Rīpoata pōti takamua

Pre-election report

MASTERTON WHAKAORIORI DISTRICT COUNCIL

Ihirangi

Contents

Nā tō mātou Tumu Whakahaere

From our Chief Executive

As we approach the upcoming local body elections, I find myself excited about the future of our district. Masterton has grown beyond being merely a rural service centre to become a vibrant, dynamic community with immense potential.

The role our elected members play in helping our district thrive cannot be overstated. They bring the energy and vision that shapes our communities' direction, making decisions today that will echo well into our future. The Council must demonstrate long-term legacy thinking, making decisions that support the future growth of our community, while addressing immediate needs.

By working closely with other Wairarapa Councils, we are building a stronger "Wairarapa Inc" - a unified approach that benefits all our communities while preserving what makes each unique. Similarly, our relationship with local iwi continues to strengthen. We value this partnership and are committed to supporting mana whenua aspirations, recognising the wealth of opportunities this collaboration brings to our entire community.

Like many councils across New Zealand, we face funding pressures that require careful navigation. Our focus remains on consolidating our services and delivering them with excellence. This sometimes means making tough choices about priorities, but always with the goal of doing the best with what we have. Despite delivery pressures, we remain committed to continuing our work within our means while meeting our community's expectations.

Being an elected member is not an easy job, but it is undeniably rewarding. It requires dedication, careful consideration of complex issues, and a willingness to make decisions that might not always be popular but are necessary for our district's wellbeing. Councillors must work collaboratively, bringing diverse perspectives to the table. Once a decision is made, it's vital that all Councillors stand behind it and support its delivery as a unified team.

Our Councillors are supported by a capable, lean, and high-performing council staff. This partnership between governance and operations is essential to our success. While Councillors set the strategic direction - taking on board our communities' vision for what Masterton should look like in the years ahead - our staff bring the expertise and dedication needed to turn that vision into reality.

Three years may seem a short time in the life of a community, but it's sufficient to accomplish meaningful change when approached with clarity and purpose.

The next Council will have significant opportunities to make their mark on our district's future, particularly through emerging commercial possibilities such as the development of land around Hood Aerodrome.

The library expansion represents another exciting opportunity for our community. This will be far more than just a place for books - it will be a modern, multi-use community space that all of Masterton can be proud of, serving as a hub for learning, connection, and creativity for generations to come.

It's worth remembering that elected members as the governing body directly employ just one person in the Council structure - the Chief Executive. This relationship is foundational to effective governance, requiring open communication, mutual respect, and clear expectations.

As we look to the upcoming elections, I encourage our community to consider carefully the opportunity to run for Council. We need elected members who understand both the challenges and opportunities before us, who can work together constructively, and who bring the vision and energy needed to help our district continue to flourish.

The decisions made by the next Council will shape our community for years to come. It's an exciting time to be part of Masterton's journey, and I look forward to working with those elected to ensure our district continues to grow and thrive.

Kym Fell
Chief Executive

Kupu Whakataki

Introduction

Purpose of the report

This Pre-Election Report (this report) provides potential candidates, and voters, an overview of the key opportunities and challenges facing our Council and district. It highlights some issues that the Council has in front of it and takes a close look at our finances and how we fund our projects, services and facilities.

Whether you're looking to stand for Council or are making a decision that will shape our future by voting, this report is an important read. It provides information for you to consider before deciding to stand and vote in the 2025 local government elections.

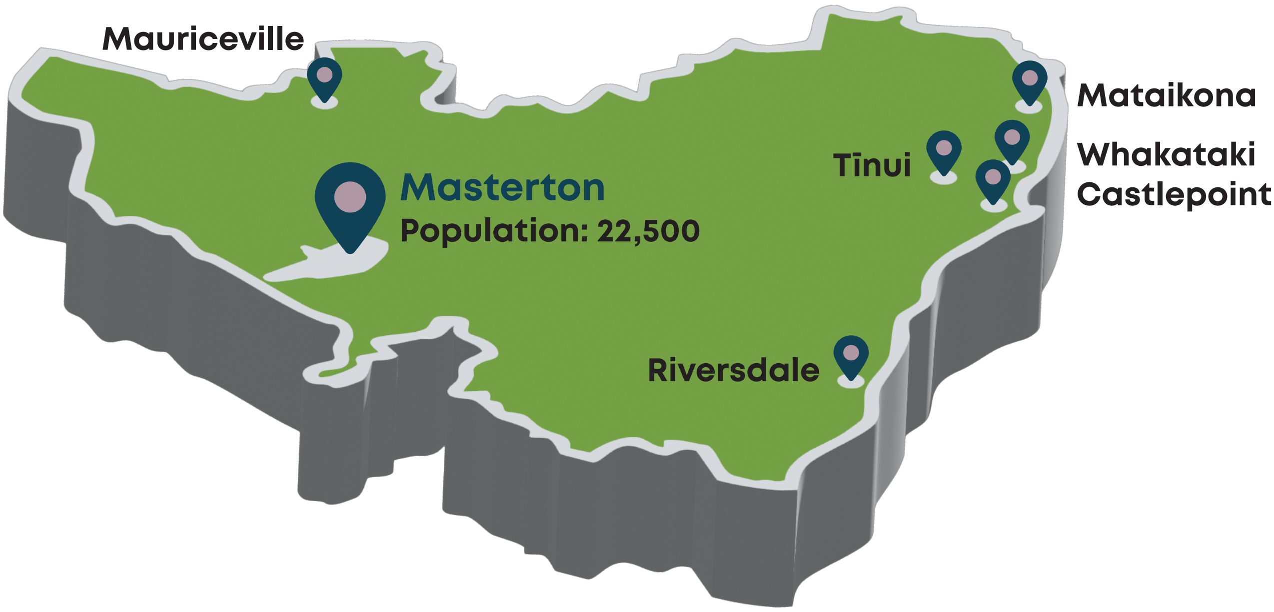
This report is a legislative requirement under the Local Government Act 2022. The Chief Executive of each council must prepare a pre-election report independently of our Councillors and Mayor.

Audit of information

While this report has not been audited by an independent agency, most of the financial information it contains has been reviewed by independent auditors, either as part of previous Annual Reports or the Long-Term Plan 2024-34

Information from the recent financial year (2024/25) will be audited and made available when the Annual Report 2024/25 is published later this year.

Who we are



Masterton District - 2,300km2 - total population: 28,700

Ethnic makeup		
Ethnicity	**Masterton**	**National**
European	83.7%	67.8%
Māori	22.6%	17.8%
Pacific	under 10%	8.9%
Asian	under 10%	17.3%

Population age		
Age	**Masterton**	**National**
15-64	58.8%	64.7%
65+	22.7%	16.6%
Median	42.7 years	38.1 years

Data pulled from the 2023 Census

Note: people can identify with more than one ethnicity, so these percentages may add up to more than 100 percent as some residents are counted in multiple categories.

What we do

We provide a diverse range of services, facilities, advice and information across several key domains: community support and facilities, infrastructure and service delivery, transport networks, economic growth and environmental initiatives, supported by corporate operations. Our activities stem from both legislative requirements and our commitment to addressing community needs and demands.

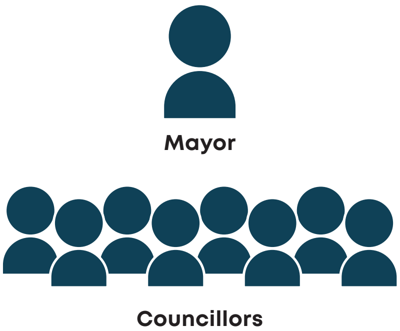
Some examples of our services include provision of:

More information about the Masterton District and the Masterton District Council's activities can be found in the Long-Term Plan and the assumptions and supporting information.

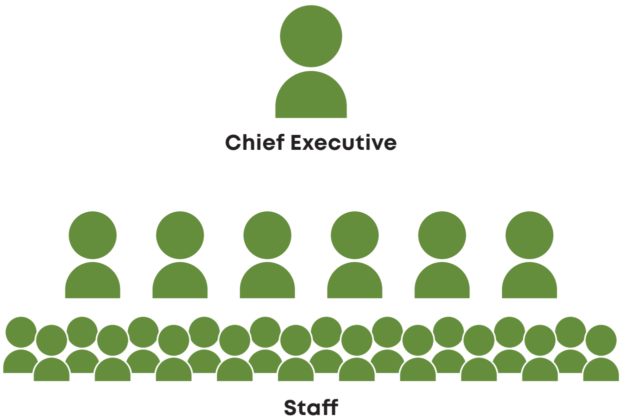
How our Council Works

Councils consist of two parts:

The governing body



The organisation



For Masterton in this coming triennium, the Governing Body is made up of eight Councillors and the Mayor. The councillors will be elected from the Māori Ward[1] (one councillor), the General Ward (four councillors), and at-large (three councillors). Electors on the general roll vote for the Mayor, General ward and at-large councillors. Electors on the Māori roll vote for the Mayor, Māori Ward and at-large councillors.

The Mayor and councillors employ the Chief Executive (Kym Fell) who employs the staff and has the overall responsibility for the day-to-day operations of the Council. The Council employs 132 staff in a range of roles, from administrative staff through to customer service agents, librarians, animal control officers, planners, engineers and more.

Most operational decisions are made by staff under delegation from the Council. The Council makes more significant decisions and sets policy direction at Council or Council committee meetings. Staff provide information and recommendations to those meetings, which elected members consider, alongside their own views and the views of the community.

[1] As part of this local election cycle, a referendum is taking place on the continuation of the Māori Ward as part of the Masterton District Council.

Hinonga matua - nāianei, ā, haere ake nei

Key projects – now and for the future

The following key projects are planned for the 2025-2028 Council Triennium. More details on these projects, as well as other projects and work programmes, are available in the Long-Term Plan 2024-34 and the Annual Plan 2025/26.

Town Hall rebuild and Waiata House extension

In June 2016, Masterton's Town Hall auditorium and most of the Municipal Building that makes up the building on Chapel Street was found to be earthquake-prone, and the building was closed.

Through the Long-Term Plan 2024-34, Council resolved to demolish the existing Town Hall and Municipal Buildings, including the façade, and build a new multi-purpose Town Hall on the current site, with a total budget of no more than $25 million. Council also resolved to expand Waiata House, at a cost of $8.7 million, to accommodate civil defence, customer services, a council chamber, public meeting rooms and a lab for use by environmental services staff.

The demolition of the Town Hall and Municipal Building was subject to the resource consent process and consent was granted for demolition in May 2025. A number of conditions must be satisfied before demolition proceeds. These include development of a Public Space Activation Plan that is to include draft concept plans for the replacement building. Work is underway to satisfy these conditions.

The Waiata House development is progressing well, with concept designs now complete. At the same time, Council is exploring alternative options that could achieve the same - or similar - goals outlined in the Long-Term Plan (LTP). These alternatives may offer a more affordable solution and deliver better value for our ratepayers.

Masterton District Library expansion

The Masterton District Library building is no longer fit for purpose. The current size and layout limits opportunities for displaying materials, areas for study, and space for programmes and events. The building also has a range of urgent maintenance issues that need to be addressed.

As part of the Long-Term Plan 2024-34, Council resolved to upgrade and expand the library, at a cost of $10.75 million. The upgrade includes undertaking essential repair work and extending the library to provide additional space for public programmes, a creative classroom, workroom, and an open-plan office space.

The first architectural images of the refurbished Masterton District Library were shared with the public in late May. The design is a light-filled space that blends functionality with inspiration. We have been engaging with local iwi and other stakeholders throughout the process to ensure the remodel and extension reflects community needs and aspirations.

Council has secured a temporary site for the library at 45 Chapel Street (formerly MyRide) while the remodel and expansion take place.

Water resilience

We know having enough water to meet our basic needs is vital for our community. We are actively working on improving water resilience and ensuring a reliable water supply.

As part of the LTP we have two projects to provide for more water storage by constructing larger raw water storage ponds at the Kaituna water treatment plant ($8.4 million) and through the addition of more treated water storage (a new reservoir) ($7.9 million). We are working with central government and iwi partners on progressing this work.

Alongside this work, water meters have been installed for properties connected to the Masterton urban water supply, and we are transitioning towards volumetric charging. These meters help users to identify leaks. Council will be working with property owners to signal water usage and patterns of use, along with identifying and repairing leaks.

Spatial Plan

The Masterton District has grown by almost 20% since 2014, with forecasts projecting continued growth at 1.5% annually to 2054. This growth creates demand for more housing, infrastructure, and services. At the same time our increasingly diverse community's expectations are changing with more emphasis on sustainable, well-connected spaces that consider climate adaptation and resource management.

A Spatial Plan/Growth Strategy will provide a blueprint for managing future growth in a way that aligns with our community's vision for Masterton by assessing infrastructure capacity, identifying areas for development and re-zoning, and addressing community priorities like climate resilience, three waters, and water security challenges that currently limit economic growth.

Early engagement to inform the vision for the plan will start later this year.

Hood Aerodrome

We are currently investigating the potential for developing new hangars at Hood Aerodrome as part of a comprehensive approach to maximize commercial potential and enhance utilisation of this important regional facility. Preliminary analysis suggests that increasing hangar availability could appeal to, and secure, a wide variety of users, including private aircraft owners, hobby pilots, small-scale commercial aviation businesses, and aviation service companies.

Enhanced hangar facilities would provide sustainable income through long-term lease agreements and ground rental fees, while also driving additional economic activity through increased fuel purchases, maintenance services, and aviation-related tourism. This development would create a more dynamic and commercially active aerodrome, strengthening Hood's position as a key access point and economic asset for the Wairarapa region. The proposal supports Council's objectives to optimise infrastructure investment returns and improve performance of underutilized facilities.

We are presently conducting financial analysis to assess the project's commercial feasibility and will present recommendations to Council if there is interest in pursuing revenue-generating projects that help reduce financial pressure on ratepayers.

More details are available on the Hood Aerodrome Project page on our website.

Ngā wero me ngā ara

Challenges and opportunities

Local Water Done Well

In May 2025 Council agreed to progress work on the Wairarapa-Tararua water services delivery model, under the Government's Local Water Done Well reform.

This includes entering into a Commitment Agreement with South Wairarapa, Carterton, and Tararua district councils and developing a Water Services Delivery Plan covering all four districts. The water services delivery plan must be provided to the Department of Internal Affairs by 3 September 2025.

As part of the Council agreement to progress the joint delivery model, Council will agree foundation principles with the other councils including:

- non-standardisation of pricing and debt (across the combined districts)
- share allocation (in a new council-controlled organisation (CCO) responsible for water)
- decision-making (how this would be carried out in a new CCO).

If the Council cannot agree on a Wairarapa-Tararua water services delivery model, the Council will proceed with a Masterton-only model. The new Council will play an integral role in transitioning our water services to the new arrangements.

Climate change/environment

Like the rest of the world, the Masterton District continues to experience the challenges of climate change, and all that it brings. Detrimental effects will be felt heavily by the district as temperatures rise and more pressure is put on water availability, biodiversity, and our capacity to respond to more severe, and frequent events.

We are actively working to engage the community and prepare for the challenges ahead, through a range of initiatives. This includes a Climate Adaptation Framework to consider how we best manage our assets and infrastructure as part of future planning.

Socio-cultural trends

As our community grows and evolves with a maturing population and increasing diversity, we have exciting opportunities to build a more inclusive and thriving Masterton. This demographic shift brings fresh perspectives, skills, and cultural richness that can strengthen our community fabric. While we remain mindful of ensuring affordability and enhancing accessibility across our district, these challenges also present opportunities for innovative solutions and collaborative approaches. The growing diversity in our community opens doors for new partnerships, cultural exchange, economic opportunities, and creative ways to address shared goals, ultimately helping us build a more vibrant and resilient district that works well for everyone.

Amalgamation

The Wairarapa has previously explored amalgamation proposals, indicating an ongoing interest in potential structural changes to local governance. Recent developments in local water management reforms and broader government initiatives have created new opportunities that warrant fresh consideration of the region's position on amalgamation. Given these evolving circumstances and policy landscapes, it will be essential for the newly elected council to be well-prepared and strategically positioned to engage meaningfully in future amalgamation discussions, ensuring they can effectively represent Masterton's interests and make informed decisions about any proposed changes to local government structure.

Political and legislative changes

New Zealand's local government sector is experiencing substantial legislative transformation, driven by a belief that the current system needs modernisation to address contemporary challenges. Together, these reforms represent the most significant period of change for New Zealand local government in decades, though implementation timelines and final details remain subject to ongoing political processes and community consultation.

Local Government Systems Improvement Bill

The government is implementing significant changes to local government through the Local Government Systems Improvements Bill, which was outlined in a February Cabinet paper and is expected to be introduced later this year. This legislation will clarify the purpose of local government, restore a core services list to the Local Government Act 2002, and establish better performance measurement and reporting systems. As part of these broader reforms, a new council performance measurement framework has been created to increase transparency and accountability by allowing communities to easily compare their council's performance against similar-sized councils.

Masterton District Council has been classified as “Small provincial and rural” under this system, and will be measured on key indicators including district size, demographics, financial performance, and staffing costs, with all metrics benchmarked against the median performance of comparable councils.

Resource Management Act Reforms

The government is undertaking major reforms to the resource management system, recently releasing three discussion documents that propose changes to 12 existing national direction instruments and the introduction of four new ones. These reforms focus on three key areas: infrastructure and development, the primary sector, and freshwater management, with public consultation currently underway.

Additionally, the government is seeking feedback on how the first pillar of the Going for Housing Growth programme - which aims to free up land for development and remove planning barriers - could be integrated into the new system. This housing-focused consultation is being jointly run by the Ministry for Housing and Urban Development and the Ministry for the Environment.

The government's ambitious timeline calls for 16 new or updated national direction instruments to be in place by the end of this year, representing a significant overhaul of New Zealand's resource management framework.

Te tū i ngā pōti

Standing for election

Understanding council's role in addressing community issues and managing local challenges provides the foundation for considering whether to stand as a candidate yourself. If you're interested in contributing to local decision-making, the following section outlines the practical requirements and process for seeking election to council.

People elected to sit on Council are responsible for representing their community and for the governance of the community.

Roles candidates can stand for in Masterton District Council as part of the 2025 local elections are:

- Mayor
- Councillor

In addition to the Council roles there are also governance roles being contested for the Masterton Trust Lands Trust, Masterton Community Trust, and Montfort Trimble Foundation.

More information on what being a Councillor entails is available on the Masterton District Council website. LGNZ have put together a free online course for potential candidates to gain a better understanding of local government and the role of elected members, which is available here.

Nomination process

Candidate nominations are open from 4 July 2025 until 12 noon on 1 August 2025. More details and the nomination forms are available on the council website.

The process involves:

- Completing an official nomination form and sending to the council's electoral officer.
- Nominations from two people. Candidates cannot nominate themselves, and people who nominate candidates must be over 18 years old and enrolled to vote in the area and on the roll the candidate is planning to stand for.
- Candidates must consent to their nomination going forward.
- A $200 deposit must be paid, which may be refunded depending on election results[2].
- Candidates must be New Zealand citizens who are over 18 years old and enrolled to vote.

[2] The deposit is refunded if the number of votes you receive is greater than 25 percent of the lowest successful candidate for that election (for First Past the Post elections)

Ultimately, local government is about keeping it local.

Local people electing local people to make decisions on local issues.

Ā mātou ahumoni

Our finances

Our Long-Term Plan 2024-34 sets out Council's Financial Strategy – that's how we plan to manage our finances. In the Long-Term Plan 2024-34 we signalled a move towards more investment to address areas of community wellbeing. This is reflected in our major projects referred to in this document.

A key component of the financial strategy was the use of reserves in the early years to smooth out rate increases with these reserves to be replenished in the later years of the plan.

The Financial Strategy also sets out our limits for levels of rates and borrowing.

Our borrowing is projected to peak at $102.7m in 2027/28 before dropping back to $25.7m by 2034 (net debt). The debt increase is needed to fund our major projects set out in this document and in the Long-Term Plan 2024-34.

Rate increases were forecast based on the low inflationary environment at the time we prepared the Long-Term Plan 2024-34. The rates limit (our maximum increase per year) is based on an allowance for inflationary costs (the Local Government Cost Index or LGCI) plus 4.5 percent.

The financial strategy included some key indicators which as set out in the following table.

Financial Strategy Indicators ***$ millions***		***2022-23 Actual***	***2023-24 Actual***	***2024-25 Forecast***	***2025-26 Annual Plan***	***2026-27 per LTP***	***2027-28 per LTP***	***2028-29 per LTP***
Rates Income	Limit	$37.9	$42.4	$45.7	$50.5	$53.9	$57.9	$62.1
	Actual	$37.8	$41.1	$45.7	$49.7	$53.1	$56.9	$60.1
Rates Increases	Limit **	7.3%	10.4%	8.4%	7.9%	6.7%	6.8%	6.8%
	Actual	6.8%	6.7%	9.6%	7.5%	6.5%	6.1%	4.6%
Net Borrowing *	Limit	$104.7	$115.0	$119.6	$116.1	$123.3	$124.2	$134.7
	Actual	$31.0	$30.8	$37.6	$56.8	$90.1	$102.7	$93.0
Financing costs as % of Operating Revenue (LTP limit 10%)		3.6%	4.1%	3.7%	3.6%	5.1%	6.4%	6.8%
Net Debt as % of Operating Revenue (LTP limit 150%)		43.9%	39.9%	47.2%	73.3%	109.7%	124.0%	103.6%

* Net Debt is defined as Financial Liabilities less Non-current Financial Assets

** The rates Increase limit is the Local Government Cost index (LGCI) plus 4.5%.

In our Long-Term Plan 2024-34 we highlighted some financial challenges we have going forward. Higher costs resulted in Council signing off on a higher rate increase for 2025-26 (7.5 percent compared to 7 percent forecast in the Long-Term Plan 2024-34).

Inflationary impacts and the cost of financing new debt are higher than the forecast assumptions in our long-term plan. In addition, our capital programme and operations are affected by the supply chain constraints and cost pressures that all individuals and businesses are feeling at present. We have not adjusted our capital plan however these constraints and cost increases may impact on the volume of works we can deliver. If these cost pressures continue there is a strong chance that future rate increases (as shown for 2026/27, 2027/28 and 2028/29 above) will need to be higher than those forecast in the Long-Term Plan 2024-34.

Whakarāpopototanga o ngā tauākī ahumoni

Summary financial statements

The following pages summarise our finances showing the last three years, our budget for 2025/26 recently signed off in the Annual Plan and the next three years as set out in our Long-Term Plan 2024-34.

The funding impact statement shows our proposed sources and use of funds each year.

Funding Impact Statement *$000s*	2022-23 Actual	2023-24 Actual	2024-25 Forecast	2025-26 Annual Plan	2026-27 per LTP	2027-28 per LTP	2028-29 per LTP
Sources of Operating Funding							
General rates, uniform charges, rates penal	275	348	388	435	368	377	386
Targeted rates (excluding water by meter)*	37,528	40,728	45,268	49,275	52,767	56,550	59,726
Subsidies and grants (for operating)	9,979	9,699	4,090	4,977	5,133	4,896	5,009
Interest & dividends	1,027	1,626	1,475	1,060	1,078	1,123	1,191
Other operating income	10,358	10,382	14,282	11,832	11,452	11,615	11,948
Total sources of operating funding	59,167	62,783	65,503	67,579	70,798	74,561	78,260
Applications of Operating Funding							
Payments to staff and suppliers	46,995	47,767	46,540	48,447	46,950	47,283	48,180
Finance costs	2,538	3,178	2,943	2,768	4,171	5,330	6,090
Total application of operating funding	49,533	50,945	49,483	51,215	51,121	52,613	54,270
Surplus / (deficit) of operating funding	**9,634**	**11,838**	**16,020**	**16,364**	**19,677**	**21,948**	**23,990**
Sources of Capital Funding							
Subsidies & grants for capital expenditure	10,658	13,880	14,226	9,826	8,400	6,165	9,389
Development & financial contributions	3,664	2,301	1,396	3,603	2,943	2,043	2,124
Increase /(decrease) in debt	1,700	10,900	3,695	13,497	22,856	13,575	(2,531)
Gross proceeds from sale of assets	456	23	-	2,976	20	20	20
Lump sum contributions	5,441	5,323	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-
Total sources of capital funding	21,919	32,427	19,317	29,902	34,219	21,804	9,002
Application of Capital Funding							
Capital expenditure:							
- to meet additional demand	5,687	6,172	3,512	6,570	3,270	2,407	-
- to improve level of service	10,149	6,306	8,262	26,068	33,056	21,228	7,529
- to replace existing assets	18,554	23,380	28,277	22,586	17,387	19,106	18,357
Increase/(decrease) in reserves	(3,557)	21	(1,782)	(4,535)	(310)	553	6,658
Increase/(decrease) in investments	720	8,386	(2,932)	(4,423)	493	459	448
Total application of capital funding	31,553	44,265	35,337	46,266	53,896	43,752	32,992
Surplus / (deficit) of capital funding	**(9,634)**	**(11,838)**	**(16,020)**	**(16,364)**	**(19,677)**	**(21,948)**	**(23,990)**
Funding balance	-	-	-	-	-	-	-

The summary balance sheet shows a snapshot of our assets and liabilities

Summary Statement of Financial Position								
as at 30 June	*$000's*	2022-23 Actual	2023-24 Actual	2024-25 Estimate	2025-26 per Annual Plan	2026-27 per LTP	2027-28 per LTP	2028-29 per LTP
Assets								
Financial Assets		20,850	31,828	28,896	23,022	24,476	25,650	32,914
Infrastructure Assets		962,556	978,087	988,729	1,089,110	1,111,390	1,117,812	1,202,349
Property Plan & Equipment		140,430	153,536	156,479	173,376	224,144	235,438	232,297
Other Assets		15,342	12,125	14,904	11,527	11,538	11,552	11,393
	Total Assets	**1,139,178**	**1,175,576**	**1,189,008**	**1,297,035**	**1,371,548**	**1,390,452**	**1,478,953**
Liabilities								
Council Debt		51,700	62,600	66,295	79,792	107,552	121,128	118,597
Other Liabilities		15,047	15,065	14,552	14,752	14,487	14,798	15,111
	Total Liabilities	**66,747**	**77,665**	**80,847**	**94,544**	**122,039**	**135,926**	**133,708**
Ratepayer Equity		**1,072,431**	**1,097,911**	**1,108,161**	**1,202,491**	**1,249,509**	**1,254,526**	**1,345,245**

Basis of preparation of financial statements

The financial data for 2022/23 and 2023/24 is taken from the audited financial statements as disclosed in the Annual Report 2023/24 .

Our financial statements for 2024/25 are not yet available so figures have been forecast based on progress reports for the first 11 months of the year.

The financial information for 2025/26 has been taken from the financial statements in the 2025/26 Annual Plan as adopted by Council in June.

The financial information for the three years from 2026/27 to 2028/29 is taken from the Long-Term Plan 2024-34.

Note: No allowance has been made for any impacts from the proposed Three Waters reforms programme. There is still not enough certainty on the specific impacts to incorporate into any forward budgets.

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06 378 7752 after hours

Email

mdc@mstn.govt.nz

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Masterton District Council

161 Queen Street, Masterton

9am - 4pm

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PO Box 444, Masterton 5840

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MASTERTON
WHAKAORIORI
DISTRICT COUNCIL