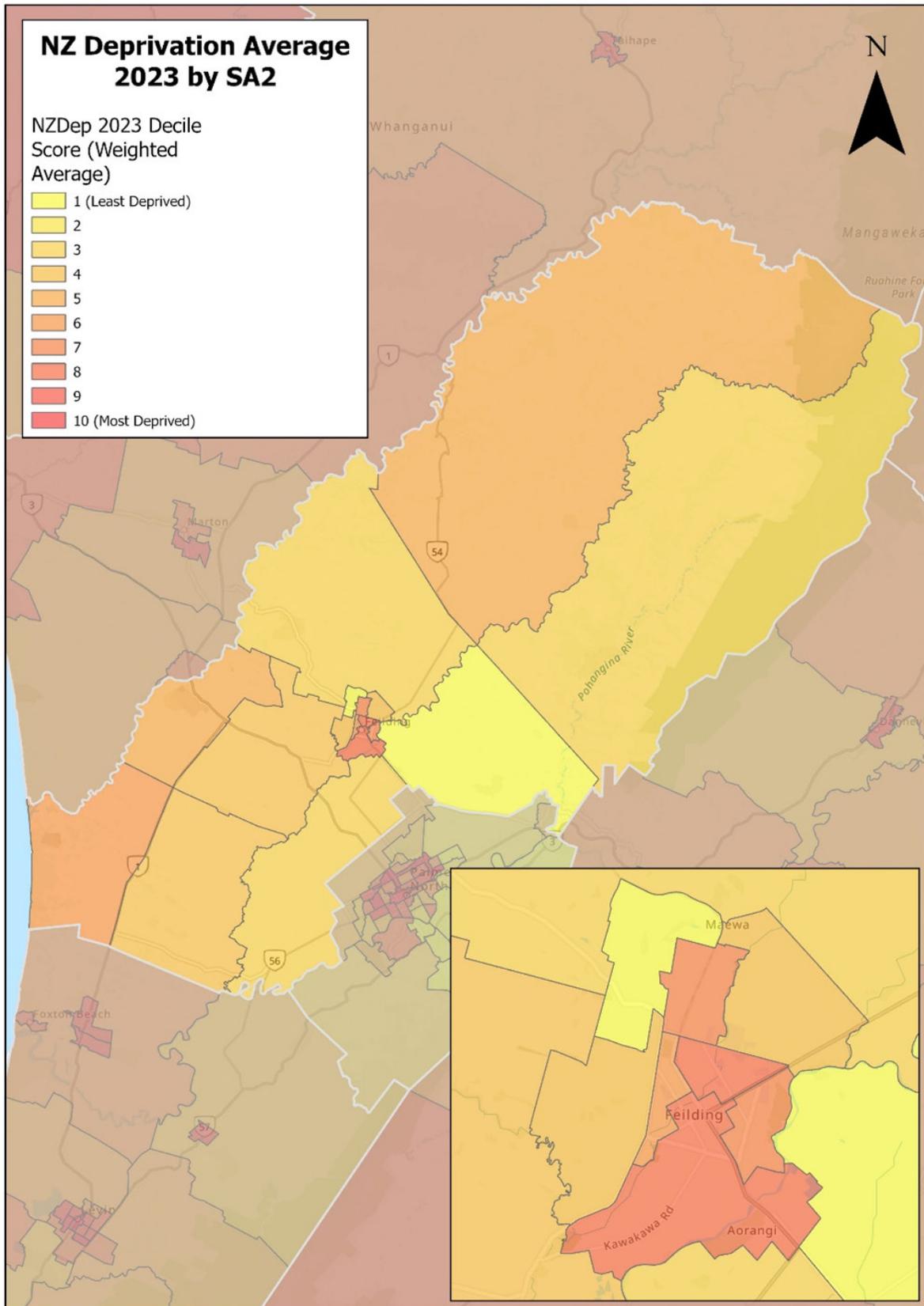
The deprivation index is calculated using nine Census variables:

- People with no access to the internet at home
- People aged 18-64 receiving a means-tested benefit
- People living in equivalised household with income below an income threshold
- People aged 18-64 who are unemployed
- People aged 18-64 without any qualifications
- People not living in their own home
- People aged under 75 living in a sole parent family
- People living in equivalised households below a bedroom occupancy threshold
- People living in dwellings that are always damp and/or always have mould greater than A4 size

Equivalisation is a method used to account for household composition, adjusting measures so that households of different sizes and structures can be compared fairly.



Figure 13: Map of Deprivation Index for the Manawatū District

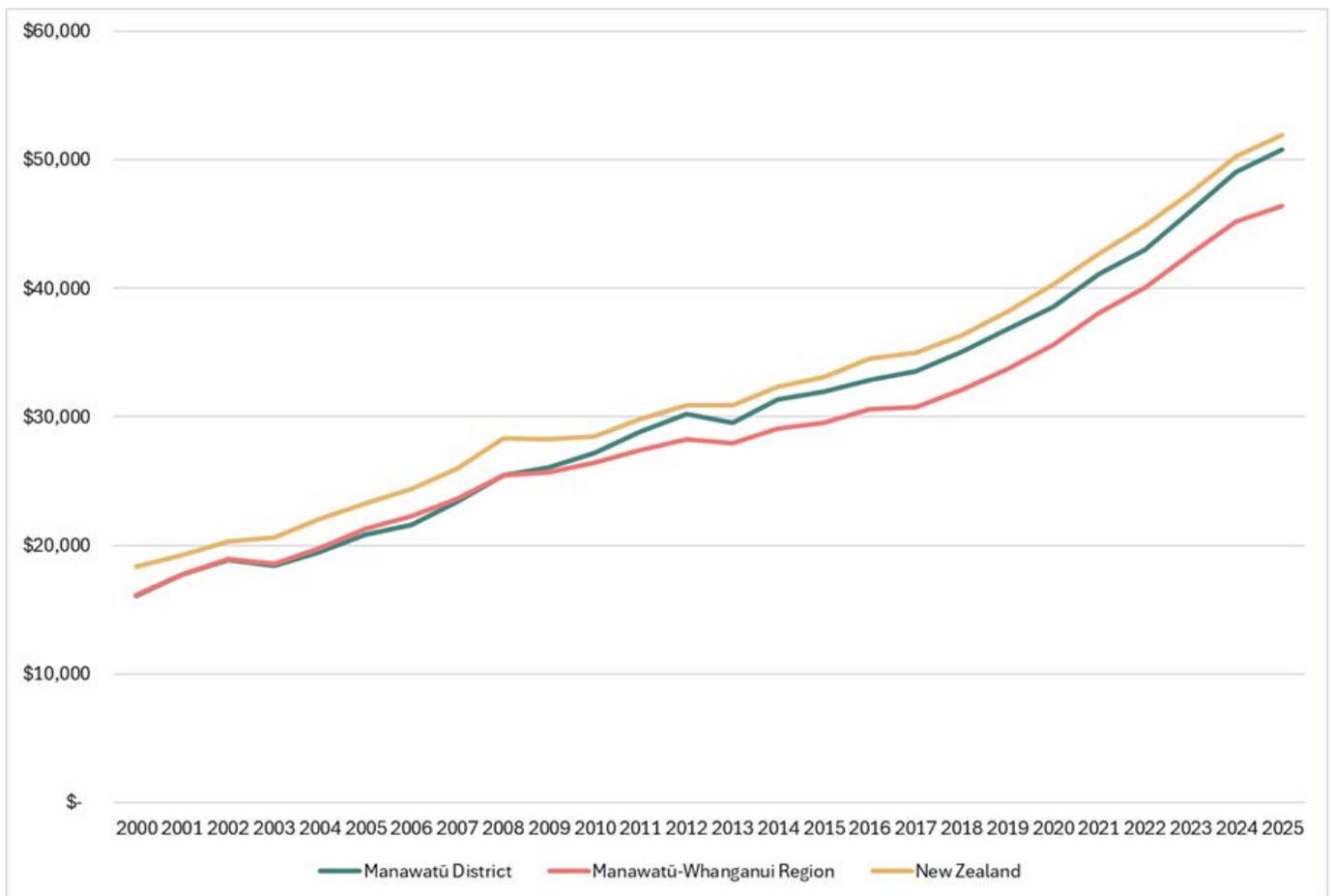


(Environmental Health Intelligence NZ, 2025)

Figure 14 shows that the per capita income in the Manawatū District has followed the same long-term upward trend as both the national and regional averages. Importantly, it is now sitting closer to the national average than to the Manawatū-Whanganui regional average, reflecting gradual income convergence with the national economy. In 2024, per capita income in

the District was just under \$51,000, compared with around \$52,000 nationally, and \$47,000 regionally. In 2025, the per capita income gap between the District and national average narrowed further to less than \$1,000, while the gap between the District and the regional average remains over \$3,000.”

Figure 14: Per Capita Income

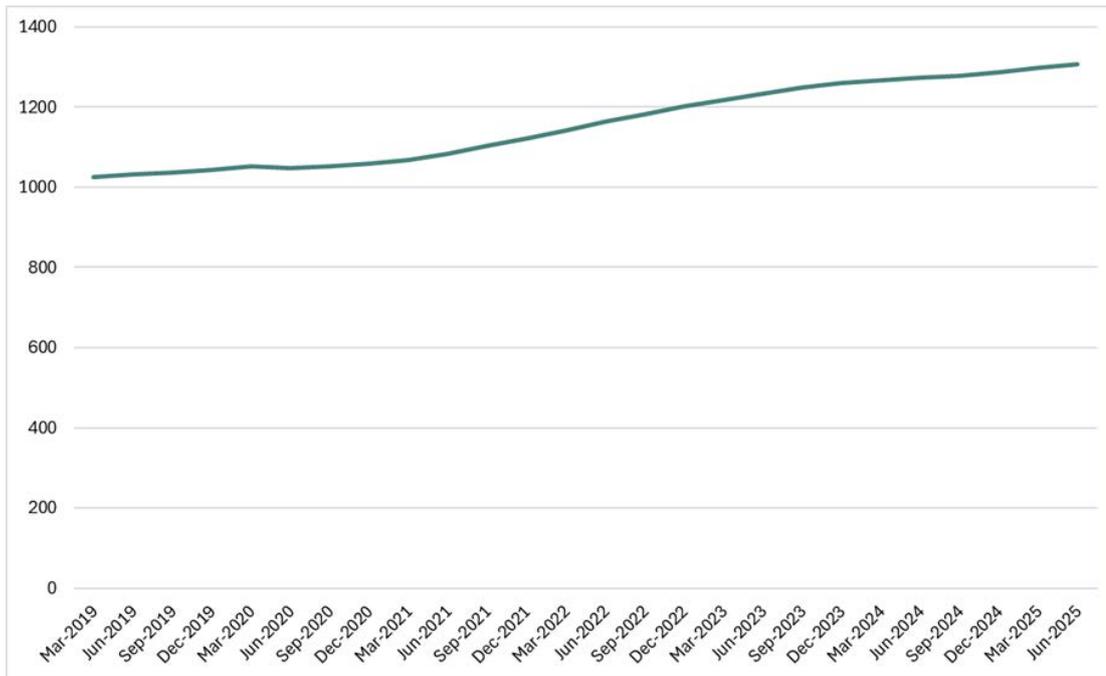


(Infometrics, Per capita Income, 2025)

Figures 15 and 16 show the national Consumers Price Index (CPI) and Food Price Index (FPI), both of which are seasonally adjusted. These indices highlight the significant increases in the cost of living over recent years. Between 2019 and 2024, the overall CPI rose by approximately

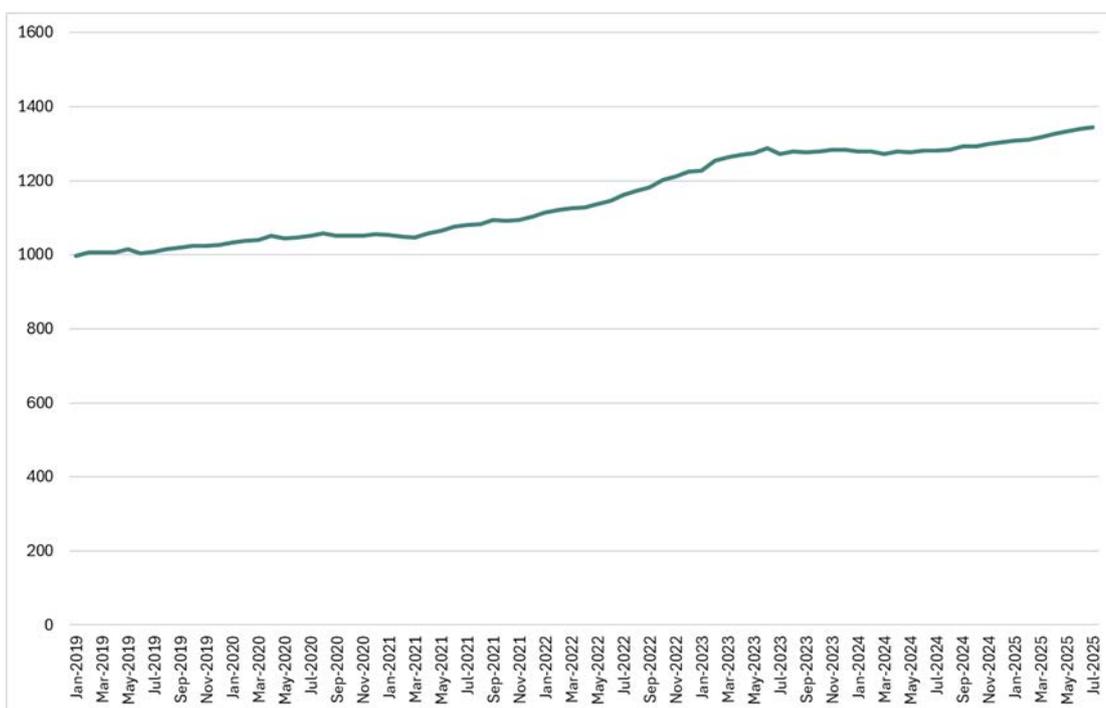
20%, while the FPI increased by nearly 30%. Food prices, in particular, have climbed faster than general inflation, placing considerable pressure on household budgets. These increases have direct effects on households in the District, with essential costs absorbing a larger share of income.

Figure 15: National Consumers Price Index



(Stats NZ, Consumers Price Index, 2025)

Figure 16: National Food Price Index



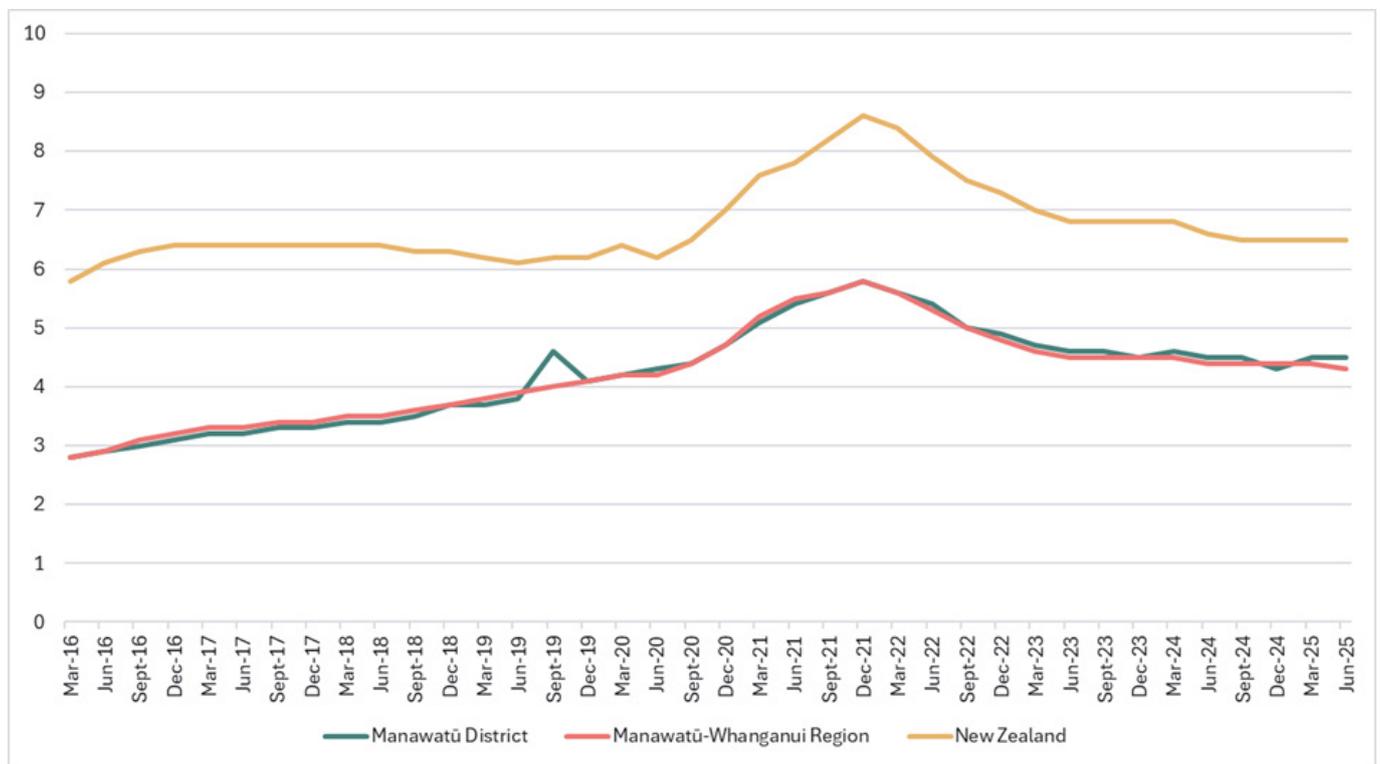
(Stats NZ, Food Price Index, 2025)

Housing Affordability

Housing affordability is measured by comparing average current house values from CoreLogic with Infometrics' estimate of annual average household income. This is presented as a ratio of average house values to average household incomes. Therefore, a higher ratio suggests that average houses cost a greater multiple of average incomes, which indicates lower housing affordability.

As shown in Figure 17, the Manawatū District and the wider Manawatū-Whanganui Region sit well below the national ratio, meaning housing is more affordable locally than it is across New Zealand. This relative affordability is largely the result of lower house prices in the District, even though local incomes are also lower than the national average.

Figure 17: Housing Affordability Ratio

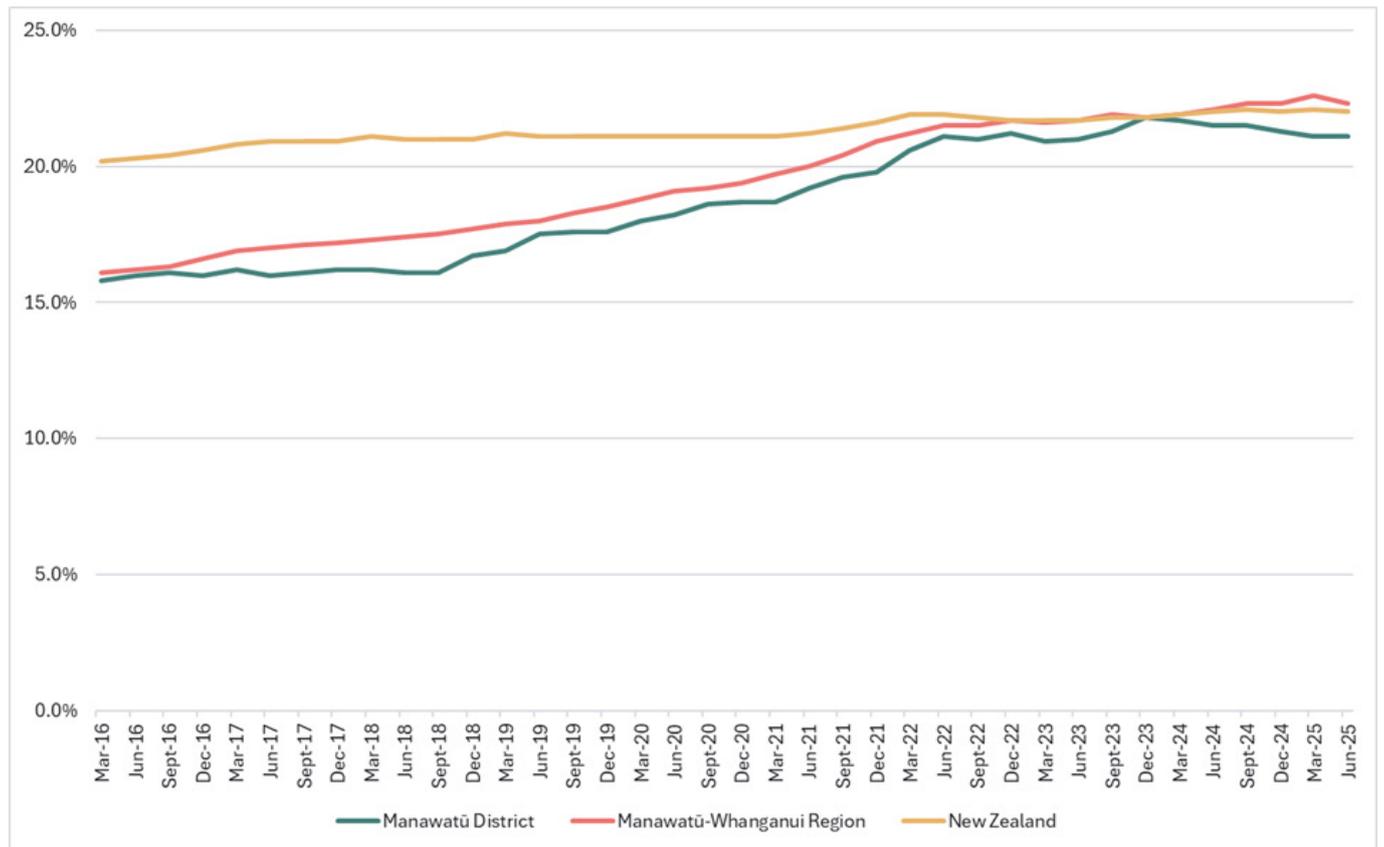


(Infometrics, Rental affordability, 2025)

Rental affordability is measured by comparing average annualised rents from CoreLogic with Infometrics' estimate of annual average household income. Figure 18 shows that the share of household income required to cover rent has risen sharply since 2016. In the Manawatū District,

rental costs now account for just under 22% of household incomes, compared with just over 21% nationally. Although the District sits slightly below the national average, the pace of increase in both the District and the wider region has been steeper than the national trend.

Figure 18: Rental Affordability Percentage



(Infometrics, Rental affordability, 2025)

The number of applicants on the Housing Register (individuals, couples, or families seeking public housing) rose significantly through late 2020, 2021, and early 2022, before slowly declining to 84 applicants. Kāinga Ora is a government agency that provides social housing and support to individuals and families across New Zealand. Since June 2023, an additional 17 Kāinga Ora homes have been built in the District, helping to ease pressure on the waitlist. For the Manawatū District, the majority of applicants (51%) require a one-bedroom home, while a further 25% require two bedrooms. Kāinga Ora plans to build an additional 20 two-, three- and four-bedroom new homes in the north area of Feilding.

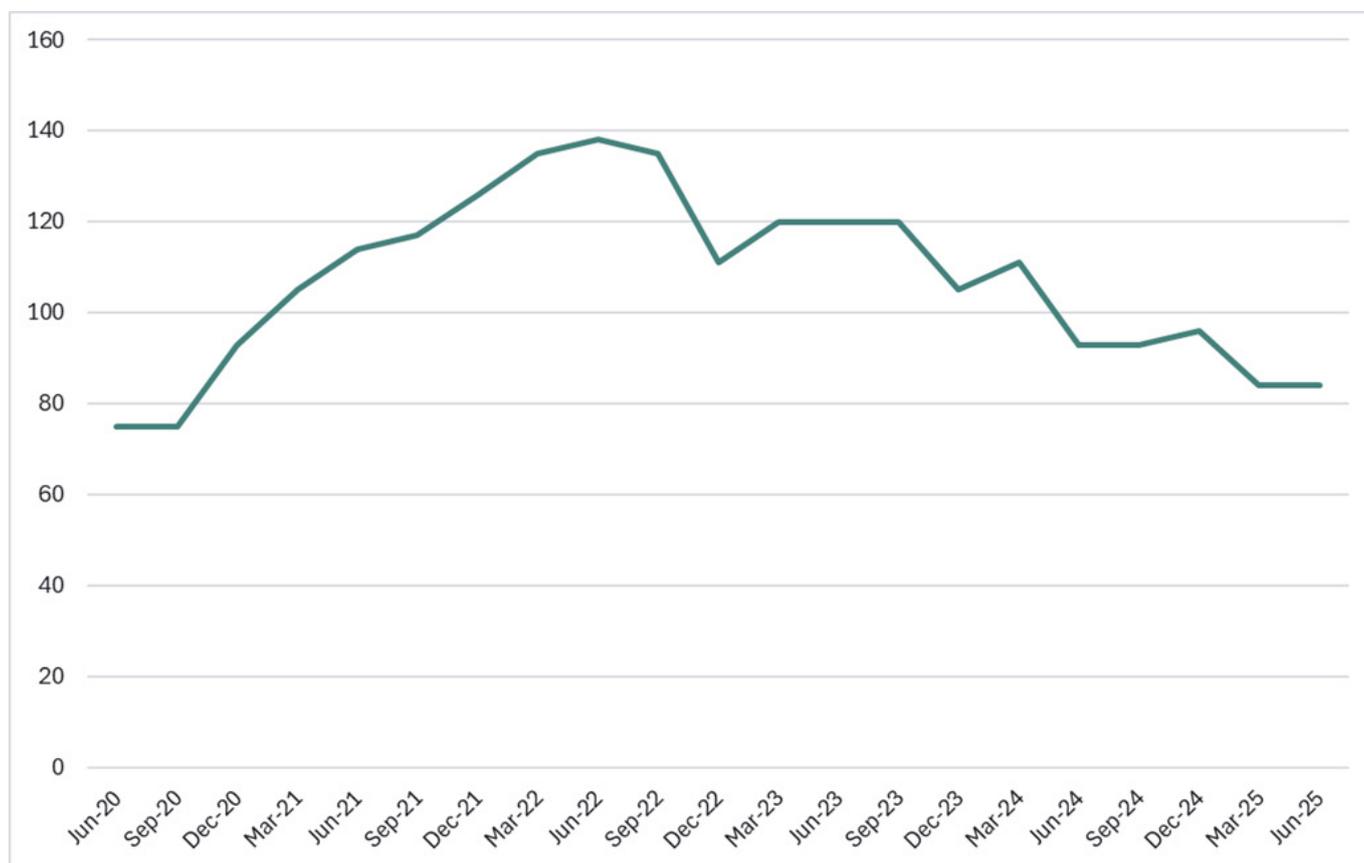
Manawatū Community Trust (MCT) is a council-controlled organisation that provides social housing. MCT currently manages 205 housing units across 15 sites in the District, including 195 in

Feilding, four in Rongotea, and six in Sanson. As of August 2025, all units were fully occupied and 50 applicants were on the waitlist; however, only 30 met the eligibility criteria.

Eligibility requirements include being a New Zealand citizen or permanent resident over the age of 55, receiving New Zealand Superannuation or a permanent disability benefit, and having combined total assets of less than \$80,000.

Currently MCT have four two-bedroom units under construction in Prince Street, Feilding. Once these are completed, MCT plans to build an additional twelve units in Corrick Court, two two-bedroom homes and ten one-bedroom homes. Together, these developments will help relieve some housing pressure, but demand continues to outstrip supply, as reflected by the current waitlist.

Figure 19: Number of People on the Housing Register

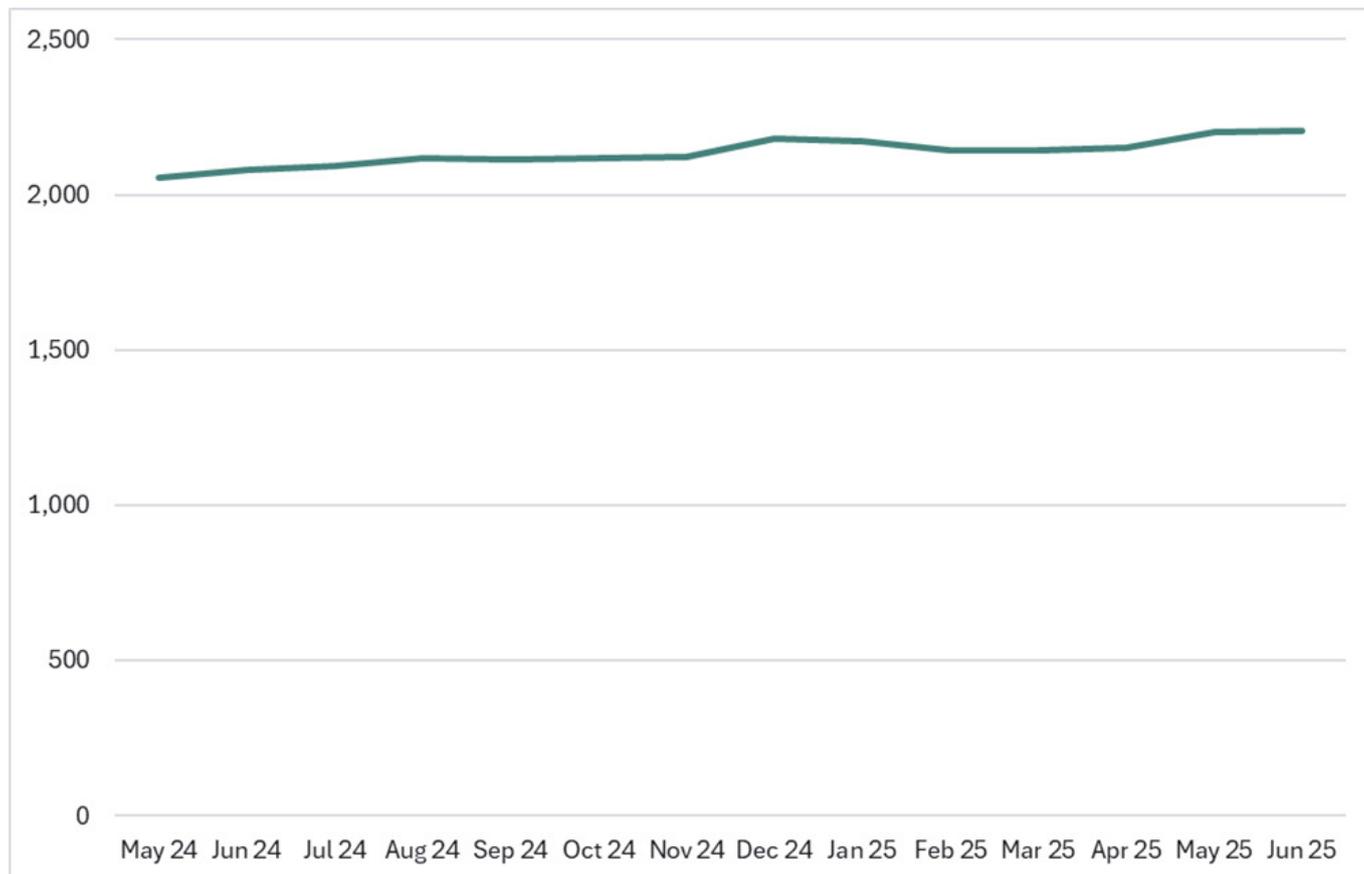


(Ministry of Social Development, Housing register, 2025)

Residents requiring the support of an accommodation supplement have continued to increase steadily. Over the past year, the number of recipients increased by 6%, compared to population growth of just 1.5%. This indicates that

a growing proportion of households are relying on government support to meet housing costs, reflecting both ongoing rental increases and the impact of higher interest rates on household budgets.

Figure 20: Number of People who have Received the Accommodation Supplement



(Ministry of Social Development, Accommodation supplement, 2025)

The overall number of severely housing-deprived people in the District decreased slightly between the 2018 and 2023 Censuses, from 465 to 444. Within this group, those living in uninhabitable housing (dwellings lacking at least two basic services) declined from 351 to 312. However, the number of people living in temporary accommodation, sharing someone else’s home, or without shelter increased from 114 to 132. It should be noted that data for these populations is difficult to capture accurately due to their transient circumstances, meaning the true figures may be higher than reported.

Key Considerations

While housing in the District remains more affordable than the national average, rising rents,

growing reliance on government assistance, and persistent severe housing deprivation highlight that housing stress continues to be a critical issue for the community.

Council must consider how best to support residents into secure, affordable homes within the District, and what role the Council itself should play in meeting this need. This includes ensuring that MCT is well-supported to expand its housing provision in line with community demand.

At the same time, Council’s relationship with Kāinga Ora is important. There may be opportunities to strengthen this partnership, working more proactively to encourage the development of additional social housing in the District.

Debt Management

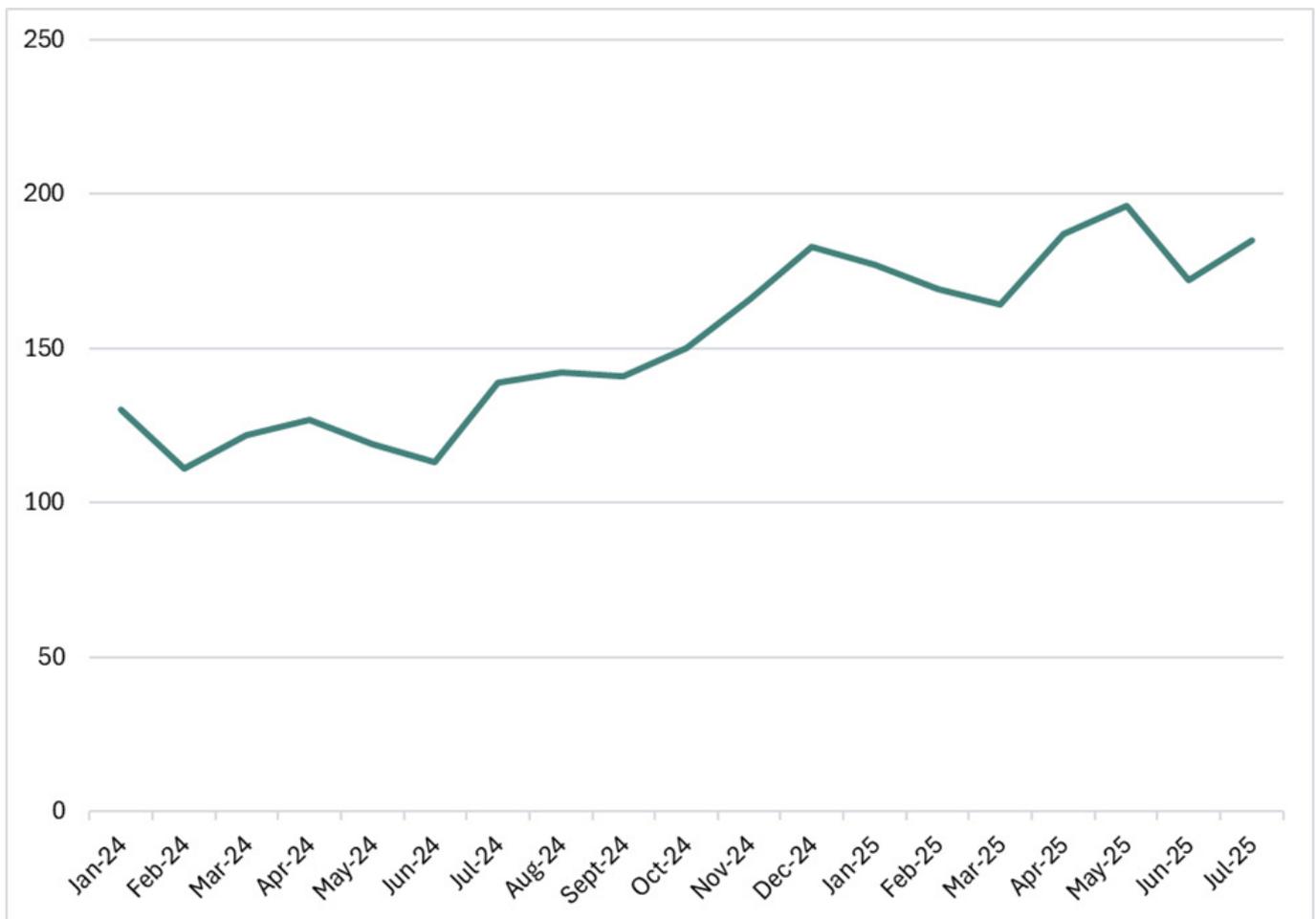
Figure 21 shows the number of financial hardship cases per month in the Manawatū District. Over the past year, there has been a clear upward trend, with case numbers rising from around 120 per month at the beginning of 2024 to nearly 200 by mid-2025. This suggests that, on average, about 50 more people per month are now unable to manage their debt compared to the same time last year.

This pattern reflects broader national trends, where increasing financial hardship has been reported in line with higher interest rates, cost-of-living pressures, and inflation. Nationally, mortgage stress has been the largest driver of hardship, with households struggling to meet repayments in a high-interest environment (Edmunds, 2025).

In addition, KiwiSaver withdrawals on the grounds of significant financial hardship have risen in the Manawatū-Whanganui Region, with an increase of 740 cases between 2021 and 2024. This highlights the extent to which households are drawing on long-term retirement savings to meet immediate financial needs, further underscoring the pressure many are currently under.

Taken together, rising hardship cases and increased reliance on retirement savings point to growing vulnerabilities in household financial resilience, with flow-on impacts for housing affordability and long-term economic stability.

Figure 21: Number of Hardship Cases in Relation to Debt



(Centrix, 2025)

Rates in Context

The cost of rates is a recurring concern for residents, particularly those on lower household incomes who can be significantly impacted by rates increases. This remains a central priority for Council when making decisions on rates. Support mechanisms such as the national Rates Rebate Scheme and the option of paying by direct debt can help households manage their payments and avoid arrears.

For the 2024/25 financial year, the Manawatū District Council had an average rates increase of 7.08 percent - the lowest in the region and among the lowest nationally. For 2025/26, the increase is 5.99 percent, lower than what was anticipated in the 2024 LTP and the second lowest in the region. MDC has been able to maintain comparatively low rates increases, partly due to prior investment in critical infrastructure, which has placed the District in a stronger position when planning for future projects.

How rates are calculated depends on a wide range of factors, including property and land values, location, and the services provided. Because each council calculates rates differently, direct comparisons across districts are difficult. It is worth noting that 15 percent of all rates collected is paid to central government as Goods and Services Tax (GST).

Priority Services Grants

Council allocated \$260,000 to community service providers in Year 1 of the 2024-34 LTP. In total, \$506,000 worth of grant applications were received for the same period, meaning only half of what was requested could be funded." This funding went to organisations that provide essential health, education, and crime-prevention services in the District. These included:

- Youth, parenting, and anti-bullying programmes
- Mental health and wellbeing initiatives, including counselling, addiction support, and mentoring for rangatahi (youth)
- Health shuttle services
- Advocacy for tenants
- Lifeguard services

Priority services contracts formed 0.33% of Council's total projected expenditure for Year 1 of the 2024-34 LTP.

Key Considerations

Council is being increasingly relied upon to fill the void left by central government funding cuts, with demand for support rising as many community organisations have lost or had reductions in their traditional funding sources. The vast majority of Council's expenditure is for the provision of core services. Any reduction in ratepayer support for these essential services, such as through rates banding, would place additional strain on both government and community organisations, and ultimately shift costs back to taxpayers.

If funding for community services continues to decline, the most vulnerable people in the District may have fewer supports available. This increases the risk of financial hardship, housing stress, and engagement in community-harming behaviours, placing further pressure on Council, social agencies, and the wider community.

Looking ahead, Council's decisions in the LTP will play a critical role in determining whether these risks intensify or are mitigated, and in ensuring that essential services and community resilience are protected despite external funding pressures.

Rates Banding Policy

Central government has announced a proposed rates banding policy (sometimes described as a rates cap) as part of its local government reform programme. Current indications are that the Government is proposing a 2%-4% per capita target range. The stated intent is to moderate rates growth, ease cost-of-living pressures, and strengthen fiscal discipline and transparency across the sector. The proposal is for a target range ("band") for annual rates increases, with approval required to exceed the upper end. The policy is proposed to commence from 1 January 2027, with a transition period, and a full regulatory model in place by 1 July 2029. The rates banding policy is still under consultation, with design features and review settings still being developed. This policy is likely to have significant implications for councils,

particularly in relation to funding flexibility, service delivery, and long-term planning. The proposal is that the rates banding would apply to all sources of rates (including general rates, targeted rates and uniform annual charges), while excluding water charges and other non-rates revenue (e.g., fees and charges). Clarification is still needed around what is meant by a 'per capita rate' and whether water rates (as well as volumetric water charges) are excluded from the rates banding.

Under the proposal, councils would not be able to increase rates beyond the upper end of the band unless they obtain permission from a central-government-appointed regulator. Permission is signalled as being limited to extreme circumstances (e.g., natural disasters), and councils would need to show how they will return to the target range over time. The proposal also signals that councils may need to seek approval to exceed the band for non-emergency drivers (for example, addressing historic underinvestment), again with an expectation of a pathway back to the band.

There is also uncertainty around how a rates banding would interact with inflationary pressures. The Local Government Cost Index (LGCI) is generally considered to better reflect the costs faced by councils in delivering services than the Consumer Price Index (CPI). If rates banding was tied to CPI, there may be a mismatch between council costs and allowable revenue growth.

Costs largely outside of council control, such as depreciation, insurance, interest rates, and recovery from emergency events, present further risks. Insurance costs in particular have risen sharply in recent years (MDC insurance costs were forecast to increase by 32% in Year 1 of the LTP), and interest rates are subject to national and global economic conditions.

Government's proposal also indicates that, from 2027, councils would be expected to consider the impact of the rates banding policy in long-term planning and report on specified financial performance measures (including items such as wages and salaries, rates as a proportion of local house prices, and estimates of local infrastructure deficits). This suggests additional

compliance and transparency requirements alongside the banding settings.

Finally, government-imposed costs and compliance obligations (for example, levies from Taumata Arowai and the Commerce Commission, or requirements to monitor earthquake-prone buildings) are another area of uncertainty.

Key Considerations

A rates banding framework of 2%–4% per capita would likely intensify trade-offs between affordability, levels of service, and delivery of renewals and growth infrastructure. Pressure may fall disproportionately on discretionary programmes (often perceived as "non-core") and on service areas without strong statutory protections.

Because the proposed cap applies across general and targeted rates and UAGs, councils may have reduced ability to use targeted rates as a "workaround" for funding pressures. This increases the likelihood of reprioritisation, programme rephasing, and/or greater reliance on fees and charges (where available), with potential distributional and affordability impacts for residents and businesses.

If approvals to exceed the band are limited and require a demonstrable return path, councils may face increased risk of deferring renewals, reducing operating expenditure, or scaling capital programmes in response to cost shocks (e.g., insurance or interest costs) unless the design explicitly recognises those drivers.

Public Transport Accessibility

Manawatū District Council worked closely with Horizons Regional Council during their most recent review of Manawatū public transport services. Through this process, Council was able to provide input into new bus routes, ensuring they were workable from both a community and infrastructure perspective (Horizons Regional Council, 2025).

In August 2025, Horizons and MDC announced the move to a fully electric bus network, scheduled to launch in July 2026. This signals a significant step forward for public transport in the region, expected to reduce annual diesel use by approximately 120,000 litres. The Orbiter service will use a smaller electric bus, while the Commuter service will utilise a larger electric bus.

The Feilding Orbiter route focuses on key destinations in and around Feilding, such as schools, shops, and health services, and will operate seven days a week with increased frequency. The Orbiter will run from 8:00am to 7:00pm on weekdays and from 9:00am to 6:30pm on weekends. It will also be extended to cover Feilding's northern growth areas while maintaining a direct school service to Feilding High School. This Orbiter will be clearly branded to differentiate it from the Feilding-Palmerston North Commuter service.

The Feilding-Palmerston North Commuter bus will also operate seven days a week. It will run from 6:30am to 8:00pm on weekdays and from 8:00am to 7:00pm on weekends. Services will be more frequent during peak travel times and will continue to include school runs to Palmerston North Boys' and Girls' High Schools.

Manawatū District Council has also contributed to the establishment of a rural bus service for the District. Although the service is not yet operating at full capacity, passenger numbers are steadily

increasing, and a growing number of residents are becoming regular users. Day-to-day operations are funded by Horizons Regional Council. Bookings can be made online or by phone, and the service currently runs on weekdays. Once the service reaches full capacity, it will be able to transport up to 100 people a week between our rural communities and Feilding. This service aims to reduce isolation, especially for older rural residents, and increase connectivity between urban and rural communities.

Key Considerations

With a new route confirmed, the next step will be to decide on where bus stops should be located. This may involve retiring some existing stops and installing new ones. Once locations are confirmed, MDC will be responsible for installing the associated signs and road markings.

There may also be an opportunity to advocate for the location of sheltered bus stops along the new route. The positioning of stops has the potential to influence service uptake, and providing shelter could further encourage use. Sheltered bus stops would be provided by Horizons and maintained by MDC.

Council will also need to consider how it can continue to advocate for and promote the uptake of the rural bus service, helping to ensure its long-term viability and ongoing benefits for isolated communities.

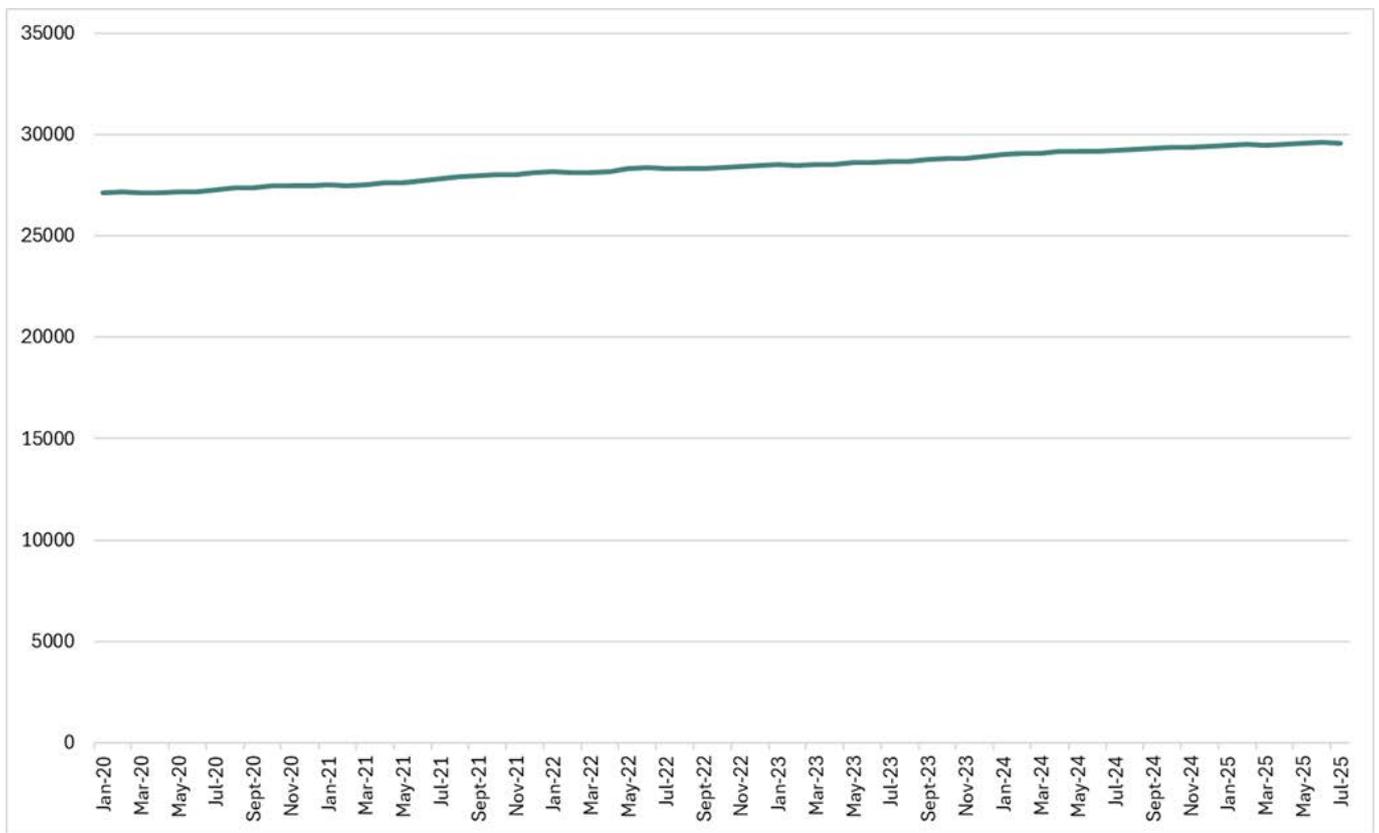


Health

The number of General Practitioner (GP) enrolments in the Manawatū District has continued to increase over recent years. However, growth in enrolments has tracked slightly below the overall population growth rate, indicating that some new residents are not enrolling with a GP practice. Capacity constraints at local practices

are a likely factor, alongside other barriers such as living remotely or mistrust in the health system. Nationally, there is an ongoing shortage of GPs, with smaller villages and rural areas facing particular challenges in both recruiting and retaining staff. This contributes to an overloaded system and longer wait times for many patients.

Figure 22: General Practitioner Enrolment Numbers for the Manawatū District

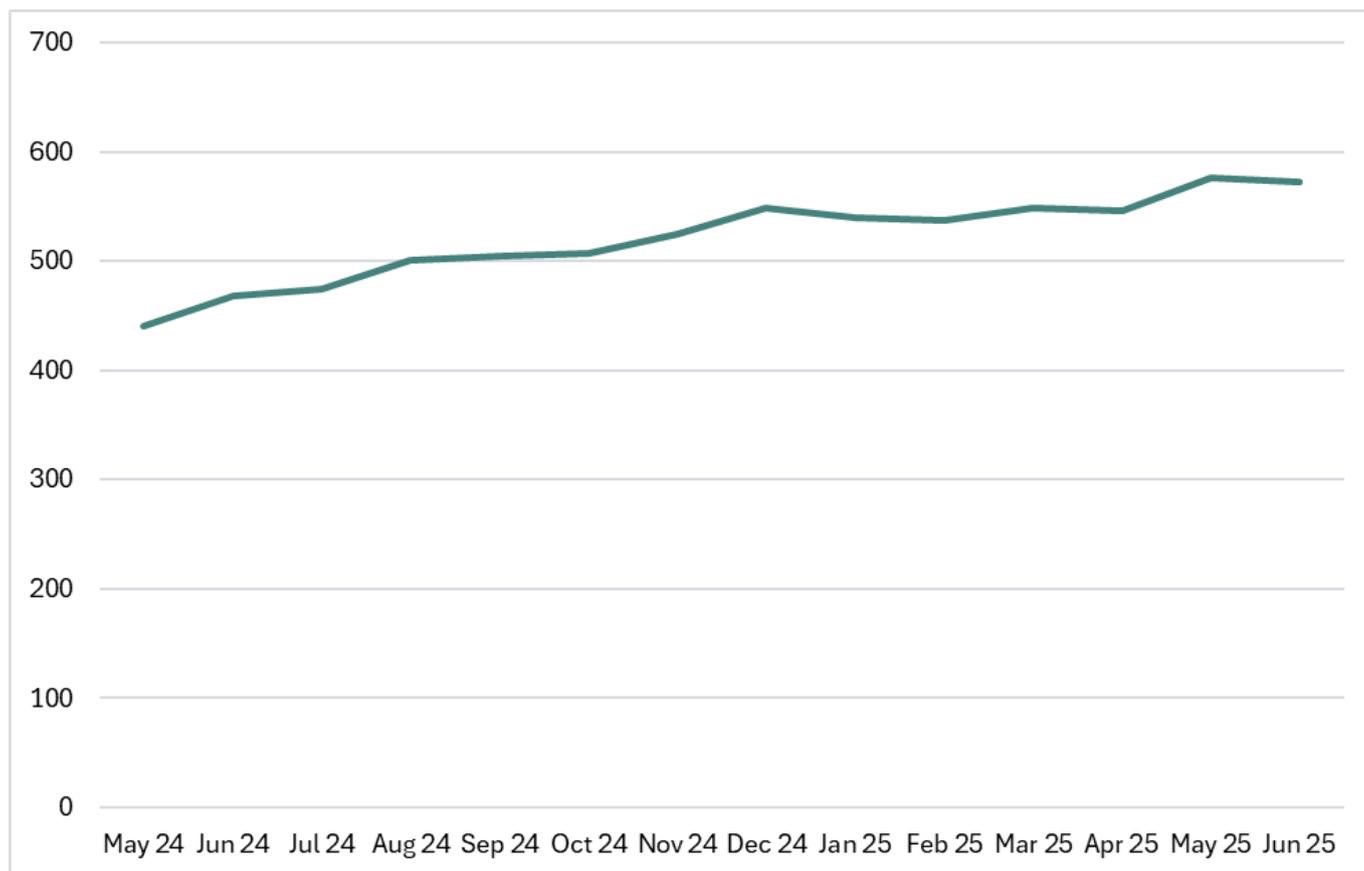


(THINK Hauora, 2025)

The number of people applying for Jobseeker Support (Disability and Health Condition) in the District has also steadily increased, rising faster than overall population growth. This suggests more residents are requiring support due to health-related challenges. These may include long

COVID, increases in mental health conditions, and other chronic illnesses. This upward trend highlights both the growing demand for support services and the increasing pressure on the local health system.

Figure 23: Job Seeker – Disability and Health Condition



(Ministry of Social Development, Job seeker, disability and health condition, 2025)

Taken together, these trends show that health challenges in the District are increasing, with greater demand for primary care and higher reliance on income support linked with health conditions. This places additional strain on both medical providers and social services, underscoring the importance of investment in health infrastructure and workforce capacity.

Recognising this need early, MDC provided a loan of 2.5 million to the Manawatū Community Trust in 2011/12 - half interest-free and half at market rates. This funding supported the redevelopment of the former Clevely Maternity Hospital into

the Feilding Health Care Centre. MCT worked alongside local GPs to design a facility suited to community needs, with governance board established to ensure its sustainability. Feilding Health Care officially opened in 2016.

MCT continues to own and maintain the Feilding Health Care building, with a subsequent Council loan supporting its expansion to meet growing demand. Today, the centre provides services for approximately 20,000 enrolled patients. It also functions as a training centre for medical students, creating pathways to encourage future GPs to return and practice in the District. Services offered

include radiology, laboratory and blood collection, pharmacy, counselling, and a range of other community health services. GPs also operate an outreach programme, visiting local rest homes daily to provide regular medical care for residents.

Key Considerations

While the direct delivery of healthcare is not a core function of local government, Council has historically played an important enabling role, particularly through its support for the Manawātū

Community Trust. Looking ahead, Council's primary role will be one of advocacy to central government and associated agencies to ensure that the District receives adequate GP resourcing, training pathways, and investment in complementary services such as mental health and chronic condition support. In the event of rates banding, Council's ability to provide direct financial support for health-related projects of community grants may be limited in the future. This highlights the importance of strong advocacy to protect and sustain health services in the District, especially those at risk from government reductions.



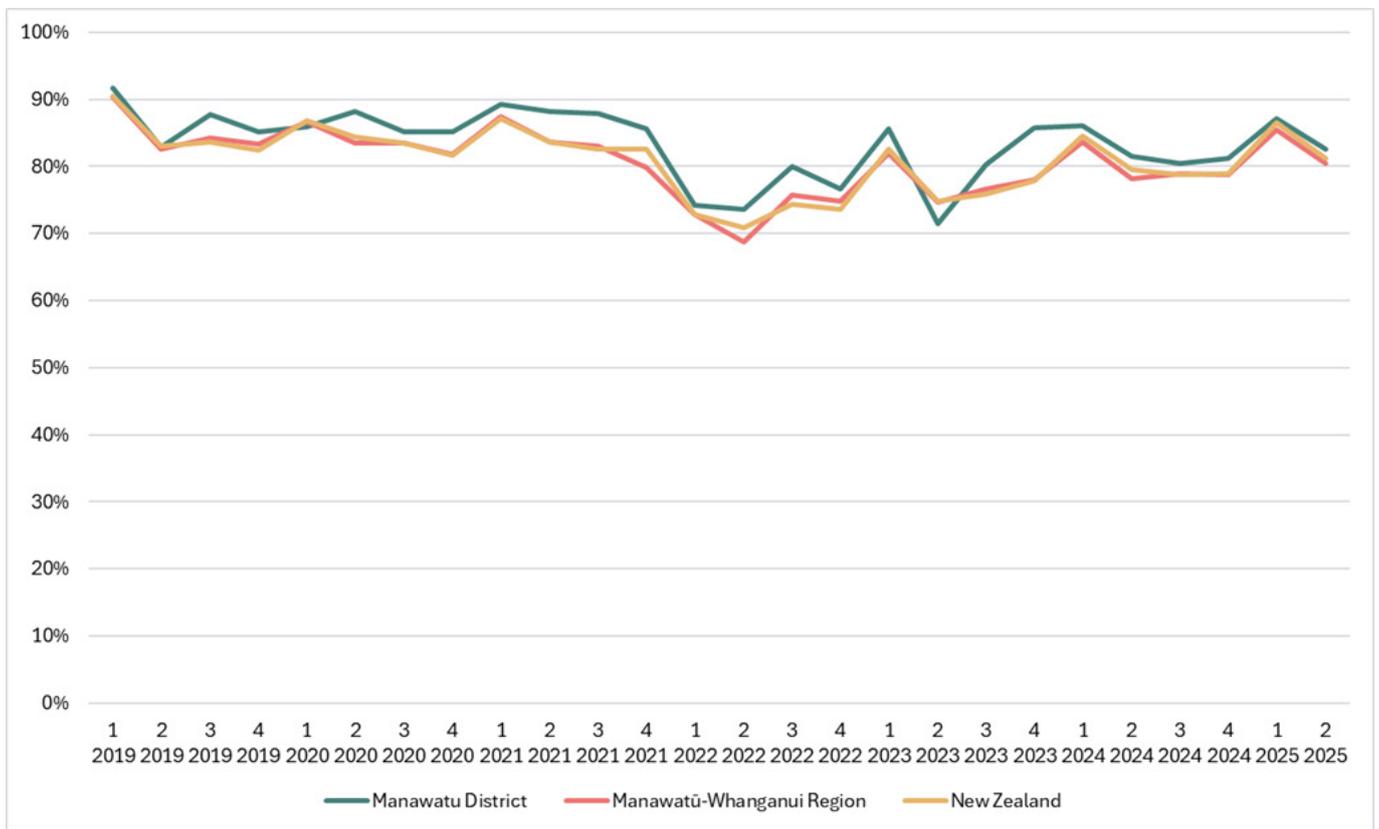
Feilding Farmers Market

Education

Figure 24 shows the proportion of students attending school more than 80% of the term. This equates to students missing less than two weeks of classes during a ten-week term. Absences are most often due to short term illnesses, but can also result from bereavement, or vacations during term time. The Ministry of Education defines regular attendance as being present 90% or more during the term (no more than five days absent).

Attendance in the Manawatū District is slightly above both the regional and national averages, indicating relatively stronger engagement locally. However, attendance rates have fluctuated in recent years in line with national patterns, particularly during the COVID-19 period when illness-related absences increased.

Figure 24: Percentage of Students Attending School 80% or More of the Term

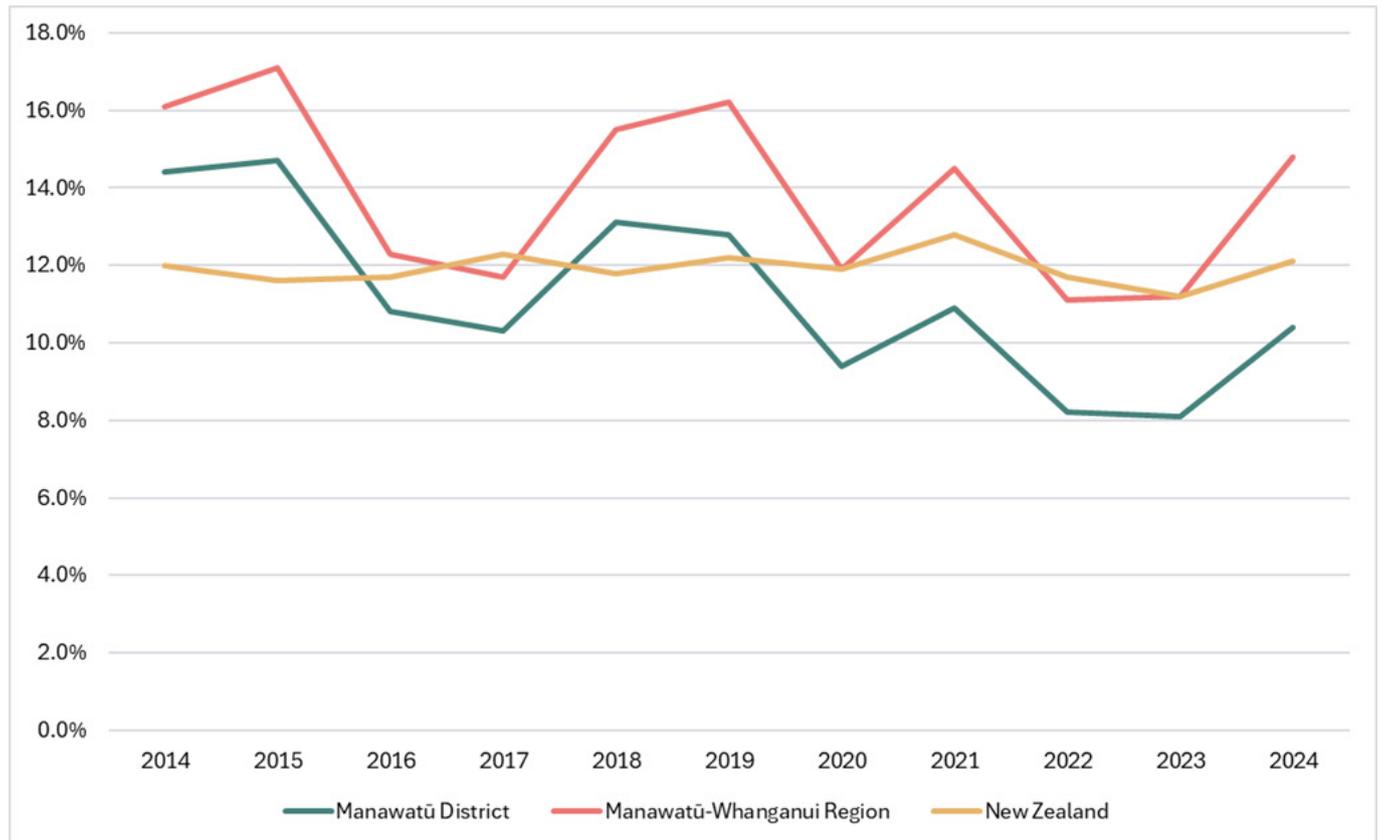


(Education Counts, 2025)

The Not in Education, Employment or Training (NEET) rate for the District has risen over the past year and is now much closer to the national average than in the three years prior. This suggests that young people in the District are increasingly facing similar challenges to their

peers nationally in transitioning from school into further education, training, or employment. A persistently high NEET rate is associated with longer-term social and economic risks for young people, employers, and the wider community (Samoilenko & Carter, 2015).

Figure 25: NEET Rate for 15–24 Years Olds



(Infometrics, NEET rate, 2025)

Key Considerations

Council's role in supporting education outcomes is primarily focussed on facilitation and advocacy. The Youth Connector plays a critical role in supporting young people by linking them with local businesses and programmes that prepare them for employment. This helps create smoother pathways from school into the workforce.

Strong partnerships with education providers, community organisations, and employers will continue to be important to ensure young people have access to relevant skills training and opportunities to remain engaged in education or work.

Because NEET rates often rise before broader unemployment or economic downturns, they can serve as an early indicator of economic stress, signalling risks for both young people and the wider community. Therefore, monitoring both school attendance and NEET rates is essential for identifying emerging social and economic pressures. Council can help reduce the risk of disengagement, which may otherwise contribute to long-term challenges for community resilience and economic development.

CASE STUDY

Manawatū Community Hub Libraries

The Manawatū Community Hub has marked its first year of operation within its redeveloped premises, Te Āhuru Mōwai. The upgraded facility has strengthened community engagement, demonstrated through increased participation in programmes and higher borrowing rates.

The Hub provides a comprehensive range of services that extend beyond those of a traditional library. Facilities include a Makerspace that attracts creative practitioners from across the region, a café that supports social interaction, a dedicated youth space designed to encourage connection and recreation, and public meeting rooms available for community and organisational use. The Open Plus after-hours service further enhances accessibility by allowing the community to utilise the Hub and its resources outside standard operating hours.

The integration of the information centre into the Hub's operations has established a central point for the distribution of visitor information and assistance with transport bookings and local attractions.

The Manawatū Community Hub now serves as a focal point for learning, creativity, connection, and participation, contributing to a vibrant and engaged community.



Crime Rates

The information in Figure 26 shows the number of victimisations per 1,000 people over a three-month period. In the June quarter, there were 10 crimes committed per 1,000 people in the Manawatū District, placing the District second lowest in crime rates among the comparison group, just above the Rangitīkei District. In the Manawatū District, most offences occur during the daytime. Over the past year, theft-related crimes, ranging from shoplifting to vehicle theft, accounted for the majority of reported incidents.

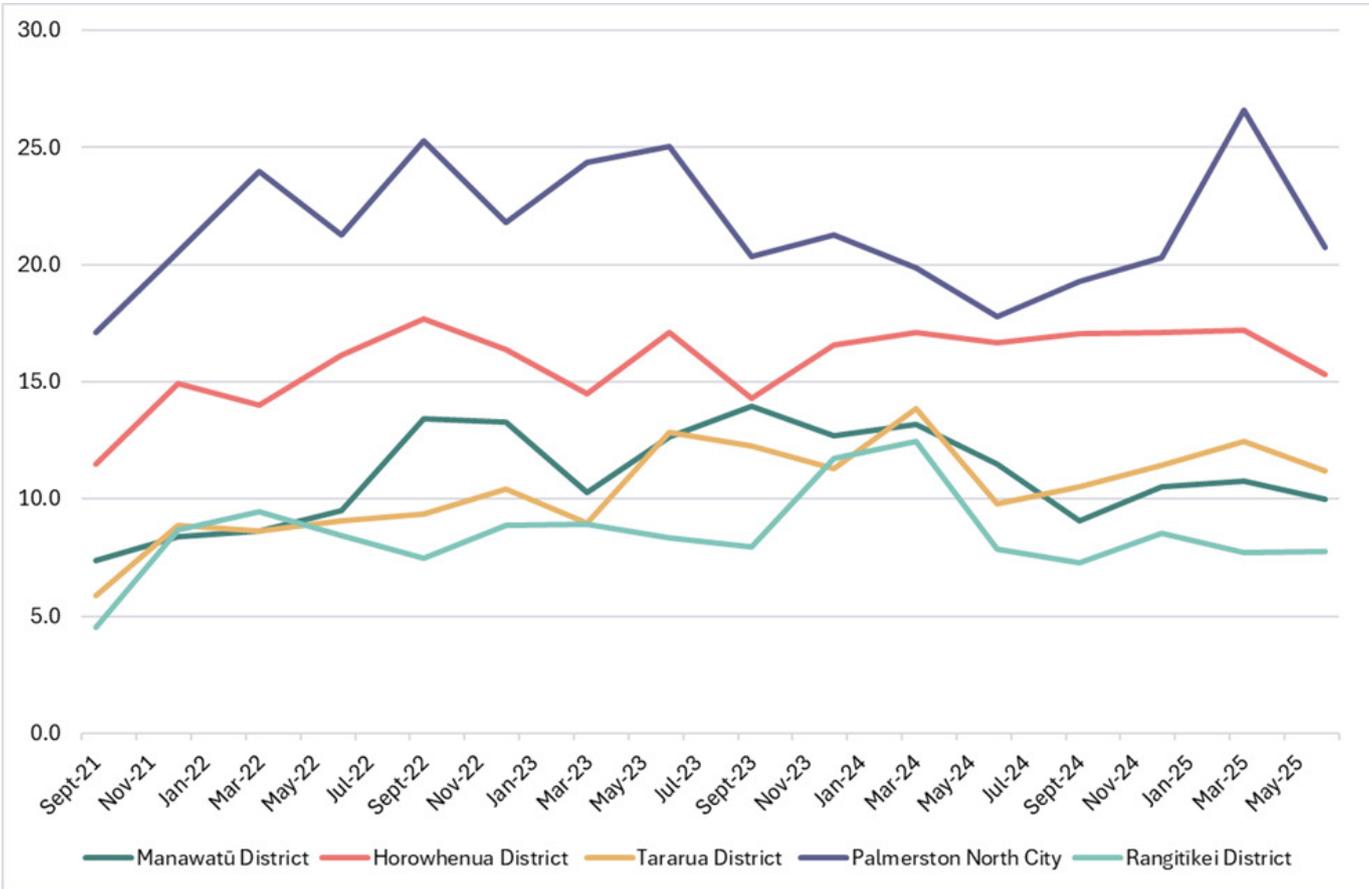
Feilding and the wider rural area experienced a significant reduction in Police staffing several years ago, coinciding with the introduction of a rapid response model drawing on resources based in Palmerston North. Under this model, Police attendance and response are largely determined

by operational priorities as they are set, rather than by a consistent local presence.

This approach is widely regarded as a weaker substitute for the previous prevention-focused model, which emphasised early intervention measures to reduce the likelihood of offences occurring in the first place.

Feilding and District Promotion (FDP) has been working towards the installation of security cameras in the Feilding township for several years. A range of possible options has been explored in consultation with the community (town centre building owners and tenants), the Police, and Council. The intention is for cameras to be placed at the entrances of town to notify Police of vehicles of interest, allowing them to respond accordingly. Footage from cameras located in

Figure 26: Victimization per 1,000 People per Quarter



(New Zealand Police, 2025)

the CBD would likely be used retrospectively following incidents, supporting Police action and investigations. Through the 2025/26 Annual Plan process FDP was allocated up to \$25,000 per year to cover the maintenance costs and potential licensing of the cameras.

Key Considerations

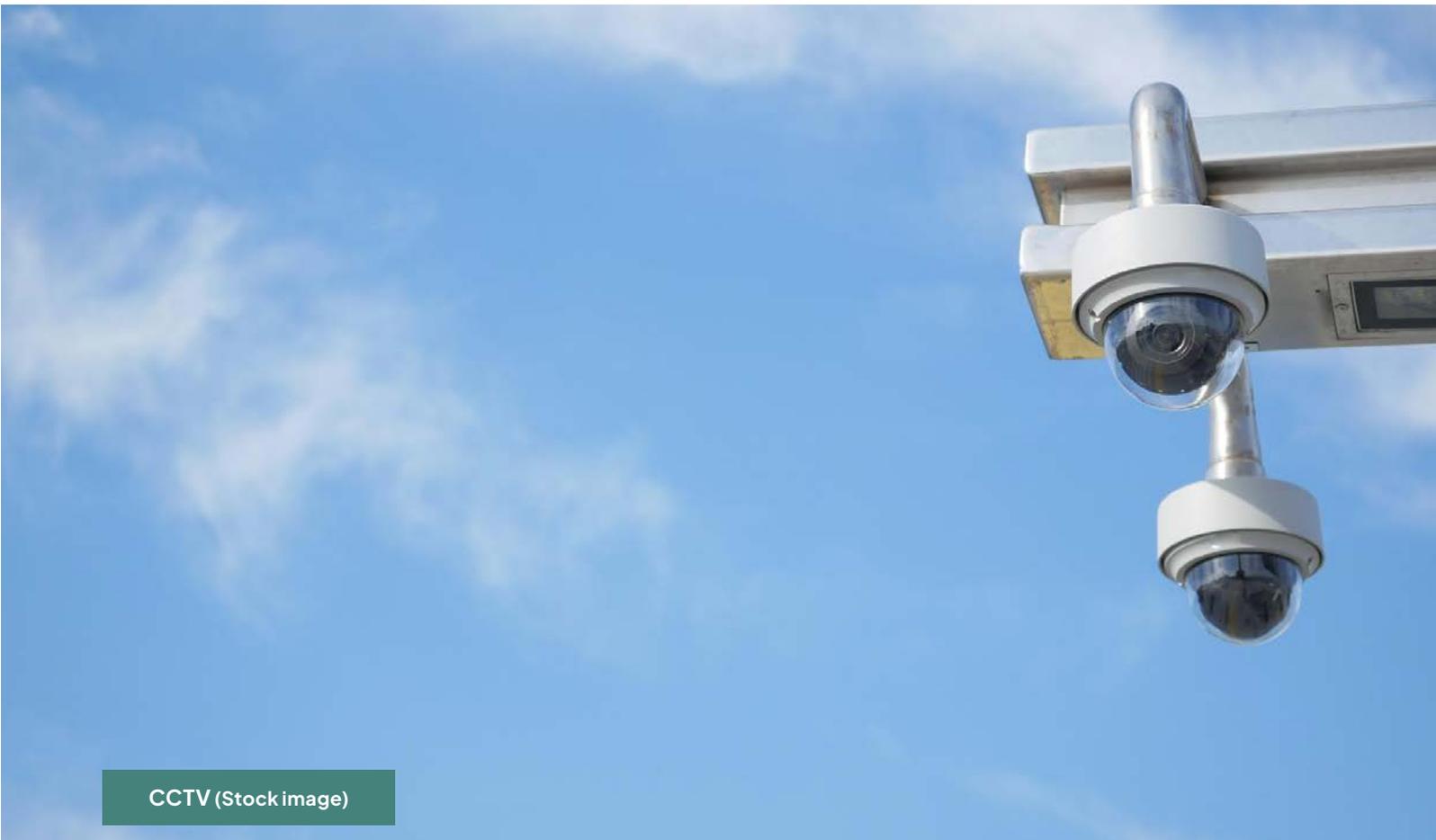
While the Manawatū District maintains one of the lowest crime rates in the region, theft remains the most common type of offence and continues to impact local businesses and residents. This raises the question of how Council can best continue to support initiatives that reduce crime and improve community safety.

Given that a return to earlier resourcing levels or operating models for Police in the District appears unlikely in the near term, there is an increased expectation that local communities

will need to better align services, technology, and community-led activities to strengthen crime prevention outcomes.

The introduction of security cameras in Feilding provides an opportunity to further strengthen collaboration between Council, Police, and the community. Council's continued support for the Feilding Community Patrol is also important, as volunteers actively assist Police by monitoring Feilding streets and reporting suspicious activities. In turn, the Police inform the Feilding Community Patrol about trouble spots where their presence could help reduce offending.

Council may also need to consider its broader role as an advocate and promoter of crime prevention in other spaces, such as community-led safety initiatives, youth engagement programmes, and working with businesses to reduce opportunities for theft.



CCTV (Stock image)

Navigating Legislative Change



Recent years have seen a wave of legislative changes in New Zealand that directly impact how councils operate. The Manawatū District Council is navigating a rapidly shifting landscape of new laws and reforms affecting water services, resource management, building and construction, emergency management, and the fundamental role of local government. One of the most significant changes is the overhaul of Three Waters management (drinking water, wastewater, and stormwater). The previous government's Three Waters reform programme – which would have transferred water assets to large regional entities – has since been replaced by the current government's "Local Water Done Well" policy.

Local Government (Systems Improvements) Amendment Bill

Another notable development is the Local Government (Systems Improvements) Amendment Bill which signals the current government's priorities for the local government sector. This Bill seeks to reduce future rates increases and improve council performance by refocusing council's activities on core-services. The amendments propose to redefine the statutory purpose of local government by emphasising core services and the cost-effective provision of good-quality local infrastructure and public services, introducing stronger requirements to measure and publicise council performance, strengthening accountability and transparency mechanisms, and enhancing efficiency through reducing some regulatory requirements on councils.

MDC has always maintained a strong focus on core service delivery. This was evident through public feedback received during the recent Local Water Done Well consultation, with 96.4% of submitters supporting MDC continuing to deliver water services via an in-house delivery model, and from the modelling of the regional options appraisal project, which concluded that the proposed seven-council arrangement was not financially beneficial for Manawatū ratepayers. The modelling showed that, given the District's prior investment in three waters, a joint service

delivery model would have resulted in Manawatū District ratepayers cross-subsidising most of the other councils in the region throughout the 30-year period.

Key considerations

The emphasis on 'prioritising core services in council spending' means Council will continue scrutinising its budget to ensure essential infrastructure (like roading, water, and waste services) and regulatory functions are well funded and efficient.

While MDC does not anticipate that refocussing the purpose of local government will result in significant changes to funding decisions for the upcoming LTP, we are concerned that narrowing the focus from the four-wellbeings to primarily economic development could be counter-productive. Quality of place is vital for attracting new businesses, industries, skilled workers, and entrepreneurs. A district or city must be perceived as a good place to live in order to attract both talent and investment, a fact that is particularly important for younger generations.

Water Reforms

In early 2024, Parliament repealed the contentious Three Waters legislation ten entity model and set up a new framework that keeps water assets under council control, while still meeting strict health, environmental, and quality standards.

Under the Local Government (Water Services Preliminary Arrangements) Act 2024, every local council was required to submit a Water Services Delivery Plan (WSDP) to the Department of Internal Affairs by 3 September 2025. MDC's Water Services Delivery Plan was formally accepted by the Secretary of Local Government on 12 November 2025 and confirms Council's decision to continue delivering water services through a standalone, in-house model for water supply, wastewater, and stormwater services. This Plan will guide how council delivers water services in the Manawatū District in a way that complies with legislative requirements, meets the needs of the Manawatū District now and into the future, and is financially sustainable.

As MDC has adopted a stand-alone in-house water services delivery model, we are legally required to submit a new water services delivery plan by 3 September 2030, and every five years thereafter.

Key Considerations

As outlined below, the key implications of the water reforms in the period up to adoption of the 2027-37 LTP include:

- the preparation of new strategies and plans;
- the review of MDC's water-related bylaws for consistency with the Act;
- financial ring-fencing; and
- new performance reporting requirements.

Crucially for 2027, Council must develop or adopt a Water Services Strategy (WSS) to coincide with its LTP 2027–2037. The timeline is set so that draft water strategies will be prepared in the second half of 2026, and then a summary of the draft WSS is to be consulted on alongside the draft Long Term Plan in early 2027. This parallel consultation enables the community to see the “big picture” of how water services will be managed and financed over the long term, at the same time as they consider the broader LTP for all council services.

MDC must also prepare a drinking water safety plan, a trade waste discharge plan, and a stormwater network risk management plan, and review its current water supply, trade waste, wastewater, and drainage bylaws for consistency with the new legislation. When consulting on the new plans, MDC must also outline its proposal to amend or replace the current waters bylaws to give effect to these plans.

All water services finances must be ring-fenced from general council finances, starting with the 2027–37 LTP. MDC must prepare standalone financial statements for water services, separate from other activities. These statements will provide assurance that every dollar raised for water (through rates or charges) will be used for water infrastructure and operations, and any surplus or reserves must be retained for future water investment. Similarly, any debt held for water infrastructure is accounted for separately,

and MDC have to disclose water-related borrowings and ensure they are serviced solely from water revenue. Previously, councils often cross-subsidized or leveraged their entire revenue base to finance expensive water projects but now the 2027 LTP financial strategy must show that water utilities pay their own way.

Despite the foregoing, council does not anticipate changes to borrowing capacity. Under ring-fencing, a council keeping water in-house can only borrow against its water-related income, however, borrowing for water services will not have a separate cap as it would sit within Council's overall borrowing cap. By going alone, Manawātū District Council must carefully scale its 10-year capital program to what its own water revenues can support, or else face tough choices like delaying projects.

It is important to also signal potential financial concerns around ensuring water infrastructure affordability as the 2027-37 LTP will require robust revenue and funding strategies for water to comply with the new economic regime. Council will need to demonstrate that water rates and charges are sufficient to cover the true cost of delivering water services under stricter regulatory requirements.

A new council performance measurement framework ('Council Benchmarks') has been introduced for local government in New Zealand. These are aimed at building public trust that water revenues are indeed delivering improved infrastructure. Future iterations of the performance metrics are expected to include targets for water services. Council may need to report on these metrics in addition to the performance measures and targets for water services that are included in the LTP.

Alternatively, Council will need to review its LTP performance management framework to ensure alignment with the new performance metrics and to minimise potential duplication of effort. These new reporting requirements are also expected to come with some increase to compliance costs associated with meeting the new regulatory obligations of the Water Services Authority and the Commerce Commission.

Overall, Council considers this reform as both a challenge and an opportunity: a challenge, because it forces smaller councils like ours to confront funding gaps and asset condition issues head-on; an opportunity, because it encourages long-term, strategic thinking and potentially more efficient collaboration or use of resources in the water sector.

RMA Replacement Legislation

The Resource Management reforms represent one of the most significant changes to New Zealand's planning system since the original Resource Management Act (RMA) was enacted in 1991. These reforms essentially reshape planning processes, resource allocation, public participation rights, and long-term strategic planning approaches for Council as we prepare the 2027-37 LTP.

On the back of two rounds of interim changes to the RMA, the Government has introduced two Bills to replace the RMA with two new acts that distinguish between land-use planning and natural resource management. The new Acts are expected to be enacted by late 2026.

Subject to any changes made before enactment, the key features of the proposals include:

1. A Planning Act for the purposes of planning and regulating the use, development, and enjoyment of land.
2. A Natural Environment Act which will focus on the use, protection and enhancement of the natural environment - including land, air, freshwater, coastal, and marine water, and other natural resources. It will also include the setting of mandatory environmental protection limits aimed at protecting human health (set by the Minister for the Environment), and ecological limits to protect the life-supporting capacity of natural resources (set by regional councils).
3. A new focus on the enjoyment of property rights (where effects on amenity, visual appearance and minor effects are no longer

to be considered), and regulatory relief (such as compensation) when controls significantly impact on the reasonable use of land.

4. National 'goals' which councils must achieve which include: ensuring use of land does not unreasonably affect others; supporting economic growth and change; well-functioning urban and rural areas; planning and providing for infrastructure; protecting heritage and natural features; providing for Māori interests and participation (including protecting sites of significance); and safeguarding communities from natural hazards.
5. Regional Spatial Plans (which form part of a single 'combined plan' for the region) will set the strategic direction for development and public investment priorities in the region over the next 30 years, integrate decision-making under the Planning Act and Natural Environment Act, and coordinate development with infrastructure provision.
6. The 'combined plan' will also contain parts which play the role of environmental plans (prepared by the regional council and which include ecological limits), and district 'parts' (which will replace the current district plans, including the Manawatū District Plan, and which will manage land use).
7. Nationally standardised land-use zones and plan provisions, which councils must adopt, to compile the content of their plans (or alternatively, justify why they have chosen to use bespoke provisions and have those provisions be subject to full submission and appeal processes).

These changes mean a halt to some of the Manawatū District Council's existing district plan review programme in its current form and a shifting of emphasis to collaborating with other councils in the Horizons Region to prepare the single 'Combined Plan' per region.' The initial focus will be on the development of the Regional Spatial Plan (RSP) which is anticipated to require significant input from a subset of elected members from multiple councils (who are to form a 'spatial plan committee'), a ministerial representative, and officers who have land use and infrastructure planning responsibilities. Although presenting

some administrative and logistical challenges, working collaboratively does present opportunities to pool resources and expertise across participating councils. It also provides an opportunity to strengthen the relationships that enable local councils to present a more unified voice when advocating on behalf of communities across our region.

Nationally standardised zones and more permitted activities offer the potential to simplify and streamline some planning and consenting processes. However, they are also likely to reduce the opportunity for the community to have input into local plans and for plan provisions to reflect local character. In the short to medium term, complex and overlapping transitional arrangements are likely, with parts of two planning systems (the RMA and the new Acts) operating concurrently for at least two years. This may temporarily increase the administrative workload for Council officers.

Regional Spatial Planning

The proposed new Planning and Natural Environment Acts require only one plan for each region (the 'Combined Plan'). Such a plan will:

- Include the Regional Spatial Plan, an environment plan (replacing regional plans), and land use plans (replacing the district plans of each territorial authority).
- Influence Long-term Plans prepared under the Local Government Act 2024 (and by association, infrastructure strategies and development levy strategies) and regional land transport plans prepared under the Land Transport Management Act.

The content of the Regional Spatial Plan must include information on constraints on the use and development of land, the spatial expression of environmental limits, sequenced urban development areas and priority areas for investment, existing and future key infrastructure, priority locations for Adaptation Plans prepared under the Climate Change Response Act 2002, information on land uses which require separation from each other, sites of significance to Māori, and 'gross patterns' of urban, rural, industrial and other development types.

The spatial plan will be implemented through the other parts of the Combined Plan, and a Co-ordination document that has been adopted by the spatial plan committee.

Assuming the RMA-replacement legislation is not passed until mid-late 2026, and will not have full effect until late 2027, the national goals and new spatial plans will have limited impact on the 2027-2037 Long-term Plan, but may considerably affect the 2030-2040 Long-term plan.

Spatial strategies are to be jointly prepared by the region's local authorities, working with the Crown, iwi, infrastructure providers, stakeholders, and communities. For our region, this will fundamentally change how strategic planning decisions are made. The RMA-replacement legislation requires the creation of a joint 'spatial plan committee' with elected member representation from each council in the region, the appointment of a secretariat, and chairperson, and the appointment of an independent hearing panel. Councils may also be required to set up formal engagement arrangements with iwi in the region and may have to actively make provision for the resourcing of their participation.

Interim RMA, Amendments, Plan Stop, and National Direction Changes

The Resource Management (Consenting and Other System Changes) Amendment Act was passed in August 2025. The Act gave the Minister of the Environment greater powers to direct changes to council RMA plans, including the removal of plan provisions considered to be inconsistent with national direction or growth. The Amendment Act also halted all non-exempt RMA plan changes under 'Plan Stop,' requiring councils to withdraw proposed plan changes that have not reached hearings – effectively pausing large-scale policy updates until the new system is in place. This impacts the Manawatū District Council's District Plan work with a number of plan changes now needing to be withdrawn or discontinued (see text relating to 'Plan Stop').

MDC successfully applied to the Minister for the Environment for a Plan Stop exemption to proceed with Proposed Plan Change E (Town Centre Review), as it aligns with National Policy Statement

on Urban Development (NPS-UD) housing priorities and seeks to remove obstacles to development. MDC has also received an exemption for Draft Plan Change DES (Designations) which has the potential to benefit infrastructure providers.

MDC has withdrawn Proposed Plan Change B (Residential Review) and Draft Plan Change A (Rural and Flood Review) due to an apparent lack of alignment with the Plan Stop exemption criteria. Work on heritage, the commercial zone, and other draft plan changes has also stopped, but the work done to date will feed into the RMA replacement plans. Work will continue on MDC's growth framework, designations, and papakāinga, as this information will inform other non-RMA plans.

Concurrent with the changes above, the government has also been conducting a wholesale review of all RMA national direction instruments (regulations, national policy statements, and national environmental standards). The changes proposed through this review continue a trend toward government centralisation and standardisation of planning policy and direction (and less local discretion). The RMA-replacement legislation continues the trend.

Resourcing

Implementing the RM reforms will pose significant resourcing challenges – and opportunities for Council. Planning for and transitioning to the new system will demand considerable staff effort. The Council's planning staff will need to contribute to new planning processes (like the Regional Spatial Strategy and subsequently the new Combined Plan), while also digesting and implementing the myriad national policy changes. There is a risk of reform overload on the small team within Council as the same staff will be potentially involved in reviewing new NPS requirements, handling fast-track inputs, pausing or adjusting local plan work, and contributing to regional committees.

Transitioning to the replacement RM system will also draw on other teams from across Council, particularly those with iwi liaison, GIS, and infrastructure planning skill. The 'Combined Plan' approach will require the integration of planning maps and other spatial information across the

region, and the spatial plan has a heavy emphasis on planning for infrastructure associated with growth needs.

Given the scale of change, smaller councils will need to pool resources regionally. Although decisions on where to host the secretariat functions for the Combined Plan are yet to be decided, the Planning Act specifies the Plan itself is to be hosted and published online by the regional council.

Building Consent System Reform

Central Government has embarked on a multi-phase reform programme to modernise New Zealand's building consent system. The changes aim to reduce cost and delay in the consenting process, improve national consistency across Building Consent Authorities (BCAs), and strengthen public confidence in building quality and safety.

Phase 1: Streamlining and efficiency improvements

The first phase of reform took effect from 30 September 2024, through amendments to the Building (Forms) Regulations 2004 and the Building (Accreditation of BCAs) Regulations 2006. These changes simplified several consent processes and reduced compliance costs for councils. New provisions allow for clearer treatment of minor variations to building consents, modest customisation of MultiProof¹ approvals, and improved flexibility for approving alternative materials and systems. Updated forms and accreditation requirements are intended to support faster, more consistent processing across BCAs.

Phase 2: Liability reform and voluntary amalgamation of BCAs

In August 2025, Cabinet agreed in principle to a second phase of reform focused on structural and legislative change. The forthcoming Building System Reform Bill (expected to be introduced in early 2026) will propose a shift from the current joint and several liability model to a proportionate liability framework. This would mean each party involved in defective building work is responsible only for its share of fault. The Bill will also enable voluntary consolidation of BCA functions, allowing councils to combine or transfer their consenting responsibilities to form regional or shared services arrangements. These changes are designed to improve efficiency, reduce duplication, and strengthen the professional and technical capability of consenting functions over time.

Building Services for MDC are already provided via a shared services contract arrangement with the Palmerston North City Council (PNCC). The scope of the contract includes all Building Consent Authority (BCA) and Territorial Authority (TA) functions. This contract originated due to past difficulties with attracting and retaining competent, experienced Building Officers to meet service delivery requirements.

Small stand-alone dwelling (granny-flat) consent exemption

Separately, the Government has introduced the Building and Construction (Small Stand-alone Dwellings) Amendment Bill, which proposes to exempt certain small dwellings (up to 70 m²) from the requirement to obtain a building consent. The exemption would apply where strict design, construction, and notification conditions are met — for example, where the work is undertaken by a licensed building practitioner and complies fully with the Building Code. The Bill is currently progressing through Parliament, with commencement expected in 2026. This reform is intended to support housing supply and

affordability, particularly for family or ancillary dwellings, while maintaining appropriate standards of safety and performance.

Key Considerations

The building consent reforms have medium- to long-term implications for MDC's financial, service delivery, and infrastructure planning. The proposed move to proportionate liability will alter MDC's risk exposure and may require adjustments to insurance, fee structures, and financial risk management over the LTP period.

The introduction of voluntary BCA amalgamation powers could open new opportunities for regional collaboration or shared service models, influencing future assumptions about workforce capacity, digital systems, and organisational structure. MDC will need to maintain flexibility to adapt if these options become advantageous or are incentivised by central government.

The proposed small stand-alone dwelling (granny-flat) exemption may encourage gradual intensification, with potential implications for infrastructure demand, connection policies, and development contributions. Over time, this could subtly influence local growth patterns and planning for infrastructure investment.

Overall, the reforms reflect a wider government focus on streamlining regulatory systems and reducing local compliance costs. MDC may need to invest in process improvement and capability development to ensure ongoing efficiency and compliance within the evolving national framework.

Emergency Management Reform

Government has consulted on options for a new Emergency Management Act to replace the Civil Defence Emergency Management Act 2002 (CDEM Act). In August 2025, Cabinet agreed to proceed with legislative reform and has released a

1 MultiProof is a statement issued by the Ministry of Business, Innovation and Employment (MBIE) that a specific set of building plans and specifications complies with the New Zealand Building Code. MultiProof speeds up the consenting processes as when a building consent application includes a MultiProof, the building consent authority must grant or decline consent within 10 working days, instead of the usual 20.

package of indicative legislative proposals. A new Bill is expected during this parliamentary term. Until the new Act passes and commences, the CDEM Act remains in force.

The new legislative package is designed to clarify roles and accountability across national, regional (CDEM Groups) and local levels, set minimum service/capability standards, strengthen iwi/Māori participation, modernise compliance tools and penalties, and update definitions. For MDC, the implications include more explicit statutory expectations around keeping plans current, conducting regular training exercises, distributing information to the public, and for delivering the activities agreed through the CDEM Group.

Key Considerations

The emergency management reform programme is expected to clarify councils' local delivery obligations and introduce stronger minimum standards (for planning currency, training and exercising, and public information and warnings). For the LTP, this implies a steady uplift in baseline readiness activities over the 10-year period, with clear service level assumptions and provision for regular plan updates.

Stronger accountability settings are expected to be accompanied by increased performance reporting obligations on councils. The 2027-37 LTP will therefore need to consider greater investment in core emergency management tools and capabilities, such as incident and information-management systems, public alerting, training and exercise programmes, and record-keeping. Transitional costs are likely in the early years as new requirements are implemented.

The reforms are expected to tighten alignment between decisions made by the Manawatū-Whanganui CDEM Group and local delivery by the Council. Consideration needs to be given to potential new regional collaboration or shared-service arrangements, including in relation to workforce planning, and potential joint investment in systems and training.

The reforms also emphasise a whole-of-community approach, including strengthened engagement with iwi/Māori and key partners (including lifeline utilities and health providers). The 2027-37 LTP will need to allocate appropriate resources to support and grow these relationships.

In addition, resilience objectives will need to be reflected within MDC's growth and infrastructure planning, so that critical services can be maintained during and after emergencies.

Simplifying Local Government

On 25 November 2025, the Government announced it is consulting on a proposal to "simplify local government", with consultation open until 20 February 2026. The proposal is positioned as a major structural reset intended to reduce duplication between regional councils and territorial authorities and improve clarity, accountability, and value for ratepayers.

The proposal has two steps:

- 1) Replace elected regional councillors with a new regional governance arrangement, with the Government's preferred option being a Combined Territories Board (CTB) comprised of the mayors in the region (with variations including different Crown Commissioner roles also consulted on).
- 2) Require the CTB (or commissioners, depending on the model chosen) to develop a Regional Reorganisation Plan within two years, setting out how councils in the region can work together more effectively and efficiently (potentially including shared services through to structural change).

Key Considerations

This proposal would directly affect Council through:

- an increased focus on cross-council coordination and co-operation;
- a shift in the way that regional functions are governed, with the Mayor having a formal role in region-wide decision-making; and

- stronger expectations (through the Regional Reorganisation Plan process) to pursue greater regional alignment and/or shared delivery arrangements with neighbouring councils.

There is a high degree of uncertainty around how our community will be represented through the share of voting rights on the new CTB. There are also concerns about the authority given to Government Commissioners and their ability to influence decision-making at the local/regional level.

This proposal introduces uncertainty and transition risk to the 2027-37 LTP. If the proposal advances it could reshape governance and collaboration requirements during or shortly after the development of the LTP. Council may need to include scenario-based assumptions in relation to this reform proposal and will need to monitor how this proposal develops over time.



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