



Annual Report

For the year ended 30 June 2006



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Introduction and Financial Overview

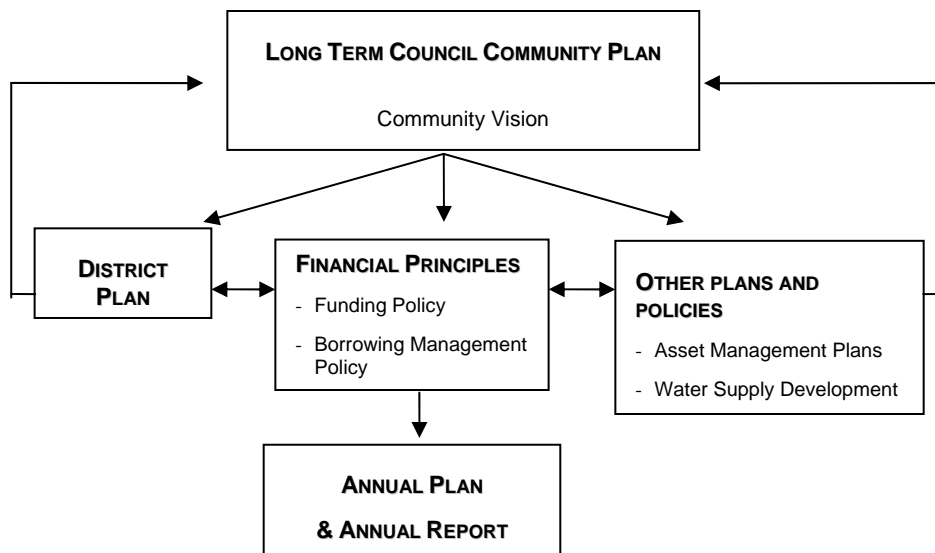
Role of the Annual Report

This report has been prepared under section 98 of the Local Government Act 2002 (and includes the provisions of schedule 10, part 3). It compares Council's actual performance against what was forecast in the 2005/06 Annual Plan.

The Annual Report:

- reports against the Manawatu District Council's key activities, performance indicators and budgets outlined in the 2005/06 Annual Plan – we are reporting against what we said we would do in the 2005/06 financial year
- reports against Council policies such as the Funding Policy and Borrowing Management and Investment policies
- outlines how Council has spent money collected from ratepayers, residents, financial institutions and government agencies

The Annual Report includes both financial and non-financial information. The following diagram illustrates where the report fits in terms of Council's plans and policies:



The report is broken into four sections:

- | | |
|---|--|
| Section One:
Introduction | Gives an overview of the 2005/06 year including key highlights and financial statements. |
| Section Two:
Groups of Activities | Summarises what Council has achieved in each activity group, including performance indicators. |
| Section Three:
Policy Reports | Reports against Funding Policy, Borrowing Management and Investment Policies and Development of Maori to Contribute to Decision-Making. Also reports on remuneration of Councillors and Chief Executive. |
| Section Four:
Other Information | Other information, including summary information about the Manawatu District Council, elected representatives, staff and grants. |

Mayor/Chief Executive's Introduction

A significant part of any local authority's accountability is the publication of an annual report. Legislation provides that each local authority must report on actual activities and performance for the year compared with the intended activities and performance as set out in the plan for that year. This Report therefore sets out the Manawatu District Council's performance and the overall financial position for the year ended 30 June 2006.

The 2005/06 year was year two of the Council's long-term council community plan that was developed in 2004.

Although the programme for the 2005/06 year had largely been determined in 2004, Council (members and staff) invested a considerable amount of time and resources during the year into developing the long-term plan that will see the community and council through ensuing years – briefly the new long-term plan outlines proposals for the next 10 years, with particular emphasis on the three years from 1 July 2006. We are pleased at the way in which this plan was addressed by the council and the level of involvement of community groups and citizens.

The following pages in this introductory section set out the highlights of the year's operations and the key financial indicators. The next section is the main body of the report, in that it sets out details of each activity, or group of activities, undertaken by the council.

Community Outcomes

An important pre-cursor to the development of long-term council plans is the identification of community outcomes. Council, along with all other local authorities in New Zealand, has over the past year also been the catalyst for determining community expectations. Again, we are delighted in the way in which the community has responded to achieve this. This report, in respect of each activity, links the Council's contribution to meeting the community's expectation.

We very much appreciate the support of councillors and staff in achieving positive results for the year.



Ian McKelvie

MAYOR

A handwritten signature in black ink, appearing to read 'Ian McKelvie', written over a thin horizontal line.

Rod Titcombe

CHIEF EXECUTIVE

A handwritten signature in black ink, appearing to read 'Rod Titcombe', written over a thin horizontal line.



The Year in Review - 2005/06

Saddle Road Bridge Reopening



The last of the major infrastructural repair projects from the Manawatu Storm of 2004 was completed when the \$7.3 million replacement Saddle Road Bridge near Ashhurst was opened.

Civil Defence Minister Rick Barker cut the ribbon in the presence of Manawatu District Mayor, Ian McKelvie, and Palmerston North Mayor, Heather Tanguay, as well as numerous local body representatives, contractors and local residents.

The reopening of the bridge is significant, not only from a regional perspective, but an inter-regional one as well. The easing of the corner on the eastern bank, and the bridge's gradual gradient, will assist traffic flows and help heavy vehicles heading up the Saddle Road towards Woodville.

Project Manager, Ray McIndoe, said it was quite a milestone to get the traffic flowing back across the bridge and to give some certainty to the roading infrastructure in the Manawatu.

The cost of the bridge was jointly met by Manawatu District Council and Palmerston North City Council, as well as Land Transport New Zealand, whose subsidy provided the largest proportion of the funding.

Manawatu District Registers Growth

Manawatu District registered increases in population and occupied dwellings in the provisional 2006 Census Night result for territorial authorities. The district's population of 27,900 is 1.9 percent higher than the 27,393 recorded in 2001, while occupied dwellings have risen 4.4 percent from 17,463 in 2001 to 19,400. It is important to note that the final figure (usually resident population) will be released later this year, and is likely to be different.

The modest population growth was heartening given that the trend in rural districts appeared to be one of decline. Manawatu was one of the few local authorities in the central North Island to have registered an increase.

The occupied dwellings increase represented a "healthy" growth and appear linked to the record \$68 million worth of building consents issued in the 2005-06 year (see next item).



Building Consents Exceed \$68 million



The value of building consents issued by the Manawatu District Council for the 2005/06 financial year reached an all-time high, even though the overall number of consents granted was slightly down on the previous year. The 1,280 consents issued in the 12 months since July last year totalled \$68 million, compared to the 2004/05 tally of \$51 million from 1,301 consents.

The increasing surge in consent demands for the district, which started three years ago, shows no signs of slackening. The most popular area for residential development appeared to be on the outskirts of Feilding, but new homes were being built from one end of the district to the other.

Clock Tower Receives Wash and Rinse

Feilding's clock tower received its annual wash in February this year, with the entire 16 metre-tall structure receiving full attention. A cherry-picker from Lower Hutt needed to be used so the cleaners could be lifted high enough to apply the formulated detergent to the top of the dome, which has not been washed since the clock tower was commissioned at 12 midnight on December 31, 1999, to welcome in the new millennium. The application used cleans and gently lifts any dirt from the tower's various surfaces. The photograph shows Chemwash Manawatu's Neil McCracken applying the detergent from the elevated platform operated by Hire Up Ltd's Kerry Moses.



Makino Key Part of Triathlete Event

The Makino Aquatic Centre and its staff earned the plaudits of participants and organisers when the 2006 Sun Latte Active Woman Triathlon Series event was held in Feilding in January this year.

The pool was used for the start and finish of the event, which encompassed a 350m swim, a 12km bike ride (including a lap of the Manfeild Park motor racing track) and a 4km run-walk.

The pool was opened for organisers at 3am on the Sunday as preparations for the annual non-competitive event began in earnest. The triathletes received a poolside briefing at 6.45am before the first wave of six swimmers began their seven-length leg 15 minutes later.

175 people took part this year, compared to 165 in 2005, but the number could have been greater if it had not clashed with the final event in a Manawatu Striders' series.



Chief Executive Receives New Year's Honour

Manawatu District Council Chief Executive, Rod Titcombe, was appointed a Member of the New Zealand Order of Merit (MNZM) in the 2006 New Year's Honours List in recognition to his services to local government. Mr Titcombe's investiture was at Government House in Wellington in March 2006.

Council Adopts Open Space Framework

Designed to give clear direction for Council in its decision-making relating to the effective planning, management and development of the District's public open spaces, Council adopted the Open Space Framework in June 2006.

The framework provides five key directions to help decision-making over the next 10 years – these are:

1. Strengthen the existing public open space networks
2. Improve recreational access to natural areas
3. Improve the natural environment
4. Promotion of district reserves and associated attractions and facilities
5. Strengthen partnerships within the district and wider region so as to ensure more efficient use and development of open space resources

The key directions have been written with existing legislation and policies in mind, and with input from many individuals and organisations. They will, therefore, be taken into account by all people planning or making decisions about the district's public open spaces in the future.

Liquor Ban Bylaw Passed

Manawatu District Council passed a Liquor Ban Bylaw in December last year. The ban, between 9pm and 6am, applies to all streets and public places in an area bounded by the North Island main trunk railway and Hobson, Manchester (in two sections), Bowen, Warwick, Fergusson and Eyre Streets. The prohibition only applies to liquor consumed in public places and does not affect footpath seating areas that are part of licensed premises or prevent people transporting unopened containers of alcohol through the CBD. A temporary ban introduced last summer had been quite effective in reducing the amount of disorderly behaviour and litter such as broken glass.

Feilding police and Feilding Promotion requested that a liquor ban for the town centre be applied year round and council agreed that such a move would be worthwhile.

Urban Growth

Demand for residential sections in Feilding has been very strong for the past three years. The amount of land zoned residential within the town boundary could provide about 530 new building sites, but over half of this “land bank” is already in the process of being subdivided. Last year Council produced a Discussion Document identifying six sites around the edge of town that could be future residential growth areas. The pros and cons of each potential area were assessed, particularly in regard to the possible cost of providing water, sewerage, stormwater and roading services.

After some very useful input from residents and the development community, it became clear that all six growth areas should be part of the town’s 50-year growth plan. Council decided that a manageable and logical first stage would be to re-zone 86ha of land in the Pharazyn St and Lethbridge St North areas, capable of producing 510-560 new building sites. Proposed Change No. 27 to the Manawatu District Plan, which would implement this re-zoning, has now been advertised for public submissions.

Key Council Financial Indicators

Indicator	Council Actual 2006	Council Budget 2006	Council Actual 2005
Assets			
Capital Expenditure	\$13.1 M	\$11.7 M	\$11.7 M
Total Fixed Assets	\$476 M	\$400 M	\$401 M
Total Assets	\$496 M	\$416 M	\$424 M
Working Capital (Current assets less current liabilities excluding current portion of term debt and Properties for Sale)	\$4.1 M	\$2.2 M	\$3.5 M
Cash at Bank/(Overdraft)	\$118,244	\$0	\$36,000
Short Term Bank Deposits	\$5.9 M	\$4.2 M	\$6.1 M
Special Funds	\$3.6 M	\$2.6 M	\$3.7 M
Borrowing Requirements			
Net Borrowing (repayments) for the Year	\$(0.9M)	\$4.3 M	\$3.7 M
Total Council Debt	\$11.4 M	\$21.7 M	\$12.4 M
Debt Servicing Costs as a Percentage of Council Revenue	2.5%	3.7%	1.9%
Loan Repayment Funds	\$1.7 M	\$1.8 M	\$1.3 M
Debt as a percentage of Assets	2.3%	5.2%	2.9%

Community Vision

During the 2005/06 financial year Council completed the Community Outcomes Process. Community outcomes reflect the community's aspirations over the next 10 years in terms of how it wants to see the district develop. The community outcomes process involved extensive consultation with the community, including public meetings and attendance at community events such as the Fielddays and the Manfeild Park Garden Festival. The following is a summary of the community outcomes derived as a result of these meetings:

A vital community that is cohesive and characterised by community involvement. This includes:

- Strong leadership: leadership which is accountable and visionary, taking a long-term view
- Caring communities: taking care of the more vulnerable members of the community through a range of services
- Employment opportunities: attracting high quality professionals and trades people to the district
- Youth participation: youth involvement in decision-making; employment opportunities for youth; and a greater variety of leisure resources

A community that has access to effective services. This includes:

- Effective long-term planning of infrastructural services
- Easy access to services – both in terms of availability and affordability
- Ease of mobility round the district: a well maintained network of roads, cycleways and walkways

A self-sufficient environment that preserves, values and develops our natural environment. This includes:

- Environmental responsibility
- Promoting alternative energy and energy efficiency; organisations taking responsibility for their own waste
- Preserving the natural assets of the District, in particular district reserves
- Promotion of sustainable land-use: managing land effectively to achieve community goals, whilst taking a long-term view of development that takes the needs of future generations into account.
- Tourism development: taking advantage of the potential for tourism in this district.

People are able to go about their business and leisure any time of the day or evening without fear for their safety. This includes:

- People feel safe as they go about their business
- Increased police presence in rural communities
- Faster police response times
- Communities free of drugs
- Better control of 'boy racers'

Guiding Principles and Groups of Activities

The LTCCP, adopted on 30th June 2006, is Council's response to the above outcomes. Each activity within the LTCCP explains which outcomes it contributes to, and summarised links to outcomes are provided in this Annual Report. To help Council achieve the Community Vision, Council has identified five guiding principles to help it effectively manage and determine its responsibilities. These are:

- To provide leadership for the community and to advocate on its behalf
- To consult with the community to identify needs and determine priorities for allocating resources
- To balance the provision of services with the community's ability to pay
- To promote sustainable management of the environment
- To manage effectively the community's facilities and resources

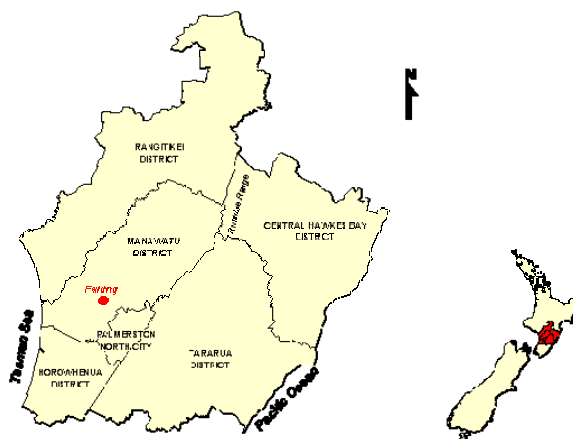
The Manawatu District - Profile

The Manawatu District Council was established on 1 November 1989 with the amalgamation of the five former authorities (Oroua, Kiwitea, Pohangina, Manawatu and Feilding).

Area

The district covers an area of 253,164 hectares.

It stretches from the Rangiwahia in the north to Himatangi Beach and Palmerston North in the south. The western boundary is the Rangitikei River and the eastern boundary the Ruahine ranges and Manawatu River.



Population

The Manawatu District Council serves a population of 27,900. These are provisional Census Night figures as at March 2006. Final Census (usually resident population) figures are due in November this year.

Towns and Villages

Feilding is the major town, with a population of 13,730 (as at Census Night, March 2006). A number of smaller villages are dotted around the district. Palmerston North is the closest major city.

Natural Features

Two major rivers – the Rangitikei and the Manawatu, border the Manawatu District. The Oroua River is heavily utilised by both Feilding and rural users. A range of natural features exist from the peaks of the Ruahine Ranges to the beautiful Pohangina Valley to the windswept West Coast beaches and dunes.

Economy

Key industry sectors in the Manawatu include agriculture, forestry, manufacturing, retail trade, health and community services, education and property and business services. The district is home to significant livestock and cropping operations. Ohakea Air Base is also located within district boundaries.

Feilding acts as a service centre to the surrounding rural community, with several rural based businesses, including the Feilding stock saleyards. It is also increasingly an attractive place to live with numerous Palmerston North workers choosing to live in Feilding and commute. Significant manufacturing industries include Feltex Carpets and Fruehauf Trailers. It has a thriving central business district, with significant national retailers. Smaller communities around the district act as local service centres, with tourism and visitor industries increasingly prominent such as B & Bs, cafes and rural homestays.

Manawatu District is centrally located with significant regional operations nearby including Palmerston North Airport, Massey University, Linton Army Camp, Palmerston North Hospital and the Universal College of Learning (UCOL).

Infrastructure

The district is serviced with 1,429 kilometres of roads and 369 bridges. State Highways 1 and 3 run through the south western point of the district. Most villages are serviced with water supply, wastewater and stormwater disposal. Parks and reserves are dotted throughout the district. A number of rural communities are also connected to water supplies and drainage systems.

Statement of Compliance and Responsibility

Compliance

The Council and management of Manawatu District Council confirm that all the statutory requirements of section 98 of the Local Government Act 2002 have been complied with.

Responsibility

The Council and management of Manawatu District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

The Council and management of Manawatu District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of Manawatu District Council, the annual Financial Statements for the year ended 30 June 2006 fairly reflect the financial position and operations of Manawatu District Council.



Ian McKelvie
Mayor



Rod Titcombe
Chief Executive



Graham Teahan
Corporate Services Manager

DATE: 19 October 2006

Audit Report

TO THE READERS OF MANAWATU DISTRICT COUNCIL AND GROUP'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2006

The Auditor-General is the auditor of Manawatu District Council (the District Council) and group. The Auditor-General has appointed me, John O'Connell, using the staff and resources of Audit New Zealand, to carry out an audit on his behalf. The audit covers the District Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council and group for the year ended 30 June 2006, including the financial statements.

Unqualified opinion

In our opinion:

- √ The financial statements of the District Council and group on pages 20 to 40:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council and group's financial position as at 30 June 2006; and
 - the results of operations and cash flows for the year ended on that date.
- √ The service provision information of the District Council and group on pages 43 to 105 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- √ The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 19 October 2006, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and the other requirements did not have material misstatements, whether caused by fraud or error.

Annual Report for the year ended 30 June 2006

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- v determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- v verifying samples of transactions and account balances;
- v performing analyses to identify anomalies in the reported data;
- v reviewing significant estimates and judgements made by the Council;
- v confirming year-end balances;
- v determining whether accounting policies are appropriate and consistently applied; and
- v determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements and the other requirements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

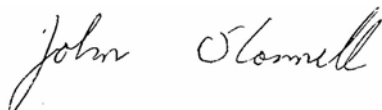
The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2006. They must also fairly reflect the results of operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for preparing the information in the other requirements. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit and in conducting the audit of the Long Term Council Community Plan, we have no relationship with or interests in the District Council or any of its subsidiaries.



John O'Connell

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of Manawatu District Council for the year ended 30 June 2006 included on Manawatu District Council's web site. The Council is responsible for the maintenance and integrity of the Manawatu District Council's web site. We have not been engaged to report on the integrity of the Manawatu District Council's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 19 October 2006 to confirm the information included in the audited financial statements presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Accounting Policies

1. Reporting Entity

The Manawatu District Council is a Local Authority as defined under the Local Government Act 2002. Balance date is 30th of June.

The Council has a 100% shareholding in Heartland Contractors Limited a Council Controlled Organisation as defined in S67 of the Local Government Act 2002. On 23 June 2003 Council granted the trust Council Organisation status as provided under Section 7 of the Local Government Act. This exception must be reviewed every three years and can be revoked at any time by Council. Balance date is 30th of June. The principal activity of the company is investing.

The Feilding Civic Centre Trust is a Council Controlled Organisation as defined under Section 67 of the Local Government Act 2002. On 21 July 2005, Council granted the trust Council Organisation status as provided under Section 7 of the Local Government Act. This exception must be reviewed every three years and can be revoked at any time by Council. Balance date is 30th of June. The principal activity of the trust is to administer the Feilding Civic Centre.

The financial statements have been prepared in accordance with the Local Government Act 2002, and are prepared in accordance with the financial reporting standards as issued by the Institute of Chartered Accountants of New Zealand.

2. Measurement Base

The measurement base adopted is that of historical cost, modified by the revaluation of certain classes of fixed assets.

3. Financial Reporting

(A) Basis of Preparation of the Consolidated Financial Statements

The consolidated financial statements include statements of financial performance, cashflows, financial position, movements in equity, contingent liabilities and commitments encompassing all activities of the Council. In order to meet its obligations of public accountability, the Council has also included for each significant activity a financial summary.

(B) Support Costs

Support costs, net of revenue received, are allocated to significant activities. Allocations are based on activity cost drivers, such as floor space occupied, amount of resources used and level of staff services provided.

4. Revenue

All income is recognised on an accrual basis.

5. Investments

Investments are valued at cost, with the exception of Council's share of the Gordon Kear Forest, and shares as detailed below.

The Gordon Kear Forest is a joint venture between the Council and Palmerston North City Council, with the Council owning a 1/6 share. The forestry assets are valued at estimated market value as at 30 June 2006 by Forme Consulting Group Ltd.

Shares were valued as follows:

- Shares in the New Zealand Local Government Insurance Corporation Ltd have been valued at their original issue price of \$1 per share.

- Council's investment in Heartland Contractors Limited, a fully controlled Council organisation, is valued at cost.

6. Properties intended for sale

Council has a number of properties that it is in the process of selling. These properties have been valued at net realisable value by Quotable Value NZ as at the 30th June 2005.

7. Fixed Assets

Description

Infrastructural Assets

Infrastructural assets are the fixed utility systems that provide a continuing service to the community, and are not generally regarded as tradable. They include roads and bridges, water, wastewater and stormwater systems.

Restricted Assets

Restricted assets are assets that cannot be disposed of because of legal or Council policy restrictions, and include Housing for the Elderly and Disabled units, halls, and recreational assets.

Operational Assets

By default any asset not classified in either of the above groupings. This group includes items such as the Council administration building, library buildings, the Civic Centre and Little Theatre.

Valuation Methodology

Land and buildings excluding Infrastructural structures

These assets have been valued as at the 30th June 2005 by Quotable Value NZ at fair value. The valuation was undertaken by a registered valuer, Mr Tony Jones (ANZIV, SNZP).

The valuation has been prepared with reference to the New Zealand Institute of Valuers Valuation Standard 3 and meets the requirements of FRS 3: Accounting for Property, Plant and Equipment. The values of the assets have been considered on a Fair Value basis in accordance with FRS-3 under the highest and best use scenario. "Fair value" as defined under FRS-3 is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arms length transaction. Highest and best use is defined as the most probable use of the asset that is physically possible, appropriately justified, legally permissible, financially feasible and which results in the highest value.

All land has been valued on a fair market highest and best use basis determined from marked based evidence and conditions that prevailed as at March 2005.

Buildings have been valued on either a fair market or depreciated replacement cost basis. Where the fair value of an asset can be determined by reference to the price in an active market for the same asset of a similar asset, the fair value of the asset is determined using this information. Where fair value of the asset is not able to be reliably determined using market-based evidence, depreciated replacement cost is considered to be the most appropriate basis for determination of the fair value. This situation will usually arise with specialised asset types. Council policy is to value land and buildings every three years.

Furniture and fittings, equipment, plant and machinery

Reported at historical cost less depreciation as at 30 June 1992. Subsequent additions are recorded at cost. Assets over \$1,000 are usually capitalised.

Library books

These assets are recorded at the amounts determined at the last valuation plus additions at cost less accumulated depreciation since that date.

Gardens and Landscaping

These assets have now been included under the asset class buildings in accordance with the way they are to be valued and recorded.

Motor vehicles

Recorded at historical cost less depreciation.

Annual Report for the year ended 30 June 2006

Assets under construction

Recorded at historical cost.

Infrastructural Assets (excluding land)

Water, wastewater, stormwater and roading assets were valued as at the 1st July 2005 by Manawatu District Council engineers in accordance with the requirements of FRS-3. These valuations were subsequently reviewed by C H Jenkins, SPM Consultants Ltd.

The Manawatu District Council valuers were:

- Bill Smith, Waste Manager, Manawatu District Council. Qualifications: HNC (Mech), Dip. Bus. Admin., REA
- Wayne Spencer, Water Manager, Manawatu District Council. Qualifications: NZCE (Civil)
- Colin Giles, Roading Manager, Manawatu District Council. Qualifications: NZCE (Civil), REA
- Richard Kirby, Assets Group Manager, Manawatu District Council. Qualifications: BE (Civil), CPEng (NZ), Int., PE (NZ), MIPENZ

Roading assets were valued by Mark Sneddon (Qualifications: BE, MBA, BSc, MIPENZ, MStructE) of GHD Limited.

Assets have been valued on a depreciated replacement cost basis in accordance with currently accepted valuation methodology. New additions have been recorded at cost.

Land underneath roads

Valued at the average market value of surrounding land as at 1 July 2005 based on values obtained from Quotable Value NZ.

Depreciation

Land and assets under construction are not depreciated.

All other assets with a few exceptions are depreciated on a straight line basis at rates that will write off their cost or net realisable value less any estimated sales value over their expected useful economic life. Where assets have been revalued the carrying value of the asset as at the date of the last revaluation has been depreciated at a rate determined by the remaining useful life of the asset in question.

The expected lives of major classes of fixed assets are as follows:

Buildings	40 - 80 years	1.25 - 2.5%
Other improvements on land	5 - 80 years	1.25 - 20%
Furniture and Equipment	20 months - 10 years	10 - 60%
Plant, Machinery and Motor Vehicles	4 - 10 years	10 - 25%
Library Books	10 years	10%
Computer Hardware and Software	3 – 5 years	20%-33.3%
Gardens and Landscaping	Included under buildings	

Infrastructural

Depreciation on these assets is calculated on a straight line basis over the modified base life (remaining useful life) of the asset in question. The base lives and depreciation rates of the major utility asset types are as follows. These rates apply only to assets that have been procured since the last valuation date.

Utilities

Water pipes and valves	60 years	1.66%
Sewerage pipes and manholes	60 - 100 years	1 - 1.66%
Reservoirs	50 - 100 years	1 - 2%
Treatment plants (excl. equipment)	50 years	2%
Treatment plant equipment	5 - 25 years	4 - 25%
Stormwater pipes and manholes	60 - 100 years	1 - 1.66%

Roading

Bridges, retaining walls	120 years	1%
Pavement surface	2 - 80 years	1.25% - 50%
Pavement layers	80 years	1.25%
Footpaths	25 - 70 years	1.4 - 4%
Pavement formation	Not depreciated	
Culverts, kerb and channel and roading drainage structures	50 - 100 years	1 - 2%
Street signs	13 years	7.5%
Traffic islands	80 years	1.25%
Street lighting	50 - 70 years	1.4 - 2%
Bus shelters and weighbridges	10 – 20 years	10 – 20 %

The variations in lives reflect the different materials used.

8. Goodwill

Where the cost of assets purchased by the group exceeds the fair value of the assets the balance represents goodwill. Goodwill arising on the purchase of assets is reviewed at least annually and where there has been a permanent impairment in the value of the remaining portion of goodwill, it is charged to the Statement of Financial Performance. To the extent that goodwill is not written off due to a permanent impairment in value, it is amortised on a systematic basis over the period during which the benefit represented by the goodwill is expected to accrue to the group. This period is unlikely to exceed 10 years and in no case will exceed 20 years.

9. Equity

The net value of the community's interest in the assets and liabilities of the district is reflected in the equity figure disclosed in the Statement of Financial Position. This is broken down into four further components and analysed within the notes to the financial statements.

10. Loan Repayment Funds

These are funds set aside each year to meet future loan principal repayments. These funds are administered by the Manawatu District Council Sinking Fund Commissioners, appointed by the Council. These funds are included in the Statement of Financial Position as an investment.

11. Accounts Receivable

Accounts receivable are valued at their net realisable value, after providing for doubtful and bad debts.

12. Goods and Services Tax

The figures included in the financial statements are exclusive of GST except for accounts receivable and accounts payable, which are inclusive of GST. Where GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

13. Employee Benefits

Provision is made in respect of the Council's liability for annual leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay.

14. Taxation

Income tax is charged in the Statement of Financial Performance in respect of current year's earnings after allowing for permanent differences between reported earnings and assessable earnings for income tax purposes.

Deferred taxation is determined on a comprehensive basis using the liability method. A debit balance in the deferred taxation account arising from timing differences or income tax benefits from income tax losses, is only recognised where there is virtual certainty of realisation.

15. Basis of Consolidation - Purchase Method

The consolidated financial statements include Council's fully controlled subsidiaries Heartland Contractors Ltd and Feilding Civic Centre Trust, accounted for using the purchase method. Corresponding assets, liabilities, revenues and expenses are added together on a line by line basis. All significant inter-entity transactions are eliminated on consolidation. In the Council's financial statements investments in subsidiaries are stated at the lower of cost or fair value.

16. Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council invests as part of its day-to-day cash management. Operating activities include cash received from all income sources of the Council and records the cash payments made for the supply of goods and services. Investing activities are those activities relating to the acquisition and disposal of non-current assets. Financing activities comprise the change in equity and debt capital structure of the Council.

17. Financial Instruments

Revenue and expenditure in relation to all financial instruments are recognised in the Statement of Financial Performance. All financial instruments are recognised in the Statement of Financial Position. Manawatu District Council is risk adverse and seeks to minimise exposure arising from its treasury activity.

18. Leases

Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are charged as expenses in the periods in which they are incurred.

19. Budget Figures

The budget figures shown within this Annual Report are those contained in the 2005/06 Annual Plan, adopted by Council on 19 May 2005 after a period of public consultation. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by Council for the preparation of the financial statements.

20. Financial Summaries

The Financial Summaries as presented within the Group of Activities section of this report show all revenues and expenditures for each activity, including support costs, which are allocated in accordance with Council's support cost allocation policy. Please note that a zero value within a Financial Summary is shown as a blank space.

21. Landfill Closure and Aftercare Costs

As operator of the Feilding landfill, the Council has a legal obligation to provide for the closure and subsequent ongoing maintenance and monitoring services at the landfill site. Council has recognised these costs as well as the aftercare costs attaching to two closed landfill sites in accordance with the requirements contained in accounting standard *FRS-15: Provisions*, in the financial statements for the year ended 30 June 2006.

22. Changes in Accounting Policy

There have been no changes to the accounting policies adopted in the last audited financial statements. All policies have been applied on a basis consistent with the previous financial year.

Consolidated Statement of Financial Position as at 30 June 2006

Consolidated Actual 2005 (\$000)	Council Actual 2005 (\$000)	Notes		Consolidated Actual 2006 (\$000)	Council Actual 2006 (\$000)	Council Budget 2006 (\$000)
Current Assets						
6,425	6,170	1,8	Deposits - General & Special Funds	6,001	5,903	4,238
6,363	6,330	2,26	Receivables, Prepayments And Accrued Revenue	4,129	4,128	2,450
	0	6	Properties Intended For Sale	426	426	0
200	200		GST Receivable	363	363	194
12,988	12,700		Total Current Assets	10,919	10,820	6,882
Non-Current Assets						
3,115	3,115	1,8	Local Government Stock and Bonds	3,115	3,115	2,579
2,862	2,862	3	Term Advances	2,851	2,851	2,172
62	1,941	5	Shares & Debentures	62	62	1,717
1,269	1,269	1,13	Loan Repayment Fund Investments	1,711	1,711	1,758
687	687		Joint Forestry Venture	774	774	621
853	853	6	Properties Intended for Sale	475	475	492
126	126		Intangible Assets	147	147	0
400,450	400,522	7	Fixed Assets	475,672	475,572	400,048
409,424	411,375		Total Non-Current Assets	484,807	484,707	409,387
422,412	424,075		Total Assets	495,726	495,527	416,269
Current Liabilities						
6,070	6,046	9,26	Payables and Accruals	4,793	4,788	2,700
834	2,701	25	Bonds & Deposits	1,066	1,066	2,000
446	446	26	Current Portion of Provisions	415	415	0
930	930	8,10	Current Portion of Term Debt	2,350	2,350	2,348
8,280	10,123		Total Current Liabilities	8,624	8,619	7,048
Non-Current Liabilities						
11,430	11,430	8,10	Term Debt	9,085	9,085	19,315
378	378	26	Provisions	448	448	835
11,808	11,808		Total Non-Current Liabilities	9,533	9,533	20,150
Equity						
227	227	11	Trust Funds	186	186	88
3,655	3,655	12	Special Funds	3,623	3,623	2,578
232,989	232,809	14	Ratepayers Equity	250,136	249,942	231,122
165,453	165,453	15	Asset Revaluation Reserve	223,624	223,624	155,283
402,324	402,144		Total Equity	477,569	477,375	389,071
422,412	424,075		Total Liabilities & Equity	495,726	495,527	416,269

The accompanying policies and notes form part of these financial statements

Consolidated Statement of Financial Performance for the year ended 30 June 2006

Consolidated Actual 2005 (\$000)	Council Actual 2005 (\$000)	Notes	Consolidated Actual 2006 (\$000)	Council Actual 2006 (\$000)	Council Budget 2006 (\$000)	
42,371	42,185	17	Operating Revenue	36,099	36,029	30,275
<u>39,893</u>	<u>39,887</u>	17	Operating Expenditure	<u>31,133</u>	<u>31,077</u>	<u>31,258</u>
2,478	2,298		Net Operating Surplus/(Deficit) before Taxation	4,966	4,952	(983)
0	0	27 16	Prior Year Revaluation Writeback (Tax Expense)/Tax Benefit	11,788	11,788	
<u>2,478</u>	<u>2,298</u>		Net Surplus/(Deficit) After Taxation	<u>16,754</u>	<u>16,740</u>	<u>(983)</u>

The accompanying policies and notes form part of these financial statements

Consolidated Statement of Movements in Equity for the year ended 30 June 2006

Consolidated Actual 2005 (\$000)	Council Actual 2005 (\$000)			Consolidated Actual 2006 (\$000)	Council Actual 2006 (\$000)	Council Budget 2006 (\$000)
389,604	389,604	Notes	Equity at the start of the year	402,324	402,144	390,054
2,478	2,298		Net Surplus/(Deficit) for the year After Taxation	16,754	16,740	(983)
15	15	14	Inc/(Dec) in Ratepayers Equity	0	0	0
10,227	10,227		Inc/(Dec) in Asset Revaluation Reserves	58,491	58,491	0
12,720	12,540		Total Recognised Revenues and Expenses for the year	75,245	75,231	(983)
402,324	402,144		Equity at the end of the year	477,569	477,375	389,071

The accompanying policies and notes form part of these financial statements

Consolidated Statement of Cash Flows for the year ended 30 June 2006

Consolidated Actual 2005 (\$000)	Council Actual 2005 (\$000)		Consolidated Actual 2006 (\$000)	Council Actual 2006 (\$000)	Council Budget 2006 (\$000)
CASHFLOWS FROM OPERATING ACTIVITIES					
Cash was provided from:					
17,525	17,525	Rates	17,943	17,943	17,804
18,156	18,156	Subsidies and Grants	13,284	13,284	8,444
772	768	Interest & Dividends	894	890	562
0	0	Receipt of GST (Net)	0	0	0
7,001	6,834	Other Receipts	6,147	6,057	3,464
<u>43,454</u>	<u>43,283</u>		<u>38,268</u>	<u>38,174</u>	<u>30,274</u>
Cash was applied to:					
29,682	29,697	Payments to Suppliers	20,711	20,700	19,054
4,269	4,269	Payments to Employees	4,511	4,511	3,638
0	0	Income Tax	0	0	0
159	159	Payment of GST (Net)	163	163	80
770	770	Interest on Loans	849	849	1,116
<u>34,880</u>	<u>34,895</u>		<u>26,234</u>	<u>26,223</u>	<u>23,888</u>
8,574	8,388	Net cash inflow/(outflow) from Operating Activities	12,034	11,951	6,386
CASHFLOWS FROM INVESTING ACTIVITIES					
Cash was provided from:					
74	74	Sale of Assets	353	353	1,235
0	0	Net Decrease in Investments	1,448	1,448	0
<u>74</u>	<u>74</u>		<u>1,801</u>	<u>1,801</u>	<u>1,235</u>
Cash was applied to:					
11,532	11,694	Purchase of Fixed Assets	13,333	13,095	12,231
948	854	Net Increase in Investments	0	0	123
<u>12,480</u>	<u>12,548</u>		<u>13,333</u>	<u>13,095</u>	<u>12,354</u>
(12,406)	(12,474)	Net cash inflow/(outflow) from Investing Activities	(11,532)	(11,294)	(11,119)
CASHFLOWS FROM FINANCING ACTIVITIES					
Cash was provided from:					
3,746	3,746	Loans Raised	0	0	5,275
<u>3,746</u>	<u>3,746</u>		<u>0</u>	<u>0</u>	<u>5,275</u>
Cash was applied to:					
1,383	1,383	Repayment of Loans	924	924	928
0	0	Repurchase of Shares	2	0	0
<u>1,383</u>	<u>1,383</u>		<u>926</u>	<u>924</u>	<u>928</u>
2,363	2,363	Net cash inflow/(outflow) from Financing Activities	(926)	(924)	4,347
(1,469)	(1,723)	Net Increase/(Decrease) in Cash Held	(424)	(267)	(386)
7,894	7,893	Cash and Deposits at beginning of year	6,425	6,170	4,624
<u>6,425</u>	<u>6,170</u>	Closing Cash Resources	<u>6,001</u>	<u>5,903</u>	<u>4,238</u>

The accompanying policies and notes form part of these financial statements

Reconciliation of Net Surplus/(Deficit) After Taxation to Net Cash Flow from Operating Activity

Consolidated Actual 2005 (\$000)	Council Actual 2005 (\$000)		Consolidated Actual 2006 (\$000)	Council Actual 2006 (\$000)	Council Budget 2006 (\$000)
2,478	2,298	Net Surplus/(Deficit) After Taxation	16,754	16,740	(983)
		Add/(Deduct) Non-Cash Operational Items			
6,271	6,264	Depreciation Costs	7,793	7,747	6,170
(654)	(654)	Write Back Prior Loss on Revaluation	(11,788)	(11,788)	0
43	43	Increase/(Decrease) in Provisions	44	44	28
1	1	Amortisation of Bond Premium	0	0	0
0	0	Debts Written Off	0	0	0
		Add/(Deduct) Items included under Investing Activities			
526	526	Loss/(Gain) on Disposal of Fixed Assets	25	25	0
0	0	Loss/(Gain) in Valuation of Powerco Shares	0	0	0
(7)	(7)	Loss/(Gain) on Sale Powerco Shares	0	0	0
(66)	(66)	Loss/(Gain) in Valuation of Forestry	(87)	(87)	0
0	(114)	Loss/(Gain) in Valuation of Other Investments	57	0	0
0	0	Loss/(Gain) on Write-off of Fixed Assets	0	0	1,171
(179)	(179)	Assets Vested in Council	(83)	(83)	0
		Add/(Deduct) Movements in Working Capital Items			
926	1,060	(Increase)/Decrease in Receivables & Accruals	2,167	2,203	0
(765)	(784)	Increase/(Decrease) in Payables & Accruals	(2,848)	(2,850)	0
0	0	Increase/(Decrease) in Deferred Tax	0	0	0
8,574	8,388	Net cash inflow/(outflow) from Operating Activities	12,034	11,951	6,386

The accompanying policies and notes form part of these financial statements

Consolidated Statement of Commitments as at 30 June 2006

Consolidated Actual 2005 (\$000)	Council Actual 2005 (\$000)		Consolidated Actual 2006 (\$000)	Council Actual 2006 (\$000)
626	626	Capital Commitments approved and contracted	910	910
		Non-cancellable operating lease commitments		
		Property and Equipment		
62	62	Not later than one year	57	57
40	40	Later than one year and not later than two years	55	55
86	86	Later than two years and not later than five years	55	55
0	0	Later than five years	0	0
188	188		167	167
		Other contracts		
		The Council has contracts for the maintenance of and provision of services for roads, utilities, solid waste, parks and cemeteries. Details of the commitments under these contracts are as follows:		
6,420	6,420	Not later than one year	2,885	2,885
1,447	1,447	Later than one year and not later than two years	1,335	1,335
415	415	Later than two years and not later than five years	1,078	1,078
0	0	Later than five years	0	0
8,282	8,282		5,298	5,298
9,096	9,096	Total Commitments	6,375	6,375

The accompanying policies and notes form part of these financial statements

Consolidated Statement of Contingent Liabilities as at 30 June 2006

Manawatu District Council

The Council had no contingent liabilities as at 30 June 2006 (2005: none).

Heartland Contractors Limited

Heartland Contractors Limited had no contingent liabilities as at 30 June 2006 (2005: none)

Feilding Civic Centre Trust

Feilding Civic Centre Trust had no contingent liabilities as at 30 June 2006 (2005: none).

Statement of Financial Involvement in CCOs and COs

The Manawatu District Council has control over the following entities:

Heartland Contractors Limited

The Council has a 100% shareholding in Heartland Contractors Limited, a Council Controlled Organisation as defined in the Local Government Act 2002. Balance date is 30 June in line with Council's end of year balance date.

The value of Council's investment in Heartland Contractors Limited as at 30th June 2006 was \$100 (2005: \$1,878,608).

Feilding Civic Centre Trust

Feilding Civic Centre Trust is a Council Organisation as defined in the Local Government Act 2002. Balance date is 30 June in line with Council's end of year balance date.

The accounts of Heartland Contractors Limited and Feilding Civic Centre Trust have been consolidated into Council's financial statements using the purchase method for preparing group accounts. This means that the account balances in the financial statements of Heartland Contractors Limited and Feilding Civic Centre Trust have been added line by line to those of Council, and furthermore that transactions between the entities have been eliminated. The net effect is that the consolidated figures in the attached financial statements in effect report the results of transactions between Council and these entities with external parties.

The accompanying policies and notes form part of these financial statements

Notes to the Financial Statements for the year ended 30 June 2006

Note 1: Deposits - General & Special Funds

The following deposits representative of General, Special and Trust funds are used to manage short term cash requirements.

Consolidated 2005 \$000	Council 2005 \$000		Consolidated 2006 \$000	Council 2006 \$000
43	42	Bank Deposits on Call	822	822
6,382	6,128	Bank Term Deposits invested for less than one year	5,179	5,081
6,425	6,170		6,001	5,903
		Representative of:		
6,309	6,054	General Funds	5,797	5,699
80	80	Trust Funds	86	86
36	36	Cash at Bank	118	118
6,425	6,170		6,001	5,903

The weighted average effective interest rates on investments (current and non-current) and the associated repricing maturities were:

		Weighted Average Effective Interest Rate		
6.96%	6.96%	Short-term Deposits	7.39%	7.39%
7.00%	7.00%	Loan Repayment Funds	6.82%	6.82%
7.12%	7.12%	Long-term Investments	7.13%	7.13%

Repricing Maturities

Council 2005(\$000)			Council 2006(\$000)		
Short-term Deposits	Loan Repayment Funds	Long-term Investments	Short-term Deposits	Loan Repayment Funds	Long-term Investments
6,170	412	429	5,903	963	2,906
	857	2,477		297	106
		209			103
				451	
6,170	1,269	3,115	5,903	1,711	3,115

Note 2: Receivables – Prepayments and Accruals

Consolidated 2005 \$000	Council 2005 \$000		Consolidated 2006 \$000	Council 2006 \$000
522	522	Accrued Revenue	411	411
765	732	Trade Debtors	390	389
638	638	Rate Monies Outstanding	583	583
4,438	4,438	Land Transport NZ Subsidy	2,745	2,745
6,363	6,330		4,129	4,128
		<i>Less: Provision For Doubtful Debts</i>		
6,363	6,330		4,129	4,128

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Note 3: Term Advances

Consolidated 2005 \$000	Council 2005 \$000		Consolidated 2006 \$000	Council 2006 \$000
5	5	Rural Housing Mortgages	4	4
1,650	1,650	Trust Investments	1,650	1,650
1,207	1,207	Community Loans	1,197	1,197
2,862	2,862		2,851	2,851

Note 4: Goodwill

There is no goodwill recorded in Council's consolidated accounts.

Note 5: Shares and Debentures

Consolidated 2005 \$000	Council 2005 \$000		Consolidated 2006 \$000	Council 2006 \$000
<i>Council has the following fully paid ordinary share holdings:</i>				
62	62	NZ Local Government Insurance Corp Ltd. (62,219 Shares @ \$1)	62	62
0	1,879	Heartland Contractors Ltd. (Valued at cost)	0	0
62	1,941		62	62

Note 6: Properties Intended for Sale

In addition to the fixed assets in Note 7, Council has identified some assets which are deemed to be surplus to requirements and consequently it is the intention of Council to sell these properties at the best realisable price. These properties have been valued on the basis of anticipated market returns net of disposal costs or known realisable values.

Consolidated 2005	Council 2005		Consolidated 2006	Council 2006
457	457	<i>At Valuation</i> Land	701	701
396	396	Buildings	200	200
853	853	Total Properties Intended for Sale	901	901
0	0	<i>Current Portion</i>	426	426
853	853	<i>Term Portion</i>	475	475

On the 30th September 2004, Council sold all the land and buildings associated with the Feilding Racecourse to the Manfeild Park Trust for the sum of \$1,650,000. In return for this sale Council holds a Community Investment in this Trust to the same value (refer note 3 Term Advances).

Note 7: Fixed Assets

Cost/ Valuation 30 June 2005 \$000	Acc Depn 30 June 2005 \$000	Book Value 30 June 2005 \$000		Cost/ Valuation 30 June 2006 \$000	Acc Depn 30 June 2006 \$000	Book Value 30 June 2006 \$000
(a) COUNCIL						
Infrastructure Fixed Assets						
<i>At valuation:</i>						
4,029	0	4,029	Land	3,612	0	3,612
297,949	12,459	285,490	Roading	355,107	4,303	350,804
43,218	4,578	36,640	Utility Services	66,326	1,713	64,613
<i>At cost:</i>						
Land						
19,260	146	19,114	Roading	5,835	0	5,835
115	13	102	Roading Structures	155	22	133
7,882	0	7,882	Utility Services	999	25	974
90	0	90	Under Construction	5,480	0	5,480
372,543	17,196	355,347	Total Infrastructure Fixed Assets	437,514	6,063	431,451
Restricted Fixed Assets						
<i>At valuation:</i>						
13,709	0	13,709	Land	13,709	0	13,709
21,991	0	21,991	Buildings	21,991	1,068	20,923
1,056	582	474	Library Books	943	469	474
<i>At cost:</i>						
Land						
Buildings						
467	31	436	Library Books	239	11	228
1,197	447	750	Plant and Equipment	625	172	453
38,420	1,060	37,360	Total Restricted Fixed Assets	38,743	2,203	36,540
Operational Fixed Assets						
<i>At valuation:</i>						
2,376	0	2,376	Land	2,367	0	2,367
4,436	0	4,436	Buildings	4,436	125	4,311
<i>At cost:</i>						
Land						
Buildings						
1,194	630	564	Plant, Equipment & Motor Vehicles	1,035	490	545
1,289	724	439	Office Equipment & Furniture	870	512	358
9,295	1,354	7,815	Total Operational Fixed Assets	8,708	1,127	7,581
420,258	19,610	400,522	Total Council Fixed Assets	484,965	9,393	475,572

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Cost/ Valuation 30 June 2005 \$000	Acc Depn 30 June 2005 \$000	Book Value 30 June 2005 \$000	Cost/ Valuation 30 June 2006 \$000	Acc Depn 30 June 2006 \$000	Book Value 30 June 2006 \$000	
(b) CONSOLIDATED						
Infrastructure Fixed Assets						
<i>At valuation:</i>						
345,196	17,037	328,159	Council	425,045	6,016	419,029
27,346	159	27,187	Council	12,469	47	12,422
372,542	17,196	355,346	Total Infrastructure Fixed Assets	437,514	6,063	431,451
Restricted Fixed Assets						
<i>At valuation:</i>						
36,757	582	36,175	Council	36,643	1,537	35,106
1,664	478	1,186	Council	2,100	666	1,434
38,421	1,060	37,361	Total Restricted Fixed Assets	38,743	2,203	36,540
Operational Fixed Assets						
<i>At Valuation</i>						
2,376	0	2,376	Land	2,367	0	2,367
4,277	0	4,277	Buildings	4,536	125	4,411
<i>At Cost:</i>						
1,288	637	651	Buildings	1,035	490	545
1,289	724	439	Plant, Equipment & Motor Vehicles	870	512	358
9,230	1,361	7,743	Total Operational Fixed Assets	8,808	1,127	7,681
420,193	19,617	400,450	Total Consolidated Fixed Assets	485,065	9,393	475,672

Consolidated fixed assets include the fixed assets of Heartland Contractors Limited a fully owned Council Controlled Organisation and Feilding Civic Centre Trust a Council Organisation.

Note 8: Financial Instruments**Credit Risk**

Financial instruments, which potentially subject the Council to credit risk, principally consist of bank balances and accounts receivable. Generally, the Council does not require collateral. Maximum exposures to credit risk is the amount stated in the financial statements and are net of any recognised provision for losses on these financial instruments. No collateral is held on these amounts.

Concentrations of Credit Risk

The Council is not exposed to any concentrations of credit risk.

Credit Facilities

The Council has an arranged bank overdraft facility which is used on rare occasions to manage cash resources and to ensure maximum utilisation of cash balances.

Term Debt

The Council utilises term debt to fund projects with a long-term community benefit. In accordance with the borrowing requirements of the Local Government Act 2002, all loans are registered with the Companies Office. Council has adopted a Borrowing Management Policy (BMP). An outline of the BMP is included in the Annual Plan and a report concerning Council's compliance with the BMP is included in this Annual Report.

Investments

Council is a prudent and conservative investor. Council has adopted an Investment Management Policy (IMP). An outline of the IMP is included in the Annual Plan and a report concerning Council's compliance with the IMP is included in this Annual Report.

Fair Values

The methods and assumptions used is that the carrying amount in the financial statement reflects the estimated fair value of the financial instruments including receivables, bank and investments and accounts payable.

Note 9: Payables

Consolidated	Council		Consolidated	Council
2005	2005		2006	2006
\$000	\$000		\$000	\$000
4,434	4,410	Trade Creditors	3,190	3,185
279	279	Accrued Expenses	805	805
457	457	Employees Entitlements	490	490
900	900	Income Received In Advance	308	308
6,070	6,046		4,793	4,788

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Note 10: Term Debt

Consolidated 2005 \$000	Council 2005 \$000		Consolidated 2006 \$000	Council 2006 \$000
9,997	9,997	Balance of Term Debt 1 July	12,360	12,360
3,746	3,746	Loans Raised during year	0	0
<u>13,743</u>	<u>13,743</u>		<u>12,360</u>	<u>12,360</u>
(1,383)	(1,383)	Loans Repaid during year	(925)	(925)
<u>12,360</u>	<u>12,360</u>	Balance of Term Debt 30 June	<u>11,435</u>	<u>11,435</u>
930	930	Current Portion of Term Debt	2,350	2,350
11,430	11,430	Non-Current Portion of Term Debt	9,085	9,085
12,360	12,360	Total Term Debt	11,435	11,435

Repayment Terms – The following is a maturity analysis of total public debt

930	930	Payable no later than one year	2,350	2,350
2,348	2,348	Later than one year, not later than two years	2,847	2,847
7,035	7,035	Later than two years, not later than five years	5,866	5,866
2,047	2,047	Later than five years	372	372
12,360	12,360	Total	11,435	11,435

Interest Rates – The weighted average effective interest rates on borrowings (current and non-current) were:

6.82%	6.82%	Secured Debt	6.87%	6.87%
Term Debt analysed by Activity				
712	712	Housing for the Elderly and Disabled	653	653
4	4	Rural Housing	4	4
0	0	Leisure Activities	0	0
2,002	2,002	Roading	1,656	1,656
8,050	8,050	Utility Services	7,530	7,530
8	8	Property	8	8
1,584	1,584	Investments	1,584	1,584
12,360	12,360	Total Term Debt	11,435	11,435

Type of Debt and Security

712	712	Properties Secured by Rates	653	653
4	4	Rural Housing Mortgages Secured by Rates	4	4
1,370	1,370	Local Authority Stock Secured by Rates	1,370	1,370
0	0	Mortgage over Racecourse Assets	0	0
6,858	6,858	Registered Bonds Secured by Rates	6,858	6,858
3,416	3,416	Bank Loans Secured by Rates	2,550	2,550
12,360	12,360		11,435	11,435
1,269	1,269	Loan Repayment Fund Investments	1,711	1,711

Note 11: Trust Funds

Trust Funds are those funds, which have been received, over time, by the Council usually by way of donation or bequest, the terms of which restricts the use of the funds. Each amount has been set up as a trust fund to maintain a degree of independence from Council funds. All such funds are separately invested and are not available for any other purposes.

	Fund Balance 1/07/2005	Transfers To Trust Funds	Transfers From Trust Funds	Fund Balance 30/06/2006
	\$	\$	\$	\$
Hook Bequest	14,120	789	2,585	12,324
Trewin Bequest	573	32	0	605
Wakerill Trust	529	30	0	559
Robert Dickson Library Trust	2,251	126	0	2,377
P.A.Broad Memorial Trust	3,885	217	0	4,102
Historical Trust	2,083	116	0	2,199
Children's Welfare Trust	205	11	0	216
Robert Dickson Educational Trust	46,891	2,621	4,724	44,788
Museum Trust	1,094	61	0	1,155
Feilding and District Relief Trust	155,854	18,710	56,466	118,098
	227,485	22,713	63,775	186,423

Note 12: Special Funds

Special Funds are those funds, or reserves, which Council has established by resolution, the terms of which restricts the use of the funds. Each fund has been set up as a separate account to maintain a degree of independence from Council's general funds.

	Fund Balance 1/07/2005	Transfers To Special Funds	Transfers From Special Funds	Fund Balance 30/06/2006
	\$	\$	\$	\$
Land Subdivision	304,887	243,025	96,147	451,765
General Purpose	1,378,985	230,371	234,201	1,375,155
Longburn Sewerage	0	0	0	0
Waituna West Water Supply	0	0	0	0
Kimbolton Sewerage	0	0	0	0
Vehicle Replacement	126,538	123,367	204,865	45,040
Emergency	927,140	103,750	410,000	620,890
Council Community Loans	208,237	12,074	0	220,311
Internal Loans	(4,845)	94,481	0	89,636
Landfill Closure and Aftercare	684,873	75,890	0	760,763
Heritage Incentive	29,060	1,676	3,000	27,736
Community Funding General Grants	0	32,153	0	32,153
	3,654,875	916,787	948,213	3,623,449

Note 13: Loan Repayment Funds

Loan Repayment Funds are those funds which are set aside for future repayments of Council Debt Funds are invested over the term of the debt to ensure that at maturity sufficient funds are held to repay the principal outstanding.

Activity	Loans Outstanding 30/06/2006 \$000	Loan Repayment Fund Balance 1/07/2005 \$000	Transfers to Loan Repayment Fund \$000	Transfers from Loan Repayment Fund \$000	Loan Fund Balance 30/06/2006 \$000
Roading	1,656	360	133	78	415
Waste	4,921	390	242	121	511
Water Supply	2,507	244	182	0	426
Drainage	102	21	8	20	9
Property	8	2	2	0	4
CCO Investment Loans	1,584	252	94	0	346
	10,778	1,269	661	219	1,711

Note 14: Reconciliation of Ratepayer's Equity - Council

Council Actual 2005 \$000		Council Actual 2006 \$000	Council Budget 2006 \$000
230,626	Opening Balance of Ratepayers Equity	232,809	231,784
2,298	Adjustment to Opening Ratepayers Equity	16,740	(983)
<u>232,924</u>	Plus Net Surplus/(Deficit) after Tax	<u>249,549</u>	<u>230,801</u>
	Plus Transfers In		
866	Transfers from Special Funds	948	1,084
168	Transfers from Loan Repayment Funds		220
1,112	Transfers from Trust Funds	64	
15	Transfers from Asset Revaluation Reserves	319	
<u>2,161</u>	Total Transfers In	<u>1,331</u>	<u>1,304</u>
	Less Transfers Out		
810	Transfers to Special Funds	916	380
531	Transfers to Loan Repayment Funds		603
935	Transfers to Trust Accounts	22	0
	Transfer to Asset Revaluation Reserve		
<u>2,276</u>	Total Transfers Out	<u>938</u>	<u>983</u>
<u>232,809</u>	Closing Balance of Ratepayer's Equity	<u>249,942</u>	<u>231,122</u>

Note: The closing Ratepayers Equity for 2005 has increased by \$1.269M due to Loan Repayment Fund equity no longer being reported separately (i.e. now treated as part of Ratepayers Equity).

Note 15: Fixed Asset Revaluation Reserves

Council Actual 2005 \$000		Increase/ (Decrease) during the year \$000	Council Actual 2006 \$000
Fixed Asset Revaluation Reserve			
1,785	Operational Land	60	1,845
343	Operational Buildings	(140)	203
51	Library Books	0	51
9,668	Restricted Land	0	9,668
11,061	Restricted Buildings	0	11,061
802	Infrastructural Land	(241)	561
0	Infrastructural Utilities	7,985	7,985
141,743	Infrastructural Rooding	50,507	192,250
165,453		58,171	223,624

The upward movement in the revaluation reserve arises from the revaluation of water, stormwater, wastewater and roading assets effective 1st July 2005.

Note 16: Income Tax

Consolidated Actual 2005 \$000	Council Actual 2005 \$000		Consolidated Actual 2006 \$000	Council Actual 2006 \$000
2,298	2,298	Net Surplus/(Deficit) Before Taxation	16,754	16,740
758	758	Prima Facie Tax Expense/(Credit) @ 33%	5,529	5,524
		Plus effect of Permanent Differences		
(720)	(758)	Non-Assessable Income/(Loss)	(5,510)	(5,524)
0	0	Imputation Adjustment	0	0
(38)	0	Tax Losses Utilised	(19)	0
0	0	Tax Charge/(Credit) for the Year	0	0
		Represented by:		
0	0	Taxation Payable/(Receivable)	0	0
0	0	Increase/(Decrease) in Deferred Taxation	0	0
0	0		0	0
		(Deferred Tax)/Future Tax Benefit Account		
0	0	Opening Balance	0	0
0	0	Current Year's Change	0	0
0	0	Closing Balance	0	0

Comment:

The Council's subsidiary has imputation credits of \$346,307 (2005: \$346,307) which can be used to impute dividend payments to Council.

Heartland Contractors Limited has unrecognised tax losses of \$497,898 (2005: \$555,298) with a tax effect of \$164,306 (2005: \$183,249) which are available for carry forward in offsetting assessable income in future income years.

Annual Report for the year ended 30 June 2006

Note 17: Operating Revenues and Expenditure in Detail

Council Actual 2005 \$000		Council Actual 2006 \$000	Council Budget 2006 \$000
	Operating Revenue		
1,792	General Rates	1,861	1,859
15,052	Targeted Rates	16,027	15,945
17,852	Subsidies	11,689	8,444
4,523	User Fees and Charges	4,377	3,235
679	Interest Received	889	562
179	Vested Assets Received	83	0
2,108	Other Revenue	1,103	230
42,185	Total Operating Revenue	36,029	30,275
	Operating Expenditure On Significant Activities		
1,291	Community Services	1,365	1,351
1,224	Democracy	1,262	1,104
1,444	District Development	1,460	3,801
348	Emergency Management	195	210
1,365	Environmental & Regulatory Management	1,451	1,428
4,708	Leisure Resources	4,043	3,977
21,401	Roading Network	13,763	12,970
3,161	Waste	3,699	3,262
2,631	Water	2,883	2,433
2,314	Other Expenditure	956	722
39,887	Total Operating Expenditure	31,077	31,258
2,298	Net Operating Surplus/(Deficit) Before Taxation	4,952	(983)

Note 18: Cost of Severance Agreements

The Council has no cost of severance agreements as under clause 19 of Schedule 10 of the Local Government Act 2002.

Note 19: Expenditure on Other Items

Council Actual 2005 \$000		Council Actual 2006 \$000	Council Budget 2006 \$000
645	Support Costs (Not Allocated to Significant Activities)	827	390
(66)	Write-down/(write-up) of Forestry Investment	(87)	0
1	Interest Paid Rural Housing Loans	1	1
(76)	Interest and CCO Costs	(224)	(64)
83	Cost of Asset Disposals	123	0
388	Property Activities	368	403
1,339	Other costs including Storm 04	(52)	(8)
2,314		956	722

Comment:

As part of Council's support cost allocation policy some revenue including petrol tax and interest on general funds is netted off against support costs prior to the allocation of these costs to activities.

Note 20: Other Revenue

Council Actual 2005 \$000		Council Actual 2006 \$000	Council Budget 2006 \$000
74	Asset Sales	45	0
121	Revaluation of Shareholdings	0	0
149	Support Areas Revenue	70	39
186	Rates Penalties	156	0
218	Petrol Tax	219	190
3	Dividends	80	1
1,357	Other Revenue Storm 04	533	0
2,108		1,103	230

Note 21: Extraordinary Items

There were no extraordinary items for the year ended 30th June 2006.

Note 22: Specific Operating Disclosure

Consolidated Actual 2005 \$000	Council Actual 2005 \$000		Consolidated Actual 2006 \$000	Council Actual 2006 \$000
(99)	(99)	(Gain)/Loss On Asset Disposals	(25)	(25)
530	530	Write Down of Assets	5	5
799	679	Interest Received	889	889
64	64	Audit Fees – Council	77	77
		LTCCP Audit Fees – Council	40	40
1		Audit Fees – Heartland Contractors Limited	1	
2		Audit Fees – Feilding Civic Centre Trust	1	
		Other payments made to Council Auditor's for services provided		
	11	Review Asset Management Plan		
309	309	Councillor's Remuneration	303	303
		Director's Fees		
		Depreciation		
3,317	3,317	<i>Infrastructural Assets - roading network</i>	4,303	4,303
3	3	- roading other	9	9
1,269	1,269	- utilities	1,709	1,709
968	968	<i>Restricted Assets - buildings</i>	1,054	1,054
139	139	- library books	141	141
152	152	- plant and equipment	61	61
123	116	<i>Operational Assets - buildings</i>	171	125
116	116	- plant, equipment, vehicles	171	171
184	184	- furniture and office equipment	174	174
<hr/>	<hr/>	Total depreciation for the year	<hr/>	<hr/>
6,271	6,264		7,793	7,747
0	0	Increase/(Decrease) in Provision for Doubtful Deb	0	0
16	16	Rental and Lease costs	16	16
7	7	Debts written off	6	6
840	840	Interest Paid	889	889

We have remitted rates to the value of \$130,304 for the year ended 30 June 2006 (2005: \$162,296).

Note 23: Statement of CCO & CO Performance

Manawatu District Council has 100% ownership of Heartland Contractors Limited, a Council Controlled Organisation (CCO). The company recorded a surplus of \$57,400 for the sixth months ended 31 December 2005 (2005: \$113,996). On the 31st December 2005, Manawatu District Council repurchased 1,849,900 ordinary shares at a \$1 each in the company for \$1,849,900. A dividend payment of \$88,221 was also received on this date. Manawatu District Council has retained 100 ordinary shares at a \$1 each in Heartland Contractors Ltd.

Manawatu District Council has control of Feilding Civic Centre Trust, a Council Organisation (CO). The Trust recorded a surplus of \$14,061 for the year ended 30th June 2006 (2005: \$357,887).

Note 24: Post Balance Date Events

No post balance date events have occurred requiring disclosure under this heading.

Note 25: Related Party Transactions

2005 \$000		2006 \$000
0	Charges made to Council by Heartland Contractors Limited during the year (GST Excl)	0
0	Amounts owed to Heartland Contractors Limited by Council at year end (GST Incl)	0
0	Charges made to Heartland Contractors Limited by Council during the year (GST Excl)	0
0	Amounts owed to Council by Heartland Contractors Limited at year end (GST Incl)	0
	Other Items	
1,879	Amounts held on deposit by Heartland Contractors Limited with Council	0
228	Charges made to Council by Feilding Civic Centre Trust during the year (GST Excl)	73
0	Amounts owed to Feilding Civic Centre Trust by Council at year end (GST Incl)	0
0	Charges made to Feilding Civic Centre Trust by Council during the year (GST Excl)	0
0	Amounts owed to Council by Feilding Civic Centre Trust at year end (GST Incl)	3

Key Management and Members of Council

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the Council (such as payment of rates, purchase of rubbish bags).

Note 26: Provisions

Manawatu District Council has recognised a provision in its financial statements for the year ending 30th June 2006 for the closure costs of the Feilding landfill and the aftercare costs of this landfill and two smaller landfills which are no longer operational.

Feilding Landfill

The current resource consent to operate the Feilding landfill expired on 28 February 2006. The Council has a responsibility under the conditions of the resource consent to rehabilitate and restore the landfill site upon closure and to provide on-going maintenance and monitoring of the site for at least thirty years after closure.

Closure responsibilities include providing for:

- additional soil cover
- contouring and shaping of the site
- grassing
- drainage structures including berms, chutes and drains
- fencing

Post-closure responsibilities include providing for:

- monitoring and treatment of leachate
- ground water and surface water monitoring
- on-going site management including maintenance of the grass cover, drainage systems and fencing

The landfill post closure costs are expected to start late 2006, after consent to remediate has been granted, and continue for a period of thirty years. Council has in accordance with the requirements of FRS-15 made allowance for both closure and aftercare costs by recognising in its financial statements for the year ended 30th June 2006 a liability of \$779,994 (2005: \$739,720). The long term nature of the liability or provision means that there are inherent uncertainties in estimating the expense in providing for the aforementioned remedial work.

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The amount of the liability has been estimated by projecting forward engineering cost estimates for both closure and aftercare activities obtained in 2001 and then discounting these to the current financial year ie 2006 using an annual discount rate of 6.0%. Each year part of the discounted amount will be unwound and recognised as an interest expense in the statement of operating performance while at the same time adding to the amount included in the provision.

The following major assumptions have been made in the calculation of the provision:

- annual price index of 2.5%
- an annual discount rate of 6%
- aftercare period to last thirty years

Other Landfills

Provision has also been made for the on going aftercare of two smaller landfills that are no longer in use. A combined amount of \$5,000 (today's dollars) has been allowed for annual ongoing monitoring and maintenance expenditure on these two sites. The discounted amount of the resulting provision as at 30th June 2006 was \$83,315. (2005: \$83,984).

Landfill Closure and Aftercare Provision

Council Actual 2005 \$000		Council Actual 2006 \$000
781	Opening balance	824
	Add	
5	Additional provisions	
	Adjustment for adoption of FRS-15	
42	Discounting changes	44
	Less	
	Unused provision reversed	
4	Amounts used	5
824	Closing Balance	863
446	Current Portion	415
378	Term Portion	448
824	Closing Balance	863

Note 27: Major Budget Variations

Explanations for major budget variations from the Council estimate figure in the 2005/2006 Annual Plan are as follows:

Statement of Financial Performance

The primary reasons for the net surplus after taxation of \$16.7m are:

1. Writeback of the 1999 decrease in Utilities infrastructural asset values charged to the Statement of Financial Performance in the Financial Statements (\$11.8m).
2. Additional roading subsidies, primarily due to emergency works, from Land Transport NZ (3.2m).
3. Unspent Manfeild Park Trust grant deferred to 2006/2007 (2.49m).
4. Additional user fees from sewerage subsidies, trade waste revenue, planning and building consents revenue (\$1.1m).

These favourable variances were partially offset by increased depreciation expenditure of \$1.6m due to revaluation of utilities revaluation of utilities of infrastructural assets.

Statement of Financial Position

Deposits are higher than expected mainly due to timing of expenditure. Receivables, Prepayments and Accruals are above budget primarily due to Land Transport NZ funding owing at year end. The increase in Fixed Assets values is a result of the utilities infrastructure revaluation effective 01 July 2005. Term debt is lower than expected due to the deferral of loan funded expenditure to 2006/2007.

Note 28: First Time Adoption of New Zealand Equivalents to International Financial Reporting Standards (NZIFRS)

With effect from 1 July 2006 Council has adopted NZIFRS. This will result in a change in a number of accounting policies, including the valuation of community loans, the write-off to equity of all revaluation reserves and the valuation of particular investments held. The full financial impact of implementing NZIFRS is currently being quantified.

In order to make this transition Council has worked collaboratively with other local authorities in the area in a joint forum, and has employed the services of Price Waterhouse Coopers and Cotton & Gunn to assist in the transition process.

Groups of Activities

In 2005/06, Council provided various services organised into nine Groups of Activities. These are:

- Community Facilities
- Democracy
- District Development
- Emergency Management
- Environmental and Regulatory
- Leisure Resources
- Roading
- Waste
- Water

Format

This section summarises results from the 2005/06 financial year for Council's Groups of Activities. Each Group Activity summary includes the following information:

Overall Goal(s)

Explains the overall aims for each activity.

Description

The nature and scope of the activity

Why is Council involved?

Summarises the reasons for Council involvement in each activity, including the key outcomes the activity will contribute towards.

Links to Community Outcomes

Describes the links between the activity groups and Manawatu District's community outcomes

What Council has achieved in 2005/06

Summarises key work programmes, capital developments and special projects during the 2005/06 financial year.

How Council has measured its performance

Summarises how performance within each activity has been measured, including community opinion, response times, deadlines and compliance with regional standards.

Financial Summary

Presents the actual costs and sources of funding for the 2005/06 financial year for each activity. For comparison purposes, the first column contains actual data for 2004/05 and the last column contains budget information for 2005/06.

Communitrak Survey Results

Background

The National Research Bureau (NRB) undertakes an annual community survey, known as Communitrak, for the Manawatu District Council. The survey measures satisfaction with Council services, and asks questions on Council policy and direction, rates issues, contact with Council, information and representation. The survey also compares Council performance against a peer group of Councils and national survey of 1,005 interviews conducted in January 2005.

Methodology

The survey interviewed 400 people throughout the district with respondents randomly selected from the telephone directory. Communitrak surveys are scientifically based on a random probability sample. Weightings were applied to the sample data to reflect the actual ward/gender/age proportions in the area as determined by Statistics New Zealand 2001 Census data. At a 95% level of confidence, the margins of error are $\pm 4.9\%$ based on a 50/50 split on an issue and $\pm 3.9\%$ based on an 80/20 split.

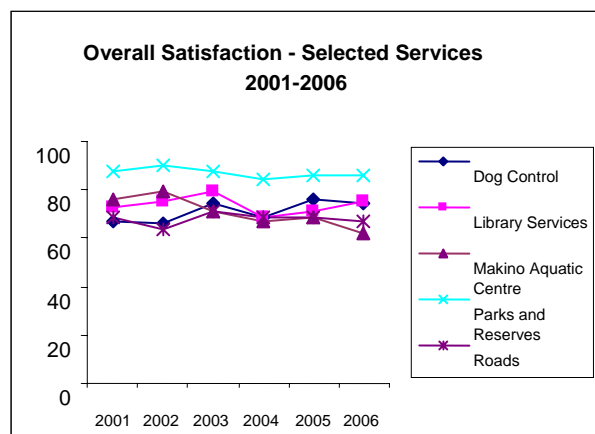
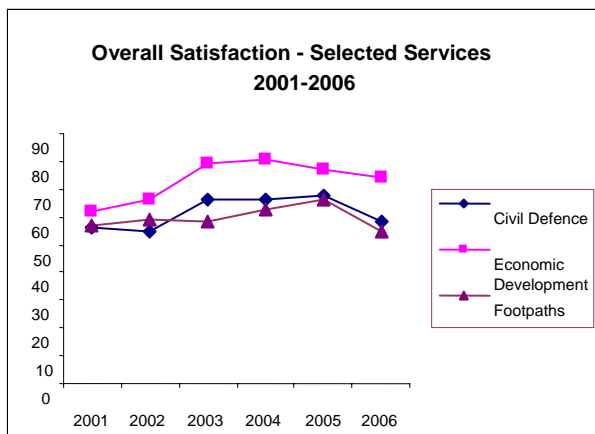
Highlights

Highlights from the 2006 Communitrak survey are:

- 70% of residents rated the performance of the Mayor and Councillors as very/fairly good (2005:73 %).
- 60% of residents rated the performance of Council staff as very/fairly good (2005: NA)
- Manawatu District Council compares well with both the peer group and national averages in relation to services provided by Council.

The graphs below indicate the six-year trends for **overall satisfaction** figures for selected Council services*. Please note that the balance is made up of people dissatisfied with the service or unable to comment.

*Note: For more detailed information, please refer to the Council services pages in this section.



Community Facilities

Overall Goal

To provide and maintain cemeteries, housing and public conveniences to standards that enhances community well-being and maintains public health and safety

Description

Community Facilities includes the activities of Public Conveniences, Cemeteries and Housing for the Elderly and Disabled (HFTE). Currently, Council provides and administers:

- Cemeteries in Feilding, Rongotea, Sanson, Halcombe, Kimbolton, Rangiwhia, Waituna West and Pohangina
- 208 flats for people who are elderly or disabled
- Public toilets in Feilding, Sanson, Halcombe and Tangimoana

Why is Council involved?



Statutory – Statutory requirements for cemeteries (Burial and Cremation Act 1964) and public toilets (Health Act 1956)

Historical – Housing for the Elderly and Disabled involvement stemmed from Central Government funding incentives in the 1950's to build low-cost housing

Community Support

- Council involvement as a service to the community
- Cemeteries are important places of remembrance and history

- Expectation for Council to support elderly in society

Community expectation – Public expectation for provision of services

Community safety – Maintain public health and hygiene

Community Outcomes

This group of activities contributes to the following Community Outcomes:

A community that has access to effective services: this is achieved through

- the provision of cemeteries and public toilets

A vital community that is cohesive and is characterised by community involvement: this achieved through

- the provision of Housing for the Elderly and Disabled

What has Council achieved in 2005/2006?

Operational day to day

Key Item	Achievement	Actual Expenditure (Full Year)	Budget Expenditure (Full Year)
		Where Applicable	
Housing for the Elderly			
HFTED administration and maintenance	<i>Administration and maintenance of Housing for the Elderly and Disabled completed. Contract accepted for Cedar Crescent Flats exterior repainting and work completed in March. Please note that difference in operational total picked up under Asset renewal costs below.</i>	415,948	516,456
Application of HFTED Rental Policy as required	<i>Rentals are reviewed when adjustments to National Superannuation occur. Rental adjustments are applied immediately, within the Residential Tenancies legislation. Rentals are equivalent to 25% of the gross amount payable to beneficiaries under the National Superannuation scheme.</i>		
Implementation of HFTED service review agreed recommendations	<p><i>Council adopted the following recommendations in June 2005:</i></p> <p><i>“1. That Council indicated to its communities an interest to:</i></p> <p><i>access HNZA modernisation funding (with stage one of the modernisation focussing on Rawhiti and Rangimarie Flats);</i></p> <p><i>activate the sale of Awahuri and Alexandra Court units (with sale funds being used to assist in the upgrading of remaining units); and</i></p> <p><i>2. That Council embarks on HFTED consultation as part of its LTCCP process.”</i></p> <p><i>Council, thanks to good community support via LTCCP submissions, has decided to work towards establishing a Community Trust to manage its</i></p>	0	20,000

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	<i>Housing for the Elderly and Disabled Portfolio. Because the Trust concept involves a transfer of ownership or control of a strategic asset from the local authority, Council will undertake further community consultation under the Special Consultative Procedure (SCP) in accordance with the Local Government Act 2002, hence the reason for no expenditure.</i>		
Cemeteries			
District cemetery administration and maintenance contract	<i>Administration and maintenance of district cemeteries completed on schedule in reporting period. Enhancement work (including new tree and shrub plantings) completed at the entrance to Feilding Cemetery.</i>	174,861	181,604
Continued beautification of the Council-maintained cemeteries in Feilding, Rongotea, Sanson, Halcombe, Kimbolton, Rangiwahia, Waituna West and Pohangina	<i>On-going beautification of Council-maintained cemeteries continues. Cemetery records are also progressively being updated and incorporated into location maps.</i>		
Public Conveniences			
District public toilets administration and maintenance (not including those on reserves)	<i>Administration and maintenance of district public toilets completed on schedule in reporting period.</i>	53,554	57,925

Capital Expenditure

Key Item	Achievement	Actual Expenditure (Full Year)	Budget Expenditure (Full Year)
Housing for the Elderly			
HFTED Asset renewals in accordance with Asset Management Plans	<i>Renewal programme expenditure as at the end of the 12-month reporting period: oven replacements (11), new carpet installation (17), full wet area bathroom conversion (1), bath or shub to shower conversion (4), new hot water cylinder (2), new sink bench (3), new vinyl installation (3). Exterior painting and interior decoration budgeted as operating expenses now regarded as capital: exterior repaints (10 units), interior redecoration (4 units).</i>	90,505	48,000

<p>HFTED capital expenditure and funding. The possible sale of Alex Court and Awahuri is factored in here</p>	<p><i>Council adopted the following recommendations in June 2005:</i></p> <p><i>“1. That Council indicated to its communities an interest to:</i></p> <p><i>access HNZC modernisation funding (with stage one of the modernisation focussing on Rawhiti and Rangimarie Flats);</i></p> <p><i>activate the sale of Awahuri and Alexandra Court units (with sale funds being used to assist in the upgrading of remaining units);</i></p> <p><i>and</i></p> <p><i>2. That Council embarks on HFTED consultation as part of its LTCCP process.”</i></p> <p><i>Council, thanks to good community support via LTCCP submissions, has decided to work towards establishing a Community Trust to manage its Housing for the Elderly and Disabled Portfolio. Because the Trust concept involves a transfer of ownership or control of a strategic asset from the local authority, Council will undertake further community consultation under the Special Consultative Procedure (SCP) in accordance with the Local Government Act 2002, hence the reason for no expenditure.</i></p>	0	1,235,000
Cemeteries			
<p>Contribution to Pohangina Cemetery Community Enhancement Project, brought forward from 2004/05 – the first 10,000 has been uplifted (total 20,000)</p>	<p><i>Improvements (stage one) were delayed, with funding of \$10,000 rolled into the 2004/05 budget. This amount is now allocated in the 2005/06 Annual Plan. No amount has been uplifted.</i></p> <p><i>Second stage and final \$10,000 contribution to Pohangina Cemetery Community Enhancement Project, brought forward from 2005/2006 to 2006/2007.</i></p> <p><i>The Pohangina Cemetery community improvement project team uplifted its first \$10,000 instalment in July 2004.</i></p>	0	10,000
Total Capital Expenditure		90,505	1,293,000

How will Council measure its performance?

Measure	Target	Update
Housing for the Elderly and Disabled (HFTED)		
HFTED funding (<i>Council Records</i>)	100% self funding	<i>Housing for the Elderly and Disabled continues to be self-funding (excluding the full funding of depreciation).</i>
Occupancy rate of HFTED units (<i>Source: Council records</i>)	>95%	<i>Occupancy rate 94.50% as at 30 June 2006.</i>
Cemeteries		
Overall satisfaction with cemeteries (<i>Source: Communitrak</i>)	70%	<i>Overall satisfaction results were: Very/Fairly satisfied: 62% Not very satisfied: 3% Don't Know: 35%</i>
Visitor satisfaction with cemeteries (<i>Source: Communitrak</i>)	90%	<i>Visitor satisfaction results were: Very/Fairly satisfied: 90% Not very satisfied: 7% Don't Know: 3%</i>
Cemetery management and maintenance complies with Burial and Cremation Act 1964 (<i>Source: Council records</i>)	100% compliance	<i>Management and maintenance of cemeteries provided by Council has complied with Burial and Cremation Act 1964 during this reporting period.</i>
Public Conveniences		
Overall satisfaction with public conveniences (<i>Source: Communitrak</i>)	70%	<i>Overall satisfaction results were: Very/Fairly satisfied: 50% Not very satisfied: 24% Don't Know: 26%</i>
User satisfaction with public conveniences (<i>Source: Communitrak</i>)	88%	<i>User satisfaction results were: Very/Fairly satisfied: 66% Not very satisfied: 29% Don't Know: 5%</i>

Community Facilities

Financial Summary

for the year ended 30 June 2006

2004/05		2005/06	2005/2006
Actual		Actual	Budget
Full Year		Full Year	Full Year
\$000		\$000	\$000
	Operating Costs		
473	Housing for the Elderly and Disabled	416	536
158	Cemeteries	175	182
68	Public Conveniences	54	58
77	Interest	83	74
373	Depreciation	485	348
142	Support Costs	153	152
1,291	Total Operating Costs	1,366	1,350
	Capital Costs		
	Capital Expenditure		
55	Housing for the Elderly and Disabled	91	1,283
10	Cemeteries		10
6	Public Conveniences		
77	Loan Repayments	79	83
148	Total Capital Costs	170	1,376
1,439	TOTAL COSTS	1,536	2,726
	Funded By:		
	Operating Revenue		
219	Targeted Rates	189	187
841	User Fees	852	861
1,060	Total Operating Revenue	1,041	1,048
	Capital Funding		
373	Funding from Non Cash Items	485	1,583
373	Total Capital Funding	485	1,583
1,433	TOTAL FUNDING	1,526	2,631
(6)	CASH SURPLUS/(DEFICIT)	(10)	(95)

Democracy

Overall Goal

To respond efficiently, effectively and fairly to community needs

Description

Democracy includes one activity – Democracy and Policy Development. This covers:

- Provision of representative local government
- Leadership for the community
- Development of appropriate strategies and policies for the delivery of services
- Consultation with the community on policy, plans and issues
- Liaison with the community, including community committees and Maori
- Advocacy to central government on behalf of the community
- Strategic and annual planning
- Communication of Council's activities and operations

Democracy in the community is provided through the Manawatu District Council, which is elected by the First Past the Post (FPP) system. The Local Government Act 2002 is the key piece of legislation associated with this activity. Links



have been created with 15 community committees, which assist the Council's planning and consultative processes.

Community Outcomes

A vital community that is cohesive and characterised by community involvement: by the provision of democratic leadership

It must also be noted that this activity, through the underlying democratic process and development of policies relating to all activities and functions of Council, contributes to all community outcomes expected.

Why is Council involved?

Statutory – Local Authorities are obliged to provide local representation and develop policies by government legislation. Legislations includes the:

- Local Government Act 2002
- Resource Management Act 1991
- Dog Control Act 1996

Leadership – Leadership to help meet community outcomes

Community support and wellbeing – Enhance community wellbeing through provision of leadership, responding to community needs, advocacy, policy, decision-making and monitoring the management of Council's business on behalf of the community

What has Council achieved in 2005/2006?

Operational day to day

Key Item	Achievement	Actual Expenditure (Full Year)	Budget Expenditure (Full Year)
		Where Applicable	
Provision of public information to the community	<i>Ongoing updates in the Bulletin each week.</i>		
Consultation with the community	<p><i>The final stage of the community outcomes process was completed when a set of community outcomes was confirmed with community groups in November last year.</i></p> <p><i>The Draft Long Term Council Community Plan (LTCCP) went out for consultation between 10 April and 10 May this year. Submission hearings were held between 22nd and 24th May, and the LTCCP was formally adopted on 30th June.</i></p> <p><i>Informal consultation was held on the proposal to rezone Pharazyn Street and Lethbridge Street. Council is now proposing that these areas are rezoned from rural to urban.</i></p> <p><i>Consultation on the representation review closed on 30th June. The review proposed that the Kairanga Ward be increased in size with three members to be elected (currently two), and that the Kiwitea-Pohangina Ward be reduced in size with two members to be elected (currently three). No submissions were received and these changes are effective for the 2007 election.</i></p> <p><i>The proposed Trade Waste bylaw went out for consultation in March earlier this year. The bylaw is effective as of 1 July.</i></p>		
Statutory obligations, including assessments of water and sanitary services, local governance statement and triennial agreement	<i>There were no statutory obligations of this sort during the year.</i>		
Development and implementation of respective LTCCP/Annual Plan processes	<i>Following submission hearings between the 22nd and 24th May the LTCCP was formally adopted on 30th June.</i>		

Capital Expenditure

There are no capital items associated with this activity.

How will Council measure its performance?

Measure	Target	Update
Performance rating of Mayor and Councillors (Source: Communitrak)	70%	Results were: Very/Fairly satisfied: 70% Just acceptable: 19 Not very satisfied: 4% Don't Know: 7%
Meet financial management statutory responsibilities under the Local Government Act 2002 (Source: Council records)	100% compliance	All statutory responsibilities met.
Meet accountability, policy preparation and accounting statutory responsibilities under Local Government Act 2002 (Source: Council records)	100% compliance	All responsibilities met.

Democracy**Financial Summary**

for the year ended 30 June 2006

2004/05		2005/06	2005/2006
Actual		Actual	Budget
Full Year		Full Year	Full Year
\$000		\$000	\$000
	Operating Costs		
333	Mayor & Members	387	338
69	Other Council	61	41
88	Public Relations	67	55
138	Strategic Planning	157	118
118	Secretariat	150	133
54	Elections		
424	Support Costs	439	419
1,224	Total Operating Costs	1,261	1,104
	Capital Costs		
1,224	TOTAL COSTS	1,261	1,104
	<i>Funded By:</i>		
	Operating Revenue		
1,105	Targeted Rates	1,120	1,108
34	Other		
1,139	Total Operating Revenue	1,120	1,108
	Capital Funding		
1,139	TOTAL FUNDING	1,120	1,108
(85)	CASH SURPLUS/(DEFICIT)	(141)	4

District Development



Overall Goal

To support the economic and social development of Manawatu District communities

Description

District Development includes three activities:

- Community Funding and Development
- Economic Development
- Feilding Central Business District (CBD) Redevelopment

Council's role in this Group is generally one of being a facilitator of activity rather than organising on behalf of the community.

Community Funding and Development is concerned with supporting community groups, organisations and initiatives. It involves allocation of funding from Council grants funds (e.g. general grants, heritage improvement fund), Creative Communities and various other funds. Community Development involves projects (e.g. district leisure plan) that enhance community well-being, foster partnerships between community organisations and encourage planning for the future. Some organisations such as Sport Manawatu are contracted to provide services.

Economic Development includes:

- Funding for promotion of the district
- Encouragement of business development
- Identification and encouragement of employment initiatives
- Facilitation of public information services.

In some cases, this involves contracted financial support of projects and key economic development agencies (e.g. Destination Manawatu, Feilding Promotion, Vision Manawatu).

Feilding Central Business District Redevelopment is a special project focusing on the redevelopment of Feilding's central business area. Work to date has included the redevelopment of Manchester and Fergusson Streets and Manchester Square.

Why is Council involved?

District progress -

- Help maintain the competitiveness of the district and promote it as a good place to live, work, shop and do business
- Attractive, modern and well-serviced CBD essential to promoting the district
- Assist in keeping the district competitive with other centres through maintaining the CBD to contemporary standards

Community support and well-being - Social responsibility to assist and support community organisations and individuals

Community expectation - Expectation for Council to be involved

Community Outcomes

This group of activities contributes to the following Community Outcomes:

A vital community that is cohesive and characterised by community involvement: this is achieved through:

- The provision of community funding, which supports local community groups, activities and events

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- The provision of Economic Development, which benefits the whole community through support of urban and rural business, enhancing the economic potential of the district, promoting the district to potential investors and increasing the pride and well-being of the residents.
- Providing a functional and effective streetscape within the Feilding central business district that facilitates community activities whilst catering for the needs of traffic and pedestrians.

People are able to go about their business and leisure any time of the day or evening without fear for their safety. This is achieved through:

- Council working in partnership with other community agencies working towards a safer community, and where appropriate supporting safety initiatives
- Enhancing safety and security for people going about their business and leisure by providing an open and well lit central business district

What has Council achieved in 2005/2006?

Operational day to day

Key Item	Achievement	Actual Expenditure (Full Year)	Budget Expenditure (Full Year)
		Where Applicable	
Community Funding and Development			
Sport Manawatu funding - three year contract agreed (2004-2007) <ul style="list-style-type: none"> o annual grant o events coordinator (joint Palmerston North/Manawatu venture) 	<i>A renewed three-year contract between Council and Sport Manawatu has been agreed (July 2004 to June 2007). Key Result Areas within the contract have been adopted for 2005/06, with funding provided to Sport Manawatu on quarterly invoicing.</i>	50,000 5,000	50,000 5,000
Administer and provide funding through Council's Community Development Fund	<i>Manawatu District Community Development Fund applications are assessed by Council's Community Wellbeing Subcommittee against an approved policy framework.</i>	132,847	165,000
Administer the Creative Communities funding scheme	<i>Creative Communities funding assessed by Council's Community Wellbeing Subcommittee against approved criteria. This includes advertising costs.</i>		
Promote and educate regarding the Community Development Fund	<i>The Community Development Funding Policy Communication Strategy will continue to be implemented throughout 2006. The strategy includes regular media updates, posters and website details.</i>		
Implementation/monitoring/review of District Leisure Plan	<i>Council will continue to bring aspects of the Leisure Plan into fruition through existing budgets, planning and partnerships with other agencies - a major project being the Manawatu Active Transport Strategy due for completion early 2006. A communication strategy is currently in development and will be implemented throughout 2005-2007.</i>	0	2,500
Pohangina Valley Landscape and Community Group funding (annual grant for 2004-07) towards the cost of the project 'Integrating land use, landscapes and lifestyle quality in rural communities under change'	<i>The project progress report was received 2 February. Community Conference focusing on subdivision and infrastructure was held 25 March.</i>	5,000	5,000

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Review of accommodation requirements of community organisations	<i>Review of accommodation requirements of community organisations has not been carried out, rather ongoing liaison with agencies is occurring via the Community Development Officer.</i>		
Funding for the Community Advisory Group to the PHO	<i>Council considered a one-off community health and welfare contribution (as a 2005/06 Annual Plan submission) for the Community Advisory Group to the PHO.</i>	579	5,000
Economic Development			
Vision Manawatu funding	<i>A three-year contract (with Key Result Areas) is in place with Vision Manawatu. The collective contract involves Palmerston North City Council, Massey University, PowerCo and Manawatu District Council as the Principal Funders. Funding is provided on quarterly invoicing.</i>	150,000	150,000
Destination Manawatu funding	<i>A three-year contract (with Key Result Areas) is in place with Destination Manawatu. The joint contract involves Palmerston North City Council and Manawatu District Council as the Principal Funders. Funding is provided on quarterly invoicing. The funding allocation of \$207,600 includes \$62,600 for information services paid via Destination Manawatu to Feilding Promotion.</i>	207,600	207,600
Feilding Promotion funding	<i>A three-year contract (with Key Result Areas) is in place with Feilding Promotion (July 2003 to June 2006). Funding is provided on quarterly invoicing. The funding allocation of \$140,500 does not include the contracted information services funding of \$62,600 received by Feilding Promotion via Destination Manawatu.</i>	140,500	140,500
Economic Development – Internal	<i>This is an internal account that can be accessed for unplanned economic-related projects e.g. Avesco bid, Manfeild Park Bill</i>	28,089	40,000
District Promotion	<i>This account supports the Festive Lighting and Decoration Policy. It also covers the lease costs for 10 Manchester Square and District</i>	37,959	54,000

	<i>publications.</i>		
Involvement in Regional Cargo Hub feasibility work	<i>Council's involvement in Regional Cargo Hub feasibility work during this reporting period has been as an interested party to Regional Council investigation.</i>		
Regional Identification	<i>Council considered a contribution (as a 2005/06 Annual Plan submission) towards "maintenance" of the regional identity, with both Manawatu District and Palmerston North City Councils now in receipt of the Intellectual Property. A regional identity joint report has been considered by Council in October 2005.</i>	7,886	10,000
Involvement in Regional Economic Development Strategy	<i>Both the Manawatu District and Palmerston North City Councils adopted the Regional Economic Development Strategy in August 2002. Vision Manawatu (as part of performance measures contained in its Agreement) facilitates the strategy's implementation.</i>		
Feilding Central Business District			
Provision of 24-hour security in the town centre, funded by way of targeted rate on ratepayers in the CBD (80%) and a general rate across the whole district (20%)	<i>Funding collected by way of targeted rate on ratepayers in the CBD (80%) and a general rate across the whole district (20%) is noted as budget expenditure of \$60,000. Funding is provided to Feilding Promotion on quarterly invoicing.</i>	60,000	60,000
Manfeild Park			
Manfeild Park – Community Investment	<i>This community investment amount was uplifted in April 2006.</i>	250,000	250,000
Manfeild Park – Capital Development Grant	<i>Council agreed that loan funding of \$2.5 million for Manfeild Park be removed from the 2004/05 financial year and moved out to 2005/06, with the \$2.25 million grant remaining in the 2004/05 financial year. It was agreed via the 2005/06 Annual Plan that both of these contributions be pushed out one year.</i>	10,000	2,250,000

	\$10,000 was uplifted by the Manfeild Park Trust in April 2006 to assist travelling expenses for Manfeild Park Trust CEO.		
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Capital Expenditure

Key Item	Achievement	Actual Expenditure (Full Year)	Budget Expenditure (Full Year)
Feilding Central Business District			
Between 2004 and 2012 Council will be implementing \$1 million of the outstanding \$2.5 million. \$50,000 has been put aside for 2005/06.	<i>The expenditure comprises design fees for two intersections (Kimbolton St/Warwick St & Fergusson St/South St) being upgraded in accordance with Feilding CBD Development Plan In addition there is a commitment of \$63,600 for construction of these two intersections as part of Contract 05/20.</i>	7,027	50,000

How will Council measure its performance?

Measure	Target	Update
Community Funding and Development		
Grants approved meet Council criteria (Source: Community Wellbeing Subcommittee minutes)	100% Compliance	<i>All grants paid in this reporting period have been assessed by the Community Wellbeing Subcommittee and meet criteria.</i>
Economic Development		
Overall community satisfaction with economic development in the district	80%	<i>Overall satisfaction results were: Very/Fairly satisfied: 74% Not very satisfied: 13% Don't Know: 13%</i>
Monitoring of contracts between Council and community agencies (Source: Contract Records)	Six Monthly	<i>Feilding Promotion presented its six-month report from 1 July 2005 to 31 December 2005 against 2005/2006 Key Result Areas at the Strategic Planning and Policy Committee meeting of 16 March 2006. It is scheduled to present its second six-month report from 1 January 2006 to 30 June 2006 at the Strategic Planning and Policy Committee meeting of 21 September 2006. Sport Manawatu, Destination Manawatu and Vision Manawatu presented six-month reports from 1 July 2005 to 31 December 2005 against 2005/2006 Key Result Areas at the Strategic Planning and Policy Committee meeting of 20 April 2006. The three agencies are scheduled to present second six-month reports (from 1 January 2006 to 30 June 2006) against 2005/2006 Key Result Areas at the</i>

		<p><i>Strategic Planning and Policy Committee meeting of 16 November 2006.</i></p> <p><i>As per Agreements, the Destination Manawatu and Vision Manawatu reports were collectively presented to Principal Funders on 15 March 2006. Sport Manawatu also gave a six-month update to the two Councils at the same presentation. The next scheduled collective presentation is 30 August 2006.</i></p>
<p>Feilding CBD Development</p>		
<p>That the Feilding CBD Development Plan (Dec 2001) is implemented as and when funding is available</p>		<p><i>Funding for 2005/06 has partly been used (\$7,027) to implement the CBD Development Plan as part of the upgrading of Kimbolton Road/Warwick Street and Fergusson Street/South Street intersections. However, a commitment of \$63,600 has been made to complete the physical works.</i></p>

District Development
Financial Summary
for the year ended 30 June 2006

2004/05		2005/06	2005/2006
Actual		Actual	Budget
Full Year		Full Year	Full Year
\$000		\$000	\$000
	Operating Costs		
405	Community Funding	396	373
30	Community Development	36	111
567	Economic Development	572	602
250	Manfeild Park Development	260	2,500
	CBD - Security	60	60
72	Interest	72	70
3	Depreciation	5	5
117	Support Costs	60	80
1,444	Total Operating Costs	1,461	3,801
	Capital Costs		
	Capital Expenditure	7	50
56	Loan Repayments	56	58
85	Transfers to Investments	82	
141	Total Capital Costs	145	108
1,585	TOTAL COSTS	1,606	3,909
	Funded By:		
	Operating Revenue		
128	Targeted Rates	188	176
1,193	General Rates	1,201	1,277
66	Subsidies	66	22
6	User Fees	4	4
1,393	Total Operating Revenue	1,459	1,479
	Capital Funding		
	Loans Raised		2,250
130	Transfers from Investments	142	175
3	Funding from Non Cash Items	5	5
133	Total Capital Funding	147	2,430
1,526	TOTAL FUNDING	1,606	3,909
(59)	CASH SURPLUS/(DEFICIT)		

Emergency Management

Overall Goal

To minimise risk to people and property through the provision of effective emergency management services before, during and after an event

Description

Emergency Management deals with events that place the community at risk. It includes both natural (e.g. earthquakes, floods) and manmade events (e.g. chemical spills) and plans to ensure that Manawatu district communities are prepared to respond and recover from any event.

Emergency management comprises three branches:

- **Civil Defence** - Civil Defence works through the four Rs of Reduction, Readiness, Response and Recovery. Each phase of Civil Defence provides the planning, training, and public awareness programmes to ensure self-efficacy with-in the Manawatu community to respond and recover from any emergency. There are Community Emergency Centres based in Kimbolton, Pohangina, Longburn, Rongotea, Feilding and Halcombe.



- **Rural Fire** - The Manawatu District Council provides a response service to rural fire. Services include:
 - Issuing fire permits
 - Inspection of burn sites
 - Determining appropriate fire seasons
 - Suppressing and extinguishing rural fires
 - Public education

Why is Council involved?

Statutory - Council is required to provide these services through the Civil Defence Emergency Management Act 2002, Forest and Rural Fires Act 1977, Resource Management Act 1991, Health Act 1956 and Hazardous Substances and New Organisms Act 1996

Community expectation - Public expectation for Council to be the lead agency in the event of a major emergency

Community safety - Important to minimise risk to life and property through provision of effective Emergency Management services

Community Outcomes

This group of activities contributes to the following Community Outcomes:

A vital community that is cohesive and characterised by community involvement. This is achieved through:

- providing leadership during an emergency situation, by promoting a resilient community capable of responding
- public information regarding rural fire risks

What has Council achieved in 2005/2006?

Operational day to day

Key Item	Achievement	Actual Expenditure (Full Year)	Budget Expenditure (Full Year)
		Where Applicable	
Civil Defence			
Public awareness programme	<i>The public awareness programme is ongoing and includes radio and newspaper advertising. Effort is made to reinforce the local preparation/responsibility message following major world disasters e.g. New Orleans, storm surge, tsunamis. The Manawatu District Council has also widely distributed the regional "Are You Prepared" booklet which is endorsed by the Civil Defence Emergency Management Group (CDEMG).</i>		
Maintain school rescue team training programme	<i>Difficulties in getting volunteer assistance coupled with health and safety issues have meant the school rescue team training programme has not been run during this 12-month reporting period.</i>		
Maintain council staff Civil Defence readiness	<i>Civil Defence training for Council staff is ongoing and includes the use of the Civil Defence Emergency Response System (CDERS).</i>		
Participation in Manawatu District Emergency Management Committee (EMC)	<i>The Manawatu District Emergency Management Committee (EMC) has developed activation procedures and a communications protocol that is consistent with the regional Emergency Management Group (EMG) Plan and since tested by February 2004 events. EMC meetings are held on a quarterly basis.</i>		
Ongoing training of volunteers in Civil Defence response and rural fire	<i>Training for volunteers is ongoing in both response and rural fire. Welfare training has been completed during the reporting period.</i>		

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Continue training Civil Defence personnel in Coordinated Incident Management System (CIMS)	<i>There is a regional training plan in place to train all Civil Defence Emergency Management staff to level four Coordinated Incident Management System (CIMS). A level four CIMS course was hosted by Manawatu District Council in April 2006.</i>		
Implementation of district communication strategy (and ensure linkages with CDEMG strategy)	<i>Implementation of the communications strategy is now complete. The new repeater has been installed and functioning. Re-programming of VHF radios with the Emergency Services (ES) band frequencies has also been completed.</i>		
Rural Fire			
Monitor rural fire conditions and keep public informed through the MDC website and media	<i>Fire conditions are monitored daily and the data entry is updated weekly. The fire condition on the website is updated weekly.</i>		
Issue rural fire permits	<i>There is now an open fire season. A total of 150 fire permits were issued during the restricted fire season.</i>		
Provide rural fire public education	<i>Rural fire public education has included the following:</i> <ul style="list-style-type: none"> • <i>Regular features in the Bulletin pages during the restricted and prohibited fire seasons;</i> • <i>Ongoing rural fire pamphlet delivery as well as information on the internet</i> 		
Implementation of rural fire plan	<i>The Manawatu District rural fire plan was approved in September 2005 and confirmed by the Regional Rural Fire Committee.</i>		
Fire condition signage	<i>The fire condition is posted on the Manawatu District Council web page which is updated regularly during the summer months.</i>		

Capital Expenditure

Key Item	Achievement	Actual Expenditure (Full Year)	Budget Expenditure (Full Year)
Civil Defence			
ES Band Repeater	<i>The Emergency Services Band Repeater has been commissioned. All ancillary VHF (Very High Frequency) radios were purchased and noted in the previous reporting period.</i>	15,060	11,000
Rural Fire			
High pressure medium volume pump	<i>Due to the Rural Fire Code of Practice being discontinued and current pumps in good condition, the purchase was considered unnecessary.</i>	0	8,000
Total Capital Expenditure		15,060	19,000

How will Council measure its performance?

Measure	Target	Update
Civil Defence		
Community satisfaction with civil defence organisation	70%	<i>Overall satisfaction results were: Very/Fairly satisfied: 58% Not very satisfied: 13% Don't Know: 29%</i>
Rural Fire		
Respond within 15 minutes to rural fire callouts (Source: Council Records)	100% compliance	<i>100% compliance in this reporting period.</i>

Emergency Management Financial Summary for the year ended 30 June 2006

2004/05 Actual Full Year \$000		2005/06 Actual Full Year \$000	2005/2006 Budget Full Year \$000
	Operating Costs		
106	Civil Defence	101	100
36	Rural Fire	41	45
1	Hazard Response		10
157	Flood 04	1	
5	Depreciation	7	7
43	Support Costs	45	48
348	Total Operating Costs	195	210
	Capital Costs		
3	Capital Expenditure	15	19
3	Total Capital Costs	15	19
351	TOTAL COSTS	210	229
	<i>Funded By:</i>		
	Operating Revenue		
164	Targeted Rates	166	165
38	General Rates	29	56
145	Flood 04		
6	Subsidies	7	8
	User Fees	1	2
353	Total Operating Revenue	203	231
	Capital Funding		
5	Funding from Non Cash Items	7	7
5	Total Capital Funding	7	7
358	TOTAL FUNDING	210	238
7	CASH SURPLUS/(DEFICIT)		9

Environmental and Regulatory

Overall Goal

To meet legislative requirements and community expectations by:

- Ensuring a healthy environment through appropriate development, sustainable use and protection of environmental resources
- Helping safeguard public and environmental health and safety through effective regulatory controls, education and other methods
- Acknowledging and taking cultural issues into account

To meet legislative requirements and community expectations for animal control



Description

Environmental and Regulatory Management includes management and control of activities that have adverse effects on the environment and people. It includes the activities of animal control, building, environmental health, general inspection, liquor licensing and district planning. For budget purposes, each of these areas is split into policy, consents and monitoring and enforcement.

Council is required to enforce Council bylaws and central government legislation, including the:

- Building Act 1991
- Dog Control Act 1996
- Food Act 1981
- Food Hygiene Regulations 1974
- Hazardous Substances and New Organisms Act 1996
- Health Act 1956
- Housing Improvement Regulations 1947
- Impounding Act 1955

- Local Government Act 2002
- Resource Management Act 1991
- Sale of Liquor Act 1989

Under many of these Acts, Council has the ability to develop its own policies to suit the needs of the local community. For example, the subdivision and land use controls in the District Plan are determined locally within the guidelines of the Resource Management Act. The main tools in this area are the District Plan, bylaws and government legislation.

Animal control involves the control of animals where they pose a danger to people, stock, domestic animals and protected wildlife in the district. Particular emphasis is placed on dog control. A 24-hour service to deal with all complaints and enquiries is provided to the public. Activities include collecting animals for impounding, issuing infringement notices, prosecuting offenders, investigating dog attacks, disposing of unwanted or homeless animals and education programmes.

Why is Council involved?

Statutory - Council is legislatively required to provide these services by the numerous acts of parliament previously listed. Legal requirement to control animals under the Dog Control Act 1996 and Impounding Act 1955. Council bylaws and policy on animal control must be policed.

Community expectation - Public expectation to enhance public health through provision of environmental health and safety services and control of animals

Community safety

- Important to ensure the safety of life and minimisation of property damage
- Ensure reduced level of risk to the community through compliance with statutory and Council standards, guidelines and regulations
- Encouraging responsible drinking and behaviour

Environmental wellbeing - To avoid, remedy or mitigate potential environmental problems and nuisances

Community Outcomes

This group of activities contributes to the following Community Outcomes:

People are able to go about their business and leisure any time of the day or evening without fear for their safety. This is achieved through the provision of:

- animal control: protecting the community from dangerous animals

- building control: ensuring buildings are safe and sanitary
- environmental health services: ensuring premises offering services to the public are safe
- liquor licensing and bylaw enforcement

A self-sufficient environment that preserves, values and develops our natural resources.

This is achieved through:

- the administration of the District Plan and applying resource consent conditions.

What has Council achieved in 2005/2006?

Operational day to day

Key Item	Achievement	Actual Expenditure (Full Year)	Budget Expenditure (Full Year)
		Where Applicable	
Animal Control			
Provide via contract a 24 hour, 7 day a week animal control service, including: <ul style="list-style-type: none"> ➤ District ranging and monitoring ➤ Respond to complaints about animals, particularly dogs ➤ Impound uncontrolled and wandering animals 	<i>24 hour, 7 day a week animal control services are provided through contract. Palmerston North City Council is the current contractor.</i>		
Register new dogs to the district	<i>All new dogs known to have arrived in the District have been registered.</i>		
Building Control			
Provide building control services for the Manawatu District	<i>Building control services are provided by Council's Building Officers during office hours.</i>		
Respond to complaints/enquiries	<i>Complaints and enquiries are dealt with on a daily basis and tracked through the Council's Huefner system.</i>		
Issue legislative consents and certificates as required	<i>Issuing of consents ongoing. During 2005/06 1278 building consents were issued with the value of work totalling \$68.04 million (1235 non-commercial and 43 commercial). Code compliance certificates issued totalled 961, and 224 Land Information Memorandums were issued.</i>		
Provide an additional building officer to minimise possible litigation, plus meet the requirements of the Building Act 2004	<i>An additional building officer has been employed since January 2005.</i>		
Accreditation of Council's building processes	<i>As required by the Building Act, Council applied for registration as a building consent authority in May 2006. It must now meet the required accreditation standards by November 2007.</i>		
Building processes audit	<i>This is not necessary until the 2006/07 financial year.</i>		

Environmental Health			
Provide environmental health services for the Manawatu District	<i>Services are provided by Council's Environmental Health Officers, with the assistance of noise control contractors after hours.</i>		
Inspect registered premises/activities and ensure compliance with relevant legislation	<i>All new health/food premises were inspected. 257 inspections were carried out. High risk premises were all inspected twice.</i>		
Respond to complaints/enquiries	<i>There were 527 noise complaints received and responded to during 2005/06.</i>		
Issue legislative consents, licences, permits and certificates	<i>192 environmental health licences were processed.</i>		
District Planning			
Provide district planning services for the Manawatu District	<i>Services are provided by Council's planning staff.</i>		
Monitor conditions of consents issued and ensure compliance with relevant legislation	<i>Consents are monitored throughout the year on an ongoing basis.</i>		
Respond to complaints/enquiries	<i>Sixteen complaints were received and responded to.</i>		
Issue legislative consents and certificates as required	<i>Issuing of consents ongoing. During the year 154 land use and 158 subdivision consents were issued.</i>		
Administer and monitor the Manawatu District Plan	<i>Ongoing. One privately initiated Plan Change was approved, and two others are in process.</i>		
Liquor Licensing			
Provide liquor licensing for the Manawatu District	<i>Services are provided by Council's Environmental Health Officers and support staff.</i>		
Respond to complaints/enquiries	<i>No complaints were received.</i>		
Inspect licensed premises and ensure compliance with licence conditions.	<i>New premises inspected. Inspection for renewals as required.</i>		
Issue legislative consents, licenses, permits and certificates as required	<i>Issuing of consents ongoing. During the year 198 liquor licences were issued.</i>		
General Inspection			
Provide general inspection services for the Manawatu District	<i>Services are provided by Council's Environmental Health Officers and support staff.</i>		

Inspect registered premises/activities and ensure compliance with relevant legislation	<i>Premises using hazardous substances inspected under contract to Department of Labour.</i>		
Respond to complaints/enquiries	<i>124 fly-tipping incidents and 280 abandoned cars were dealt with during the year.</i>		
Issue legislative consents and certificates as required	<i>Issuing of consents ongoing.</i>		

Capital Expenditure

No capital expenditure this year

How will Council measure its performance?

Measure	Target	Update
Animal Control		
Overall satisfaction with Council's control of dogs	75%	Overall satisfaction results were: Very/Fairly satisfied: 74% Not very satisfied: 21% Don't Know: 5%
User satisfaction with Council's control of dogs (Source: User Survey)	80%	Ten respondents, who rated aspects of the service as "excellent" (43%), "very good" (30%), "acceptable" (17%), and "poor" or "very poor" (10%).
Respond within 15 minutes to a verbal notification of an animal attack (Contract Reports)	90%	20 dog attack complaints were received. All were responded to within 15 minutes.
Known dogs registered by 30 August (better measure to be developed) (Council Records)	90%	7741 dogs were registered by the end of June 2006.
Building Control		
User satisfaction with Council's building services (Source: User Survey)	80%	Twelve respondents, who rated aspects of the service as "excellent" (37%), "very good" (43%), "acceptable" (15%), and "poor" (4%).
Residential Building consents – 10 working day turnaround (where correct application and building standards met) (Council Records)		1235 non-commercial building consents processed, with 47 being outside 10 working day target. (96% compliance).
Commercial Building consents – 20 working day turnaround (where correct application and building standards met) (Council Records)		43 commercial building consents processed, with two being outside 20 working day target. (95% compliance)
Environmental Health		
Overall satisfaction with the standard of food premises in the District	75%	Overall satisfaction results were: Very/Fairly satisfied: 89% Not very satisfied: 5% Don't Know: 6%
User satisfaction with Council's Environmental Health services (Source: User Survey)	80%	Four respondents, who rated aspects of the service as "excellent" (34%), "very good" (55%), and "acceptable" (10%).
Environmental Health Licences – 20 working day	100%	16 Environmental Health Licences

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turnaround (where application is complete) (<i>Council Records</i>)		<i>processed, all within 20 working days</i>
All food premises with a high risk category are inspected a minimum of twice yearly (<i>Council Records</i>)	Twice yearly inspection	<i>All second inspections completed – 62 in total</i>
District Planning		
User satisfaction with resource consent services (<i>User Survey</i>)	80%	<i>Four respondents, who rated aspects of the service as “excellent” (21%), “very good” (43%), acceptable” (24%), and “poor” or “very poor” (12%).</i>
Liquor Licensing		
Liquor Licence Applications – determined within 15 working days (where complete file received and Agency is authorised) (<i>Council Records</i>)	100%	<i>198 applications processed, all within 15 working days.</i>
Liquor Licence Applications – referred to Licensing Authority for determination within 10 working days (where external reports received and any other matters satisfied) (<i>Council Records</i>)	100%	<i>No liquor licence applications referred for determination.</i>

Environmental & Regulatory**Financial Summary**

for the year ended 30 June 2006

2004/05 Actual Full Year \$000		2005/06 Actual Full Year \$000	2005/2006 Budget Full Year \$000
	Operating Costs		
134	Animal Control	132	151
181	Planning and Scheme	186	189
322	Building Control	386	367
115	Environmental Health	156	131
61	General Inspection	66	59
52	Liquor Licensing	52	50
2	Depreciation	5	3
498	Support Costs	469	478
1,365	Total Operating Costs	1,452	1,428
	Capital Costs		
172	Transfers to Investments	225	84
172	Total Capital Costs	225	84
1,537	TOTAL COSTS	1,677	1,512
	Funded By:		
	Operating Revenue		
(9)	General Rates	14	191
624	Targeted Rates	632	625
129	Animal Control	108	132
262	Planning and Scheme	364	175
437	Building Control	456	312
42	Environmental Health	37	39
11	General Inspection	17	2
41	Liquor Licensing	44	33
1,537	Total Operating Revenue	1,672	1,509
	Capital Funding		
2	Funding from Non Cash Items	5	3
2	Total Capital Funding	5	3
1,539	TOTAL FUNDING	1,677	1,512
2	CASH SURPLUS/(DEFICIT)		

Leisure Resources

Overall Goal

Council acknowledges that leisure, in all its various forms, is an important component of individual and community life. Council, as its commitment towards leisure will:

- Actively work towards meeting the vision, outcomes and objectives of the Leisure Plan
- Maintain, where appropriate, existing leisure resources of the district
- Help develop new leisure resources where there is a demonstrated need, subject to appropriate resources
- Work with key partners and other agencies to:
 - Promote and encourage leisure activities and opportunities throughout the district
 - Improve accessibility and opportunities for leisure where barriers exist
- Advance Maori culture and language in the district's leisure resources where appropriate
- Consult regularly with the community to ensure needs are being met
- Monitor and recognise changing leisure trends and plan appropriately
- Monitor and review progress against the outcomes and objectives of this Leisure Plan



Overall – Description

The Manawatu district has excellent natural and man-made leisure resources ranging from the surf of Himatangi Beach to the trout fishing of district rivers to tramping through the native bush of the Ruahine Ranges. Council helps provide and maintain a number of leisure facilities in the district

- Libraries and Archives
- Local halls and recreation complexes
- Parks, reserves and sportsgrounds
- Makino Aquatic Centre

Overall - Why is Council involved?

Statutory – Council is required to provide some of these services by the:

- Local Government Act 2002
- Reserves Act 1977
- Resource Management Act 1991

Community expectation – Public expectation for provision of services

Community support and wellbeing:

- Availability of information, books and leisure resources

- Libraries and archives are available as a learning resource for district residents
- Provision of assets to enhance the social fabric and physical health of district communities
- Provision of services and facilities to meet people's leisure and recreation needs

History – Guardian of irreplaceable historical material

Collective provision – Collective provision of services and facilities more viable than individual provision

Community Outcomes

This group of activities contributes to the following Community Outcomes:

A vital community that is characterised by community involvement. This is achieved through:

- the provision of a library service, which provides both a venue for community interaction, and a service for the wider community through the collecting, organising, preserving and making accessible a wide range of information
- the provision of local halls and recreation complexes, which provide meeting places for local communities
- the Makino Aquatic Centre, which provides a safe swimming environment, a place for community interaction and a service for people of all ages

A self-sufficient environment that preserves, values and develops our natural resources. This is achieved through:

- the provision of parks reserves and sportsgrounds within the district. These provide both a range of formal and casual recreational opportunities and important links with the district's cultural heritage

What has Council achieved in 2005/2006?

Operational day to day

Key Item	Achievement	Actual Expenditure (Full Year)	Budget Expenditure (Full Year)
		Where Applicable	
Libraries and Archives			
Provide a library service to the Manawatu District, including community libraries	<i>The library is situated close to the centre of Feilding and offers a full range of services including audiovisual collections and Internet access. The building was refurbished and extended in 2002. A housebound service is available along with talking books for readers with impaired sight. Eight volunteer-run community libraries operate in the outlying townships. Information databases are available online to all library members.</i>		
Promote library use among the district's children through regular contact with schools and the provision of reading and school holiday programmes	<i>The Children's Librarian has visited 19 District schools on a weekly basis during the third term of 2005. 300 children joined the 05/06 Summer Reading Programme of whom 280 completed it. A preschool programme runs weekly during school months. Holiday programmes have been run during all school holidays with daily attendance frequently exceeding 100 children.</i>		
Implement bilingual signage on a renewal basis	<i>All major internal signage is bilingual. Any renewals will follow suit.</i>		
Local Halls and Recreational Complexes			
Provide and maintain local halls (under the MDC Hall Management Policy)	<i>Provision and maintenance of local halls achieved under the MDC Hall Management Policy. Annual meeting of Hall Committee representatives held March 2006.</i>		
Provide local hall Emergency fund annually	<i>Hall committees making application to this short-term maintenance fund (via the Hall Management Policy) need to show:</i> <ul style="list-style-type: none"> • All available resources 	2,764	5,000

	<p><i>retained by hall have been used</i></p> <ul style="list-style-type: none"> • <i>The hall fees structure can be justified</i> • <i>There is community justification for a hall to remain on site</i> • <i>The level of volunteer support for their hall.</i> 		
Ongoing hall maintenance programme:			
• Cheltenham – Repair floor	<i>Project completed June 2006.</i>	445	1,500
• Himatangi Beach - Repaint exterior	<i>Repainting of hall exterior and kitchen upgrade completed June 2006.</i>	9,566	9,000
• Mt Biggs - Painting and maintenance	<i>Painting completed August 2005.</i>	716	1,000
• Stanway - Exterior repairs	<i>Project completed but hall committee obtained funding from other sources.</i>	0	3,500
• Te Arakura/Taonui - Paint supper room	<i>Project not started. Hall Committee decided that supper room did not need or warrant painting at this time.</i>	0	3,000
• Colyton - Upgrade toilet wall and stage	<i>Toilet wall and stage project completed June 2006.</i>	5,499	0
Makino Aquatic Centre			
Provide and maintain the Makino Aquatic Centre to Manawatu District residents	<i>Provision and maintenance of Makino Aquatic Centre provided to schedule. The outdoor complex includes a 50-metre Olympic pool, dive pool, shade-covered learners' pool and toddlers' pool, coin operated BBQs, picnic facilities, large lawn area with trees and shade cloth. Indoor complex includes 25-metre heated pool with ramp access and learners' pool with disabled hoist. A small shop sells goggles and snack food.</i>		
Provide swimming lessons and programmes e.g. Aqua aerobics, Flippa Ball	<i>Provision of swimming lessons for babies, pre-school, school age and adults. School programmes continue all year, with Flippa Ball held annually in Term 3.</i>		
Annual review of MAC Operations Manual	<i>Last reviewed November 2005.</i>		

	<i>Next review to be completed by end August 2006.</i>		
Customer surveys for all MAC programmes and general usage and implementation, where appropriate, of feedback	<i>Customer surveys are ongoing and a guide to marketing strategies and customer satisfaction. Data from surveys is collated and, where appropriate, implemented during the reporting period.</i>		
Ongoing commitment to reviewing and implementing a marketing strategy for the Makino Aquatic Centre	<i>The marketing strategy is shaped by survey results and ongoing programme analysis.</i>		
Implement bilingual signage on a renewal basis	<i>All major signage is bilingual. Any renewals will follow suit.</i>		
Parks, Reserves and Sportsgrounds			
Provision and maintenance of district parks, reserves and sportsgrounds	<i>Provision and maintenance continues. General work included upgrades of some sports facilities. A very wet period during winter sports made extra work for the Contractor to keep the fields open.</i>		
Manfeild Park (ex-racecourse) – operational budget to Manfeild Park Trust	<i>The Manfeild Park Trust has identified the operational “community access” cost in relation to the former racecourse area of Manfeild Park. Funding is provided to Manfeild Park Trust on quarterly invoicing.</i>	111,305	110,000

Capital Expenditure

Key Item	Achievement	Actual Expenditure (Full Year)	Budget Expenditure (Full Year)
Libraries and Archives			
Library book purchases (\$50,000 for children, \$105,000 for adults)	<i>Expenditure on library book purchases for children and adults.</i>	157,748	155,000
Information technology upgrade for Sanson Library	<i>PC and printer installed. Internet access via satellite because of current lack of broadband in Sanson. The system provides access to the Library’s catalogue, EPIC databases as well as Internet searching. The Sanson volunteers have been given basic training in the use of these resources.</i>	4,816	5,000

Halls and Recreational Complexes			
Ongoing hall Asset Renewal Programme :			
• Apiti - Upgrade ladies toilets	<i>Money re-prioritised to first stage of re-roofing project which was completed June 2006.</i>	5,000	5,000
• Awahuri - Replace hot water cylinder	<i>Money re-prioritised to half share of boundary fence which was completed May 2006.</i>	1,041	1,000
• Colyton - Upgrade toilet wall and stage	<i>Treated as maintenance expenditure.</i>	0	5,000
• Kimbolton - Re-roof north side	<i>Project completed June 2006.</i>	5,525	6,000
• Kiwitea - Hot water cylinder	<i>Project completed June 2006.</i>	1,000	1,000
• Newbury - Repair lean-to – partial reclad	<i>Project completed June 2006.</i>	3,739	2,000
Makino Aquatic Centre			
Replace cover outdoor pool	<i>Covers and cover rollers replaced.</i>	9,242	11,000
Replace outdoor radio	<i>Portable radio/sound system purchased.</i>	2,843	3,500
Upgrade computer link	<i>Computer link upgrade completed.</i>	6,000	6,000
Replace hand held radio	<i>Radio replaced</i>	335	500
Pumps	<i>Purchase and installation of submersible pump and blower fan</i>	8,311	4,000
Replace mushrooms learners pool	<i>Purchase and installation of water cannons to replace mushrooms.</i>	14,034	15,000
Other capital expenditure	<i>Comprised of hand forklift, door sirens, signage and painting of indoor pool building. Budget for these items included as part of operational programme.</i>	8,328	0
Parks, Reserves and Sportsgrounds			
Kowhai Park - Walkway development (Reserves Management Plan)	<i>New seats installed and new concrete footpaths in place as per the Kowhai Park Reserve Management Plan.</i>	30,175	20,000
Kimbolton Domain - Seal car parking area	<i>Car park sealing completed.</i>	22,264	20,000
Rural Pools – Upgrade pumps and automatic dosing systems	<i>Pump/dosing system upgrades have been completed at Pohangina, Rewa and Pakihikura Old Schools.</i>	8,532	15,000
District Play Grounds – Under-surface and equipment	<i>This year's work on under-surface and equipment has been completed in the rural play areas. Work has included:</i>	7,243	20,000

Report for the year ended 30 June 2006

	<ul style="list-style-type: none"> • <i>Totara Reserve has new under-surface in place for the start of the camping season.</i> • <i>Replacement swing installed at Rewa and Bartlett's Ford.</i> 		
Almadale – Upgrade public convenience	<i>Upgrade of public convenience completed.</i>	6,000	9,000
Kitchener Park – Continue development	<i>Work progressing to plan with assistance from Task Force Green workers.</i>	9,937	6,000
Develop summer garden at Timona Park (Stage 1)	<i>Removal of unwanted trees now completed. New trees and shrubs planted as summer garden takes shape.</i>	13,773	10,000
Resurface Johnston Park cycle track (to be funded from Reserves)	<i>Meetings with cycle club and contractor have occurred. Contractor to start resurfacing work after rugby in mid-August 2006.</i>	0	80,000
Total Capital Expenditure		325,886	400,000

How will Council measure its performance?

Measure	Target	Update
Libraries and Archives		
Overall satisfaction with the library service	80%	<i>Overall satisfaction results were: Very/Fairly satisfied: 75% Not very satisfied: 3% Don't Know: 22%</i>
User satisfaction with the library service	96%	<i>User satisfaction results were: Very/Fairly satisfied: 94% Not very satisfied: 4% Don't Know: 2%</i>
Total number of issues (Source: Council records)	400,000	<i>1 July 2005 to 30 June 2006 total number of issues = 358,441</i>
Cost per capita* (not to exceed) (Source: Council records)	\$26.95	<i>Cost per capita = \$26.93</i>
Stock turnover* (Source: Council records)	To exceed 4.5	<i>Stock turnover = 5.4</i>
* Compared against five similar New Zealand libraries (Source: Council records)		

Local Halls and Recreation Complexes		
Overall community satisfaction with community halls and recreation complexes	80%	Overall satisfaction results were: Very/Fairly satisfied: 74% Not very satisfied: 10% Don't Know: 16%
User satisfaction with community halls and recreation complexes	85%	User satisfaction results were: Very/Fairly satisfied: 83% Not very satisfied: 12% Don't Know: 5%
Makino Aquatic Centre		
Overall community satisfaction with the Makino Aquatic Centre	80%	Overall satisfaction results were: Very/Fairly satisfied: 62% Not very satisfied: 2% Don't Know: 36%
User/visitor satisfaction with the Makino Aquatic Centre	95%	Visitor satisfaction results were: Very/Fairly satisfied: 92% Not very satisfied: 3% Don't Know: 5%
Total admissions revenue (Source: Council Records)	\$111,000	Total admissions revenue was \$118,926 (107%) to 30 June 2006
Meet New Zealand water quality standard NZ 5826:2000 (Source: Council Records)	100% compliance	Qualified staff undertake regular water testing. Monthly Bio Lab testing confirms compliance
Parks, Reserves and Sportsgrounds		
Overall satisfaction with parks and reserves	90%	Overall satisfaction results were: Very/Fairly satisfied: 86% Not very satisfied: 3% Don't Know: 11%
User/visitor satisfaction with parks and reserves	95%	User satisfaction results were: Very/Fairly satisfied: 92% Not very satisfied: 4% Don't Know: 4%
Overall satisfaction with sportsgrounds and playgrounds	85%	Overall satisfaction results were: Very/Fairly satisfied: 76% Not very satisfied: 4% Don't Know: 20%
User satisfaction with sportsgrounds and playgrounds	95%	User satisfaction results were: Very/Fairly satisfied: 88% Not very satisfied: 5% Don't Know: 7%
Response to emergency maintenance requests within specified contract times (Source: Council Records)	95%	Response to emergency maintenance requests achieved within specified contract times during reporting period.

Leisure Resources

Financial Summary

for the year ended 30 June 2006

2004/05		2005/06	2005/2006
Actual		Actual	Budget
Full Year		Full Year	Full Year
\$000		\$000	\$000
Operating Costs			
2,012	Parks & Reserves	1,319	1,163
57	Local Halls & Recreational Complexes	65	82
429	Library	460	460
775	Makino Aquatic Centre	796	732
46	Flood 04	8	
191	Asset Management	208	196
4	Interest	43	75
867	Depreciation	814	917
327	Support Costs	332	351
4,708	Total Operating Costs	4,045	3,976
Capital Costs			
Capital Expenditure			
96	Parks & Reserves	98	180
185	Local Halls & Recreational Complexes	16	20
133	Library	163	160
36	Makino Aquatic Centre	49	40
	Flood 04	29	
	Loan Repayments		27
20	Transfers to Investments	20	20
470	Total Capital Costs	375	447
5,178	TOTAL COSTS	4,420	4,423
Funded By:			
Operating Revenue			
2,796	Targeted Rates	3,080	3,056
130	Parks & Reserves	62	40
61	Library	62	51
281	Makino Aquatic Centre	294	251
2	User Fees	1	2
45	Flood 04	37	
3,315	Total Operating Revenue	3,536	3,400
Capital Funding			
216	Transfers from Investments	96	170
867	Funding from Non Cash Items	814	917
1,083	Total Capital Funding	910	1,087
4,398	TOTAL FUNDING	4,446	4,487
(780)	CASH SURPLUS/(DEFICIT)	26	64

Roading

Overall Goal

To develop and maintain a roading network appropriate to community usage, demand and ability to fund.

Description

Historically, roading has been a major focus of local authorities. Council manages a roading and footpaths network in the Manawatu district comprising:

- 1,291.7 km of rural roads
- 136.5 km of urban roads
- 369 bridges
- 121.8 km of footpaths
- 1,552 streetlights and 807 poles

Approximately half of district roading work is subsidised by central government through Transfund. Transit New Zealand is wholly responsible for upkeep of district state highways. The management and pricing structure of the roading activity has been the subject of central government review over the last few years. The roading activity includes:

- Repairs and maintenance of current roading and bridges
- Sealing and resealing



- Drainage, kerb, channelling and culverts
- Signage, cycleways, lighting and road safety
- Footpath construction and maintenance

Council has an agreement with Transfund New Zealand for the implementation of Manawatu District Council's component of the 2004/05 National Roding Programme.

Why is Council involved?

Statutory - Meet requirements of the Local Government Act 2002 and the Transit New Zealand Act 1984 as the "Road Controlling Authority" for Manawatu district roads.

Community expectation - Public expectation for provision of services

Community support and wellbeing - Safe roading network provided to meet district needs

District progress - Essential for economic development of the district

Collective provision - Collective provision of services and facilities more viable than individual provision

Community Outcomes

A community that has access to effective services. This relates to long-term planning of the roading network. Well-maintained roads are

an integral means of ensuring access around (and beyond) the district.

What has Council achieved in 2005/2006?

Operational day to day

Key Item	Achievement	Actual Expenditure (Full Year)	Budget Expenditure (Full Year)
		Where Applicable	
Urban roading network maintenance	<i>Contract 01/04 - Road Maintenance. Majority of Urban maintenance being carried out by Fulton Hogan.</i>	205,687	252,750
Rural roading network maintenance	<i>Contract 01/04 - Road Maintenance. Majority of Rural maintenance being carried out by Fulton Hogan.</i>	2,072,740	1,853,500
Emergency Work (LTCCP)	<i>Preventative Maintenance \$15,708 Storm Damage Repairs</i>	147,384	350,000
Emergency Work (Additional to LTCCP)	<i>Carried out by Fulton Hogan</i>	4,738,671	4,100,000
Bridge, culvert and structures maintenance	<i>Contract 01/04 - Road Maintenance. Minor Bridge maintenance carried out by Fulton Hogan.</i>	297,517	255,000
Traffic, signage, road markings and lighting maintenance	<i>Contract 01/04 - Road Maintenance. Majority of Traffic services being carried out by Fulton Hogan. Contract 04/23 – Pavement Marking. Being carried out by Pavement Marking Services Ltd Contract 05/10 – Streetlight Maintenance Being carried out by Alf Downs Streetlighting Ltd.</i>	432,261	379,500
Operation and management of the roading network	<i>Contract 05/14 – Professional Services for Roding being carried out by Council's Contracts Management Unit. (Includes storm damage professional services) Contract 05/11 – RAMM Road Rating Survey. Being carried out by Briken and Associates. RAMM Road Roughness</i>	1,085,116	823,202

	<i>Survey completed by AARB Ltd.</i>		
Strategy Study	<i>Contract 05/25 - Route Strategy Study. Work carried out by GHD.</i>	57,000	50,000
Contribution towards the installation of private stock underpasses in accordance with Council Policy	<i>Funded as part of Minor safety Projects</i>	0	
Total Operating Expenditure		9,036,376	8,063,952

Capital Expenditure

Key Item	Achievement	Actual Expenditure (Full Year)	Budget Expenditure (Full Year)
Urban roading network renewals	<p><i>Contract 01/04 - Road Maintenance.</i></p> <p><i>Majority of Urban Renewal Work being carried out by Fulton Hogan.</i></p> <p><i>In order to stay within the capital expenditure budget urban roading renewals were not completed.</i></p>	969	74,000
Rural roading network renewals	<p><i>Contract 01/04 - Road Maintenance.</i></p> <p><i>Majority of Rural Renewal Work being carried out by Fulton Hogan.</i></p>	355,918	320,000
Bridge, culvert and structures renewals and replacements	<p><i>Contract 01/04 - Road Maintenance.</i></p> <p><i>Contract 04/24 Saddle Road Bridge Replacement - Infracon from Dannevirke. (Expenditure of \$2,231,067 accounted for in Bridge Renewals)</i></p> <p><i>Bridge Renewal Work carried out by Fulton Hogan.</i></p> <p><i>Contract 03/20 – Jacks Bridge Strengthening on Kairanga-Bunnythorpe Road. - On hold. Further investigation being carried out.</i></p> <p><i>Contract 03/28 – Campbell Road Bridge – On hold. Further investigation being carried out.</i></p>	2,347,843	277,000
Traffic signage, road markings and lighting renewals and replacements	<i>Contract 01/04 - Road Maintenance. Majority of Traffic services renewals being carried</i>	206,745	247,500

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	<p>out by Fulton Hogan.</p> <p>Contract 04/23 - Pavement Marking renewals being carried out by Pavement Marking Services Ltd.</p> <p>Contract 05/10 – Streetlight Maintenance renewals carried out by Alf Downs Streetlighting Ltd.</p>		
Resealing of 100 km of roadway surface	Approx 90 km resealed by Higgins Contractors.	1,658,290	1,850,000
Area Wide Pavement treatment of 15km of roadway surface	<p>Contract 04/18 – AWPT – Ohakea Area. (4.146km) Contract for \$1,109,677.00 awarded and largely completed in 2004 (Expenditure 2005/06 - \$47,168)</p>		
	<p>Contract 04/21 – AWPT – Various Isolated Sections. (3.172km) Contract for \$864,195.50 awarded in 2004 and largely completed.(Expenditure - \$214,745)</p>		
	<p>Contract 05/19 – AWPT – Highway 56. (1.800km) Contract for \$593,916.50 awarded to JB Ware & Sons Ltd and 98% complete.(Expenditure - \$467,715)</p>		
	<p>Contract 05/20 – AWPT – Feilding Urban.(0.988km) Contract for \$952,659.00 awarded to Higgins Contractors and 85% complete.(Expenditure - \$809,195)</p>		
	<p>Contract 05/21 – AWPT – Pohangina Area. (3.700km) Contract for \$1,095,187.00 awarded to Fulton Hogan and 95% complete.(Expenditure - \$944,954)</p>		
	<p>Contract 05/22 – AWPT – Ruahine & Apiti Areas. (3.210km) Contract for \$818,204 awarded to Fulton Hogan and 100% completed.(Expenditure - \$814,618)</p>		
	<p>Contract 05/23 – AWPT – Tangimoana Road, Wilson Road & various.(4.807km) Contract not yet tendered.</p>		
	Total AWPT expenditure to date:	2,792,227	2,810,000
District Footpath upgrading programme	Footpaths resurfaced in East Street and Gladstone Street in Feilding and in Rongotea.	143,498	140,000
Minor Safety Works	Various projects being	369,505	290,000

	<i>investigated. Some work identified in-conjunction with AWPT contracts. Also stock underpasses and intersection improvements.</i>		
Rural Walkway construction (Sanson – subject to community raising \$3,650)	<i>Not uplifted.</i>	0	15,000
Reconstruction of carriageway, kerb and footpaths	<i>Contract 02/03 – Weld Street/Bailey Street – Urban Reconstruction (430 metres) Contract for \$640,514.50 awarded to Chris Gommans Contracting Limited. Work includes carriageway, underground services, minor safety project work and footpaths. Work 60% complete (Expenditure - \$367,800.50)</i>	190,996	250,000
Car parks	<i>Not spent</i>	0	5,000
Stock Effluent Disposal Site	<i>Completed and operational. Funded from LTNZ and funds carried forward from 2004/05.</i>	40,500	
Total Capital Expenditure		8,106,491	6,278,500

How will Council measure its performance?

Measure	Target	Update	
Community satisfaction with district roads	80%	Community satisfaction results were: Very/Fairly satisfied: 67% Not very satisfied: 33% Don't Know: -%	
Community satisfaction with district footpaths	65%	Community satisfaction results were: Very/Fairly satisfied: 55% Not very satisfied: 28% Don't Know: 17%	
The average roughness of the sealed roads to be less than 100 NAASRA counts per kilometre (Source: RAMM Report)	<100	Level of service (roughness) – sealed roads.	
		1 July 1999 to 30 June 2000	U=95.0 R=75.0 Total=78.0
		1 July 2000 to 30 June 2001	U=96.0 R=75.0 Total=78.0
		1 July 2001 to 30 June 2002	U=97.2 R=75.9 Total=78.2
		1 July 2002 to 30 June 2003	U=94.5 R=71.7 Total=74.3
		1 July 2003 to 30 June 2004	U=97.1 R=73.6 Total=76.2
		1 July 2004 to 30 June 2005	U=97.3 R=76.7 Total=79.0
		1 July 2005 to 30 June 2006	U=90.0 R=72.2 Total=74.2
The number of reported injury crashes occurring on the roading network shall continue to decline (Source: LTSA Database)	< previous year	Injury crashes on local roads within Manawatu District	
		1 July 1999 to 30 June 2000	47
		1 July 2000 to 30 June 2001	40
		1 July 2001 to 30 June 2002	51
		1 July 2002 to 30 June 2003	59
		1 July 2003 to 30 June 2004	65
		1 July 2004 to 30 June 2005	59
1 July 2005 to 30 June 2006	87		

Roading

Financial Summary

for the year ended 30 June 2006

2004/05 Actual Full Year \$000		2005/06 Actual Full Year \$000	2005/2006 Budget Full Year \$000
	Operating Costs		
3,962	Subsidised Roothing	6,108	3,306
13,100	Flood 04	2,673	4,100
246	Non-Subsidised Roothing	255	658
160	Interest	159	193
219	Asset Management	239	307
350	Asset Write Off's		1,052
3,323	Depreciation	4,313	3,254
41	Support Costs	15	100
21,401	Total Operating Costs	13,762	12,970
	Capital Costs		
6,140	Capital Expenditure	8,106	6,279
542	Loan Repayments	457	478
6,682	Total Capital Costs	8,563	6,757
28,083	TOTAL COSTS	22,325	19,727
	<i>Funded By:</i>		
	Operating Revenue		
5,808	Targeted Rates	6,272	6,249
5,981	Subsidies	7,351	4,724
65	User Fees	29	2
11,798	Flood 04	4,266	3,690
23,652	Total Operating Revenue	17,918	14,665
	Capital Funding		
372	Loans Raised		268
56	Transfers from Investments	488	488
3,673	Funding from Non Cash Items	4,313	4,306
4,101	Total Capital Funding	4,801	5,062
27,753	TOTAL FUNDING	22,719	19,727
(330)	CASH SURPLUS/(DEFICIT)	394	

Waste

Overall Goal

- **Waste Management**
Acknowledging and taking cultural issues into account, to safeguard public health by managing the district's waste materials in an efficient, environmentally friendly and cost effective manner
- **Waste Minimisation**
Acknowledging and taking cultural issues into account, to promote waste reduction towards zero waste through education, development and implementation of recycling, reuse and recovery methods



Overall – Description

Waste includes the activities of Solid Waste (including collection, disposal and recycling) and Wastewater.

While waste volumes have increased in recent years, so has awareness of the effects of waste on the environment. An average of 2.5kg of residential solid waste is generated per person per day in New Zealand. Community feedback

consistently indicates that minimising waste volumes, encouraging recycling and managing waste well is important.

Higher levels of wastewater treatment are expected by national and regional Council standards. Many of the district's wastewater schemes are or have been upgraded in the last few years to meet these standards.

Overall - Why is Council involved?

Statutory - Council is required to provide some of these services through the Local Government Act 2002, Health Act 1956 and Resource Management Act 1991

Community expectation - Public expectation for provision of services

Collective provision - Collective provision of services and facilities more viable than individual provision

Community safety - Vital to prevent disease and maintain a healthy community

District progress - Important to encourage business development/ expansion

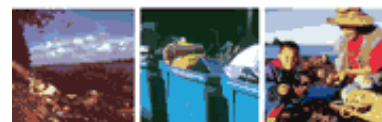
Environmental wellbeing - Important to maintain and develop a 'clean, green environment'

Towards zero waste and a sustainable New Zealand – the New Zealand Waste Strategy was published in March 2002. This strategy aims to cut down the waste we generate and discard. It includes six core principles that will guide central and local government in implementing the strategy:

Global citizenship – Our responsibility to protect the environment extends beyond New Zealand's borders

Kaitiakitanga/stewardship – All members of society are responsible for looking after the environment, and for the impact of products and wastes they make, use and discard

Extended producer responsibility – Producers have a degree of responsibility for their products throughout the product's lifecycle, from production through to final disposal



Full-cost pricing – The environmental effects of production, distribution, consumption and disposal of goods and services should be consistently costed, and charged as closely as possible to the point they occur

Life-cycle principle – Products and substances should be designed, produced and managed so all environmental effects are accounted for and minimised during generation, use, recovery and disposal

Precautionary principle – Where there is a threat of serious or irreversible damage, lack of full scientific certainty should not be a reason for postponing cost-effective measures to prevent environmental degradation or potential adverse health effects

The New Zealand Waste Strategy contains voluntary national targets for priority waste areas, many of which impact on Council's activities. These targets will be considered for inclusion in Council's Long Term Financial Strategy and Waste Management Plan when these plans are next reviewed.

Community Outcomes

This group of activities contributes to the following Community Outcomes:

A community that has access to effective services. There are significant health risks attached to waste so access to effective waste collection and disposal services is essential.

A self-sufficient environment that preserves, values and develops our natural resources. Waste is a destructive part of the environment. In the years ahead waste management must balance the needs of environmental and economical sustainability.

What has Council achieved in 2005/2006?

Operational day to day

Key Item	Achievement	Actual Expenditure (Full Year)	Budget Expenditure (Full Year)
		Where Applicable	
Solid Waste			
Key Operational Contracts - listed below:			
<ul style="list-style-type: none"> Collection of household/business refuse bags 	<p><i>Refuse bag collection – 1909 tonnes</i></p> <p><i>New Contract has been negotiated – start date 1 September 2006.</i></p>	229,946	255,000
<ul style="list-style-type: none"> Provision of facilities for depositing recyclable materials and kerbside collection of recyclables in Feilding 	<p><i>Recycling Centres – 305 tonnes</i></p> <p><i>Kerbside Feilding – 547 tonnes</i></p> <p><i>New contracts have been negotiated – start date 1 September 2006</i></p>	166,444	152,000
<ul style="list-style-type: none"> Provision of waste handling and disposal facilities and services where appropriate (e.g. refuse transfer stations, bulk collections, litter bins, Feilding Landfill) 	<p><i>Feilding Landfill closed 28th February 2006. Negotiations underway for Landfill capping.</i></p> <p><i>Increased costs were incurred due to the requirement to transport waste and dispose at Awapuni. These costs were not covered under previous contract, and revenue from Landfill ceased in February 2006.</i></p>	308,000	221,000
Education about Waste Minimisation	<p><i>Ongoing meetings with Horizons on joint approach for education on waste minimisation.</i></p>	3,181	10,000
Feilding Landfill capping and closure	<p><i>New resource consent is required together with a landfill closure plan. Expenditure is not likely to occur until 2006/07 financial year.</i></p> <p><i>Landfill closure plan and ongoing management plan are now complete. Tenders have closed and a preferred contractor nominated. Negotiations are ongoing with the preferred tenderer and Horizons Regional Council</i></p>	0	415,000

	<i>regarding this work.</i>		
Wastewater	Operating Costs		
Collection, treatment and disposal of sewage (including trade wastes) through wastewater schemes in Awahuri, Bunnythorpe, Cheltenham, Feilding, Halcombe, Kimbolton, Longburn, Rongotea and Sanson	<i>Awahuri (Professional Fees for resource consent)</i>	9,562	8,590
	<i>Bunnythorpe</i>	30,454	29,475
	<i>Cheltenham (Professional Fees for resource consent)</i>	8,994	4,250
	<i>Feilding (increase due to high pump repair costs and new UV lights)</i>	757,296	699,900
	<i>Halcombe</i>	6,632	12,300
	<i>Kimbolton (Professional Fees incurred preparing resource consent application)</i>	15,681	8,300
	<i>Longburn (increase due to high maintenance costs at pump stations)</i>	26,635	22,350
	<i>Rongotea</i>	21,366	29,350
	<i>Sanson</i>	17,400	18,450
Review Trade Waste Bylaw and encourage trade waste industries to have waste minimisation and management programme	<i>Consultation complete, new bylaw to come into effect 1 July 2006.</i>	5,000	5,000
Re-apply for resource consent for Awahuri	<i>A consent was granted during the reporting period.</i>	5,000	5,000
Review of Sludge Processing	<i>A report is in place which outlines how sludge processing will move forward.</i>	5,000	5,000

Capital Expenditure

Key Item	Achievement	Actual Expenditure (Full Year)	Budget Expenditure (Full Year)
Wastewater			
Wastewater Asset renewals and growth:			
Below ground replacement	<i>Sewer Renewals In Collins Crescent, Montague Street and Weld Street (High reinstatement costs – Collins Crescent. Unbudgeted work in Weld Street due to road reconstruction).</i>	316,125	174,265
<ul style="list-style-type: none"> • Feilding • Contract Management Unit • Other Capital Costs 	<i>Design & supervision costs .</i>	23,282	20,000
	<i>New service connections (Feilding). This is under budget because they used to include trunk main growth, which is now part of growth.</i>	59,579	185,000
Growth	<i>New Sewer Pharazyn Street (Mains laid due to new growth policy introduced by Council, which was previously unbudgeted).</i>	235,007	0
<ul style="list-style-type: none"> • Feilding 			
Above ground replacement:	<i>New Pump – KB Road Pump Station</i>	3,399	8,943
<ul style="list-style-type: none"> • Bunnythorpe 			
Feilding	<i>Renewed the South St Pump Stn Control Cabinet</i>	4,289	
Feilding STP	<i>Irrigation Pump replaced</i>	9,692	
	<i>Air Blower replaced</i>	5,523	
	<i>Variable Speed Drive replaced</i>	7,858	60,096
Himatangi Beach Wastewater System (4,200,000 2004/05 to 2006/07)	<i>Feasibility study complete – report went to Council August 2006</i>	92,187	100,000
Continue Feilding Wastewater Treatment Plant upgrade	<i>Feasibility studies are being undertaken. New screen press has been fitted and design work carried out on Land Passage.</i>	58,817	500,000
Continue Feilding Wastewater Treatment Plant upgrade (Proposed carry over to 2005/06 from 2004/05)	<i>Awaiting proposals from Feasibility study on how to proceed – upgrade, irrigation or pipeline to Palmerston North. As such there is little expenditure to</i>	9,987	400,000

	<i>date.</i>		
Kimbolton Wastewater Treatment Plant Upgrade	<i>Option study complete, meetings held with Community, Regional Council and Marae Consultative Committee.</i>		
	<i>Associated Environmental Effects (AEE) nearing completion for submission to regional Council for resource consent. Capital expenditure on plant upgrade will be in year 2006/07 due to resource consent and design issues.</i>	0	150,000
Wastewater assets vested in Council	<i>Value of work as at 30 June 2006</i>	31,510	0
Total Capital Expenditure		857,255	1,598,304

How will Council measure its performance?

Measure	Target	Update
Solid Waste		
User satisfaction with refuse disposal services	60%	User satisfaction results were: Very/Fairly satisfied: 86% Not very satisfied: 14% Don't Know: -%
User satisfaction with refuse bag collection services	80%	User satisfaction results were: Very/Fairly satisfied: 77% Not very satisfied: 6% Don't Know: 17%
Greenwaste diverted from Landfill	Increase	1,805 tonnes
Recyclables diverted from Landfill	Increase	821 tonnes
Compliance with Resource Consent conditions	100% Compliance	100% compliance
User satisfaction with recycling services	80%	User satisfaction results were: Very/Fairly satisfied: 90% Not very satisfied: 10% Don't Know: -%
Wastewater		
User satisfaction with sewage disposal services	90%	User satisfaction results were: Very/Fairly satisfied: 99% Not very satisfied: 1% Don't Know: -%
Response to high priority incidents (e.g. sewer main blockage) within specified contract times	90%	All response times within target
Unauthorised discharges from wastewater reticulation systems	Nil	Nil
Compliance with Resource Consent conditions	100% Compliance	100% compliance

Waste

Financial Summary

for the year ended 30 June 2006

2004/05 Actual Full Year \$000		2005/06 Actual Full Year \$000	2005/2006 Budget Full Year \$000
Operating Costs			
992	Waste Water	1,101	1,013
1,047	Solid Waste	1,156	1,039
11	Flood 04		
388	Interest	458	469
208	Asset Management	374	201
37	Asset Write Off's		30
428	Depreciation	582	436
50	Support Costs	38	74
3,161	Total Operating Costs	3,709	3,262
Capital Costs			
Capital Expenditure			
2,953	Waste Water	857	1,598
	Flood 04	6	
212	Loan Repayments	678	686
70	Transfers to Investments	76	78
3,235	Total Capital Costs	1,617	2,362
6,396	TOTAL COSTS	5,326	5,624
Funded By:			
Operating Revenue			
1,999	Targeted Rates	2,261	2,270
667	Waste Water	1,161	595
550	Solid Waste	454	455
1	Flood 04	9	
	Vested Assets	32	
33	Interest	40	41
3,250	Total Operating Revenue	3,957	3,361
Capital Funding			
2,592	Loans Raised		1,488
	Transfers from Investments	223	252
475	Funding from Non Cash Items	582	466
3,067	Total Capital Funding	805	2,206
6,317	TOTAL FUNDING	4,762	5,567
(79)	CASH SURPLUS/(DEFICIT)	(564)	(57)

Water

Overall Goal

Water Supply - To provide an efficient, safe water supply that is sustainable, both in terms of delivery and cost to the community, to ensure that the present needs of the community are met without constraining future generations and that the community is encouraged to conserve water.

Urban Storm Water/Rural Land Drainage – To maximise the drainage within the land drainage scheme areas in order to maximise rural production efficiency.

To manage stormwater so as to minimise the risk to people and property and to minimise adverse environmental effects from stormwater runoff.



Description

Water includes the activities of Water Supply, Urban Stormwater and Land Drainage.

The Manawatu district depends on district water supplies to sustain its population, industry and agriculture. The district's main water supply source, the Oroua River has become heavily utilised as the district has developed.

Groundwater resources have also been placed under stress from agricultural uses in some areas.

Community feedback consistently indicates water supply is the number one priority for Manawatu

District residents. This is expressed on two levels. Firstly, there is an expectation for a safe, reliable and plentiful water supply. Secondly, water is viewed as vital to the continuity and future development of Manawatu agriculture and horticultural industry and the potential attraction of new business.

Too much water can at times also be a problem. Several stormwater and land drainage schemes are administered throughout the district.

Why is Council involved?

Collective benefits - Collective benefits to the community received from control of water flow in rural and urban areas

Community safety - Protection of people and property from flooding

Statutory - Council is required to provide some of these services through the Local Government Act 1974, Health Act 1956 and Resource Management Act 1991

Community expectation

- Water supply, urban stormwater and land drainage are seen as core services

- Public expectation for provision of services

Collective provision - Collective provision of services and facilities more viable than individual provision

Community support and wellbeing - Basic requirement for life and vital to maintain a healthy community

District progress - Important to encourage business development and cater for future expansion

Community Outcomes

This group of activities contributes to the following Community Outcomes:

A community that has access to effective services. This is achieved through:

- the provision of a stormwater system that is able to cope with most weather events
- the provision of the best water supply service possible, in relation to the community's ability to pay

Urban Stormwater and Land Drainage

Council currently administers stormwater schemes in Bunnythorpe, Feilding, Longburn, Rongotea and Sanson and four rural drainage schemes – Bainesse, Maire, Makowhai and Oroua Downs. Feilding has the most extensive piped stormwater network. Smaller schemes consist of a mixture of open drains, channels and piped areas.

What has Council achieved in 2005/2006?

Operational day to day

Key Item	Achievement	Actual Expenditure (Full Year)	Budget Expenditure (Full Year)
		Where Applicable	
Urban Stormwater/Rural Land Drainage			
Stormwater network maintenance			
<ul style="list-style-type: none"> Bunnythorpe 	<p><i>An inspection of the stormwater system was undertaken in the first quarter. Maintenance work was programmed and completed prior to winter.</i></p> <p><i>Additional maintenance work this year was funded from previous year's under expenditure</i></p>	2,707	2,050
<ul style="list-style-type: none"> Feilding 	<p><i>An inspection of the stormwater system was undertaken in the first quarter. Maintenance work was programmed and completed prior to winter.</i></p> <p><i>Additional maintenance work this year was funded from previous year's under expenditure</i></p>	64,724	58,950
<ul style="list-style-type: none"> Longburn 	<p><i>An inspection of the stormwater system was undertaken in the first quarter. Maintenance work was programmed and completed prior to winter.</i></p> <p><i>A stormwater drain along the railway land at the end of Ngaire St was blocked causing flooding of the adjacent properties. Council was unable to persuade Tranzrail to action this problem and has now cleaned the drain themselves.</i></p> <p><i>Investigations continue to resolve the poor drainage conditions experienced along the northern side of Ngaire St.</i></p> <p><i>Additional maintenance work this year was funded from previous year's under expenditure</i></p>	3,261	2,600
<ul style="list-style-type: none"> Rongotea 	<p><i>An inspection of the stormwater system was undertaken in the first quarter. Maintenance work was programmed and</i></p>	2,726	4,460

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	<p>completed prior to winter.</p> <p>The open drain between Wear St and Wye St was cleaned and the open drain on the west side of Thames St near the sale yards tidied up.</p> <p>The annual maintenance work was completed within budget.</p>		
<ul style="list-style-type: none"> Sanson 	<p>An inspection of the stormwater system was undertaken in the first quarter. Maintenance work was programmed and completed prior to winter.</p> <p>The annual maintenance work was completed within budget.</p>	4,370	6,750
Land Drainage network maintenance			
<ul style="list-style-type: none"> Bainesse 	<p>Work was undertaken towards the end of the financial year by the scheme members without MDC knowledge. This led to the over expenditure. The scheme is now \$7,200 in debt.</p>	6,507	3,825
<ul style="list-style-type: none"> Maire 	<p>The annual maintenance work was completed within budget</p>	216	2,050
<ul style="list-style-type: none"> Makowhai 	<p>The annual maintenance work was completed within budget</p>	1,416	5,500
<ul style="list-style-type: none"> Oroua Downs 	<p>Additional maintenance work this year was funded from previous year's under expenditure</p>	29,641	27,000
Urban Development infrastructure planning	<p>Development Contribution Study has been completed and report received.</p>		
Continue urban development planning	<p>The Development Contributions Policy has been adopted by council. Planned extension of services into Pharazyn Rd and Ranfurly Rd for future growth has been completed.</p>		
Water Supply			
Operation and maintenance of water supply schemes in			
<ul style="list-style-type: none"> Bunnythorpe 	<p>NZ Drinking Water Standards quality requirements were generally achieved during the year with one transgression.</p> <p>The over expenditure in operations is mainly attributed to increased electricity costs.</p>	46,490	31,950
<ul style="list-style-type: none"> Feilding 	<p>NZ Drinking Water Standards quality requirements were achieved during the year.</p> <p>The over expenditure in</p>	690,631	585,740

	<i>operations is mainly attributed to an increase in chemical costs, and additional staff costs with the extra operator employed.</i>		
• Himatangi Beach	<i>NZ Drinking Water Standards quality requirements were generally achieved during the year. The over expenditure in operations is mainly attributed to increased electricity costs.</i>	54,629	41,580
• Longburn	<i>NZ Drinking Water Standards quality requirements achieved during the year. The over expenditure in operations is mainly attributed to increased electricity costs.</i>	19,457	16,770
• Sanson	<i>NZ Drinking Water Standards quality requirements achieved. Water restrictions were imposed during March when the water demand exceeded the supply capacity. This problem was due to faulty flow restrictors allowing higher flows to consumers. A maintenance programme is underway replacing faulty flow restrictors to return the scheme to design specification. Increased maintenance costs due to flow restrictor repairs.</i>	54,483	25,890
• Stanway/Halcombe	<i>NZ Drinking Water Standards quality requirements were generally achieved during the year with one transgression. Higher electricity costs during the year increased the operational budget by \$11,000. Additional operation costs were experienced in pipeline repairs.</i>	95,203	77,530
• Waituna West	<i>Water is not being produced to New Zealand Drinking Water Standards. A permanent Boil Water Notice has been in effect for the scheme since the intake was lost in the 2004 floods. Design of the new water intake structure and water treatment facility is complete. Operation costs have been maintained within budget for the year.</i>	45,216	42,030

Annual Report for the year ended 30 June 2006

Continue development of Water Supply Asset Management Plans	<i>Water Asset Management Plans have been updated to 2006.</i>		
Comply with the revised monitoring requirements of the NZ Drinking Water Standards 2000 for all water supply schemes.	<p><i>Compliance achieved for the Feilding, Longburn, and Sanson schemes.</i></p> <p><i>Positive E.coli transgressions occurred in the Bunnythorpe and Stanway/Halcombe schemes.</i></p> <p><i>The Himatangi scheme satisfied the water quality requirements, but failed as one sample day failed compliance requirements.</i></p> <p><i>A boiled water notice remains on the Waituna West supply following flood damage in 2004.</i></p>		

Capital Expenditure

Key Item	Achievement	Actual Expenditure (Full Year)	Budget Expenditure (Full Year)
Urban Stormwater/Rural Land Drainage			
Bunnythorpe Stormwater upgrades	<i>Design work has been completed and work commenced on capital work in Maple St.</i>	2,906	23,295
Feilding Stormwater upgrades	<p><i>Pipe work in Norfolk Cres was upgraded to 600mm diameter with costs shared between council and a developer.</i></p> <p><i>A new stormwater system was installed in Bailey St between Weld St and Denbigh St in conjunction with road upgrades.</i></p> <p><i>Draft proposal to incorporate a detention dam in the Mt. Taylor subdivision to reduce storm flows through Feilding has been completed.</i></p>	88,239	137,000
Longburn Stormwater upgrades	<i>No renewal work completed to date.</i>	0	1,000
Water Supply			
Bunnythorpe – Renewal of fire hydrants	<p><i>Fire hydrant renewal work was completed</i></p> <p><i>The over expenditure is due to fire hydrant replacement work completed in the 04/05 financial year but invoiced in 05/06 financial period. This funding was carried forward from 04/05.</i></p>	19,416	11,040
Bunnythorpe - Unplanned renewals	<i>Replacement of chlorine dosing</i>	1,163	3,500

	<i>pump at the WTP.</i>		
Feilding – Replacement of old cast iron and asbestos cement watermains	<i>Montagu St ridermain replaced. Eyre St ridermain replaced. South St watermain replaced. Design completed for Hobson St cast iron watermain replacement.</i>	366,330	200,000
Feilding Water Treatment Plant upgrade	<i>Physical work commenced on the Almadale WTP upgrades. Commissioning stage of the new plant is underway. Additional funding from loans not raised in 2004/05.</i>	2,349,035	1,200,000
Feilding – Growth capital expenditure	<i>Ranfurly Rd watermain extension completed. Pharazyn Rd watermain extension work completed.</i>	314,043	101,445
Feilding – Metering and backflow prevention	<i>Water meters and backflow protection installed on water supply feeds to Manfield Park</i>	19,362	20,000
Water Assets vested in Council	<i>Value of work as at 30 June 2006</i>	51,500	0
Himatangi Beach – Various renewals at Treatment Plant	<i>New magflow meter and chlorinator installed at the WTP</i>	7,240	11,000
Himatangi Beach – Unplanned renewals	<i>Breakpoint chlorination pipework replaced at the WTP</i>	1,350	2,500
Longburn – Unplanned renewals	<i>Upgrade work completed on WTP pump.</i>	4,590	2,000
Sanson – Unplanned renewals	<i>New ball cock valves installed at reservoirs.</i>	3,003	1,750
Stanway Halcombe – Upgrade	<i>No renewal work completed to date.</i>	0	4,500
Stanway Hacombe – Renewals	<i>New booster pump installed. New chlorinator installed.</i>	15,848	10,000
Waituna West – Renewals	<i>No renewal work completed to date.</i>	0	8,000
Total Capital Expenditure		3,244,025	1,737,030

How will Council measure its performance?

Measure	Target	Update
Stormwater		
User satisfaction with reticulated stormwater systems	65%	<i>User satisfaction results were: Very/Fairly satisfied: 92% Not very satisfied: 6% Don't Know: 2%</i>
Respond to emergency situations in stormwater systems within one hour of notification (<i>Source: Council Records</i>)	100% compliance	<i>No emergency situations within report period.</i>
Comply with resource consent conditions under the control/jurisdiction of Council (<i>Source: Council Records/Horizons Reports</i>)	100% compliance with horizons requirements	<i>Compliance achieved during report period</i>
Water Supply		
User satisfaction with water supplies	65%	<i>User satisfaction results were: Very/Fairly satisfied: 89% Not very satisfied: 11% Don't Know: -%</i>
Response to emergency situations in water supply systems within one hour of notification to Council (<i>Source: Council Records</i>)	95%	<i>No emergency situations within report period</i>
Water samples taken from distribution zones comply with E.coli criteria of the Drinking-water standards for New Zealand 2000 (<i>Source: Council Records/testing by the Ministry of Health Recognised Laboratory</i>)	100% compliance	<i>E. coli compliance achieved</i>

Water

Financial Summary

for the year ended 30 June 2006

2004/05 Actual Full Year \$000		2005/06 Actual Full Year \$000	2005/2006 Budget Full Year \$000
	Operating Costs		
973	Water	1,008	821
130	Drainage	119	123
51	Flood 04	14	
211	Interest	299	299
207	Asset Management	248	225
143	Asset Write Off's		65
840	Depreciation	1,126	802
76	Support Costs	65	97
2,631	Total Operating Costs	2,879	2,432
	Capital Costs		
	Capital Expenditure		
566	Water	3,153	1,576
78	Drainage	91	161
932	Flood 04	46	
1,050	Loan Repayments	275	279
2,626	Total Capital Costs	3,565	2,016
5,257	TOTAL COSTS	6,444	4,448
	Funded By:		
	Operating Revenue		
2,211	Targeted Rates	2,119	2,111
52	General Rates	74	74
180	Flood 04	141	
	Vested Assets	52	
233	Water	281	130
37	Drainage	13	6
2,713	Total Operating Revenue	2,680	2,321
	Capital Funding		
782	Loans Raised		1,269
112	Transfers from Investments	20	20
841	Funding from Non Cash Items	1,126	866
1,735	Total Capital Funding	1,146	2,155
4,448	TOTAL FUNDING	3,826	4,476
(809)	CASH SURPLUS/(DEFICIT)	(2,618)	28

Policy Reports

This section of the Annual Report includes the following policy reports:

- Report on Revenue and Financing Policy
- Funding Impact Statement
- Report on Borrowing Management and Investment Policies
- Remuneration Report
- Maori Capacity to Contribute to Decision-Making

Report on Revenue and Financing Policy

Introduction

Council's current Revenue and Financing Policy was adopted as part of the 2003/2004 Annual Plan. The Funding Policy sets out who will pay and how for Council's functions.

Part 6 s 103 (3) of the Local Government Act 2002 specifies that every local authority must provide in its annual report sufficient information about the Revenue and Financing Policy to enable an informed assessment of the extent to which the objectives and provisions of the policy have been met during the year.

This report summarises progress against the policy for the year ended 30 June 2006 and includes:

- Overall performance
- Summary table, including notes on key variations
- Overall mix of funding mechanisms for the district

Overall Performance

Overall, with some exceptions the funding mix proposed by the Funding Policy was achieved. The notes on page 96 compare actual with expected funding per the Funding Policy.

Environmental and Regulatory Management has higher than expected private funding due to greater than anticipated user fees and charges. In the case of Roading, funding for emergency works has significantly increased private funding. The creation of the Feilding Civic Centre Trust has reduced private funding in Local Halls and Recreation Complexes as the income goes directly to the trust.

The higher than expected public funding in Waste relates to timing of loans for wastewater capital expenditure which will occur in 2006/2007 and increased costs of waste disposal.

Summary Table

ACTUAL					FUNDING POLICY	
Significant Activity	No.	Public	Private	Function	Public	Private
Community Facilities	1	100%	0%	Public Conveniences	100%	0%
	2	2%	98%	Housing for the Elderly and Disabled	0%	100%
	3	63%	37%	Cemeteries	60%	40%
Democracy	4	89%	11%	Democracy and Policy Development	100%	0%
District Development	5	100%	0%	Community Funding and Development	100%	0%
	6	100%	0%	Economic Development	100%	0%
	7	69%	31%	Feilding CBD Redevelopment	65%	35%
Emergency Management	8	100%	0%	Civil Defence	100%	0%
	9	100%	0%	Rural Fire	100%	0%
	10	100%	0%	Hazard Response	100%	0%
Environmental & Regulatory Management	11	91%	9%	Environmental Policy	100%	0%
	12	99%	1%	Animal Control – Policy	65%	35%
	13	1%	99%	Animal Control – Consents	0%	100%
	14	48%	52%	Animal Control – Monitoring and Enforcement	65%	35%
	15	0%	100%	Building Consents	30%	70%
	16	0%	100%	Environmental Health Consents	20%	80%
	17	23%	77%	General Inspection Consents	60%	40%
	18	10%	90%	Liquor Licensing Consents	20%	80%
	19	28%	72%	Planning Consents	50%	50%
	20	100%	0%	Environmental Monitoring and Enforcement	100%	0%
Leisure Resources	21	92%	8%	Libraries and Archives	85%	15%
	22	99%	1%	Local Halls and Recreation Complexes	80%	20%
	23	96%	4%	Parks and Reserves	95%	5%
	24	69%	31%	Makino Aquatic Centre	65%	35%
Roading Network	25	36%	64%	Roading Network	55%	45%
Waste	26	11%	89%	Wastewater	0%	100%
	27	15%	85%	Solid Waste Collection	15%	85%
	28	79%	21%	Solid Waste Disposal	50%	50%
	29	100%	0%	Recycling	100%	0%
Water Supply	30	5%	95%	Rural Land Drainage	5%	95%
	31	22%	78%	Urban Stormwater	20%	80%
	32	0%	100%	Water Supply	0%	100%

Funding Impact Statement

2004/05 Full Year \$000		2005/06 Full Year \$000	2005/2006 Full Year \$000
	Operating Costs		
32,318	Operating Costs	22,334	22,801
836	Interest Paid	888	1,116
6,262	Depreciation	7,749	6,170
530	Asset Write-Offs		1,171
39,946	Total Operating Costs	30,971	31,258
	Capital Costs		
11,696	Capital Expenditure	13,095	11,678
2,005	Loan Repayments	1,621	1,532
511	Transfers to Investments	766	259
14,212	Total Capital Costs	15,482	13,469
54,158	TOTAL COSTS	46,453	44,727
	Funded By:		
	Operating Revenue		
3,014	General Rates	1,861	1,859
15,054	Targeted Rates	16,169	15,945
6,053	Subsidies	7,424	4,754
679	Interest & Dividends	889	552
3,936	User Fees	4,243	3,235
16	Gain/(Loss) on Asset Disposal	(25)	
12,169	Flood 04 Revenue	4,453	3,690
2,415	Other Revenue	1,022	240
43,336	Total Operating Revenue	36,036	30,275
	Capital Funding		
3,746	Loans Raised		5,275
761	Transfers from Investments	1,174	626
6,461	Funding from Non Cash Items	7,749	8,551
10,968	Total Capital Funding	8,923	14,452
54,304	TOTAL FUNDING	44,959	44,727
146	CASH SURPLUS/(DEFICIT)	(1,494)	

Report on Borrowing Management and Investment Policies

Borrowing Management Policy (refer also Public Debt Notes)

Commentary

During the course of the financial year Council repaid \$0.924 million resulting in a decrease in public debt from \$12.360 million at the start of the financial year to \$11.435 million at the 30th June 2006.

Key Statistics

Actual 2005		Actual 2006	Budget 2006
1.9%	Gross Interest Expense compared to Revenue (not to exceed 10%)	1.9%	3.7%
4.7%	Gross Interest Expense compared to Rates Revenue (not to exceed 20%)	5.0%	6.3%
1.4	Net Working Capital Ratio (Current assets compared to current liabilities excluding current portion of debt and Properties for Sale – Target is 1 or greater.)	1.7	1.5
2.9%	Total Debt compared to Total Assets	2.3%	5.2%

Council has complied with all aspects of its Borrowing Management policy. For further information refer to Note 10.

Investment Policy

Council is a prudent and conservative investor and while seeking to maximise the return from its investments, it realises that its level of short-term investments is comparatively small and not of great significance in the corporate money market. Council's long-term investments are predominantly in nil risk assets such as government or local authority stock and bank bonds.

Council investment money includes funds accumulated with respect to general funds, special funds, loan repayment funds and trust monies.

Interest Received

Interest received on investments at \$888,650 was up on last year's \$678,535 due mainly to investments being held for longer terms and an upward movement in interest rates

Other Equity Investments

Council has maintained its joint forestry with Palmerston North City Council along with its historical investment in LGIC.

Council complied with its Investment Management policy during the year. For further information refer Note 1.

Remuneration Report

Pursuant to the provisions of clause 18 of Schedule 10 of the Local Government Act 2002, remuneration received by, or payable to, the following persons for the year ended 30 June 2006 was:

Person;	Remuneration;
Mayor, Ian McKelvie	\$65,780
Other members:	
Councillor Kevin Argyle	\$21,235
Councillor Ross Barnett	\$21,235
Councillor John Baxter	\$22,585
Councillor Matt Bell	\$25,947
Councillor Mervyn Crow	\$25,542
Councillor Del Gibb	\$21,235
Councillor John Gregory	\$29,283
Councillor Prue McBeth	\$23,359
Councillor John Salmon	\$23,335
Councillor David Stroud	\$21,235
Chief Executive, Rod Titcombe	\$169,477

Development of Maori Capacity to Contribute to Decision-Making

Late last year members of the Marae Consultative Committee – a standing committee of Council which liaises between Council and the Marae of the district – were given the opportunity to opt for a Maori ward. It was decided that such a ward was not necessary. However, this decision highlighted the need to address wider Maori representation. At the moment, the Marae Consultative Committee represents the interests of **Tangata Whenua** – the people of the land. Tangata Whenua are those Maori who belong to the Iwi and Hapu of the Manawatu District. However, they do not represent all Maori, i.e. those who come from elsewhere or simply are unable to trace their whakapapa.

A major focus for the Marae Committee for the next 10 years is to ensure that all Maori of the district are represented, and are able to have a say in Council decision-making. As a means of achieving this, the Marae Consultative Committee and Manawatu District Council have agreed to develop a database of Maori interests – Maori groups and individuals. It is envisaged the database will be used to involve those Maori groups and individuals in any consultation which is of relevance to them.

Other Information

This section of the Annual Reports contains the following information:

- Manawatu District Council - Directory
- Manawatu District Council - Mayor and Councillors
- Manawatu District Council - Organisation Structure
- Manawatu District Council - Activities and Functions
- Member's Responsibilities
- Manawatu District Council - Statement of Resources
- Equal Employment Opportunities Statement
- Grants 2005/2006
- Glossary

Manawatu District Council ~ Directory

The logo for the Manawatu District Council has a flowing style of "M" endeavoring to give the feeling of the hills that are prominent around this area. The tail of the "M" becomes smoother to indicate the relatively flat plains within the hills. The Manawatu River through the hills is also indicated by the flowing "M".



The "M" moves over five diagonal bars representing the five former Councils which make up the new district (Feilding Borough Council, KIWITEA County Council, Manawatu District Council, Oroua County Council and Pohangina County Council). The feeling of movement also indicates that the council will be seen as a lively, progressive and forward thinking local authority.

Council Office: 135 Manchester Street, Feilding
Postal Address: Private Bag 10-001, Feilding
Telephone: (06) 323 0000
Fax: (06) 323 0822
E-mail: public@mdc.govt.nz
Web: www.mdc.govt.nz
Auditors: Audit New Zealand, 45 Pipitea Street, Wellington
(on behalf of the Office of the Controller and Auditor General)

Manawatu District Council ~ Mayor and Councillors



Mayor: Ian McKelvie

Phone: 323 0000 (CI)
324 8446 (Hm)

Feilding Ward



Cr Matt Bell

Phone: 323 3147



Cr Ross Barnett

Phone: 323 6060



Cr Adele Gibb

Phone: 323 7570



Cr John Gregory

Phone: 323 6531
(Deputy Mayor)



Cr David Stroud

Phone: 328 8868

Kairanga Ward



Cr Mervyn Crow

Phone: 329 7862



Cr John Salmon

Phone: 357 6910

Kiwitea - Pohangina Ward



Cr John Baxter

Phone: 323 5012



Cr Kevin Argyle

Phone: 354 1844

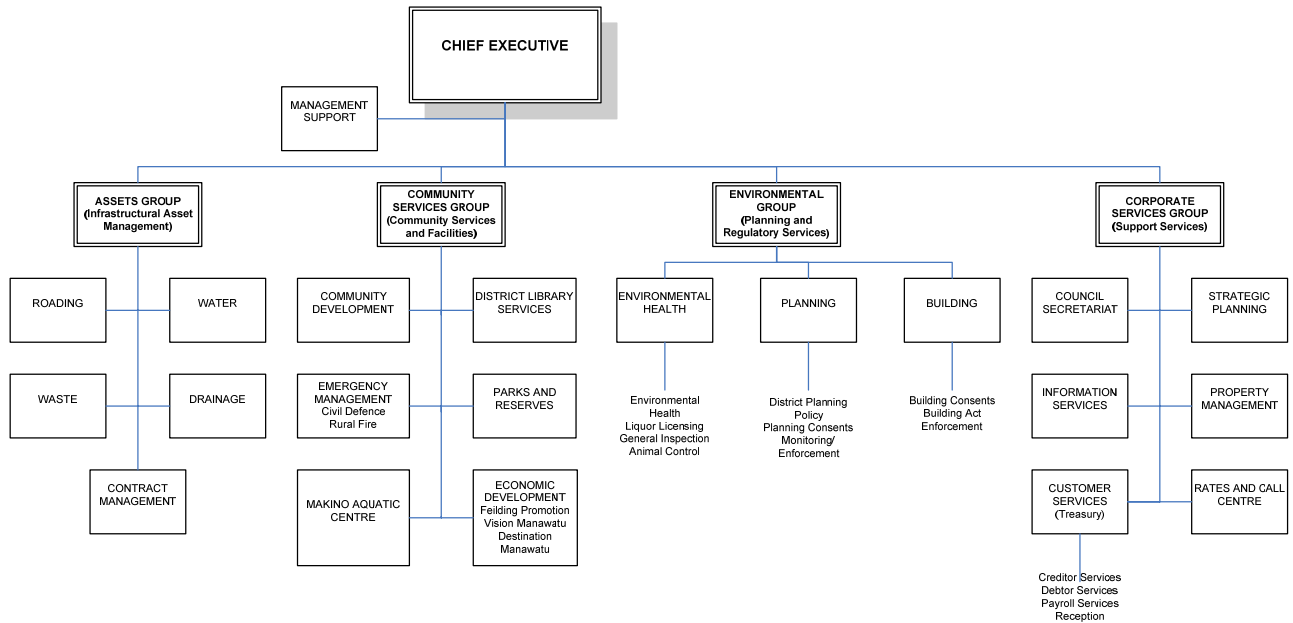


Cr Prue McBeth

Phone: 328 5839

Manawatu District Council ~ Organisation Structure

Functional Staff Organisation Chart at 30 June 2006



Chief Executive
Rod Titcombe



Community Services Manager
Lorraine Vincent



Assets Manager
Richard Kirby

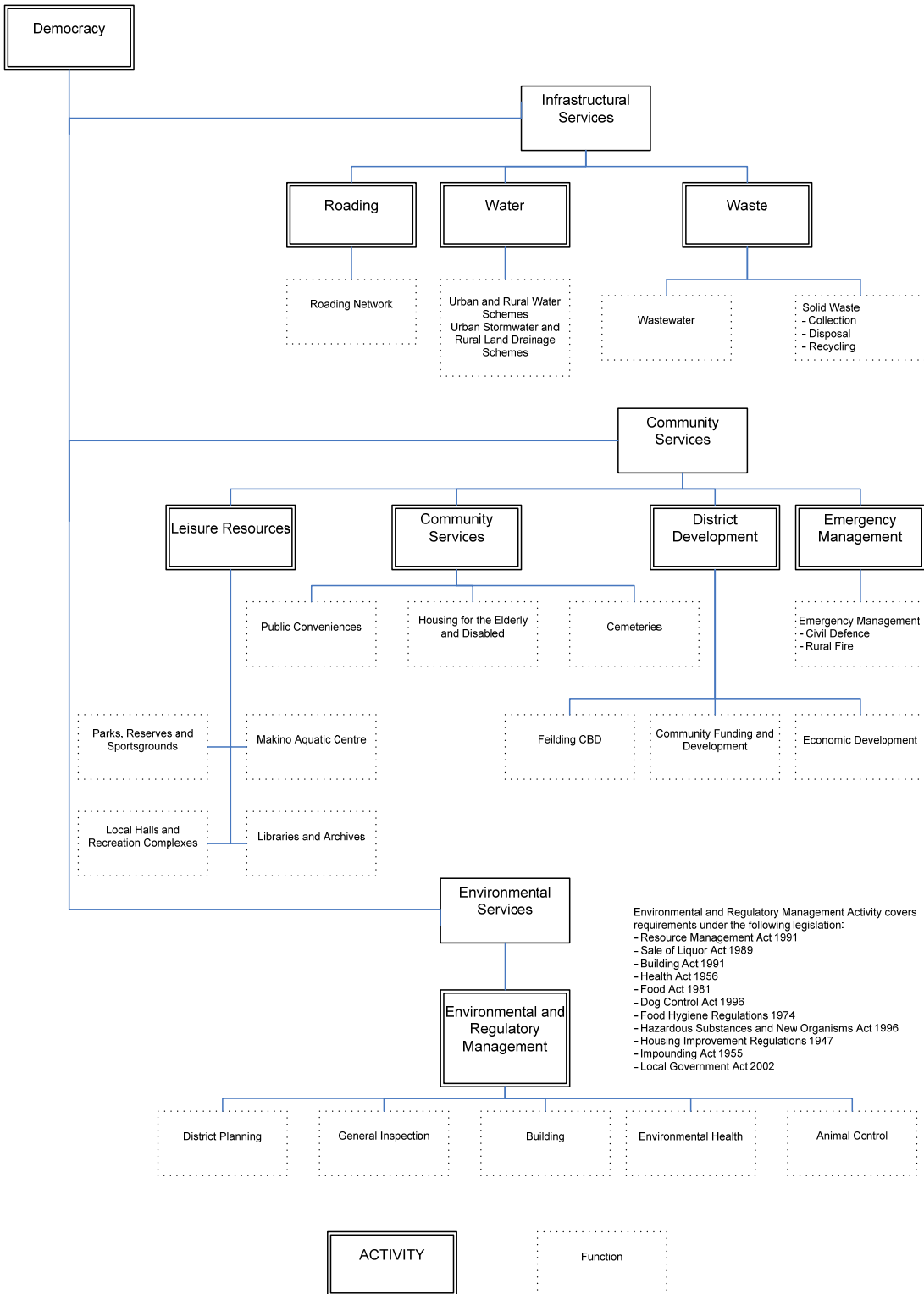


Environmental Manager
Patrick McHardy



Corporate Services Manager
Graham Teahan

Manawatu District Council ~ Activities and Functions



Member's Responsibilities

Standing Committee Membership

Elected Members	Strategic Planning and Policy	Workshop Meeting Committee	Hearings Committee	Marae Consultative Standing Committee
Mayor	✓	✓ (C)		✓ (C)
Cr Argyle	✓	✓		
Cr Barnett	✓	✓		
Cr Baxter	✓	✓	✓	✓
Cr Bell	✓	✓	✓ (C)	
Cr Craw	✓ (C)	✓	✓ (DC)	
Cr Gibb	✓	✓		✓
Cr Gregory	✓ (DC)	✓ (DC)	✓	
Cr McBeth	✓	✓		
Cr Salmon	✓	✓	✓	
Cr Stroud	✓	✓		

Key:

✓ = Member of Committee

(C) = Chairperson

(DC) = Deputy Chairperson

Subcommittee Membership

Elected Members	Community Wellbeing	Chief Executive's Employment	Community Outcomes
Mayor	✓	✓ (C)	✓ (C)
Cr Argyle	✓	✓	✓
Cr Barnett	✓		
Cr Baxter			
Cr Bell		✓	
Cr Craw			
Cr Gibb	✓		
Cr Gregory		✓	✓
Cr McBeth	✓ (C)	✓	✓
Cr Salmon	✓		
Cr Stroud	✓ (DC)		

Key:

✓ = Member of Committee

(C) = Chairperson

(DC) = Deputy Chairperson

Manawatu District Council ~ Statement of Resources

Council uses significant resources to meet its objectives and provide services required by the community. The monetary value of these resources is detailed in the financial statements. Non-financial quantitative information relating to these resources is detailed below:

	30 June 2005	30 June 2006
Community Services		
Cemeteries: Feilding, Halcombe, Kimbolton, Pohangina, Rangiwahia, Rongotea, Sandon, Waituna West	8	8
Housing for the Elderly and Disabled (units)	208	208
Drainage		
Length of Stormwater Mains (kms) - Feilding	66.2	66.7
Bunnythorpe	2.2	2.2
Rongotea	1.7	1.7
Sanson	1.7	1.7
	<hr/>	<hr/>
	71.8	72.3
Leisure Resources		
Libraries and Archives		
Feilding Public Library (also services 8 volunteer community libraries)	1	1
Other library buildings	1	1
Total book stocks	63,952	66,486
Total issues	359,362	358,441
Local Halls and Recreation Complexes		
Local Halls ^{Note 1}	19	19
Recreation complexes (Civic Centre and Te Kawau Memorial Recreation Centre)	2	2
Parks and Reserves		
Total reserves for District (ha)	538.4	538.4
Swimming Pools		
Makino Aquatic Centre	1	1
Pohangina old school grounds	1	1
Pakihikura old school grounds	1	1
Rewa old school grounds	1	1

	30 June 2005	30 June 2006
Roading and Footpaths		
Length of Roads (km):		
Rural - sealed	908.1	908.1
unsealed	383.5	383.5
Urban - sealed	126.4	126.4
unsealed	11.7	11.7
	<hr/>	<hr/>
	1,429.7	1,429.7
Bridges	369	369
Length of footpaths (km)	121.8	121.8
Street lighting – lights	1,580	1,580
Street lighting – poles	824	824
Feilding stormwater leads (considered part of the roading asset)	12km	12km
Waste		
Solid Waste		
Operating landfills	1	0
Transfer stations	4	4
Recycling centres	8	8
Closed landfill sites	2	3
Wastewater		
Length of mains (km):		
Feilding	94.3	94.3
Sanson	4.4	4.4
Rongotea	6.8	6.8
Halcombe	6.0	6.0
Longburn	4.3	4.3
Bunnythorpe	13.6	13.6
Kimbolton	6.5	6.5
Cheltenham	2.6	2.6
Himatangi	0.7	0.7
Awahuri	0.6	0.6
	<hr/>	<hr/>
	139.8	139.8
Sewage Treatment Schemes (no.)	9	9

	30 June 2005	30 June 2006
Water Supply		
Length of mains (km):		
Feilding	137.3	137.6
Sanson	13.5	13.5
Longburn	2.2	2.2
Bunnythorpe	5.6	5.7
Himatangi	9.7	9.9
Kiwitea Rural Water Supply	45.5	45.5
Waituna West Rural Water Supply	45.5	45.4
Stanway/Halcombe Rural Water Supply	106.5	106.5
Oroua No 1 Rural Water Supply	17.2	17.3
	<hr/>	<hr/>
	383.0	383.6
Water Supply Schemes (no.):		
Urban	5	5
Rural	4	4
Employees (Full-time equivalent (FTE) positions) ^{Note 2}		
Chief Executive	4	3
Corporate Services	22.2	22.1
Environmental	12.3	12.9
Assets	20	19
Community Services	23.3	22.1
	<hr/>	<hr/>
	81.8	79.1
Vehicles and Plant		
Cars and station wagons	23	23
Utilities	4	4
Construction plant and tractors	2	0
	<hr/>	<hr/>
	29	27
Buildings		
Housing - staff and others	7	7
Administration offices	1	1
Camping grounds (both leased out)	2	2
Commercial property (leased out)	1	0
Depots	2	2
Other commercial property	7	6
	<hr/>	<hr/>
	20	18

Notes:

Council also helps administer ten halls that are owned and run by their communities.

Employee numbers shown at 30 June 2006 reflect full-time equivalent positions and are not broken down by full-time, part-time or casual positions. The Council's total salaries and wages expenditure for the year ended 30 June 2006, excluding elected members, was \$4,200,688 (2005: \$4,054,884). In addition to employed Council staff, there are numerous volunteers throughout the district who assist activities provided by the Council. Their support is highly valued and contributes towards the effective provision of services.

Equal Employment Opportunities Statement

The Local Government Act 2002 requires the Council to publish its plans for ensuring equal employment opportunity, and to report on its performance. The Manawatu District Council is committed to developing equal opportunities for current and future employees. The Council believes fair and equitable employment practices are essential for an efficient and effective workforce to be maintained. Staff will be recruited, appointed, trained, remunerated and promoted on the basis of their paid and unpaid work experience, ability, skills and future potential.

An ongoing programme of action is put in place that aims to prevent discrimination because of:

- **Gender**
- **Race**
- **Family responsibilities**
- **Marital status**
- **Employment Status**
- **Religious, cultural or political belief**
- **Disability**
- **Age**
- **Sexual preference**

The programme is ongoing and is incorporated into our policies and practices. All appropriate Manawatu District Council employment policies reflect our ongoing commitment to EEO with regular reviews and staff education to promote an organisation that values diversity and prevents discrimination. In particular the following policies reflect EEO principles:

- Recruitment policy and procedures
- Salary policy
- Harassment policy

Staff at all levels are expected to foster and contribute to the implementation and ongoing review of the EEO policy and programme.

Summary of the 2005/2006 Equal Employment Opportunities Programme

Training and education was implemented and targeted to areas of greatest need. Management policies were reviewed and amended as appropriate.

Grants 2005/2006

General Grants

During 2005/06, Council approved a number of grants from its General Grants Fund. The following schedule is provided for ratepayers' information. These include the following types of grants:

- *District grants* - for Manawatu based non-profit organisations demonstrating community benefit. A large portion of this covers rates.
- *Representative grants* - for people participating and representing the Manawatu district in national or international events
- *Community Promotions grants* - for Manawatu based non-profit organisations towards events located in the Manawatu District Council area.
- *All figures shown below are gst exclusive*

	2005/06		2005/06
District Grants	\$		\$
Apostolic Church Trust Board	3,888.97	Manawatu Historic Vehicle Collection Trust	2,151.96
Baha'I Faith Centre	509.33	Manchester House Social Services Society	6,715.29
Bunnythorpe Gospel Hall Trust Board	713.78	Manfeild Park Trust	998.27
Bunnythorpe Rugby Football Club	410.40	Methodist Church Trustees	200.00
Central Districts Playcentre Association	217.78	Oroua Bowling Club Inc.	1,426.71
Feilding & Districts SPCA Inc.	910.04	Plunket Society Kimbolton/Kiwitea Branch	424.53
Feilding & Districts Steam Rail Society Inc.	1,629.73	Riding for the Disabled	867.60
Feilding Caledonian Society	1,060.84	Rongotea Bible Chapel	217.78
Feilding Golf Club Inc.	2,143.20	Rongotea Uniting Parish	217.78
Feilding Kindergarten	1,341.33	Royal New Zealand Plunket Society	3,283.78
Feilding Lawn Tennis Club	928.40	Ruahine Kindergarten Association	925.33
Feilding Methodist Church Trustees	416.00	Sanson Playcentre	677.33
Feilding Municipal Band	844.31	Shiloh Community Trust	1,334.76
Feilding Playcentre	925.33	St Johns Ambulance	6,634.09
Feilding Rugby Executive	233.24	Steam Traction Society	567.02
Feilding Scout and Guide Hall Committee	3,268.27	Stewarts Trust of New Zealand Inc.	1,757.33
Feilding Senior Citizens Association	2,766.18	Taumata Ote Ra Marae Committee	1,733.78
Halcombe Playcentre	720.00	Te Kawau Bowling Club	381.29
Halcombe Rugby Club	380.36	Wellington Diocesan Trust Board	1,016.89
Kimbolton Playcentre	256.00	TOTAL	\$55,095.01
Representative Grants	\$		\$
Andrew, H	300.00	Gabbott, K	500.00

Annual Report for the year ended 30 June 2006

Ballard, D	266.67	Goodall, K	300.00
Barnett, A	300.00	Pedley, A	300.00
Campbell, G	500.00	Schuster, H	900.00
Cookson, J	300.00	Sergent, J	500.00
Cotton, J	300.00	Smith-Olsen, K	300.00
Crothers, A	300.00	Smith, W	500.00
Feilding Volunteer Fire Brigade	3,500.00	Thompson, F	300.00
French, A	444.44	Van Velthooven, S	500.00
Hickland, R	200.00	TOTAL	\$11,111.11
NZ Machine Knitters Society	600.00		

Community Promotions

	\$		\$
Awahou School Fundraising Committee	480.80	Manawatu & District Safer Community Council	850.00
Feilding and Districts Historical Society (Settlers Day)	1,200.00	Manawatu Western Riding Club	1,239.25
Feilding Light Party	266.67	Poupatate Marae Committee (Kaye-Marie Dunn)	5,000.00
Feilding Promotion Inc (Childrens Day)	90.82	Rongotea & District Christmas Parade	468.37
Feilding Promotion Inc	2,000.00	TOTAL	\$11,595.91

Community Fund

	\$		\$
Ashhurst Polocrosse Club Inc	1,000.00	Rongotea Community Committee	1,400.00
Feilding Brass Inc	5,000.00	Safer Manawatu	9,000.00
Feilding Caledonian Society	4,000.00	Sanson Community Committee	1,595.56
Feilding Civic Centre Trust	3,000.00	Social Issues Network	5,330.99
Feilding and Districts Youth Board	7,000.00	Te Manawa Services Charitable Trust	10,000.00
Palmerston North Surf Lifeguards	10,621.60	TOTAL	\$57,948.15

Swimming Pool Grant

	\$		\$
Apiti School	175.00	Hiwinui School	175.00
Bunnythorpe School	196.88	Kiwitea School	175.00
Cheltenham School	175.00	Oroua Downs School	175.00
Glen Oroua School	175.00	Tangimaona School	175.00
Halcombe School	175.00	TOTAL	\$1,596.88

Sewerage Grants

Council also funds sewerage costs for some district schools and other organisations. Most of these grants are funded through the specific sewerage accounts. Grants in 2005/06 were:

	\$		\$
Bunnythorpe School	2,656.00	North Street School	3,744.00
Feilding Agricultural High School	10,608.00	Manchester Street School	5,408.00
Feilding Intermediate School	4,992.00	Rongotea School	1,125.33
Halcombe School	1,748.44	Sanson School	529.78
Longburn School	6,520.00	St Josephs School	1,664.00
Lytton Street School	5,408.00	TOTAL	\$44,403.55

Council also gives grants to other organisations. These are identified under Significant Activities - Community Development.

Urupa/Private Cemetery Fund

Council also has a fund to assist the maintenance of Urupa and private cemeteries throughout the district. This is currently funded to the level of \$2,200 per year. Grants allocated from these funds during 2005/06 were:

	\$		\$
Rongopai Urupa Committee	444.44	Kiwitea Churchyard Trust	460.00
		TOTAL	\$904.44

Trust Funds

Council administers trust funds that have been vested in Council over the years and are available for specific purposes. Grants allocated from these funds during 2005/06 were:

	\$		\$
Robert Dickson Trust Fund			
Coley, K	302.65	Miller, B	729.45
Eastern, B	913.56	Riley, J	300.00
Frickleton, S	253.07	Scaiscia, E	371.20
Gillard, T	650.00	Thomas, C	50.58
Harper, C	200.00	Wood, S	953.70
		TOTAL	\$4,724.21
Hook Bequest			
The Warehouse (Peter Tiniwhetu Emery)	888.60	Manchester House Social Services	1,500.00
Lyttle, D	196.14	TOTAL	\$2,584.74
		TOTAL TRUST FUNDS	\$7,308.95

Glossary

Activity:	A group of related functions in which Council is involved.
Annual Plan:	An annual document that details Council's proposed work programme, budgets, performance indicators, significant policies and objectives
Annual Report:	An annual document that reports against the previous year's Annual Plan, including what Council has achieved, reports against performance indicators, objectives and significant policies. Council is required to produce an Annual Report under the Local Government Act 2002.
Asset Management Plan (AMP):	Plans that detail the future development and maintenance of Council's infrastructural assets to a specified level of service.
Borrowing Management Policy:	Outlines the methods and limits of any borrowing undertaken by Council. This is now called the Liability Management Policy under the Local Government Act 2002.
Capital Expenditure:	Expenditure on new or replacement assets used in providing services to the ratepayer.
Community vision:	Community view of a preferred future.
Cost of Service Statement	Statement detailing Council's financial estimates for the financial year in question related to each significant activity.
Function:	A specific area of Council responsibility (e.g. parks and reserves).
Funding Policy:	Sets out who should pay and how for Council activities. This is now called the Revenue and Financing Policy under the Local Government Act 2002.
Group of Activities	Two or more related activities. Council has nine groups of activities.
Guiding Principles:	Fundamental points that will assist Council to make decisions about present and future community needs.
Infrastructure:	Pipes, structures and equipment used to help provide services (e.g. underground water pipes, roads).
Investment Policy:	Outlines boundaries within which Council will carry out its investments.
Long Term Council Community Plan (LTCCP):	Sets out Council's priorities for the next 10 years, and provides information on budgets, rating levels, major projects and general Council services. The Plan is operative for three years, therefore years 2009 to 2016 are indicative.
Operating Costs:	Expenses incurred in the normal day to day operations of the activity. These include running expenses, maintenance, interest paid on loans and support costs (administration).
Operating Revenue:	Income received directly relating to the activity. These include user fees, separate charges and subsidies received from Government agencies.
Overall Goal(s):	An overall, open-ended aim for each significant activity (e.g. roading).
Performance Indicator:	Specific measures that outline how an activity is performing against set targets or standards.
Special Funds:	Funds established by Council through resolutions, the terms of which limit the areas they can be expended on.
Strategic Plan:	Document which sets future direction.
The Path to Tomorrow:	Title given to the Manawatu District Council Strategic Plan (including the Long Term Financial Strategy). This has now been replaced by the LTCCP