

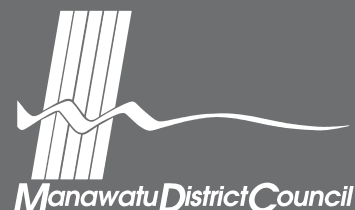
# Annual Report

For the year ended 30 June 2007





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# P1 Introduction and Financial Overview



# Role of the Annual Report

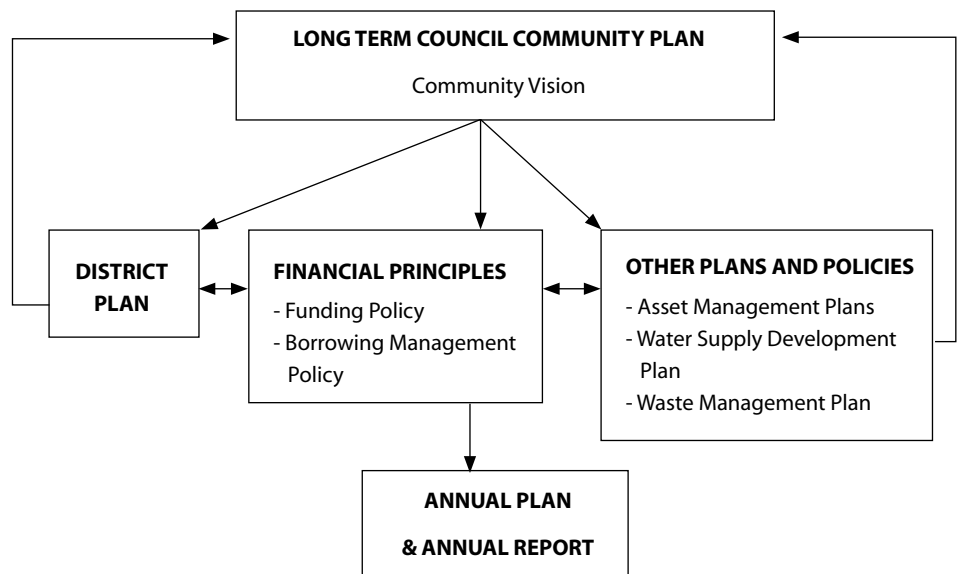
This report has been prepared under section 98 of the Local Government Act 2002. It compares Council's actual performance against what was forecast for the 2006/07 financial year in the 2006-2016 Long Term Council Community Plan (LTCCP).

The Annual Report:

- reports against the Manawatu District Council's key activities, performance indicators and budgets outlined in year one of the 2006-2016 LTCCP

- 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:



# Role of the Annual Report continued \_\_\_\_\_

The report is broken into three sections:

**Section One:**

Introduction

Gives an overview of the 2006/07 year including key highlights and financial statements.

**Section Two:**

Groups of Activities

Summarises what Council has achieved in each activity, including performance indicators.

**Section Three:**

Other Information

Other information, including summary information about the Manawatu District Council, elected representatives, staff and grants.



# Mayor/Chief Executive's Introduction

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This report sets out the Manawatu District Council's performance and the overall financial position for the year ended 30 June 2007. The 2006/07 year was the first year of the Council's first full Long Term Council Community Plan (LTCCP) that was developed under local government legislation in 2002. This legislation provides that each local authority must report on actual activities and performance as set out in the plan for that year.

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 council. Programmes put in place under the LTCCP continued to progress, and financially the year was

successfully completed with a surplus of \$320,000.

We are pleased that council has developed further close working relationships with neighbouring authorities. Of particular note has been the arrangement entered into for the Council's building control services to be operated and managed by the Palmerston North City Council. This decision followed a recent review of the building services department and the accreditation requirements of the Building Act 2004. Joint assets management discussions are also presently underway with Rangitikei District Council.

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'.



**Rod Titcombe**  
CHIEF EXECUTIVE

A handwritten signature in black ink, appearing to read 'Rod Titcombe'.

# The Year in Review – 2006/07



## Monsters Made a Mark

Fearsome, cute and unusual monsters inhabited the Feilding Public Library in September 2006 during the school holiday programme. A "Make a Monster" competition was added to the programme and attracted a swag of creative entries from many youthful artists in the district.

Book prizes were awarded to winners in five sections.

Children's Librarian, Jennie Hogan, said story-telling sessions and craft activities were again included in the free programme, with the monster event an "interesting" option.

"It gave the children an opportunity to become really creative and the chance to use the library to get some ideas from the craft books we have available," she said.

Children's author, Kim Riley, of Woodville, who wrote "Cow Power" and "Baby Cow Power", attended the "monster" prize giving as a guest of Literacy Feilding Inc.

She wrote her stories after a true-life incident during the Manawatu flood of 2004 and read them at the session, as well as answered questions and autographed copies of the books.

## Makino Manager Taking Plunge

Makino Aquatic Centre Manager, Iain Brown, who took up his position in late 2006, is in his element because of a close and long-held affinity with water.

A passionate fly fisherman, former New Zealand underwater hockey representative, recreational diver and fishery officer, Iain is now surrounded by plenty of the wet stuff and that's how he likes it.

And he's also eager to meet the demands of a job that's provoked his interest in the past, although he intends to retain much of the status quo.

"It will be business as usual as we carry on the good work that's been done before,"

he said. "I have a few innovations in mind and it will be hands-on as much as possible."

Iain said the Makino had many good systems in place and played a vital role in the community and he intended to retain and sharpen its family focus.

"People feel comfortable coming here and kids are among our biggest customers. A lot of people meet at the pool and life-long friendships grow as a result."

Iain said he would look at the pool's activities programme and the possibility of arranging more outdoor events, such as concerts, during the school holidays in an attempt to bring more people into the complex.

"People know we are here, but we want to make them realise what else we can do. The Makino is a fantastic place and is right up there nationally as far as community pools go – certainly when it comes to having a 50-metre outdoor pool. There are not many of those pools around."

## Manawatu Records Population Rise

Manawatu District recorded increases in population and occupied dwellings in the 2006 Census night results for territorial local authorities. The district's population of 28,254 was 2.7 percent higher than the 27,510 recorded in 2001, while occupied dwellings had risen 4.5 percent from 10,065 in 2001 to 10,515. Feilding's population had also increased 1.8 percent – from 13,641 to 13,887.

Manawatu was one of only three local authorities in the Horizons (Manawatu-Wanganui) Region to enjoy a population increase, joining Palmerston North and Horowhenua.

Overall, the Horizons Region grew by 1.6 percent, from 222,123 in 2001 to 225,696 in 2006, with most of the growth occurring in the Manawatu District and Palmerston North City Council areas.





Manawatu District Mayor, Ian McKelvie, called the results “positive” and “heartening”:

“Our proximity to Palmerston North, Feilding’s interesting and changing community and our agricultural industry being relatively intensive, as opposed to extensive, is helping,” he said.

Mr McKelvie said the presence of air force and army personnel and their families in the district, as well as people in the education sector, had been noticeable, and there was a need to find new ways to accommodate the arrival of life-stylers.

## Makino’s Growing Records

Feilding’s Makino Aquatic Centre enjoyed an extremely busy end to a 2006/07 summer season that created new admission records.

Figures showed that 65,000 people visited the centre from 2 December to 31 March, compared to 52,500 for the 2005/06 outdoor season and 50,000 in 2004/05.

A total of 24,436 admissions were recorded in March 2007 – significantly up on the average March figure of 11,000 – and one that eclipsed the previous monthly record of 16,482 set in February 2007.

MAC Manager, Iain Brown, said the vast improvement in weather conditions in February and March had encouraged people to visit the centre and there had been popular events such as the Children’s Day, the Sun Latte Active Woman Triathlon Series and extra school swimming sports. Greater accuracy with the recording system had also given a clearer view of admission numbers.

## Successful Book Sale

Eager readers flocked to the Feilding Public Library’s eighth annual book sale in March 2007 and contributed to one of the best results ever recorded for the event.

A number of buyers each spent in excess of \$100 on a variety of titles, with the six-day sale eventually realising about \$4,500.

District Librarian, Simon Johnson, said the opening few hours had been frantic, as eight tables of books were quickly cleared.

Adult non-fiction titles again proved to be the most sought-after, though many quality children’s and popular fiction books were also snapped up by discerning buyers.

More than 3,000 books were made available during the sale, which was scheduled earlier in the year after a recent “weeding” of books had put pressure on available storage space.

Mr Johnson said more out-of-town buyers this year may have been one of the reasons for the busy first day.

The money raised was used to purchase new stock.



## Annual Plan Adopted

A total of \$52.61 million expenditure was budgeted in the Manawatu District Council’s 2007/08 Annual Plan, which was adopted on 21 June. This included \$30.67 million in operating costs and \$21.94 million in capital costs and covered the maintenance of services and the development and completion of various projects.

The Annual Plan constitutes year 2 of the 2006-2016 Long Term Council Community Plan (LTCCP) and outlines council’s work programme, performance measures and budgets for the 2007/08 financial year.

Seventy-one submissions were received after the plan went out for public consultation in April, with public hearings held in late May. Among a number of outcomes from the submissions, the Surf Life Saving Club at Himatangi Beach re-

ceived \$50,000 towards the replacement of the club building and the Feilding Civic Centre Trust received a similar amount for the installation of a fire alarm.

Council also approved \$10,000 towards initial planning for the Leisureville project, which centres on the redevelopment of Makino Park.

## Building Services

During the 2006/07 financial year arrangements were made for the Manawatu District Council's building control services to be operated and managed by the Palmerston North City Council. This decision followed a recent review of the district council's building services department on its state of readiness as an accredited organisation under the Building Act 2004. The review showed that the council had a considerable way to go before it could apply for accreditation in terms of its ability to meet new Building Act requirements. Technical training and staff resourcing were two of the areas that needed to be addressed.

It is important to note that building services will still operate from the council's Feilding office and that the council remains responsible for the service, determination of consent fees and other legal obligations. Manawatu District's arrangement with the city is to contract the staff resource. All the other building service responsibilities are still the obligation of

the Manawatu District Council.

## Himatangi Beach Sewerage Scheme Update

At a public meeting in April, Himatangi Beach residents indicated support for the installation of a community pressure sewerage system in the village and requested the Manawatu District Council to finalise details on costs, design and timeframe.

The public meeting, held in the Himatangi Beach Hall, was called to discuss sewerage scheme options. It was attended by about 160 people who evenly represented local residents and absentee property owners.

It is estimated that the community pressure system, involving a gravity line from the property to a roadside pumping unit, would cost between \$4.1 million and \$5.9 million. The costs to property owners would be a one-off capital payment in the range of \$9,650 to \$14,010 or an annual rates component in the range of \$1,300 to \$1,900.

Manawatu District Mayor, Ian McKelvie, who chaired the meeting, said the biggest issue facing council would be those residents who had lived at the beach most of their lives and would face payment difficulties. "At the same time - and it will be hard for them to think of this now - property values will increase significantly as a result of the scheme," he said

# Community Vision

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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'

# The Manawatu District Profile

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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 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.

## Population

The Manawatu District Council serves a population of 28,254. These are final 2006 Census (usually resident population) figures. Since the 2001 Census, Manawatu District's population has grown by 744, or 2.7%. Refer to the Year in Review section for more information.

## Towns and Villages

Feilding is the major town, with a population of 13,887. Since the 2001 Census, Feilding's population has grown by 246, or 1.8%. A number of smaller villages are dotted around the district. Palmerston North is the closest major city.

## Natural Features

The Rangitikei River forms the western boundary of 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. 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

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## 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

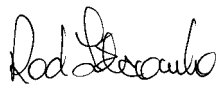
The Council and management of Manawatu District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

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.

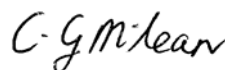
In the opinion of the Council and management of Manawatu District Council, the annual Financial Statements for the year ended 30 June 2007 fairly reflect the financial position and operations of Manawatu District Council.



Ian McKelvie  
**Mayor**



Rod Titcombe  
**Chief Executive**



Craig McLean  
**Chief Financial Officer**

DATE: 8 October 2007

# Audit Report

## TO THE READERS OF MANAWATU DISTRICT COUNCIL AND GROUP'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2007

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 2007, including the financial statements.

### Unqualified Opinion

In our opinion:

- The financial statements of the District Council and group on pages 13 to 71:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the District Council and group's financial position as at 30 June 2007; 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 76 to 166 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 8 October 2007, 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, performance information and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, performance information 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, performance information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;



- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

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

We evaluated the overall adequacy of the presentation of information in the financial statements, performance information 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**

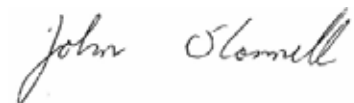
The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2007. They must also fairly reflect the results of operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for meeting the other requirements of Schedule 10 and including that information in the annual report. 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, performance information 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 amendments to 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 (the District Council) for the year ended 30 June 2007 included on the District Council's web site. The District Council's Council is responsible for the maintenance and integrity of the District Council's web site. We have not been engaged to report on the integrity of the 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 8 October 2007 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 Financial Performance

for the year ended 30 June 2007

	Note	Council		Group		
		Actual 2007 \$000	Budget 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
<b>Revenue</b>						
Rates revenue	4	19,651	19,355	18,044	19,651	18,044
Other revenue	5	14,253	10,365	17,960	14,314	18,030
Other gains	6	616	437	25	616	25
<b>Total revenue</b>		<b>34,520</b>	<b>30,157</b>	<b>36,029</b>	<b>34,581</b>	<b>36,099</b>
<b>Expenditure</b>						
Employee benefit expenses	7	4,776	4,717	4,598	4,799	4,618
Depreciation and amortisation	15,16	8,559	7,200	7,818	8,619	7,864
Other expenses	8	19,527	16,239	17,772	19,511	17,762
Finance costs	9	1,338	1,108	889	1,338	889
<b>Total operating expenditure</b>		<b>34,200</b>	<b>29,264</b>	<b>31,077</b>	<b>34,267</b>	<b>31,133</b>
<b>Operating surplus/(deficit) before tax</b>		<b>320</b>	<b>893</b>	<b>4,952</b>	<b>314</b>	<b>4,966</b>
Prior Year Revaluation Writeback		0	0	0	0	0
Surplus/(deficit) before tax		320	893	4,952	314	4,966
Income tax expense	10	0	0	0	0	0
<b>Surplus/(deficit) after tax</b>		<b>320</b>	<b>893</b>	<b>4,952</b>	<b>314</b>	<b>4,966</b>

Explanations of significant variances against budget are detailed in note 32, page 68.

The accompanying notes, on pages 19-68, form part of these financial statements.

# Statement of Changes in Equity

for the year ended 30 June 2007

	Note	Council		Group		
		Actual 2007 \$000	Budget 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
<b>Balance at 1 July</b>		<b>478,201</b>	<b>428,263</b>	<b>473,249</b>	<b>478,573</b>	<b>473,607</b>
Property, plant and equipment Revaluation gains/(losses) taken to equity	22	9,551	7,206	0	9,551	0
Financial assets at fair value through equity Valuation gains/(losses) taken to equity	22	0	0	0	0	0
Transfer to statement of financial performance on disposal	22	0	0	0	0	0
Net income/ (expense) recognised directly in equity		9,551	7,206	0	9,551	0
Surplus/(deficit) for the year		320	893	4,952	314	4,966
Total recognised income/ (expense) for the year ended 30 June		9,871	8,099	4,952	9,865	4,966
<b>Balance at 30 June</b>		<b>488,072</b>	<b>436,362</b>	<b>478,201</b>	<b>488,438</b>	<b>478,573</b>

The accompanying notes, on pages 19-68, form part of these financial statements.

# Statement of Financial Position

as at 30 June 2007

	Note	Council		Group		
		Actual 2007 \$000	Budget 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	11	6,410	7,849	2,874	6,428	2,896
Trade and other receivables	12	5,280	2,350	4,491	5,286	4,492
Other financial assets	13	1,670	0	6,808	1,761	6,885
Derivative financial instruments		0	0	0	0	0
Non-current assets held for sale	14	241	0	901	241	901
Total current assets		13,601	10,199	15,074	13,716	15,174
<b>Non-current assets</b>						
Trade and other receivables	12	1,851	943	951	1,851	951
Property, plant and equipment	15	488,145	447,577	478,427	488,404	478,704
Intangible assets	16	121	8	147	121	147
Forestry assets	17	825	757	774	825	774
Non-current assets held for sale	14	0	833	0	0	0
Investment property	0	0	0	0	0	0
Other financial assets	13	5,300	5,149	1,000	5,300	1,000
Total non-current assets		496,242	455,267	481,299	496,501	481,576
<b>Total assets</b>		<b>509,843</b>	<b>465,466</b>	<b>496,372</b>	<b>510,216</b>	<b>496,749</b>

# Statement of Financial Position continued

as at 30 June 2007

	Note	Council		Group		
		Actual	Budget	Actual	Actual	Actual
		2007	2007	2006	2007	2006
		\$000	\$000	\$000	\$000	\$000
<b>Liabilities</b>						
<b>Current liabilities</b>						
Trade and other payables	18	6,438	4,314	5,364	6,444	5,369
Provisions	19	41	0	415	41	415
Employee benefit liabilities	20	448	0	490	449	490
Borrowings	21	2,781	0	2,350	2,781	2,350
Tax payable	10	0	0	0	0	0
Total current liabilities		9,708	4,314	8,619	9,715	8,624
<b>Non-current liabilities</b>						
Provisions	19	665	420	448	665	448
Employee benefit liabilities	20	0	0	0	0	0
Borrowings	21	11,398	24,370	9,104	11,398	9,104
Deferred tax liability	10	0	0	0	0	0
Total non-current liabilities		12,063	24,790	9,552	12,063	9,552
<b>Total liabilities</b>		<b>21,771</b>	<b>29,104</b>	<b>18,171</b>	<b>21,778</b>	<b>18,176</b>
<b>Equity</b>						
Retained earnings	22	473,376	418,656	474,392	473,742	474,764
Other reserves	22	14,696	17,706	3,809	14,696	3,809
<b>Total equity</b>		<b>488,072</b>	<b>436,362</b>	<b>478,201</b>	<b>488,438</b>	<b>478,573</b>
<b>Total Liabilities and Equity</b>		<b>509,843</b>	<b>465,466</b>	<b>496,372</b>	<b>510,216</b>	<b>496,749</b>

The accompanying notes, on pages 19-68, form part of these financial statements.

# Statement of Cash Flows

for the year ended 30 June 2007

	Note	Council		Group		
		Actual	Budget	Actual	Actual	Actual
		2007	2007	2006	2007	2006
		\$000	\$000	\$000	\$000	\$000
<b>Cash flows from operating activities</b>						
Receipts from rates revenue		19,472	19,225	17,943	19,472	17,943
Interest received		1,031	588	890	1,038	894
Dividends received		8	10		8	0
Receipts from other revenue		12,357	9,897	19,341	12,475	19,431
Payments to suppliers and employees		(22,945)	(21,038)	(25,211)	(23,018)	(25,222)
Interest paid		(997)	(945)	(849)	(997)	(849)
Goods and services tax (net)		98	(80)	(163)	98	(163)
Net cash from operating activities	23	9,024	7,657	11,951	9,076	12,034
<b>Cash flows from investing activities</b>						
Proceeds from sale of property, plant and equipment		1,544	900	353	1,544	353
Purchase of intangible assets		(16)	0	0	(16)	0
Purchase of property, plant and equipment		(9,382)	(19,077)	(13,095)	(9,423)	(13,333)
Net acquisition of investments		(56)	(221)	1,448	(71)	1,448
Net cash from investing activities		(7,910)	(18,398)	(11,294)	(7,966)	(11,532)

# Statement of Cash Flows continued

for the year ended 30 June 2007

	Note	Council		Group		
		Actual 2007 \$000	Budget 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
<b>Cash flows from financing activities</b>						
Proceeds from borrowings		5,360	12,400	0	5,360	0
Repayment of borrowings		(2,938)	(2,350)	(924)	(2,938)	(924)
Dividends paid		0	0	0	0	(2)
Net cash from financing activities		2,422	10,050	(924)	2,422	(926)
<b>Net (decrease)/ increase in cash, cash equivalents and bank overdrafts</b>		3,536	(691)	(267)	3,532	(424)
Cash, cash equivalents and bank overdrafts at the beginning of the year		2,874	8,540	3,141	2,896	3,320
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	11	6,410	7,849	2,874	6,428	2,896

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying notes on pages 19-68, form part of these financial statements.

# Notes to the Financial Statements

for the year ended 30 June 2007

## 1 Statement of accounting policies

### Reporting Entity

Manawatu District Council (MDC) is a territorial local authority governed by the Local Government Act 2002.

The MDC group consists of Manawatu District Council, its subsidiary Heartland Contractors Ltd (100% owned) and its Council Controlled Organisation, the Feilding Civic Centre Trust. All subsidiaries are incorporated in New Zealand.

The primary objective of MDC is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, MDC has designated itself and the group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of MDC are for the year ended 30 June 2007. The financial statements were authorised for issue by Council on 8 October 2007.

### Basis of preparation

The financial statements of MDC have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

This is the first set of financial statements prepared using NZ IFRS and comparatives for the year ended 30 June 2006 have been restated to NZ IFRS accordingly. Reconciliations of equity and net surplus/(deficit) for the year ended 30

June 2006 under NZ IFRS to the balances reported in the 30 June 2006 financial statements are detailed in note 2.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS statement of financial position as at 1 July 2005 for the purposes of the transition to NZ IFRS.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property and financial instruments (including derivative instruments).

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of MDC is New Zealand dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of financial performance.

### Standards and interpretation issued and not yet adopted

There are no standards, interpretations, and amendments that have been issued, but are not yet effective, that MDC has not yet applied.

### Subsidiaries

MDC consolidates as subsidiaries in the group financial statements all entities where MDC has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where MDC controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by MDC or where the determination of such policies is unable to materially impact the



level of potential ownership benefits that arise from the activities of the subsidiary.

MDC measures the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs directly attributable to the business combination.

Any excess of the cost of the business combination over MDC's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If MDC's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the difference will be recognised immediately in the statement of financial performance.

#### **Basis of consolidation**

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

MDC's investment in its subsidiaries are carried at cost in the MDC's own "parent entity" financial statements.

#### **Joint ventures**

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations MDC recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture.

#### **Revenue**

Revenue is measured at the fair value of consideration received.

#### *Rates revenue*

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

#### *Other revenue*

Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

MDC receives government grants from Land Transport New Zealand, which subsidises part of MDC's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in MDC are recognised as revenue when control over the asset is obtained.

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

#### *Development contributions*

The revenue recognition point for development and financial contributions is at the later of the point when MDC is ready to provide the service for which

the contribution was levied, or the event that will give rise to a requirement for a development or financial contribution under the legislation.

Development contributions are classified as part of "Other Revenue".

### **Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

### **Grant expenditure**

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where MDC has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the MDC's decision.

### **Income Tax**

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantially enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally

recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantially enacted by balance date.

Current tax and deferred tax is charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

### **Leases**

#### **Finance leases**

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, MDC recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether MDC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

### **Operating leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense over the lease term.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

### **Trade and other receivables**

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Loans, including loans to community organisations made by MDC at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the statement of financial performance as a grant.

A provision for impairment of receivables is established when there is objective

evidence that MDC will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future method.

### **Financial assets**

MDC classifies its financial assets into the following four categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and financial assets at fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the statement of financial performance.

Purchases and sales of investments are recognised on trade-date, the date on which MDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the MDC has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. MDC uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments

are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

**The four categories of financial assets are:**

- **Financial assets at fair value through profit or loss**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on remeasurement are recognised in the statement of financial performance.

Currently, MDC does not hold any financial assets in this category.

- **Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

Loans and receivables are classified as "trade and other receivables" in the statement of financial position.

- **Held to maturity investments**

Held to maturity investments are assets with fixed or determinable payments

and fixed maturities that MDC has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

- **Financial assets at fair value through equity**

Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above.

This category encompasses:

- Investments that MDC intends to hold long-term but which may be realised before maturity; and
- Shareholdings that MDC holds for strategic purposes. MDC's investments in its subsidiary are not included in this category as they are held at cost (as allowed by NZ IAS 27 Consolidated and Separate Financial Statements and NZ IAS 28 Investments in Associates) whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the statement of financial performance. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in the statement of financial performance even though the asset has not been derecognised.

On derecognition the cumulative gain or loss previously recognised in equity is recognised in the statement of financial performance.

**Impairment of financial assets**

At each balance sheet date MDC assesses

whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of financial performance.

### **Accounting for derivative financial instruments and hedging activities**

MDC could use derivative financial instruments to hedge exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its treasury policy, MDC does not hold or issue derivative financial instruments for trading purposes.

### **Non-current assets held for sale**

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the statement of financial performance.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

### **Property, plant and equipment**

Property, plant and equipment consists of:

Operational assets: these include land, buildings, library books, plant and equipment, and motor vehicles.

Restricted assets: restricted assets are parks and reserves and associated assets

owned by MDC which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets: infrastructure assets are the fixed utility systems owned by MDC. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

#### *Additions*

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to MDC and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

#### *Disposals*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset.

Gains and losses on disposals are included in the statement of financial performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

#### *Subsequent costs*

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to MDC and the cost of the item can be measured reliably.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the

assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings	40 to 80 years	(1%-2.5%)
Plant and equipment	4 to 10 years	(10-20%)
Motor vehicles	3 to 5 years	(20 to 33%)
Library books	10 years	(10%)
Infrastructural assets:		
Roading network-		
Top surface (seal)	5 to 18 years	(5.5%-20%)
Pavement (base course)-		
Sealed	25 to 60 years	(1.6%-4%)
Unsealed	5 to 15 years	(6.6%-20%)
Formation -		(not depreciated)
Culverts	50 to 100 years	(1 to 2%)
Footpaths	25 to 70 years	(1.4 to 4%)
Kerbs	50 to 100 years	(1 to 2%)
Signs	13 years	(7.5%)
Streetlights	50 to 70 years	(1.4 to 2%)
Bridges	80 to 120 years	(1% to 1.25%)
Water system-		
Pipes	60 years	(1.66%)
Valves, hydrants	60 years	(1.66%)
Pump stations	5 to 25 years	(4 to 25%)
Tanks	50 to 100 years	(1 to 2%)
Sewerage system-		
Pipes	60 to 100 years	(1 to 1.66%)
Manholes	60 to 100 years	(1 to 1.66%)
Treatment plant	50 years	(2%)
Drainage network-		
Pipes	60 to 100 years	(1 to 1.66%)
Manholes, cesspits	60 to 100 years	(1 to 1.66%)

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

### Revaluation

Those asset classes that are revalued are valued on either a one year or a

three yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

#### *Operational land and buildings*

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Tony Jones of Quotable Value NZ, and the valuation is effective as at 30 June 2005.

#### *Restricted land and buildings*

At fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Tony Jones of Quotable Value NZ, and the valuation is effective as at 30 June 2005.

#### *Infrastructural asset classes: water reticulation, sewerage reticulation and stormwater systems*

At fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date MDC assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued. The most recent valuation was performed by C H Jenkins of SPM Consultants Ltd, and the valuation is effective as at 1 July 2005. All infrastructural asset classes carried at valuation were valued.

#### *Infrastructural asset classes: roads:*

At fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date MDC reassesses the carrying values of its roading infrastructural assets to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued. The valuation was performed by Mark Sneddon of GHD Limited, and the valuation is effective as at 1 July 2006.

#### *Land under roads*

Land under roads, was valued based on fair value of adjacent land determined by Tony Jones of Quotable Value NZ,

effective 1 July 2005. Under NZ IFRS MDC has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost. Land under roads is no longer revalued.

#### *Library collections*

The Library was initially valued at depreciated replacement cost in accordance with the guidelines released by the New Zealand Library Association and the National Library of New Zealand. All additions and disposals since that valuation are accounted for at cost.

#### *Accounting for revaluations*

MDC accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of financial performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the statement of financial performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

### **Intangible assets**

#### *Goodwill*

Goodwill is initially measured at its cost, being the excess of the cost of the acquisition over MDC's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill on acquisition of subsidiaries is included in intangible assets by applying the purchase method. Goodwill on acquisition of associates is included in investments in associates by applying the equity method.

Goodwill arising in business combinations is not amortised. Instead, good-

will be tested for impairment annually. After initial recognition, MDC measures goodwill at cost less any accumulated impairment losses. An impairment loss recognised for goodwill will not be reversed in any subsequent period.

Goodwill is allocated to cash generating units for the purposes of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination, in which the goodwill arose.

#### *Software acquisition and development*

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by MDC, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

#### *Easements*

Easements are not valued.

#### *Amortisation*

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of financial performance.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software is amortised over 5 years or 20%

## **Forestry assets**

The Gordon Kear Forest is a joint venture between MDC and the Palmerston North City Council, with the Council owning a 23.3% share.

Forestry assets are independently revalued annually at fair value less estimated point of sale costs by Forme Consulting Group Ltd. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising from a change in fair value less estimated point of sale costs are recognised in the statement of financial performance.

Costs of a capital nature are capitalised each year.

The costs to maintain the forestry assets are included in the statement of financial performance.

## **Investment property**

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, MDC measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the statement of financial performance.

## **Impairment of non-financial assets**

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impair-



ment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential. The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of financial performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the statement of financial performance.

## **Employee benefits**

### *Short-term benefits*

Employee benefits that MDC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

MDC recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that MDC anticipates it will be used by staff to cover those future absences.

### *Long-term benefits*

## **Superannuation schemes**

### *Defined contribution schemes*

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of financial performance as incurred.

### *Defined benefit schemes*

MDC belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

## **Provisions**

MDC recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

## **Borrowings**

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are adjusted to their face value with the adjustment taken direct to profit and loss.

## **Equity**

Equity is the community's interest in MDC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- \* Retained earnings
- \* Restricted reserves
- \* Asset revaluation reserves

## **Restricted and Council created reserves**

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by MDC.

Restricted reserves are those subject to specific conditions accepted as binding by MDC and which may not be revised by MDC without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

## **Goods and Service Tax (GST)**

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

## **Budget figures**

The budget figures are those approved by the Council at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by MDC for the preparation of the financial statements.

### Cost allocation

MDC has derived the cost of service for each significant activity of MDC using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

### Critical accounting estimates and assumptions

In preparing these financial statements MDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### Landfill aftercare provision

Note 19 discloses an analysis of the exposure of MDC in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

#### Infrastructural assets

There are a number of assumptions and estimates used when performing DRC valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not

visible, for example stormwater, wastewater and water supply pipe that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;

- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated.

These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then MDC could be over or under estimating the annual depreciation charge recognised as an expense in the statement of financial performance. To minimise this risk MDC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the MDC's asset management planning activities, which gives MDC further assurance over its useful life estimates.

Experienced independent valuers review the Council's infrastructural asset revaluations.

#### Classification of property

MDC owns a number of properties, which include housing for pensioners and the disabled and properties held for strategic purposes. The receipt of market-based rental from these properties is incidental to holding these properties. Housing for pensioners and the disabled are held for service delivery objectives as part of the MDC's Housing for the Elderly and Disabled Policy. These properties are accounted for as property, plant and equipment.

## 2 Explanation of transition to NZ IFRS

### Transition to NZ IFRS

MDC's financial statements for the year ended 30 June 2007 are the first financial statements that comply with NZ IFRS.

MDC has applied NZ IFRS 1 in preparing these financial statements.

MDC's transition date is 1 July 2005. MDC prepared its opening NZ IFRS balance sheet at that date. The reporting date of these financial statements is 30 June 2007. The MDC's NZ IFRS adoption date is 1 July 2006.

In preparing these consolidated financial statements in accordance with NZ IFRS 1, MDC has applied the mandatory exceptions and certain optional exemptions from full retrospective application of NZ IFRS.

### Exemptions from full retrospective application elected by MDC

MDC has elected to apply the following optional exemptions from full retrospective application:

- a Business combinations exemption  
MDC has applied the business combinations exemption in NZ IFRS 1. It has not restated business combinations that took place prior to the 1 July 2005 transition date.
- b Fair value as deemed cost exemption  
MDC has elected to measure land under roads at fair value as at 1 July 2005 and use that fair value as the deemed cost at that date.
- c Designation of financial assets and financial liabilities exemption  
MDC designated various securities as financial assets at fair value through equity at the date of transition to NZ IFRS.  
MDC is required to make the following mandatory exception from retrospective application:
  - a Estimates exception  
Estimates under NZ IFRS at 1 July 2005 are consistent with estimates made for the same date under previous NZ GAAP.

### Reconciliation of equity

The following table shows the changes in equity, resulting from the transition from previous NZ GAAP to NZ IFRS as at 1 July 2005 and 30 June 2006.

## Reconciliation of Equity - Parent

	Note	Previous NZ GAAP 1-Jul 05	Effect on transi- tion to NZ IFRS 1-Jul-05	NZ IFRS 1-Jul-05	Previous NZ GAAP 1-Jul 06	Effect on transi- tion to NZ IFRS 1-Jul-06	NZ IFRS 1-Jul-06
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	a	6,170	(3,553)	2,617	5,903	(3,029)	2,874
Trade and other receivables	b	6,530		6,530	4,491		4,491
Other financial assets	a	0	4,223	4,223	0	6,808	6,808
Properties held for sale		0		0	901		901
Total current assets		12,700	670	13,370	11,295	3,779	15,074
<b>Non-current assets</b>							
Trade and other receivables	b	2,862	(1,900)	962	2,851	(1,900)	951
Property, plant and equipment	g	400,522	73,134	473,656	475,572	2,855	478,427
Intangible assets	c	126		126	147		147
Forestry assets		687		687	774		774
Investment property	d						
Properties held for sale		853		853	0		0
Other financial assets	h	6,325	(561)	5,764	4,888	(3,888)	1,000
Derivative financial assets							
Total non-current assets		411,375	70,673	482,048	484,232	(2,933)	481,299
<b>Total assets</b>		<b>424,075</b>	<b>71,343</b>	<b>495,418</b>	<b>495,527</b>	<b>846</b>	<b>496,372</b>

	Note	Previous NZ GAAP 1-Jul 05	Effect on transi- tion to NZ IFRS 1-Jul-05	NZ IFRS 1-Jul-05	Previous NZ GAAP 1-Jul 06	Effect on transi- tion to NZ IFRS 1-Jul-06	NZ IFRS 1-Jul-06
<b>Liabilities</b>							
<b>Current Liabilities</b>							
Trade and other payables		8,430	(89)	8,341	5,364		5,364
Provisions	e	446		446	415		415
Employee benefit liabilities	f	317		317	490		490
Borrowings	h	930		930	2,350		2,350
Derivative financial liabilities							
Total current liabilities		10,123	(89)	10,034	8,619	0	8,619
<b>Non-current liabilities</b>							
Provisions	e	378		378	448		448
Employee benefit liabilities	f						0
Borrowings	h	11,430	19	11,449	9,085	19	9,104
Derivative financial liabilities							
Total non-current liabilities		11,808	19	11,827	9,533	19	9,552
<b>Total liabilities</b>		<b>21,931</b>	<b>(70)</b>	<b>21,861</b>	<b>18,152</b>	<b>19</b>	<b>18,171</b>
<b>Equity</b>							
Retained earnings	g	232,809	236,866	469,675	249,942	224,450	474,392
Asset revaluation reserve	g	165,453	(165,453)	0	223,624	(223,623)	0
Other reserves		3,882		3,882	3,809		3,809
<b>Total equity</b>		<b>402,144</b>	<b>71,413</b>	<b>473,557</b>	<b>477,375</b>	<b>826</b>	<b>478,201</b>
<b>Total Equity and Liabilities</b>		<b>424,075</b>	<b>71,343</b>	<b>495,418</b>	<b>495,527</b>	<b>845</b>	<b>496,372</b>

## Reconciliation of Equity - Group

	Note	Previous NZ GAAP 1-Jul 05	Effect on transi- tion to NZ IFRS 1-Jul-05	NZ IFRS 1-Jul-05	Previous NZ GAAP 1-Jul 06	Effect on transi- tion to NZ IFRS 1-Jul-06	NZ IFRS 1-Jul-06
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	a	6,425	(3,553)	2,872	6,002	(3,106)	2,896
Trade and other receivables	b	6,563		6,563	4,492		4,492
Other financial assets	a	0	4,223	4,223	0	6,885	6,885
Properties for sale		0		0	901		901
<b>Total current assets</b>		<b>12,988</b>	<b>670</b>	<b>13,658</b>	<b>11,395</b>	<b>3,779</b>	<b>15,174</b>
<b>Non-current assets</b>							
Trade and other receivables	b	2,862	(1,900)	962	2,851	(1,900)	951
Property, plant and equipment	g	400,450	73,312	473,762	475,672	3,032	478,704
Intangible assets	c	126		126	147		147
Forestry assets		687		687	774		774
Investment property	d	0		0			0
Properties intended for sale		853		853	0		0
Other financial assets	h	4,446	(561)	3,885	4,888	(3,888)	1,000
Derivative financial instruments		0		0	0		0
Total non-current assets		409,424	70,851	480,275	484,332	(2,756)	481,576
<b>Total assets</b>		<b>422,412</b>	<b>71,521</b>	<b>493,933</b>	<b>495,727</b>	<b>1,023</b>	<b>496,749</b>

		Effect on transition to NZ			Effect on transition to NZ		
	Previous NZ GAAP	to NZ IFRS	NZ IFRS	Previous NZ GAAP	to NZ IFRS	NZ IFRS	
Note	1-Jul 05	1-Jul-05	1-Jul-05	1-Jul 06	1-Jul-06	1-Jul-06	
<b>Liabilities</b>							
<b>Current Liabilities</b>							
Trade and other payables	6,587	(89)	6,498	5,369		5,369	
Provisions	e 446		446	415		415	
Employee benefit liabilities	f 317		317	490		490	
Borrowings	h 930		930	2,350		2,350	
Tax payable	0		0	0		0	
Derivative financial instruments	0		0	0		0	
<b>Total current liabilities</b>	<b>8,280</b>	<b>(89)</b>	<b>8,191</b>	<b>8,624</b>	<b>0</b>	<b>8,624</b>	
<b>Non-current liabilities</b>							
Provisions	e 378		378	448		448	
Employee benefit liabilities	f		0			0	
Borrowings	h 11,430	19	11,449	9,085	19	9,104	
Deferred tax liability			0	0		0	
Derivative financial instruments	0		0	0		0	
<b>Total non-current liabilities</b>	<b>11,808</b>	<b>19</b>	<b>11,827</b>	<b>9,533</b>	<b>19</b>	<b>9,552</b>	
<b>Total liabilities</b>	<b>20,088</b>	<b>(70)</b>	<b>20,018</b>	<b>18,157</b>	<b>19</b>	<b>18,176</b>	



	Note	Previous NZ GAAP 1-Jul 05	Effect on transi- tion to NZ IFRS 1-Jul-05	NZ IFRS 1-Jul-05	Previous NZ GAAP 1-Jul 06	Effect on transi- tion to NZ IFRS 1-Jul-06	NZ IFRS 1-Jul-06
<b>Equity</b>							
Retained earnings	g	232,989	237,044	470,033	250,136	224,628	474,764
Asset revaluation reserve	g	165,453	(165,453)	0	223,624	(223,623)	0
Other reserves		3,882		3,882	3,809		3,809
<b>Total equity</b>		<b>402,324</b>	<b>71,591</b>	<b>473,915</b>	<b>477,569</b>	<b>1,004</b>	<b>478,573</b>
<b>Total equity and liabilities</b>		<b>422,412</b>	<b>71,521</b>	<b>493,933</b>	<b>495,726</b>	<b>1,023</b>	<b>496,749</b>

## Explanatory notes - Reconciliation of equity

### a. Cash and cash equivalents

Those term deposits with maturities greater than three months and less than a year have been reclassified as other financial assets.

### b. Community loans

Under previous NZ GAAP community loans had been valued at the original loan principal amount, less any loan repayments made. NZ IAS 39 requires receivables to be initially recognised at fair value and subsequently measured at amortised cost. In accordance with NZ IAS 39 community loans have been valued at the net present value of expected future repayments, using market interest rates for instruments with a similar credit rating as the discount factor. The effect of this has been a reduction in the receivable carrying value.

### c. Intangible assets

#### Computer software

Computer software was classified as part of property, plant and equipment under

previous NZ GAAP. The net book value of computer software reclassified as an intangible asset on transition to NZ IFRS is \$126,000

#### Easements

Easements, which give MDC the legal right to access infrastructural assets located on private property, are an intangible asset recognised in accordance with NZ IAS 38. Easements were not recognised under previous NZ GAAP. Council have assessed the value of all easements to be not material

### d. Investment property

Investment property was measured at fair value less the costs of disposal under previous NZ GAAP. NZ IFRS requires investment property to be measured at its fair value. Council have assessed all properties held that are rented/leased and consider all of them are held for specific strategic reasons and are not held for capital gain.

### e. Provisions - Financial guarantees

Financial guarantees were not required to be recognised under previous NZ

GAAP, but instead disclosed as a contingent liability. NZ IAS 39 requires financial guarantees to be recognised at their fair value based on the probability MDC will be required to reimburse a holder for a loss incurred, discounted to present value. Council have ascertained that there are no such guarantees in place.

**f. Sick leave**

Sick leave was not recognised as a liability under previous NZ GAAP. NZ IAS 19 requires MDC to recognise employees unused sick leave entitlement that can be carried forward at balance date, to the extent that MDC anticipates it will be used by staff to cover future absences. Due to the amount being insignificant no accrual has been made.

**g. Deemed cost**

MDC has applied the deemed cost exemption that is available under NZ IFRS 1, for all infrastructural assets and land and buildings. This exemption allows MDC to

measure an item of property, plant and equipment at its fair value, and use that fair value as its deemed cost on transition to NZ IFRS. The effect of this change is to transfer revaluation reserves attributed to these assets of \$223,623,000 to retained earnings. There has been no adjustment to the carrying amount these assets in applying this exemption under NZ IFRS 1.

**h. Amortised cost for investments and borrowings**

Council has adopted the amortised cost approach to accounting for its term loan liabilities and investments. From a cost benefit perspective we have opted to amortise the discount/premium in the year of uplifting the loan or investment. Due to our loan and investment profile and refinancing dates being spread evenly over a number of years the impact of the one off amortisation is assessed as being equivalent to the amortisation over the period of the loan or investment.

## Reconciliation of surplus for the year ended 30 June 2006

	Note	Previous NZ GAAP 30-Jun- 06	Council Effect on transi- tion to NZ IFRS 30-Jun- 06	NZ IFRS 30-Jun- 06	Previous NZ GAAP 30-Jun- 06	Group Effect on transi- tion to NZ IFRS 30-Jun- 06	NZ IFRS 30-Jun- 06
<b>Income</b>							
Rates revenue		17,888	156	18,044	17,888	156	18,044
Subsidies		11,689		11,689	11,689		11,689
User fees and charges		4,377		4,377	4,377		4,377
Other revenue		2,075	(156)	1,919	2,145	(156)	1,989
Other gains/(losses)		0		0			0
<b>Total income</b>		<b>36,029</b>	<b>0</b>	<b>36,029</b>	<b>36,099</b>	<b>0</b>	<b>36,099</b>
<b>Expenditure</b>							
Employee benefit expenses		4,598		4,598	4,618		4,618
Depreciation and amortisation		7,747		7,747	7,793		7,793
Other expenses	a	17,843		17,843	17,833		17,833
Finance costs		889		889	889		889
<b>Total operating expenditure</b>		<b>31,077</b>	<b>0</b>	<b>31,077</b>	<b>31,133</b>	<b>0</b>	<b>31,133</b>
<b>Operating surplus/(deficit) before tax</b>		<b>4,952</b>	<b>0</b>	<b>4,952</b>	<b>4,966</b>	<b>0</b>	<b>4,966</b>
Prior year revaluation writeback		11,788	(11,788)	0	11,788	(11,788)	0
<b>Surplus/(deficit) before tax</b>		<b>16,740</b>	<b>(11,788)</b>	<b>4,952</b>	<b>16,754</b>	<b>(11,788)</b>	<b>4,966</b>
Income tax expense							
<b>Surplus/(deficit) after tax</b>		<b>16,740</b>	<b>(11,788)</b>	<b>4,952</b>	<b>16,754</b>	<b>(11,788)</b>	<b>4,966</b>

### Explanatory notes - Reconciliation of surplus

- a. There were a number of deposits written off during the 2005/06 year that related to the opening balance, therefore it has been adjusted out of the 2005/06 results.

### Statement of cash flows

On transition to NZ IFRS the statement of cash flows for the year ended 30 June 2006 presents the increase and decrease in short term deposits with maturities of 4 - 12 months on a gross rather than a net basis and short term deposits with matur-

ities less than 3 months are now included as part of cash and cash equivalents. This change and the reclassification of some term deposits to cash and cash equivalents has impacted on the statement of cash flows for the year ended 30 June 2006 as follows:

- The amount of cash and cash equivalents, including bank overdraft, has decreased from \$5,903,000 to \$2,874,000

There have been no other material adjustments to the statement of cash flows for the year ended 30 June 2006, on transition to NZ IFRS.

## 3 Summary cost of services

	Actual 2007 \$000	Budget 2007 \$000	Actual 2006 \$000
<b>Revenue</b>			
Community Facilities	1,115	1,163	1,041
Democracy	1,466	1,453	1,120
District Development	1,531	1,485	1,459
Emergency Management	268	248	203
Environmental and Regulatory	1,879	1,487	1,672
Leisure Resources	3,904	3,641	3,536
Roading	14,787	12,659	17,918
Waste	3,901	3,646	3,957
Water	3,150	2,749	2,680
Total activity income	32,001	28,531	33,586
Other income	2,519	1,626	2,443
<b>Total operating revenue</b>	<b>34,520</b>	<b>30,157</b>	<b>36,029</b>

	<b>Actual 2007</b>	<b>Budget 2007</b>	<b>Actual 2006</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Expenditure</b>			
Community Facilities	1,562	1,612	1,366
Democracy	1,440	1,453	1,261
District Development	3,877	4,797	1,461
Emergency Management	205	241	195
Environmental and Regulatory	1,392	1,408	1,452
Leisure Resources	4,437	4,025	4,045
Roading	12,944	8,969	13,762
Waste	3,807	3,173	3,709
Water	3,008	2,651	2,879
	32,672	28,329	30,130
Other expenditure	1,528	935	947
<b>Total operating expenditure</b>	<b>34,200</b>	<b>29,264</b>	<b>31,077</b>

#### 4 Rates revenue

	<b>Actual 2007</b>	<b>Actual 2006</b>
	<b>\$000</b>	<b>\$000</b>
<b>General rates attributable to activities:</b>		
District Development	1,277	1,201
Emergency Management	27	29
Environmental and Regulatory	0	14
Water	37	74
Other	268	543
<b>Total General Rates</b>	<b>1,609</b>	<b>1,861</b>

**Uniform targeted rates (UTR) and targeted rates attributable to activities:**

Community Facilities	237	189
Democracy	1,466	1,120
District Development	184	188
Emergency Management	192	166
Environmental and Regulatory	620	632
Leisure Resources	3,282	3,080
Roading	6,769	6,272
Waste	2,634	2,261
Water	2,463	2,119
<b>Total uniform targeted rates and targeted rates</b>	<b>17,847</b>	<b>16,027</b>

<b>Total rates penalties</b>	195	156
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<b>Total revenue from rates</b>	19,651	18,044
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**Rates remissions**

Rates revenue is shown net of rates remissions. MDC's Rates Remission policy (as detailed in the LTCCP) allows MDC to remit rates for contiguous and non-contiguous properties, additional dwellings, penalties, multi unit properties, and land voluntarily or mandatorily protected for natural, historic or cultural conservation purposes.

**5 Other revenue**

	Council		Group	
	Actual 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
User fees and charges	3,940	3,989	3,970	4,033
Land Transport NZ government grants	7,795	11,618	7,795	11,618
Petrol tax	213	219	213	219
Vested assets	215	83	215	83
Interest income for financial assets not at fair value through profit and loss	1,098	832	1,107	841
Dividend income	8	57	8	57
Development contributions	648	388	648	388
Other	336	774	358	791
<b>Total other revenue</b>	<b>14,253</b>	<b>17,960</b>	<b>14,314</b>	<b>18,030</b>

There are no unfulfilled conditions and other contingencies attached to government grants recognised.

## 6 Other gains/losses

	Council		Group	
	Actual 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
Gain/(loss) on changes in fair value of forestry assets (refer below) <sup>note 1</sup>	73	0	73	0
Gain/(loss) on disposal of property, plant and equipment	543	25	543	25
<b>Total gains/(losses)</b>	<b>616</b>	<b>25</b>	<b>616</b>	<b>25</b>

The gain in the fair value of the forestry assets comprises:

- Increase in fair value due to revaluation	66	87 <sup>note 1</sup>
- Profit made on harvesting	7	0
	<b>73</b>	<b>87</b>

Note 1: The forestry gain in 2006 was classified as part of other operating expenditure. In 2007 the forestry gain has been reclassified as part of other gains/losses.

## 7 Employee benefit expenses

	Council		Group	
	Actual 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
Salaries and wages	4,732	4,501	4,754	4,521
Employer contributions to multi-employer defined benefit plans	90	87	90	87
Increase/(decrease) in employee benefit liabilities	(46)	10	(45)	10
<b>Total employee benefit expenses</b>	<b>4,776</b>	<b>4,598</b>	<b>4,799</b>	<b>4,618</b>

## 8 Other expenses

	Council		Group	
	Actual	Actual	Actual	Actual
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000
Fees to principal auditor:				
Audit fees for financial statement audit MDC	76	77	76	77
Audit fees for LTCCP	0	40	0	40
Audit fees for Heartland Contractors	0	0	1	1
Audit fees for Feilding Civic Centre Trust	0	0	2	1
Audit fees for NZ IFRS transition	15	0	0	0
Audit fees for amendment to LTCCP	8	0	0	0
Audit related fees for assurance and related services	0	0	0	0
Impairment of receivables (note 12)	17	6	17	6
Assets written off	572	5	572	5
Minimum lease payments under operating leases	11	16	11	16
Other operating expenses	18,828	17,628	18,832	17,616
<b>Total other expenses <sup>Note 1</sup></b>	<b>19,527</b>	<b>17,772</b>	<b>19,511</b>	<b>17,762</b>
<sup>note 1</sup> Rates Remitted are deducted from rates revenue rather than treated as an operating expense.				
Rates Remitted	124	130	124	130

## 9 Finance costs

	Council		Group	
	Actual	Actual	Actual	Actual
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000
Interest expense				
Interest on bank borrowings	1,312	844	1,312	844
Interest on Rural Housing Loans	0	1	0	1
Provisions: discount unwinding (note 19)	26	44	26	44
<b>Total finance costs</b>	<b>1,338</b>	<b>889</b>	<b>1,338</b>	<b>889</b>



## 10 Tax Components of tax expense

	Council		Group	
	Actual 2007	Actual 2006	Actual 2007	Actual 2006
	\$000	\$000	\$000	\$000
Current tax expense	0	0	0	0
Adjustments to current tax in prior years	0	0	0	0
Deferred tax expense	0	0	0	0
Income tax expense	0	0	0	0

## Relationship between tax expense and accounting profit

	Council		Group	
	Actual 2007	Actual 2006	Actual 2007	Actual 2006
	\$000	\$000	\$000	\$000
Surplus/(deficit) before tax	320	4,952	314	4,966
Tax at 33%	106	1,634	104	1,639
Non-deductible expenditure	0	0	0	0
Non-taxable income	(106)	(1,634)	(104)	(1,620)
Prior year adjustment	0	0	0	0
Tax Losses Utilised	0	0	0	(19)
Tax expense	0	0	0	0

The Council's subsidiary has imputation credit of \$346,307 (2006 \$346,307 ) which can be used to impute dividend payments to Council.

Heartland Contractors Limited has unrecognised tax losses of \$497,897 (2006 \$497,897) with a tax effect of \$164,306 (2006 \$164,306) which are available for carry forward in offsetting assessable income in future income years.

A deferred tax asset has not been recognised in relation to unused tax losses of \$497,897.

## 11 Cash and cash equivalents

	Council		Group	
	Actual 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
Cash at bank and in hand	36	118	54	140
Short-term deposits with a term of three months or less	6,374	2,756	6,374	2,756
<b>Total cash and cash equivalents</b>	<b>6,410</b>	<b>2,874</b>	<b>6,428</b>	<b>2,896</b>

The carrying value of short-term deposits with a term of three months or less approximates their fair value.

The total value of cash and cash equivalents that can only be used for a specified purpose as outlined in the relevant trust deeds is \$183,987 (2006 \$186,423).

Refer to note 13 for weighted average effective interest rate for cash and cash equivalents.

Cash and bank overdrafts include the following for the purposes of the cash flow statement:

	Council		Group	
	Actual 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
Cash at bank and in hand	36	118	54	140
Short-term deposits with a term of three months or less	6,374	2,756	6,374	2,756
Bank overdrafts	0	0	0	0
<b>Total</b>	<b>6,410</b>	<b>2,874</b>	<b>6,428</b>	<b>2,896</b>

## 12 Trade and other receivables

	Council		Group	
	Actual 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
Rates receivables	764	583	764	583
Land Transport NZ Subsidy	2,530	2,807	2,530	2,807
Other receivables	295	506	301	507
Accrued Revenue	1,335	229	1,335	229
GST Receivable	265	363	265	363
Related party receivables (note 26)	0	3	0	3
Community loans	41	47	41	47
Trust Investments (Manfeild Park)	1,807	900	1,807	900
Rural Housing Loan Mortgages	3	4	3	4
Prepayments	108	0	108	0
Loans to related parties (note 26)	0	0	0	0
	<b>7,148</b>	<b>5,442</b>	<b>7,154</b>	<b>5,443</b>
Less provision for impairment of receivables	(17)	0	(17)	0
<b>Total</b>	<b>7,131</b>	<b>5,442</b>	<b>7,137</b>	<b>5,443</b>

	Council		Group	
	Actual	Actual	Actual	Actual
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000
Less non-current portion:				
Trust Investments (Manfeild Park)	1,807	900	1,807	900
Rural Housing Loan Mortgages	3	4	3	4
Community loans	41	47	41	47
Total non-current portion	1,851	951	1,851	951
Current portion	5,280	4,491	5,286	4,492

The fair value of community loans is \$1,847,740 (2006 \$947,210).

The face value of community loans is \$3,747,740 (2006 \$2,847,210). Some of these community loans are only repayable should the entity concerned cease to operate for the purpose that the loan was given for.

On 30 September 2004 MDC 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 Council holds a Community Interest in this Trust to the same value. This investment is only repayable to the Council should the Manfeild Park Trust be wound up. Therefore the fair value of this investment is nil.

The carrying value of trade and other receivables (excluding loans to related parties and community loans) approximates their fair value.

There is no concentration of credit risk with respect to receivables outside the group, as the group has a large number of customers.

MDC does not provide for any impairment on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Rate-payers can apply for payment plan options in special circumstances. Where such payment plans are in place, debts are discounted to the present value of future payments.

These powers allow MDC to commence legal proceedings to recover any rates that remain unpaid five months after the due date for payment. If payment has not been made within three months of the Court's judgement, then MDC can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

The age of rates receivable overdue, whose payment terms have not been renegotiated, and have not been impaired are as follows:

Rates Receivable	Council		Group	
	Actual	Actual	Actual	Actual
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000
One year	5	12	5	12
One to two years	22	25	22	25
Three to Five Years	21	14	21	14
Six to Seven Years	8	4	8	4
Carrying amount	56	55	56	55

As of 30 June 2007 and 2006, all overdue receivables, except for rates receivable, have been assessed for impairment and appropriate provisions applied. MDC holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The impairment provision has been calculated based on expected losses for MDC's pool of debtors. Expected losses have been determined based on an analysis of MDC's losses in previous periods, and review of specific debtors.

Movements in the provision for impairment of receivables and community loans are as follows:

	Council		Group	
	Actual 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
At 1 July	0	0	0	0
Additional provisions made during the year	17	0	17	0
Receivables written off during period	0	0	0	0
At 30 June	17	0	17	0

### 13 Other financial assets

	Council		Group	
	Actual 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
<b>Current portion</b>				
Loans and receivables				
Short-term deposits with a term of between 4 to 12 months	0	0	91	77
Held to maturity				
Other Investments	1,670	4,108	1,670	4,108
Local authority stock	0	2,700	0	2,700
<b>Total current portion</b>	<b>1,670</b>	<b>6,808</b>	<b>1,761</b>	<b>6,885</b>
<b>Non-current portion</b>				
Held to maturity				
Other Investments	1,600	400	1,600	400
Local authority stock	3,638	538	3,638	538
Investments carried at cost				
Shares in subsidiary (Heartland Contractors Ltd)				
NZ Local Government Insurance Corp Ltd	62	62	62	62
<b>Total non-current portion</b>	<b>5,300</b>	<b>1,000</b>	<b>5,300</b>	<b>1,000</b>

There were no impairment provisions for other financial assets.  
 Loan Repayment Funds are restricted in use to the repayment of associated borrowings.

### **Maturity analysis and effective interest rates**

The maturity dates for all other financial assets, with the exception of equity investments, and advances to subsidiaries and associates are as follows:

<b>2007</b>	<b>Short term deposits Council</b>	<b>Short term deposits Group</b>	<b>Local authority stock Council and Group</b>	<b>Other investments Council and Group</b>
Short-term deposits (with maturities of 3 months or less; average maturity 40 days)	6,374	6,374		
Weighted average effective interest rate	7.73%	7.73%		
Short-term deposits with maturities of 4-12 months (average maturity 0 days)	0	91		
Weighted average effective interest rate	0.00%	7.54%		
Investments maturing within 1 year: amount			0	1,670
Weighted average effective interest rate			0.00%	7.42%
Investments maturing after 1 year but less than 5 years			2,888	1,000
Weighted average effective interest rate			7.45%	8.36%
More than 5 years			750	600
Weighted average effective interest rate			7.10%	7.16%
	<b>6,374</b>	<b>6,465</b>	<b>3,638</b>	<b>3,270</b>

<b>2006</b>	<b>Short term deposits Council</b>	<b>Short term deposits Group</b>	<b>Local authority stock Council and Group</b>	<b>Other investments Council and Group</b>
Short-term deposits (with maturities of 3 months or less; average maturity 47 days)	2,756	2,756		
Weighted average effective interest rate	7.27%	7.27%		
Short-term deposits with maturities of 4-12 months (average maturity 0 days)	0	77		
Weighted average effective interest rate	0.00%	7.20%		
Investments maturing within 1 year: amount			2,700	4,108
Weighted average effective interest rate			6.94%	7.39%
Investments maturing after 1 year but less than 5 years			538	400
Weighted average effective interest rate			6.73%	6.54%
More than 5 years			0	0
Weighted average effective interest rate			0.00%	0.00%
	2,756	2,833	3,238	4,508

### Analysis of Loan Redemption Funds By Activity

	<b>Council &amp; Group 2007</b>		<b>Council &amp; Group 2006</b>	
	<b>Debt</b>	<b>Funds</b>	<b>Debt</b>	<b>Funds</b>
	<b>Outstand- ing \$000</b>	<b>Held \$000</b>	<b>Outstand- ing \$000</b>	<b>Held \$000</b>
Housing for the Elderly & Disabled	616	6	653	0
Leisure Activities	1,100	18	0	0
Roading	1,341	379	1,658	415
Utility Services	9,237	947	7,547	946
Property	8	6	8	4
Rural Housing	0	0	4	0
Investments	1,877	471	1,584	346
<b>Total</b>	<b>14,179</b>	<b>1,827</b>	<b>11,454</b>	<b>1,711</b>

## 14 Non-current assets held for sale

MDC has identified a number of properties that are no longer required by the Council to deliver its services to the Community. All of these properties have been placed with Knight Frank and they are actively marketing the properties so that Council can receive the best realisable price.

	Council		Group	
	Actual 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
Non-current assets held for sale are:				
Buildings	0	200	0	200
Land	241	701	241	701
<b>Total non-current assets held for sale</b>	<b>241</b>	<b>901</b>	<b>241</b>	<b>901</b>
Current portion	241	901	241	901
Term portion	0	0	0	0
	241	901	241	901



## 15 Property, plant and equipment

2007	Carrying amount 30 June 2007	Accumulated depreciation and impairment charges 30 June 2007	Cost/ revaluation 30 June 2007	Current year depreciation	Current year impairment charges/ gain	Depreciation on Disposals	Current year disposals at cost	Current year additions at cost	Revaluation 1 Jul 2006	Carrying amount 1 July 2006	Accumulated depreciation and impairment charges 1 July 2006	Cost/ revaluation 1 July 2006
<b>Council operational assets</b>												
Land	2,345	0	2,345	0	0	0	22	0		2,367	0	2,367
Buildings	4,215	251	4,466	126	0	0	0	31		4,310	125	4,435
Library books	934	614	1,548	155	0	182	182	162		927	641	1,568
Plant and equipment	30	132	162	5	0	50	50	6		29	177	206
Office equipment & furniture	288	748	1,036	192	0	43	43	121		359	599	958
Motor Vehicles	449	265	714	132	25	94	206	234		459	227	686
Total operational assets	8,261	2,010	10,271	610	25	369	503	554		8,451	1,769	10,220
<b>Council infrastructural assets</b>												
Land	3,612	0	3,612	0	0	0	0	0		3,612	0	3,612
Waste	23,995	1,215	25,210	604	0	0	0	350		24,249	611	24,860
Water	43,587	2,339	45,926	1,213	0	17	17	625		44,192	1,126	45,318
Roading network	299,171	4,944	304,115	4,921	0	538	538	6,476		288,603	4,326	292,929
Land under roads	68,170	0	68,170	0	0	0	0	0		68,170	0	68,170
Work in progress	6,397	0	6,397	0	0	0	0	917		5,480	0	5,480
Total infrastructural assets	444,932	8,498	453,430	6,738	0	555	555	8,368		434,306	6,063	440,369
<b>Council restricted assets</b>												
Land	13,678	0	13,678	0	0	0	31	0		13,709	0	13,709
Buildings	19,251	2,109	21,360	1,075	0	20	197	418		20,085	1,054	21,139
Plant and Equipment	1,833	599	2,432	94	(3)	3	20	68		1,876	508	2,384
Work in Progress	190	0	190	0	0	0	0	190		0	0	0
Total restricted assets	34,952	2,708	37,660	1,169	(3)	23	248	676		35,670	1,562	37,232
Total MDC property, plant and equipment	488,145	13,216	501,361	8,517	22	392	1,306	9,598		478,427	9,394	487,821





	Carrying amount 30 June 2006	Accumulated depreciation and impairment charges 30 June 2006	Cost/ revaluation 30 June 2006	Current year depreciation	Current year impairment charges/ Gain	Depreciation on Disposals	Current year disposals at cost	Current year additions at cost	Revaluation 1 Jul 2005	Carrying amount 1 July 2005	Accumulated depreciation and impairment charges 1 July 2005	Cost/revaluation 1 July 2005
<b>Council infrastructural assets</b>												
Land	3,612	0	3,612	0	0	417	0	0	0	4,029	0	4,029
Waste	24,249	611	24,860	582	0	0	346	0	0	24,485	29	24,514
Water	44,192	1,126	45,318	1,126	0	0	563	0	0	44,755	0	44,755
Roading network	288,603	4,326	292,929	4,313	0	0	5,875	0	0	287,041	13	287,054
Land under roads	68,170	0	68,170	0	0	0	0	0	0	68,170	0	68,170
Work in progress	5,480	0	5,480	0	0	0	5,480	0	0	0	0	0
Total infrastructural assets	434,306	6,063	440,369	6,021	0	417	12,264	0	0	428,480	42	428,522
<b>Council restricted assets</b>												
Land	13,709	0	13,709	0	0	0	0	0	0	13,709	0	13,709
Buildings	20,085	1,054	21,139	1,054	0	224	224	0	0	20,915	0	20,915
Plant and equipment	1,876	508	2,384	61	0	54	54	0	0	1,883	447	2,330
Total restricted assets	35,670	1,562	37,232	1,115	0	0	278	0	0	36,507	447	36,954
Total MDC property, plant and equipment	478,427	9,394	487,821	7,772	(70)	477	1,031	13,028	0	473,655	2,169	475,824
<b>Subsidiaries property, plant and equipment</b>												
Buildings	77	8	85	2	0	20	20	0	0	71	6	65
Plant and equipment	200	46	246	44	0	216	216	0	0	32	2	30
Total subsidiaries	277	54	331	46	0	0	236	0	0	103	8	95
Total group property, plant and equipment	478,704	9,448	488,152	7,818	(70)	477	1,031	13,264	0	473,758	2,177	475,919

The Council do not hold any plant and equipment under finance leases (2006 \$Nil).

## 16 Intangible assets

	Council and Group	
	Actual 2007	Actual 2006
	\$000	\$000
<b>Balance at 1 July</b>		
Cost	459	413
Accumulated amortisation and impairment	(312)	(286)
Opening carrying amount	147	127
Additions	16	65
Disposals	0	0
Amortisation charge	(42)	(45)
Closing carrying amount	121	147
<b>Balance at 30 June</b>		
Cost	475	460
Accumulated amortisation and impairment	(354)	(313)
Closing carrying amount	121	147

## 17 Forestry Assets

	Council and Group	
	Actual 2007	Actual 2006
	\$000	\$000
Balance at 1 July	774	687
Increases due to purchases	0	0
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to physical changes	0	87
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	66	0
Decreases due to sales	0	0
Decreases due to harvest	(15)	0
Balance at 30 June	825	774

MDC's interest in the Gordon Kear Forest is accounted for as a jointly controlled operation.

Through its interest in the Gordon Kear Forest with the Palmerston North City Council (PNCC), MDC owns 23.3% of 348.1 hectares of pinus radiata forest. Harvesting commenced during the 2006/07 financial year. PNCC owns 100% of the Gordon Kear forest land and site improvements.

A small portion of the forest was harvested during the period to clear roadways etc. (2006 Nil). Independent registered valuers Form Consulting Group Ltd have valued forestry assets as at 30 June 2007. A pre-tax discount rate of 9% has been used in discounting the present value of expected cash flows.

#### *Future Commitments*

In accordance with the Afforestation Agreement entered into in 1976 MDC has an obligation to meet 23.3% of all future costs associated with the Forest and will receive 23.3% of all income.

#### *Financial risk management strategies*

MDC is exposed to financial risks arising from changes in timber prices. MDC is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices. MDC reviews its outlook for timber prices regularly in considering the need for active financial risk management.

## 18 Trade and other payables

	Council		Group	
	Actual 2007 \$000	Actual 2006 \$000	Actual 2007 \$000	Actual 2006 \$000
Trade payables	2,597	3,185	2,603	3,190
Deposits and bonds	795	1,066	795	1,066
Accrued expenses	2,684	805	2,684	805
Amounts due to related parties (note 26)	0	0	0	0
Revenue in advance	362	308	362	308
<b>Total trade and other payables</b>	<b>6,438</b>	<b>5,364</b>	<b>6,444</b>	<b>5,369</b>

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

## 19 Provisions

	Council and Group	
	Actual 2007 \$000	Actual 2006 \$000
<b>Current provisions are represented by:</b>		
Landfill aftercare Provision	41	415
<b>Total current provisions</b>	<b>41</b>	<b>415</b>
<b>Non-current provisions are represented by:</b>		
Financial guarantees	0	0
Landfill aftercare provision	665	448
<b>Total non-current provisions</b>	<b>665</b>	<b>448</b>

	Landfill 2007	Landfill 2006
<b>Council and Group</b>		
Opening balance	863	824
Additional provisions made during the year	474	0
Amounts used during the year	(657)	(5)
Unused amounts reversed during the year	0	0
Discount unwinding (note 9)	26	44
Closing balance	706	863

#### **Provision for financial guarantees**

MDC has not acted as guarantor for any community organisations.

#### **Provision for landfill aftercare costs**

MDC has recognised a provision for the aftercare costs of the Feilding Landfill and two smaller landfills which are no longer operational.

#### **Feilding Landfill**

The 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 the site
- grassing
- drainage structures including berms, chutes and drains

Post Closure costs include providing for

- Monitoring and treatment of leachate
- ground water and surface water monitoring
- on-going management including maintenance of grasscover, drainage systems and fencing

The cash outflows for landfill post-closure are expected to occur from 2006 to 2036 (30 years). The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 6.5%. Each year part of the discounted amount will be unwound and recognised as an interest expense in the Operating Costs while at the same time adding this to the provision. The discounted resulting provision as at 30 June 2007 is \$606,972 (2006 \$779,994).

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

- Annual price index 2.5%
- An Annual discount rate of 6.5%
- Aftercare period of 30 Years

#### **Other landfills**

Provision has been made for the ongoing aftercare of two smaller landfills that are no longer in use. A combined amount of \$6,730 has been allowed for annual ongoing monitoring and maintenance expenditure on these two sites. The discounted resulting provision as at 30 June 2007 is \$98,958 (2006 \$83,315).

## 20 Employee benefit liabilities

	Council		Group	
	Actual 2007	Actual 2006	Actual 2007	Actual 2006
	\$000	\$000	\$000	\$000
Accrued pay	155	179	155	179
Annual leave	293	311	294	311
Sick leave	0	0	0	0
Total employee benefit liabilities	448	490	449	490
Comprising:				
Current	448	490	449	490
Non-current				
Total employee benefit liabilities	448	490	449	490

## 21 Borrowings

	Council and Group	
	Actual 2007	Actual 2006
	\$000	\$000
Opening balance of term borrowings	11,454	12,379
Loans raised during the year	5,374	0
Loans repaid during the year	(2,942)	(925)
Loans recognised during the year <sup>note 1</sup>	293	0
Closing balance of term borrowings	14,179	11,454

<sup>note 1</sup> as at 30 June 2007 the Gordon Kear Forestry Encouragement loans of \$296k, interest expense of \$20k and repayments of \$23k for the year have been recognised (n.b. forestry loans are repayable to Palmerston North City Council from harvest proceeds)

	Council and Group	
	Actual 2007	Actual 2006
	\$000	\$000
<b>Current</b>		
Bank overdraft	0	0
Secured loans	2,781	2,350
Total current borrowings	2,781	2,350
<b>Non-current</b>		
Secured loans	11,398	9,104
Total non-current borrowings	11,398	9,104

#### *Fixed-rate debt*

MDC's secured debt of \$14,178,664 (2006 \$11,454,201) is issued at fixed rates of interest.

MDC has established loan redemption funds in respect of loans, with a carrying amount of \$1,827,581. The loan redemption fund investments, together with accumulated interest, will be sufficient to repay the principal of the associated loans on the due date. The amount held in the loan redemption funds is shown in note 13.

#### *Security*

MDC does not have any overdraft facilities associated with its bank accounts.

MDC's loans are secured over rates of the district.

#### **Management**

MDC manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy. These policies have been adopted as part of the MDC's LTCCP.

#### **Maturity analysis and effective interest rates**

The following is a maturity analysis of MDC's borrowings. There are no early repayment options.

	<b>Overdraft Council and Group 2007</b>	<b>Secured loans Council and Group 2007</b>	<b>Overdraft Council and Group 2006</b>	<b>Secured loans Council and Group 2006</b>
Less than one year	0	2,781	0	2,350
Weighted average effective interest rate		6.33%		6.47%
Later than one year but not more than five years	0	8,347	0	8,778
Weighted average effective interest rate		7.07%		6.87%
Later than five years	0	3,051	0	326
Weighted average effective interest rate		7.11%		9.80%
	0	14,179	0	11,454

## Analysis of term debt by activity

	Council and Group	
	2007	2006
	\$000	\$000
Housing for the Elderly & Disabled	616	653
Leisure Activities	1,100	0
Roading	1,341	1,658
Utility Services	9,237	7,547
Property	8	8
Rural Housing	0	4
Investments	1,877	1,584
<b>Total</b>	<b>14,179</b>	<b>11,454</b>

## Fair values of non-current borrowings

The carrying amounts and the fair values of non-current borrowings are as follows:

	Carrying Amounts		Fair Values	
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000
Secured loans (Council)	14,179	11,454	14,179	11,454
Debentures (Group)	0	0	0	0
<b>Total</b>	<b>14,179</b>	<b>11,454</b>	<b>14,179</b>	<b>11,454</b>

The carrying amounts of borrowings approximate their fair value.

## 22 Equity

	Council		Group	
	Actual	Actual	Actual	Actual
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000
<b>Retained earnings</b>				
As at 1 July	474,392	469,367	474,764	469,725
Transfers to:				
Restricted reserves	(2,045)	(938)	(2,045)	(938)
Transfers from:				
Asset Revaluation Reserves (ARR) on disposal of property, plant & equipment				
Restricted reserves	709	1,011	709	1,011
Surplus/(deficit) for the year	320	4,952	314	4,966
<b>As at 30 June</b>	<b>473,376</b>	<b>474,392</b>	<b>473,742</b>	<b>474,764</b>



	Council		Group	
	Actual	Actual	Actual	Actual
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000
<b>Restricted reserves</b>				
As at 1 July	3,809	3,882	3,809	3,882
Transfers to:				
Retained earnings	(709)	(1,011)	(709)	(1,011)
Transfers from:				
Retained earnings	2,045	938	2,045	938
As at 30 June	5,145	3,809	5,145	3,809
<b>Restricted reserves consist of:</b>				
Trust Funds	184	186	184	186
Special Funds	4,961	3,623	4,961	3,623
<b>ARR</b>				
Revaluation gains/(losses)	9,551	0	9,551	0
As at 30 June	9,551	0	9,551	0
Asset revaluation reserves consist of:				
Operational assets				
Infrastructural assets				
Roading network	9,551	0	9,551	0
Restricted assets				
Total	9,551	0	9,551	0
<b>Fair value through equity reserve</b>				
Total Reserves	14,696	3,809	14,696	3,809

Restricted reserves relate to:

- trusts and bequest funds that have been provided to MDC by various people for specific projects.

During the year MDC, in accordance with the conditions of the bequest, applied certain funds to a native plants reserve; and

- Special Funds, which are restricted by Council resolution, may only be applied to the purpose that established the fund.

## 23 Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities

	Council		Group	
	Actual 2007	Actual 2006	Actual 2007	Actual 2006
	\$000	\$000	\$000	\$000
<b>Surplus/(deficit) after tax</b>	320	4,952	314	4,966
<b>Add/(less) non-cash items:</b>				
Depreciation and amortisation	8,558	7,747	8,618	7,793
Loans recognised during the year (refer note 21)	293	0	293	0
Asset write-offs	572	0	572	0
Impairment charges				
Vested assets	(215)	(83)	(215)	(83)
(Gains)/losses in fair value of forestry assets	(73)	(87)	(73)	(87)
Write back prior loss on revaluation	0	0	0	0
<b>Add/(less) items classified as investing or financing activities:</b>				
(Gains)/losses on disposal of prop- erty, plant and equipment	(543)	25	(543)	25
(Gains)/losses on disposal of invest- ments classified as fair value through equity	0	0	0	57
<b>Add/(less) movements in working capital items:</b>				
Increase/(Decrease) in Trade and other receivables	(813)	2,203	(817)	2,167
Increase (Decrease) in Trade and other payables	1,128	(2,882)	1,129	(2,880)
Increase (Decrease) in Provisions	(157)	44	(157)	44
Increase (Decrease) in Employee benefits	(46)	32	(45)	32
<b>Net cash from operating activities</b>	<b>9,024</b>	<b>11,951</b>	<b>9,076</b>	<b>12,034</b>

## 24 Capital commitments and operating leases

	Council		Group	
	Actual	Actual	Actual	Actual
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000

### Capital commitments

Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment	781	910	781	910
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### Operating leases as lessee

MDC leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
Property and Equipment	Actual	Actual	Actual	Actual
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000

Non-cancellable operating leases as lessee

Not later than one year	59	57	59	57
Later than one year and not later than two years	59	55	59	55
Later than two years and not later than five years	91	55	91	55
Later than five years	0	0	0	0
Total non-cancellable operating leases	209	167	209	167

### Other contracts for maintenance and provision of services

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:

	Council		Group	
	Actual	Actual	Actual	Actual
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000

Non-cancellable operating leases as lessee

Not later than one year	7,012	2,885	7,012	2,885
Later than one year and not later than two years	6,230	1,335	6,230	1,335
Later than two years and not later than five years	8,641	1,078	8,641	1,078
Later than five years	0	0	0	0
Total non-cancellable operating leases	21,883	5,298	21,883	5,298

## 25 Contingencies

Contingent Liabilities	Council		Group	
	Actual	Actual	Actual	Actual
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000
Building Act claims	0	0	0	0
Guarantees	0	0	0	0
Other legal proceedings	0	0	0	0
Total contingent liabilities	0	0	0	0

### Building Act Claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect to the issuing of building consents and inspection of work done. At the date of this report no matters under that Act had been brought to the MDC's attention.

### Guarantees

The value of guarantees disclosed as contingent liabilities reflects MDC's assessment of the undiscounted portion of financial guarantees that are not recognised in the statement of financial position. Council has not given any guarantees.

### Unquantified claims

There are no unquantified claims to be recognised at balance date

### Contingent assets

MDC has a number of sports clubs that have constructed facilities (eg club rooms) on reserve land. The clubs control the use of these facilities and MDC will only gain control of the asset if the clubs vacate the facility. Until this event occurs these assets are not recognised as assets in the Statement of Financial Position.

## 26 Related party transactions

MDC is the ultimate parent of the group and controls two entities: Heartland Contractors Ltd, and the Feilding Civic Centre Trust

*The following transactions were carried out with related parties:*

	Actual 2007	Actual 2006
	\$000	\$000
Heartland Contractors Limited (Non Trading)		
Services provided to MDC	0	0
<b>Feilding Civic Centre Trust</b>		
Grant provided by MDC	70	73
Services provided to MDC	4	0
Loans payable to the MDC	0	0
Accounts payable to the MDC	0	3
Accounts receivable from the MDC	0	0

No provision has been required, nor any expense recognised, for impairment of receivables for any loans or other receivables to related parties (2006 \$nil).

## Elected members

During the year elected members, as part of a normal customer relationship, were involved in minor transactions with MDC (such as payment of rates, purchase of rubbish bags etc).

During the year MDC purchased a vehicle from Z-One Motoring Ltd, in which the Mayor is a shareholder. The value of the purchase was \$27,588. Also services to the value of \$293 (2006 \$3,456) were supplied on normal commercial terms.

## 27 Remuneration

### *Elected Members*

Remuneration payable as determined by the Remuneration Authority.

	<b>2007</b>	<b>2006</b>
	<b>per annum</b>	<b>per annum</b>
	<b>\$000</b>	<b>\$000</b>
Mayor	69,468	65,780
Councillor Kevin Argyle	24,116	21,235
Councillor Ross Barnett	24,116	21,235
Councillor John Baxter	24,116	22,585
Councillor Matt Bell	26,525	25,947
Councillor Mervyn Craw	26,525	25,542
Councillor Del Gibb	24,116	21,235
Councillor John Gregory	31,061	29,283
Councillor Prue McBeth	26,525	23,359
Councillor John Salmon	24,116	23,335
Councillor David Stroud	24,116	21,235
	<b>324,800</b>	<b>300,771</b>

### *Chief Executive*

For the year ended 30 June 2007, the total cost of remuneration paid to the Chief Executive was \$178,715 (2006 \$169,477).

### *Senior Management*

	<b>2007</b>	<b>2006</b>
	<b>per annum</b>	<b>per annum</b>
	<b>\$000</b>	<b>\$000</b>
Total value of remuneration packages payable to group managers reporting to the Chief Executive:	445,990	450,500

## 28 Severance payments

For the year ended 30 June 2007 MDC made seven (2006 Nil) severance payments to employees totalling \$237,085 (2006 \$Nil).

The value of each severance payment was:-

Employee A	\$290
Employee B	\$54,000
Employee C	\$46,174
Employee D	\$115
Employee E	\$33,615
Employee F	\$66,800
Employee G	\$36,091

## 29 Events after the balance sheet date

There were no significant events after balance date.

## 30 Financial instrument risks

MDC has a series of policies to manage the risks associated with financial instruments. MDC is risk averse and seeks to minimise exposure from its treasury activities. MDC has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

### Market risk

#### Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

MDC is not exposed to price risk, as it does not hold equity securities that are subject to market fluctuations

#### Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. MDC is not exposed to currency risk, as it does not enter into foreign currency transactions.

#### Interest rate risk

The interest rates on MDC's investments are disclosed in note 13 and on MDC's borrowings in note 21.

#### Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates expose the MDC to fair value interest rate risk. MDC's Liability Management policy outlines the type of borrowing allowed. In addition, investments at fixed interest rates expose the MDC to fair value interest rate risk.

#### Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose MDC to cash flow interest rate risk.

### Credit risk

Credit risk is the risk that a third party will default on its obligation to MDC, causing MDC to incur a loss. MDC has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and MDC has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

MDC invests funds only in deposits with registered banks and local authority stock and its Investment policy limits the amount of credit exposure to any one institution or organisation.

Investments in other local authorities are secured by charges over rates. Other than other local authorities, the group only invests funds with those entities, which have a Standard and Poor's credit rating of at least A -.

Accordingly, the group does not require any collateral or security to support these financial instruments.

## Liquidity risk

Liquidity risk is the risk that MDC will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. MDC aims to maintain flexibility in funding by maintaining sufficient short-term investments.

In meeting its liquidity requirements, MDC maintains a target level of investments that must mature within the next 12 months.

MDC manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy. These policies have been adopted as part of the MDC's LTCCP.

## 31 Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenera-

tional equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its LTCCP and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the Revenue and Financing policy in the Council's LTCCP.

MDC has the following Council created reserves:

- Special Funds; and
- Trust Funds.

Special Funds for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to the trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

## Trust Funds

	<b>Fund Balance 1 July 2006 \$000</b>	<b>Transfer to Fund \$000</b>	<b>Transfer from Fund \$000</b>	<b>Fund Balance 30 June 2007 \$000</b>
Hook Bequest	12	1	0	13
Trewin Bequest	1	0	0	1
Wackrill Trust	1	0	0	1
Robert Dickson Library Trust	2	1	0	3
P A Broad Memorial Trust	4	0	0	4
Historical Trust	2	0	0	2
Childrens Welfare Trust	0	0	0	0
Robert Dickson Educational Trust	45	3	5	43
Museum Trust	1	0	0	1
Feilding and District Relief Trust	118	9	11	116
	186	14	16	184

## Special Funds

	<b>Fund Balance 1 July 2006 \$000</b>	<b>Transfer to Fund \$000</b>	<b>Transfer from Fund \$000</b>	<b>Fund Balance 30 June 2006 \$000</b>
Land Subdivision	452	329	124	657
General Purpose	1,374	1,183	332	2,225
Vehicle Replacement	45	207	234	18
Emergency	621	100	0	721
Council Community Loans	220	17	0	237
Internal Loans	90	133	0	223
Landfill Closure and Aftercare	761	58	0	819
Heritage Incentive	28	2	1	29
Community Funding General Grants	26	2	2	26
Rongotea Committee	6	0	0	6
	3,623	2,031	693	4,961
<b>Total Trust and Special Funds</b>	<b>3,809</b>	<b>2,045</b>	<b>709</b>	<b>5,145</b>



## 32 Explanation of major variances against budget

Explanations for major variations from MDC's estimated figures in the 2006-2016 LTCCP are as follows:

### Statement of financial performance

Net surplus for the year is \$320k against a budgeted surplus of \$893k. The most significant variations within the accounts are as follows:

- unbudgeted roading emergency works maintenance expenditure of \$2.8 million and associated Land Transport New Zealand funding received of 2.3 million;
- additional depreciation expense of \$1.4 million primarily due to revaluation of water, waste and roading infrastructural assets effective 1 July 2006;
- Manfeild Park loan grant of \$907k to 30 June 2007 towards construction of the new stadium reclassified as an advance receivable rather than operating expenditure as stated in the LTCCP;
- increase of \$550k in Environmental and Regulatory revenue primarily due to demand for building consents and growth related financial contributions;
- as at 30 June 2007 the Gordon Kear Forestry Encouragement loans of \$296k, interest expense of \$20k and repayments of \$23k for the year have been recognised (n.b. forestry loans are repayable to Palmerston North City Council from harvest proceeds);
- interest income received \$266k higher than expected due to effective funds management and upward movement in market interest rates.

### Statement of financial position

The greatest movements within the statement of Financial Position are as follows:

- a \$40 million increase in Property, Plant and Equipment consisting of a

\$51 million increase in water, waste and roading assets relating to the revaluation effective 1 July 2005 accounted for as part of the IFRS transition, partially offset by \$6 million of unspent capital expenditure;

- net borrowings for the year were \$10.5 million less than budgeted due to rescheduling of projects as adopted in the 2007/08 Annual Plan (Himatangi Beach sewerage \$4.2 million and Feilding Sewerage \$4.0 million) and funding of Manfeild Park stadium construction from cash investments rather than external borrowings;
- net movement in other equity reserves \$3.0 million less than budgeted primarily due to Roothing asset revaluation being lower than forecast as a result of lower than estimated construction unit rates.

### Statement of cash flows

Net cash at the end of the year of \$6.4 million is \$1.4 million lower than the forecast of \$7.8 million mainly due to:

- unspent capital expenditure of \$9.7 million primarily due to re-scheduling of Himatangi Beach sewerage system (\$3.95 million unspent) and Feilding wastewater treatment plant upgrade (\$3.85 million unspent);
- loan borrowings 7.0 million less than budget consisting of loans not uplifted for Himatangi Beach sewerage system, Feilding wastewater treatment plant and Manfeild Park Stadium construction;
- Manfeild Park operational grant of \$2.2 million and loan grant of \$0.9 million spent during the year funded from cash investments rather loan funded as budgeted.

## 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 2007 and includes:

- Overall performance
- Summary table, including notes on key variations

### Overall Performance

Overall the funding mix proposed by the Funding Policy was achieved.

The most significant variation was in Solid Waste Disposal where the planned 50% private contribution was not achieved due to closure of the Feilding landfill (nil tip revenue generated in 2006/2007).

## Summary Table

Significant Activity	ACTUAL			FUNDING POLICY	
	Public	Private	Function	Public	Private
Community Facilities	100%	0%	Public Conveniences	100%	0%
	4%	96%	Housing for the Elderly and Disabled	0%	100%
	76%	24%	Cemeteries	60%	40%
Democracy	100%	0%	Democracy and Policy Development	100%	0%
District	100%	0%	Community Funding and Development	100%	0%
Development	100%	0%	Economic Development	100%	0%
	66%	34%	Feilding CBD Redevelopment	65%	35%
	20%	80%	Feilding CBD Security	20%	80%
Emergency Management	100%	0%	Civil Defence	100%	0%
	100%	0%	Rural Fire	100%	0%
Environmental & Regulatory Management	99%	1%	Environmental Policy	100%	0%
	65%	35%	Animal Control – Policy	65%	35%
	3%	97%	Animal Control – Consents	0%	100%
	50%	50%	Animal Control – Monitoring and Enforcement	50%	50%
	20%	80%	Building Consents	20%	80%
	20%	80%	Environmental Health Consents	20%	80%
	60%	40%	General Inspection Consents	60%	40%
	20%	80%	Liquor Licensing Consents	20%	80%
	50%	50%	Planning Consents	50%	50%
	100%	0%	Environmental Monitoring and Enforcement	100%	0%

Significant Activity	ACTUAL			FUNDING POLICY	
	Public	Private	Function	Public	Private
Leisure	92%	8%	Libraries and Archives	95%	5%
Resources	100%	0%	Local Halls and Recreation Complexes	100%	0%
	98%	2%	Parks and Reserves	97%	3%
	70%	30%	Makino Aquatic Centre	65%	35%
	0%	100%	Parks and Reserves (Development due to growth)	0%	100%
Roading	48%	52%	Roading	55%	45%
	0%	100%	Roading (Development due to growth)	0%	100%
Waste	0%	100%	Wastewater	0%	100%
	0%	100%	Wastewater (Development due to growth)	0%	100%
	33%	67%	Solid Waste Collection	15%	85%
	99%	1%	Solid Waste Disposal	50%	50%
	100%	0%	Recycling	100%	0%
Water Supply	6%	94%	Rural Land Drainage	5%	95%
	20%	80%	Urban Stormwater	20%	80%
	0%	0%	Urban Stormwater (Development due to growth)	0%	100%
	0%	100%	Water Supply	0%	100%
	0%	100%	Water Supply (Development due to growth)	0%	100%

## Report on Liability Management and Investment Policies

### Liability Management Policy

#### Commentary

During the course of the financial year Council repaid \$2.942 million and raised \$5.374 million resulting in an increase in public debt from \$11.454 million at the start of the financial year to \$13.886 million at 30 June 2007.

#### Key Statistics

	Actual 2006		Actual 2007	Actual 2007
1.9%	Gross Interest Expense compared to Revenue (not to exceed 10%)		3.9%	3.7%
5.3%	Gross Interest Expense compared to Rates Revenue (not to exceed 20%)		6.9%	5.8%
13.4	Net Cash flows from operating activities to exceed Gross Interest Expense by 1.5 times		6.7	6.9
1.7	Net Working Capital Ratio (Current assets compared to current liabilities excluding current portion of debt and Properties for Sale – Target is 1 or greater.)		1.9	2.4
2.3%	Total Debt compared to Total Assets		2.8%	5.2%

Council has complied with all aspects of its Liability Management policy. For further information refer to Note 21.

#### 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 \$1,097,857 was up on last year's \$888,650 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 13.



## P2 Groups of Activities



# Guide to Part 2

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Part 2 summarises results from the 2006/07 financial year for Council's Groups of Activities.

## **Groups of Activities**

In 2006/07, Council provided various services organised into nine Groups of Activities. These are:

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

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.

### **The effects Council's activities have had on community wellbeing**

Describes the effects Council's activities have had on community wellbeing during the 2006/07 financial year. According to the Local Government Act 2002, local authorities are expected to promote the current and future social, economic, environmental and cultural wellbeing of their communities. Local authorities are therefore required to take account of all four aspects of wellbeing when making decisions.

Local Government New Zealand (2002) defines social, economic, environmental and cultural wellbeing:

Social – this might encompass those fac-

tors that enable individuals, their families, hapu and communities to set goals and achieve them – these include factors such as education, health, the strength of community networks and associations, financial and personal security, rights and freedoms of equity.

Economic – this might encompass those factors relating to the capacity of the economy to generate the employment wealth necessary to provide many of the prerequisites for social wellbeing, such as health services.

Environmental – this might encompass factors that relate ultimately to the capacity of the natural environment to support, in a sustainable way, the activities that constitute community life.

Cultural – this might encompass the shared beliefs, values, customs, behaviours and identities reflected through language, stories, experiences, visual and performing arts, ceremonies and heritage.

Over the past year Council has undertaken activities that contribute towards the social, economic, environmental and cultural wellbeing of the community. The effects are summarised either at the group or activity level.

### **What Council has achieved in 2006/07**

Summarises key work programmes, capital developments and special projects during the 2006/07 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 2006/07 financial year for each activity.

For comparison purposes, the first column contains actual data for 2005/06 and the last column contains budget information for 2006/07.

# 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 1,006 interviews conducted in January 2007.

## Methodology

The survey interviewed 401 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.

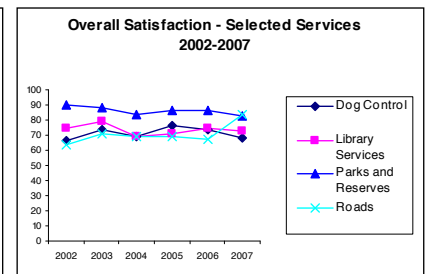
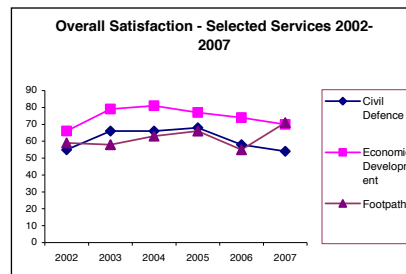
## Highlights

Highlights from the 2007 Communitrak survey are:

- 90% of residents are satisfied with food hygiene within the district (2006: 89%).
- 84% of residents are satisfied with Council's roads (2006: 67%).
- 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

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## Overall Goal

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

## Description

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

- Cemeteries in Feilding, Rongotea, Sanson, Halcombe, Kimbolton, Rangiwahia, 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 1950s 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

# Cemeteries



*The community has asked for:*

**A community that has access to effective services**

*In response to this Council aims to:*

Ensure there are facilities for the burial of deceased persons in accordance with the Burial and Cremation Act 1964 by:

- Meeting the social and cultural requirements for the provision of cemeteries in the community
- Providing and maintaining cemeteries
- Ensuring that the Manawatu District cemeteries are something of which the community can be proud

**The following effects on community wellbeing have been identified:**

**Environmental, social and cultural wellbeing:** While the Burial and Cremation Act 1964 requires local authorities to provide cemeteries to maintain public health and safety, provision of cemeteries is also of social and cultural significance providing a historical resource for the district and important places for burial and remembrance.

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
A cemetery service that meets social and cultural requirements and maintains human respect and dignity.	70% overall satisfaction with cemeteries as measured in Communitrak survey.	57% overall satisfaction.	Very/Fairly satisfied: 57% Not very satisfied: 5% Don't Know: 38%
A cemetery service that meets social and cultural requirements and maintains human respect and dignity.	90% visitor satisfaction with cemeteries as measured in Communitrak survey.	84% visitor satisfaction.	Very/Fairly satisfied: 84% Not very satisfied: 10% Don't Know: 6%
A cemetery service that meets criteria and standards in cemetery contract and statutory requirements in the Burial and Cremation Act 1964.	Monthly monitoring of cemetery maintenance contract outputs shows that outputs meet contract requirements.	Monthly monitoring shows that outputs are meeting contract requirements.	

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
A cemetery service that meets criteria and standards in cemetery contract and statutory requirements in the Burial and Cremation Act 1964.	Cemetery management and maintenance complies 100% with Burial and Cremation Act 1964.	100%	Upgrading of electronic cemetery records system also continues e.g. location maps; headstone photographs (Feilding Cemetery now completed).
Continued beautification of the Council-maintained cemeteries in Feilding, Rongotea, Sanson, Halcombe, Kimbolton, Rangiwahia, Waituna West and Pohangina.	Beautification programme carried out within specified timeframe and budget.	Beautification programme achieved within specified timeframes and budgets.	Ongoing beautification of Council-maintained cemeteries continues – including tree and shrub plantings.
Continued beautification of the Council-maintained cemeteries in Feilding, Rongotea, Sanson, Halcombe, Kimbolton, Rangiwahia, Waituna West and Pohangina.	70% overall satisfaction with cemeteries as measured in Communitrak survey.	57% overall satisfaction.	Very/Fairly satisfied: 57% Not very satisfied: 5% Don't Know: 38%
Continued beautification of the Council-maintained cemeteries in Feilding, Rongotea, Sanson, Halcombe, Kimbolton, Rangiwahia, Waituna West and Pohangina.	90% visitor satisfaction with cemeteries as measured in Communitrak survey.	84% visitor satisfaction.	Very/Fairly satisfied: 84% Not very satisfied: 10% Don't Know: 6%

## Operating and Capital Work Programme for 2006/2007

Significant Operations/Maintenance	Actual (Year to Date)	Budget	Explanation of Variance/Update
Continued beautification of the Council-maintained cemeteries in Feilding, Rongotea, Sanson, Halcombe, Kimbolton, Rangiwahia, Waituna West and Pohangina.			This cost is met under the current operational budget.
<b>TOTAL</b>	<b>0</b>		<b>0</b>

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Pohangina Cemetery Community Enhancement Project – this is the second stage and final \$10,000 contribution to Pohangina Cemetery Community Enhancement Project, brought forward from 2005/2006 to 2006/2007 (total \$20,000).	10,000	10,000	The Pohangina Cemetery Community Enhancement Project Team uplifted its first \$10,000 instalment in July 2004. The second stage and final contribution was uplifted in April 2007.
<b>TOTAL</b>	<b>10,000</b>		<b>10,000</b>

# Housing for the Elderly and Disabled

*The community has asked for:*

**A vital community that is cohesive and is characterised by community involvement**

More specifically a Community which cares for the elderly and disabled by meeting their housing needs through a range of appropriate and well-maintained homes.

*In response to this Council aims to:*

Ensure that a range of housing is available, which enables the elderly and disabled to remain in the Manawatu District by:

- Managing Housing for the Elderly and Disabled in a sustainable way;

(that is) with regard to future generations

- Maintaining safe, quality Housing for the Elderly and Disabled
- Ensuring affordable rentals are available for those on superannuation or with limited means

**The following effects on community wellbeing have been identified:**

**Social wellbeing:** The provision of low cost housing to distinct groups in the community contributes towards the social wellbeing of the community; through the provision of affordable housing in convenient locations, easy maintenance and a safe 'community' environment.

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
<p>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.</p> <p>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.</p>	<p>Work Programme is completed within timeframes and budgets.</p>	<p>Work programme has been completed within timeframes and budgets.</p>	<p>Under the Special Consultative Procedure (SCP), Council welcomed public submissions from Monday 30 July to Friday 31 August on the Council's proposal to:</p> <ul style="list-style-type: none"> <li>• Establish a Community Trust and</li> <li>• Transfer the ownership and management of Council's Housing for the Elderly and Disabled portfolio to the Community Trust.</li> </ul>

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Carry out necessary maintenance and work programmes to maintain HFTED units.	Annual Work Programme carried out within specified timeframes and budget.	Annual Work Programme is being carried out within specified timeframes and budget.	
Respond to 'very critical' maintenance requests immediately.	100% of all very critical maintenance requests responded to immediately.	100%	
208 units available to those who meet criteria.	95% occupancy rate.	93% occupancy rate.	Occupancy rate as at 30 June 2007.

### Operating and Capital Work Programme for 2006/2007

<b>Significant Operations/Maintenance</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Rangimarie, Alexandra, and Awahuri Road Flats – paint exterior.	79,497	88,000	All exterior painting work completed to a high standard by end of May 2007, on time and within budget.
<b>TOTAL</b>	<b>79,497</b>	<b>88,000</b>	

<b>Capital Works</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Renewals – programmed in accordance with the maintenance matrix.	94,743	48,000	As at 30 June 2007: 12 new cookers, 19 carpet installations, 6 new stainless steel sink benches, 5 new hot water cylinders, 3 new showers, 7 full interior redecorations, 1 new wet area shower.  This is over budget because interior decoration was originally budgeted as operating expenditure. It is now regarded as capital expenditure.
<b>TOTAL</b>	<b>94,743</b>	<b>48,000</b>	



# Public Conveniences

*The community has asked for:*

**A community that has access to effective services**

*In response to this Council aims to:*

Provide and maintain public conveniences to standards that enhance community wellbeing and maintains public health and safety by:

- Providing and maintaining public conveniences to established criteria and standards – open 24 hours a day, 7 days a week

- Meeting health requirements and community demand for public conveniences
- Ensuring public conveniences are safe and attractive
- Monitoring demand for public conveniences on tourist, bus and key arterial routes and where appropriate meet demand

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
Asset Management Plan implementation – replacement of obsolete components as indicated in plan.	70% overall satisfaction with public toilets as measured in Communitrak survey.	43% overall satisfaction.	Very/Fairly satisfied: 43% Not very satisfied: 31% Don't Know: 26%
Asset Management Plan implementation – replacement of obsolete components as indicated in plan.	88% user satisfaction with the public toilets as measured in Communitrak survey.	60% user satisfaction.	Very/Fairly satisfied: 60% Not very satisfied: 36% Don't Know: 4%
Meet health requirements and community demand for public conveniences through service provision of toilets.	70% overall satisfaction with public toilets as measured in Communitrak survey.	43% overall satisfaction.	Very/Fairly satisfied: 43% Not very satisfied: 31% Don't Know: 26%
Meet health requirements and community demand for public conveniences through service provision of toilets.	88% user satisfaction with the public toilets as measured in Communitrak survey.	60% user satisfaction.	Very/Fairly satisfied: 60% Not very satisfied: 36% Don't Know: 4%



What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
Exterior security lighting is used at night. Toilets are regularly maintained and cleaned.	There are no safety incident reports. The above satisfaction levels remain in line with targets.	Zero (0) safety incident reports.	All satisfactory here except for the occasional vandalism and graffiti incident the effects of which are taken care of immediately.
Monitor demand for public conveniences on tourist, bus and key arterial routes and where appropriate meet demand.	The Exeloo in Sanson automatically monitors use.	The Exeloo in Sanson automatically monitors use.	331,140 users as at 30 June 2007. This is a cumulative 12-month total to the end of June.

## Operating and Capital Work Programme for 2006/2007

Significant Operations/Maintenance	Actual (Year to Date)	Budget	Explanation of Variance/Update
<b>TOTAL</b>	<b>0</b>	<b>0</b>	

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Himatangi Beach – public conveniences: up to \$150,000 has been provided for investigation and installation of separate toilets/outdoor showering facilities at Himatangi Beach.	0	150,000	Toilet/outdoor showering design options are currently being prepared and costed. It is anticipated that the options will be presented to the Himatangi Beach community via its liaison councillor for comment on design and siting preferences. Project and funding have been carried over to the 2007/2008 Annual Plan.
Public toilets upgrade: funding of up to \$200,000 has been provided to investigate and upgrade the existing Sanson public toilets.	0	200,000	Toilet design options are currently being prepared and costed. It is anticipated that the options will be presented to the Sanson community for comment on design and siting preferences. Project and funding have been carried over to the 2007/2008 Annual Plan.
<b>TOTAL</b>	<b>0</b>	<b>350,000</b>	

# Community Facilities

## Funding Summary for the year ended 30 June 2007

Actual 2006 \$000		Actual 2007 \$000	Budget 2007 \$000	% Completed
<b>Operating Costs</b>				
416	Housing for the Elderly and Disabled	621	652	95%
175	Cemeteries	202	177	114%
54	Public Conveniences	50	98	51%
83	Interest	68	69	99%
485	Depreciation	487	477	102%
153	Support Costs	134	138	97%
<b>1,366</b>	<b>Total Operating Costs</b>	<b>1,562</b>	<b>1,611</b>	<b>97%</b>
<b>Capital Costs</b>				
0	New Work	10	375	3%
91	Renewal Work	95	48	198%
79	Loan Repayments	684	91	752%
<b>170</b>	<b>Total Capital Costs</b>	<b>789</b>	<b>514</b>	<b>154%</b>
<b>1,536</b>	<b>TOTAL COSTS</b>	<b>2,351</b>	<b>2,125</b>	<b>111%</b>
<i>Funded By:</i>				
<b>Operating Revenue</b>				
189	Targeted Rates	237	235	101%
852	User Fees	878	928	95%
<b>1,041</b>	<b>Total Operating Revenue</b>	<b>1,115</b>	<b>1,163</b>	<b>96%</b>
<b>Capital Funding</b>				
0	Renewal Loans Raised	616	0	
0	Transfers from Invest- ments	113	485	23%
485	Funding from Non Cash Items	487	477	102%
<b>485</b>	<b>Total Capital Funding</b>	<b>1,216</b>	<b>962</b>	<b>126%</b>
<b>1,526</b>	<b>TOTAL FUNDING</b>	<b>2,331</b>	<b>2,125</b>	<b>110%</b>
<b>(10)</b>	<b>CASH SURPLUS/ (DEFICIT)</b>	<b>(20)</b>	<b>0</b>	

# 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.

## 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

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.

*The Community has asked for:*

**A vital community that is cohesive and is characterised by community involvement**

*In response to this Council aims to:*

Provide for effective local democratic governance and efficiently, effectively and fairly respond to community present and future needs by:

- Assisting the community in identifying the expectations and priorities for the future (community outcomes)
- Ensuring Council's strategic direction aligns with community aspirations
- Meeting the Council's planning and reporting responsibilities
- Advocating on the district's behalf to other agencies, including central and regional government, on various issues
- Increasing awareness of Council's activities and decisions which affect the community
- Providing for effective, democratic local government
- Seeking to increase Maori involvement in local decision-making

**The following effects on community wellbeing have been identified:**

**Community wellbeing:** This activity, through the underlying democratic process and development of policies relating to all activities and functions of Council, contributes to all aspects of community wellbeing; social, economic, environmental and cultural wellbeing.

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
Monitor progress against meeting community outcomes.	A monitoring framework is in place which accurately gauges progress towards meeting community outcomes.	Monitoring framework yet to be developed.	As at 30 June 2007 Manawatu District Council is working collaboratively with other local authorities within the region to collect key performance indicators (KPIs). The KPIs will form the basis of a monitoring framework for measuring progress against meeting community outcomes.
Timely and efficient production of Planning and Reporting requirements which meets local government legislation.	All Plans and Reports are 100% compliant with local government legislation (Council Records/Audit NZ opinions).	All Plans and Reports 100% compliant as at 30 June 2007.	The 2007/08 Annual Plan was adopted by Council on 21 June.
Respond to community needs as and when they arise and, where appropriate, make representations to central government and other authorities and organisations.	70% community satisfaction with Mayor and Councillors as measured in Communitrak survey.	82% community satisfaction.	58% of respondents rated the Mayor and Councillors as very/fairly good and 24% as just acceptable.
Review the current means of communication with the public.	Review is undertaken.	A review is yet to commence.	
Consult on major decisions and expenditure facing particular communities, in accordance with Council's Significance Policy.	70% community satisfaction with Mayor and Councillors as measured in Communitrak survey.	82% community satisfaction.	58% of respondents rated the Mayor and Councillors as very/fairly good and 24% as just acceptable.
Consult on major decisions and expenditure facing particular communities, in accordance with Council's Significance Policy.	70% community satisfaction with the level of communication and information from Council as measured in Communitrak survey.	81% community satisfaction.	54% of respondents rated the level of information from Council as very/fairly good and 27% as just acceptable.
Work with the Marae Consultative Committee to explore means of attaining wider Maori participation in local decision-making.	There are effective means by which Maori can contribute to local decision-making.	Policy in place as at 30 June 2007.	After working with Council's Strategic Planner the Marae Consultative Committee approved a proposed list of Maori interests. This list forms the foundation of a Maori Interests Database, which will be used as a means of contacting Maori groups and individuals should any issues arise which concern them.

## Operating and Capital Work Programme for 2006/2007

Not applicable for this activity.

# Democracy

## Funding Summary for the year ended 30 June 2007

Actual 2006 \$000		Actual 2007 \$000	Budget 2007 \$000	% Completed
<b>Operating Costs</b>				
387	Mayor & Members	378	393	96%
61	Other Council	35	43	81%
67	Public Relations	58	60	97%
157	Strategic Planning	379	374	101%
150	Secretariat	184	191	96%
0	Elections	6	0	
439	Support Costs	400	392	102%
<b>1,261</b>	<b>Total Operating Costs</b>	<b>1,440</b>	<b>1,453</b>	<b>99%</b>
Capital Costs				
<b>1,261</b>	<b>TOTAL COSTS</b>	<b>1,440</b>	<b>1,453</b>	<b>99%</b>
<i>Funded By:</i>				
<b>Operating Revenue</b>				
1,120	Targeted Rates	1,466	1,453	101%
<b>1,120</b>	<b>Total Operating Revenue</b>	<b>1,466</b>	<b>1,453</b>	<b>101%</b>
<b>Capital Funding</b>				
<b>1,120</b>	<b>TOTAL FUNDING</b>	<b>1,466</b>	<b>1,453</b>	<b>101%</b>
<b>(141)</b>	<b>CASH SURPLUS/ (DEFICIT)</b>	<b>26</b>	<b>0</b>	

# District Development

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## 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 wellbeing, 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 CBD 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 wellbeing - Social responsibility to assist and support community organisations and individuals

Community expectation - Expectation for Council to be involved

# Community Funding and Development



*The Community has asked for:*

**A vital community that is cohesive and is characterised by community involvement**

A community where people are able to go about their business and leisure any time of the day or evening without fear for their safety

*In response to this Council aims to:*

Increase the extent to which Manawatu District communities can respond to their own needs by:

- Ensuring the provision of information services to local residents and visitors
- Supporting community organisations through appropriate funding opportunities
- Making appropriate contributions to regional facility projects
- Continuing to support and encour-

age community arts and cultural initiatives

- Helping build local communities by supporting sport, fitness and physical leisure organisations
- Assisting development of a safer community

**The following effects on community wellbeing have been identified:**

**Social and cultural wellbeing:** Applications for Community Development Funding (\$175,000 per annum) are required to demonstrate how projects primarily contribute towards the social and cultural wellbeing and secondarily to the economic and environmental wellbeing of the community. Organisations funded include Neighbourhood Support, Manchester House Social Services, Te Manawa, Social Issues Network Council of Social Services, Manawatu Rural Support and the Feilding and Districts Youth Board.

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
<b>District Awareness</b>			
Maintain effective operation of Feilding and Districts Information Centre via Destination Manawatu contract with Feilding Promotion.	There is an increase on past 3-year average for visitor enquiries, foot traffic, bookings and sales.	Activities show increases and decreases in various areas - see comments.	The summary of numbers through the door of Feilding and Districts Information Centre (FDIC) shows an overall decrease in visitors to FDIC of 11.3%. There has been a decrease in local, national and international visitors with the greatest decrease in the number of national visitors (-20% on the previous year). It is important to note that this is collected manually. The Visitor Consultants therefore note visitor numbers as they transact business and interact with the customers. During busy periods the numbers can get missed and there have also been staff changes and temporary staff and this means that the charts are not always accurately updated. In this respect data is used to monitor trends only. June year end ticket sale accounts are not yet available so reference here is made to comparative data using the 11 months to the end of May 2007.

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
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Overall the revenue from ticket sales is up on the previous year. This is through a significant increase in event bookings. There has been considerably more interchange between FDIC and I-SITE PN over the last 12 months particularly in database development and information sharing regarding accommodation availability. Where applicable there has been joint advertising at local and national levels that benefits both centres.

**Community Facilities, Marae and Organisations.**

Allocation of Community Development Fund and Creative Communities Funding Scheme.	100% of grants approved meet Council criteria (Council records).	100%	All grants approved over the past year have been assessed by the Community Wellbeing Subcommittee and meet criteria.
Allocation of Trust funds (e.g. Hook Bequest and Robert Dickson Education Trust).	100% of grants approved meet Trust criteria (Council records).	100%	All grants approved over the past year have been assessed by the Community Wellbeing Subcommittee and meet criteria.
Contributions to regional facility projects.	Assessed on a project-by-project basis.	Assessed on a project-by-project basis.	Contributions made to the Asset Database Project as outlined in the Regional Sport and Recreation Strategy.

**Recreation, Arts and Culture.**

Continued involvement in Creative Communities New Zealand Scheme allocation.	100% of grants approved meet Scheme criteria.	100%	All grants approved over the past year have been assessed by the Community Wellbeing Subcommittee and meet criteria.
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<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Activity programmes delivered as per agreement with Sport Manawatu (including joint funding of an event co-ordinator position with Palmerston North City Council).	Activities and programmes carried out within specified timeframe – work programme reported against six-monthly.	Activities and programmes have been completed to timeframes and reported at six-monthly intervals.	Target achievements (including activities and programmes) are reported on via Sport Manawatu's 6 and 12-month reporting regime. Sport Manawatu gave a six-month collective presentation to funders on 14 March 2007, with the formal first six-month report (from 31 July 2006 to 31 December 2006) presented to the Strategic Planning and Policy Committee meeting of 19 April 2007. The second six month report is scheduled to come to Council in November 2007 following a collective presentation to funders on 12 September 2007.
Carry out work programme as specified in the District Leisure Plan (and provide support for other initiatives).	Annual work programmes carried out within specified timeframe – work programme reported against two-yearly.	Tracking.	Target achievements (including activities and programmes) are on track. The District Leisure Plan contains five themes with related outcomes and measurements; developed to monitor progress towards outcomes and ensure that the Plan remains relevant and meets the needs of our ever-changing community. Monitoring reports against progress are prepared biennially; the next report is due in 2007.
<b>Safer Community</b>			
Safety projects (via funding sourced from Crime Prevention Unit) including Youth Anger Management Programme, Neighbourhood Support, Community Patrol.	Projects are carried out within specified timeframe and budget.	Projects were carried out within specified timeframe and budget.	Target achievements (including activities and programmes) are reported on a 6 and 12-month reporting regime. Service providers met all specified targets; forwarding six-monthly reports to Crime Prevention Unit via MDC in February and August 2007.

## Operating and Capital Work Programme for 2006/2007

Significant Operations/Maintenance	Actual (Year to Date)	Budget	Explanation of Variance/Update
Community Development Funding.	177,407	175,000	Due to the rollover of unallocated funds from previous years there is provision for Community Development Funding to be overspent by \$8,000 per annum. This fund is responsive to community need.
Sport Manawatu funding (annual grant and events co-ordinator) - service agreement agreed through to June 2009.	70,000	70,000	
Pohangina Valley Landscape and Community Group funding.	5,000	5,000	Allocation uplifted in September 2006.
24-hour security – for the provision of 24-hour security in the town centre.	60,000	60,000	
<b>TOTAL</b>	<b>312,407</b>	<b>310,000</b>	

# Economic Development

*The Community has asked for:*

**A vital community that is cohesive and is characterised by community involvement**

*In response to this Council aims to:*

Assist and encourage the sustainable economic development of Manawatu District urban and rural communities through partnerships by:

- Supporting provision of services related to economic development through appropriate agencies
- Encouraging the District Plan to protect land suitable for economic development
- Providing support for ongoing implementation of the Regional Economic Development Strategy
- Supporting promotion of the district as a quality destination for tourists and visitors

- Promoting Feilding and the district as a quality place to live with excellent facilities and infrastructure

**The following effects on community wellbeing have been identified:**

**Economic wellbeing:** The whole community benefits from Economic Development 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 wellbeing of the residents. A healthy district economy is vital to the present and future viability of the community. Specific activities that contribute toward economic wellbeing include the development of Manfeild Park, work undertaken by key agencies Vision Manawatu, Destination Manawatu, Sport Manawatu and Feilding Promotion.

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
Broker central government support and investment in the region for Manawatu Economic Priority Sectors (via contract with Vision Manawatu).	\$300,000 per annum of central government funding is obtained.	More than \$300,000 per annum of central government funding was obtained.	The total value of SmartStart grants processed through VM was \$111,128 (the second highest level of grants approved since 2002). Half of this (\$50,564) was government funding sourced from the Foundation of Research, Science and Technology. VM also processed three Grants for Private Sector Research and Development (GPSRD). \$148,115 and six GPSRD grants for companies \$284,200.

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Implementation of marketing campaigns to grow the domestic international leisure market (via contract with Destination Manawatu).	The number of visitor arrivals, bed nights and expenditure increases on the past three-year average.	Activities show increases and decreases in various areas - see comments.	Please note the Visitor Arrivals, Bed Nights data contained in DM's 12-month report relating to this measure and circulated to councillors.
Increase Feilding's business capacity through organising bi-monthly business networking functions and seminars that assist and encourage businesses to grow (via contract with Feilding Promotion).	Six functions are held each year.	Six functions are held each year.	The functions include business networking functions and seminars. This target is reported against through Feilding Promotion's 12-month reporting process.
Increase Feilding's business capacity through organising bi-monthly business networking functions and seminars that assist and encourage businesses to grow (via contract with Feilding Promotion).	There is an average of 20 attendees.	There is an average of 20 attendees.	This target is reported against through Feilding Promotion's 12-month reporting process.
Increase Feilding's business capacity through organising bi-monthly business networking functions and seminars that assist and encourage businesses to grow (via contract with Feilding Promotion).	80% satisfaction with the seminars.	80% satisfaction with the seminars.	This target is reported against through Feilding Promotion's 12-month reporting process.

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Increase Feilding's business capacity through organising bi-monthly business networking functions and seminars that assist and encourage businesses to grow (via contract with Feilding Promotion).	80% overall community satisfaction with economic development in the district as measured in Communitrak survey.	70% overall satisfaction.	Very/Fairly satisfied: 70% Not very satisfied: 8% Don't Know: 22%
Review of industrial and residential land supply for Feilding.		Joint review of industrial land completed in conjunction with Palmerston North City Council.	A Joint Industrial Land Review, prepared by Good Earth Matters Consulting Limited on behalf of Palmerston North City and Manawatu District Councils, was released in August 2007. After consideration of the report, both Councils have agreed to work together to prepare a Combined Urban Growth Strategy, in order to achieve a more collaborative approach to land use planning in the Manawatu and Palmerston North areas. Meanwhile, the first stage of the Manawatu District Council's 50-year Feilding urban growth plan was completed with 87.2ha of land in the town being rezoned residential from rural and now available for property development. The change became operative from 1 August. Council will now start to identify another plot of land as a logical second step for development.

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Broker central government support and investment in the region which develops the supporting sectors of the Regional Economic Strategy.	\$700,00 of funding per annum is obtained from central government.  80% satisfaction with enterprise training programmes.	Target met.	Over \$1.3 million in central government grants were approved in the half year to 31 December 2006. Funding obtained in the last six months: The total value of Smart-Start grants processed through VM was \$111,128 (the second highest level of grants approved since 2002). Half of this (\$50,564) was government funding sourced from the Foundation of Research, Science and Technology. VM also processed three Grants for Private Sector Research and Development (GPSRD) - \$148,115- and six GPSRD grants for companies - \$284,200.

#### **District Promotion**

Tourist and visitor development activities including continued industry cluster development (via contract with Destination Manawatu, in cooperation with other agencies e.g. Vision Manawatu, Massey University, Sport Manawatu, Feilding Promotion).	Appropriate cluster development takes place.	Appropriate cluster development is taking place	Please note the Collaborative Culture for Tourism Development section of DM's 12-month report for information relating to this measure (pages 16 and 17) as circulated to councillors.
Positive promotion of Feilding and the district to key markets (facilitated by Feilding Promotion, in cooperation with other agencies e.g. Vision Manawatu, Sport Manawatu and Destination Manawatu).	A promotion programme is implemented within timeframe and budget.	A promotion programme is implemented within timeframe and budget	Promotion examples were noted during the presentation of Feilding Promotion's 12-month report to the Strategic Planning and Policy Committee meeting of 21 September 2006 as well as the formal reports from Vision Manawatu, Sport Manawatu and Destination Manawatu. Feilding Promotion next updates Council on promotion examples in September 2007.

## Operating and Capital Work Programme for 2006/2007

Significant Operations/Maintenance	Actual (Year to Date)	Budget	Explanation of Variance/Update
Vision Manawatu funding Three-year agreement in place.	150,000	150,000	
Destination Manawatu funding (three-year agreement in place).	115,000	115,000	
<b>Administration</b>			
Public Information services contract to Feilding Promotion.	62,600	62,600	
<b>Marketing</b>			
Feilding Promotion funding - \$140,500 (this amount does not include the additional \$62,600 information services funding received via Destination Manawatu). Service agreement agreed through to June 2009.	140,500	140,500	
Economic Development – Internal.	29,438	56,000	This total represents rental payment re 10 Manchester Square (budget = \$16,000) and Internal Economic Development expenditure to date (budget = \$40,000)
Regional initiatives – allows Manawatu District Council to meet its joint commitments with Palmerston North City Council.	5,516	5,000	Expenses here relate to Palmerston North International Airport regional signage. Costs were shared with PNCC.
Manfeild Park Trust (funding is made to assist the approved capital works programme at Manfeild Park):			
Grant	2,240,000	2,250,000	MDC and PNCC have put in place a Loan Agreement with Manfeild Park Trust re the approved capital works programme.
Loan	0	1,000,000	Works programme in progress, with loan monies to be uplifted during 2007/08.
Community Investment	250,000	250,000	This funding is applied for on an as-needs basis and has been fully utilised in this financial year.
<b>TOTAL</b>	<b>3,033,054</b>	<b>4,069,100</b>	

# Feilding CBD Development

*The Community has asked for:*

**A vital community that is cohesive and is characterised by community involvement**

A community where people are able to go about their business and leisure any time of the day or evening without fear for their safety

*In response to this Council aims to:*

Upgrade the Feilding Central Business District (CBD) so that an environment for revitalisation and growth is created for the benefit of the Manawatu District in which commercial activity is enhanced, community use is promoted and a greater sense of ownership and pride is generated. This will be achieved by:

- Continuing to develop a vibrant, viable and character retail shopping centre
- Encouraging the protection and restoration of designated heritage aspects of the Feilding CBD

- Ensuring the CBD is safe, attractive and used by the community
- Promoting and beautifying other small village centres in the Manawatu district

**The following effects on community wellbeing have been identified:**

**Social, cultural and economic wellbeing:** There are significant benefits for social, cultural and economic wellbeing associated with the development of an attractive business centre. Feilding CBD provides the main retail business area in the Manawatu district. A redeveloped CBD contributes to a sense of civic pride, promotes the district, creates a positive atmosphere, a place for community gatherings and celebration and is available to everyone. It helps maintain the attractiveness of the area for retail and provides business and employment opportunities.

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
<b>Feilding</b>			
Implement a component of the Feilding CBD Development Plan ( the priorities still to be confirmed).	Upgrading work completed - \$150,000 in 2006/07.	Construction is underway and due for completion on Manchester Street by 30 June 2007.	As at 30 June 2007 \$175,640 has been spent on redevelopment in Warwick Street/Kimbolton intersection up-grades (\$100,771) and in Manchester Street (\$74,869).



What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
Allocation of the Heritage Incentive Strategy Fund	100% of grants approved meet Council criteria	100%	One grant approved as at 30 June 2007.
Events, incorporating use of the CBD where appropriate, are delivered as per agreement with Feilding Promotion.	Contract outcomes satisfy KPIs – in sixmonth report.	Contract outcomes satisfy KPIs.	This target will next be reported against through Feilding Promotion's 12-month report.
Ensure pavers and street furniture are kept clean and tidy.	Record non compliances from the maintenance reports – no more than one non-compliance every two years.	There have been some complaints on the frequency of cleaning, however, recent cleaning has reduced the number of complaints.	A consistent cleaning programme has been implemented.

#### Villages and Other Communities

Develop programmes for revitalisation as requested by respective communities.	Programmes developed on request.	No requests have been received for revitalisation from any specific community.	No requests have been received for revitalisation from any specific community.
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### Operating and Capital Work Programme for 2006/2007

Significant Operations/Maintenance	Actual (Year to Date)	Budget	Explanation of Variance/Update
<b>TOTAL</b>	<b>0</b>	<b>0</b>	

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
CBD Development – implementing parts of the Feilding CBD Development Plan (Dec 2001) by funding \$0.95 million of the outstanding \$3.003 million.	100,771	150,000	As at 30 June 2007 \$175,640 has been spent on redevelopment in Warwick Street/Kimbolton Road intersection upgrades (\$100,771) and in Manchester Street (\$74,869). (Please note that this latter amount was charged to the Roading activity.)
<b>TOTAL</b>	<b>100,771</b>	<b>150,000</b>	

# District Development

## Funding Summary for the year ended 30 June 2007

Actual 2006 \$000		Actual 2007 \$000	Budget 2007 \$000	% Completed
<b>Operating Costs</b>				
396	Community Funding	437	385	114%
36	Community Development	42	84	50%
572	Economic Development	568	609	93%
260	Manfeild Park Development	2,490	3,500	71%
60	CBD - Security	60	60	100%
72	Interest	212	66	321%
5	Depreciation	5	5	100%
60	Support Costs	63	88	72%
<b>1,461</b>	<b>Total Operating Costs</b>	<b>3,877</b>	<b>4,797</b>	<b>81%</b>
<b>Capital Costs</b>				
7	New Work	101	150	67%
56	Loan Repayments	61	61	100%
82	Transfers to Investments	50	0	
<b>145</b>	<b>Total Capital Costs</b>	<b>212</b>	<b>211</b>	<b>100%</b>
<b>1,606</b>	<b>TOTAL COSTS</b>	<b>4,089</b>	<b>5,008</b>	<b>82%</b>
<i>Funded By:</i>				
<b>Operating Revenue</b>				
188	Targeted Rates	184	182	101%
1,201	General Rates	1,277	1,277	100%
66	Subsidies	66	22	300%
4	User Fees	4	4	100%
<b>1,459</b>	<b>Total Operating Revenue</b>	<b>1,531</b>	<b>1,485</b>	<b>103%</b>
<b>Capital Funding</b>				
0	New Loans Raised	0	3,400	0%
142	Transfers from Investments	134	119	113%
5	Funding from Non Cash Items	5	5	100%
<b>147</b>	<b>Total Capital Funding</b>	<b>139</b>	<b>3,524</b>	<b>4%</b>
<b>1,606</b>	<b>TOTAL FUNDING</b>	<b>1,670</b>	<b>5,009</b>	<b>33%</b>
<b>0</b>	<b>CASH SURPLUS/ (DEFICIT)</b>	<b>(2,419)</b>	<b>1</b>	

# Emergency Management

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## 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, Long burn, 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.



# Civil Defence

*The community has asked for:*

**A vital community that is cohesive and is characterised by community involvement**

*In response to this Council aims to:*

- Provide leadership during an emergency situation by promoting a resilient community capable of responding
- Co-ordinate efficient and effective emergency management through partnership and community co-operation
- Reduce risk and minimise the adverse effects of natural and manmade disasters on people, the environment, infrastructure and property
- Ensure that there is an effective district-wide emergency management capability to respond to and recover from natural and manmade events

- Promote community awareness of hazards and emergency management, to create a resilient and prepared community

**The following effects on community wellbeing have been identified:**

**Social and economic wellbeing:** The provision of Emergency Management (both civil defence and rural fire) services contributes towards social and economic wellbeing through minimising risk to life and property. Emergency Management is responsible by statute to ensure that the community is capable of responding and recovering from the aftermath of disaster. This includes both natural (e.g. earthquakes, floods) and manmade events (e.g. chemical spills) as well as rural fires, e.g. vegetation fire.

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
Training of Civil Defence volunteers.	Volunteers continue to be retained (present level of 76 volunteers).	36 volunteers as at 30 June 2007.	40 volunteers are considered sufficient to maintain a viable response to an event.
Training Council staff in Civil Defence Emergency Management (CDEM) procedures particularly Emergency Operations Centre (EOC) staff.	Staff are judged competent in simulated emergency event, or actual event.	Staff need to be assessed in a simulated situation.	Training for Council staff ongoing.
CDEM Plan is produced.	Plan accepted by Manawatu District Council.	Plan accepted as stated.	CDEM Plan still current.
Train emergency services personnel in level two and four of the Co-ordinated Incident Management System (CIMS).	Ongoing training takes place.	Level 2 and 4 CIMS courses have been undertaken by the regional training team. Two CIMS courses completed to date.	Level two training to continue. Level four delivered on as required basis.
Increased integration within Horizons Region, utilising public awareness programme.	Communitrak surveys indicate greater public awareness (see Communitrak target below).	54% community satisfaction.	Very/Fairly satisfied: 54% Not very satisfied: 10% Don't Know: 36%
Apply appropriate processes and effectively manage local emergency events through District Emergency Management Committee (EMC).	Emergency situations managed successfully.		The Manawatu District 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.

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Staff to be trained in CIMS.	EOC and community emergency staff are deemed competent by regional assessment team.		Assessment carried out by regional Emergency Management Officer. Staff deemed competent.
EMC for the Manawatu formed and meeting regularly to develop response plans.	EOC and community emergency staff are deemed competent by regional assessment team.		The Manawatu District EMC has developed activation procedures and a communications protocol that is consistent with the regional EMG Plan, and since tested by February 2004 events. EMC meetings are held on a quarterly basis.
Recovery system fits with the requirements of CDEM Group Recovery Plan.	70% community satisfaction with Civil Defence as measured in Communitrak survey.	54% community satisfaction.	Very/Fairly satisfied: 54% Not very satisfied: 10% Don't Know: 36%
Advertising in local media to promote and educate residents on preparation and response to natural disasters and emergencies.	70% community satisfaction with Civil Defence as measured in Communitrak survey.	54% community satisfaction.	Very/Fairly satisfied: 54% Not very satisfied: 10% Don't Know: 36%
Continue meetings and plan tabletop exercises. Exercises with the CDEM Group.	Linkages to CDEM group are demonstrated through individual service links e.g. radio communications.	Linkages to CDEM group are ongoing.	Linkages to CDEM Group are mostly achieved through Council representation at Coordinating Executive Group (CEG) and Joint Committee levels.

## Operating and Capital Work Programme for 2006/2007

<b>Significant Operations/Maintenance</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
<b>TOTAL</b>	<b>0</b>	<b>0</b>	

<b>Renewals</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Replacement of Civil Defence Emergency Trailer.	5,990	12,000	Emergency trailer has been replaced; under budget due to favourable trading conditions.
<b>TOTAL</b>	<b>5,990</b>	<b>12,000</b>	

# Rural Fire

*The community has asked for:*

**A vital community that is cohesive and is characterised by community involvement**

*In response to this Council aims to:*

- Provide leadership during an emergency situation by promoting a resilient community capable of responding

- Minimise the risk to people and property through the provision of effective emergency management before, during and after an event, consistent with the Civil Defence Emergency Management Group (CDEMG) Plan

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
Monitor rural fire conditions and keep public informed through the Council's website and media – maintain the present level of service until such time as the future of rural fire is decided.	Public updated through website/newspaper/bulletin page/radio.	Updates provided as stated.	Public updated on a monthly basis. This will revert to a weekly update as fire weather changes during summer.
Issue rural fire permits at present level.	Fire permits issued in a timely and professional manner – within 24 hours of request.	Fire permits issued as stated.	
Provide rural fire public education – maintain present level.	Reduction in nonpermitted fires in rural area during restricted fire season.	Considerable reduction in non-permitted fire during the restricted fire season.	Currently open fire season.
Implementation of rural fire plan – present fire plan will be carried forward until future of rural fire determined.	Fire plan approved by Manawatu District Council.	Fire plan approved as stated.	
Fire conditions able to be accessed on the Manawatu District Council web site – present level of service.	Community able to access fire conditions on internet.	Access available as stated.	

## Operating and Capital Work Programme for 2006/2007

Not applicable for this activity.



# Emergency Management

## Funding Summary for the year ended 30 June 2007

<b>Actual 2006 \$000</b>		<b>Actual 2007 \$000</b>	<b>Budget 2007 \$000</b>	<b>% Completed</b>
<b>Operating Costs</b>				
101	Civil Defence	107	116	92%
41	Rural Fire	25	45	56%
1	Flood 04	0	0	
7	Depreciation	6	8	75%
45	Support Costs	67	72	93%
<b>195</b>	<b>Total Operating Costs</b>	<b>205</b>	<b>241</b>	<b>85%</b>
<b>Capital Costs</b>				
15	Renewal Work	6	16	38%
<b>15</b>	<b>Total Capital Costs</b>	<b>6</b>	<b>16</b>	<b>38%</b>
<b>210</b>	<b>TOTAL COSTS</b>	<b>211</b>	<b>257</b>	<b>82%</b>
<i>Funded By:</i>				
<b>Operating Revenue</b>				
166	Targeted Rates	192	187	103%
29	General Rates	27	53	51%
0	Flood 04	38	0	
7	Subsidies	6	8	75%
1	User Fees	5	0	
<b>203</b>	<b>Total Operating Revenue</b>	<b>268</b>	<b>248</b>	<b>108%</b>
<b>Capital Funding</b>				
7	Funding from Non Cash Items	6	8	75%
<b>7</b>	<b>Total Capital Funding</b>	<b>6</b>	<b>8</b>	<b>75%</b>
<b>210</b>	<b>TOTAL FUNDING</b>	<b>274</b>	<b>256</b>	<b>107%</b>
<b>0</b>	<b>CASH SURPLUS/ (DEFICIT)</b>	<b>63</b>	<b>(1)</b>	

# Environmental & Regulatory Management

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## 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 2004
- Dog Control Act 1996
- Food Act 1981
- Food Hygiene Regulations 1974
- Hazardous Substances and New Organisms Act 1996
- Health Act 1956
- 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

**The following effects on community wellbeing have been identified – this applies to all activities within the Environmental and Regulatory Group:**

**Environmental wellbeing:** The activities undertaken by this group make a significant contribution to the community's environmental wellbeing. Animal Control,

Building Control, Environmental Health, General Inspection and Liquor Licensing activities assist to safeguard public and environmental health and safety through effective regulatory controls, education and other methods. While District Planning services ensure a healthy environment through appropriate development, sustainable land use and protection of environmental resources.



# Animal Control

*The community has asked for:*

**A community where people are able to go about their business and leisure any time of the day or evening without fear for their safety**

*In response to this Council aims to:*

- Provide effective animal control that involves dealing with animals, especially dogs that pose a danger to people, stock, domestic animals and protected wildlife in the district by:
- Enforcing the Impounding Act and existing bylaws relating to Animal

Control including dogs and wandering stock

- Providing specified areas for exercising dogs
- Rewarding dog owners for effective control of dogs through an incentive system and review where necessary
- Providing (where appropriate) or facilitating the provision of education programmes for animal owners, particularly dog owners

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
Provide via contract a 24 hour, 7 day a week animal control service.	80% user satisfaction with Council's control of dogs as measured in Communitrak survey.	64% user satisfaction.	Very/Fairly satisfied: 64% Not very satisfied: 32% Don't Know: 4%
Review dog policy and bylaws.	75% community satisfaction with Council's control of dogs as measured in Communitrak survey.	68% community satisfaction.	Very/Fairly satisfied: 68% Not very satisfied: 21% Don't Know: 11% Bylaw review underway with scheduled completion 2007.
Respond within 15 minutes to verbal notification of an animal attack.	90% of verbal notifications responded to within 15 minutes.	75.3%	65 dog attack notifications were received as at 30 June 2007. 49 were responded to within 15 minutes. Dog attack statistics provided by contractor on a monthly basis.
Provision of sixteen areas for exercising dogs.	Sixteen exercise areas are available for dogs exercise.	Sixteen areas are available for dogs.	Subject to possible change through bylaw review.
"Preferred owner" system rewards responsible dog owners via lower registration fees.	Number of preferred owners – ongoing.	Number of preferred owners – ongoing.	435 known preferred owners for the year ending 30 June 2007.
Delivery of dog education programmes.	Dog education programmes take place in one-third of the District's primary and intermediate school classes each year.	More than 700 children in 35 classes at 8 schools received the programme.	All schools requesting the programme have been visited.

## Operating and Capital Work Programme for 2006/2007

Not applicable for this activity.

# Building Control

*The community has asked for:*

**A community where people are able to go about their business and leisure any time of the day or evening without fear for their safety**

*In response to this Council aims to:*

Provide an important service that ensures buildings are sanitary and designed to resist fire and earthquakes and protect the community from poor building practice for future generations.

Council will meet legislative requirements and community expectations by:

- Safeguarding public and environmental health and safety through effective regulatory controls, education and other methods.
- Maintaining public confidence in Council's regulatory services through effective inspection services and education about regulatory functions
- Processing consent applications in a timely, legislatively correct and efficient manner
- Ensuring district construction meets requirements of the Building Act 2004

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
Review inspection services, produce education material and organise seminars as required.	80% user satisfaction with Council's building services (User Survey).	80%	Target achieved - two forms returned both of which showed high approval ratings.
Compliance with processing deadlines and industry best practice.	100% of non commercial building consents processed within 10 working day turnaround (where correct application and building standards are met).	83.4%	As at 30 June 2007 1,214 noncommercial building consents were processed, with 1,013 being within 10 working days.
Compliance with processing deadlines and industry best practice.	100% of commercial building consents processed within 20 working day turnaround (where correct application and building standards are met).	89.7%	As at 30 June 2007 29 commercial building consents were processed, 26 within 20 working days.

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Inspect building projects and ensure compliance with NZ Building Code and relevant legislation.	100% of all district construction, which has been inspected, meets requirements of the Act.	100% compliance.	Target met for the reporting period, ending 30 June 2007.
Council's building consent staff and systems to be registered under the Building Act 2004.	Registration will take place by November 2007 and be maintained three-yearly thereafter.	Tracking towards November 2007 registration.	Transitional arrangements are being progressed to have Manawatu District Council's building control services operated and managed by Palmerston North City Council.

### Operating and Capital Work Programme for 2006/2007

<b>Significant Operations/Maintenance</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Building Accreditation – for the registration of Council's building and consent staff and systems under the Building Act 2004.	16,000	20,000	Transitional arrangements are being progressed to have Manawatu District Council's building control services operated and managed by Palmerston North City Council.
<b>TOTAL</b>	<b>16,000</b>	<b>20,000</b>	

# Environmental Health

*The community has asked for:*

**A community where people are able to go about their business and leisure any time of the day or evening without fear for their safety**

*In response to this Council aims to:*

Meet legislative requirements and community expectations by helping to safeguard public and environmental health

and safety through effective regulatory controls, education and other methods. This is achieved by:

- Ensuring reasonable levels of noise through effective control of non-compliance
- Promoting and educating appropriate standards for public and environmental health across the district

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
Monitor levels of environmental noise and response to noise complaints.	100% compliance with noise levels, as set out in the District Plan.	100% compliance.	No issues in this reporting period.
Compliance with environmental and regulatory management legislation.	80% user satisfaction with Council's Environmental Health Services (User Survey).	No surveys returned this year.	
Provision of environmental health services for the Manawatu District.	80% community satisfaction with the standard of food premises in the district as measured in Communitytrak survey.	90%	Very/Fairly satisfied: 90% Not very satisfied: 2% Don't Know: 8%
Issuing consents and permits.	Environmental Health Licences – 20 working day turnaround (where application is complete) (from Council records).	91.3%	162 Health Licences were issued to the year ended 30 June 2007, with 148 within the 20 working day turnaround.
Issuing consents and permits.	All food premises with a history of poor performance or a poor history of compliance are inspected twice yearly as a minimum. If poor performance continues premises will be closed (Council records).	Tracking.	Inspections ongoing.
Issuing consents and permits.	Ongoing monitoring of trends which impact on environmental health.	Tracking.	Inspections ongoing of hairdressers and offensive trades, mobile shops, hawkers etc.

## Operating and Capital Work Programme for 2006/2007

Not applicable for this activity.

# District Planning

*The community has asked for:*

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

*In response to this Council aims to:*

Meet legislative requirements and community expectations by:

- Ensuring a healthy environment

through appropriate development, sustainable use and protection of environmental resources

- Helping to safeguard public and environmental health and safety through effective regulatory controls, education and other methods
- Acknowledging and taking cultural issues into account

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
"Rolling Review" of Manawatu District Plan.	Successful reviews undertaken and changes are made to major portions of the District Plan in response to review. Review to be undertaken by August 2007.	The review has taken place and is now on track for August 2008.	
Monitor the effect of the District Plan on district development and act on the negative effects.	Legislative requirements are met while ensuring that adverse effects are mitigated – State of Environment report indicates no adverse impact of District Plan rules on development in the district.	No issues to report as at 30 June 2007.	State of the Environment Report to be produced late 2007.
Regularly monitor district compliance with resource consents, legislation and the District Plan.	90% of consent conditions are met at first inspection, and action taken on remainder.	Ongoing.	Resource consent system needs improvement to enable reporting on this target.
Produce a State of the Environment Report every five years.	Report is available by November 2007.	Report in progress	Establishment of a project team completed and collection of required data has started. Report unlikely to be completed by November 2007.



<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
State of the Environment reporting also indicates whether the Plan is meeting its aims.	Fully compliant District Plan is produced by 2012.	Tracking	
Issuing resource consents as required.	80% User satisfaction with resource consent services (user survey).	100% Target met	- one form returned showed high approval rating.

### Operating and Capital Work Programme for 2006/2007

<b>Significant Operations/Maintenance</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
District Plan review – ongoing review	0	3,000	
<b>TOTAL</b>	<b>0</b>	<b>3,000</b>	

# Liquor Licensing

*The community has asked for:*

**A community where people are able to go about their business and leisure any time of the day or evening without fear for their safety**

*In response to this Council aims to:*

Ensure bylaw enforcement for public safety benefits. Premises selling liquor which are fully licensed contribute to ensuring responsible drinking habits in the district.

To meet legislative requirements and community expectations by:

- Helping to safeguard public and environmental health and safety through effective regulatory controls, education and other methods
- Providing efficient and effective services for issuing liquor licences and inspecting premises

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
Inspect licensed premises/activities and ensure compliance with relevant legislation.	15 day turn-around to process a liquor licence application (Council records).	100%	35 liquor licences issued as at 30 June 2007, all within 15 working days.
Issue legislative consents, licences, permits and certificates as required.	Liquor Licence Applications – referred to Licensing Authority for determination within 10 days (where external reports received and any other matters satisfied).	100%	No applications referred to the Liquor Licensing Authority as at 30 June 2007.

## Operating and Capital Work Programme for 2006/2007

Not applicable for this activity.

# General Inspection

*The community has asked for:*

**A community where people are able to go about their business and leisure any time of the day or evening without fear for their safety**

*In response to this Council aims to:*

Meet legislative requirements and community expectations by:

- Ensuring a healthy environment through appropriate development, sustainable use and protection of environmental resources

- Helping to safeguard public and environmental health and safety through effective regulatory controls, education and other methods
- Enhancing district image by removing and/or disposing of abandoned vehicles and flytipping generally
- Provision of efficient general inspection services
- Ensuring that Manawatu District bylaws remain relevant
- Promoting socially responsible attitudes to gambling

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
Incentives to encourage responsible disposal of vehicles. Response to incidents of dumping.	The number of abandoned incidents decreases (currently around 160 per year) – 10% decrease within six months of incentives being offered.	-34%	\$30.00 petrol voucher scheme ongoing.
Inspect registered premises/activities and ensure compliance with relevant legislation.	All registered premises inspected once a year.	Tracking.	Limited involvement due to new HSNO Act regime.
Issue legislative consents, licences, permits and certificates as required.	Legislative consents issued as required.	Tracking.	Consents issued as required.
Review of Council bylaws.	Successful review undertaken and need for extra by-laws, or deficiencies within existing ones, is identified – review is completed by August 2007.	Tracking.	Bylaws scheduled to be adopted by September 2007.

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Apply capping policy for gambling machines in district in order to promote socially responsible gambling attitudes.	Number of gambling machines consistent with policy – no more than 150.	As at 30 June there were 140 machines existing or approved in the District.	New policy operative from August 2007. Existing cap of 150 machines retained.
Policy review to be undertaken.	Successful review undertaken by April 2007. Any needs in relation to gambling within the district are identified and addressed.	New policy operative from August 2007. Existing cap of 150 machines retained.	Review due 2010.

## **Operating and Capital Work Programme for 2006/2007**

Not applicable for this activity.

# Environmental & Regulatory

## Funding Summary for the year ended 30 June 2007

<b>Actual 2006 \$000</b>		<b>Actual 2007 \$000</b>	<b>Budget 2007 \$000</b>	<b>% Completed</b>
<b>Operating Costs</b>				
132	Animal Control	166	174	95%
186	Planning and Scheme	300	192	156%
386	Building Control	347	367	95%
156	Environmental Health	136	127	107%
66	General Inspection	43	66	65%
52	Liquor Licensing	46	54	85%
5	Depreciation	6	5	120%
469	Support Costs	348	423	82%
<b>1,452</b>	<b>Total Operating Costs</b>	<b>1,392</b>	<b>1,408</b>	<b>99%</b>
<b>Capital Costs</b>				
0	New Work	31	0	
225	Transfers to Investments	288	84	343%
<b>225</b>	<b>Total Capital Costs</b>	<b>319</b>	<b>84</b>	<b>380%</b>
<b>1,677</b>	<b>TOTAL COSTS</b>	<b>1,711</b>	<b>1,492</b>	<b>115%</b>
<i>Funded By:</i>				
<b>Operating Revenue</b>				
14	General Rates	0	156	0%
632	Targeted Rates	620	609	102%
108	Animal Control	151	139	109%
364	Planning and Scheme	504	181	278%
456	Building Control	520	322	161%
37	Environmental Health	40	39	103%
17	General Inspection	4	2	200%
44	Liquor Licensing	40	39	103%
<b>1,672</b>	<b>Total Operating Revenue</b>	<b>1,879</b>	<b>1,487</b>	<b>126%</b>
<b>Capital Funding</b>				
5	Funding from Non Cash Items	6	5	120%
<b>5</b>	<b>Total Capital Funding</b>	<b>6</b>	<b>5</b>	<b>120%</b>
<b>1,677</b>	<b>TOTAL FUNDING</b>	<b>1,885</b>	<b>1,492</b>	<b>126%</b>
<b>0</b>	<b>CASH SURPLUS/ (DEFICIT)</b>	<b>174</b>	<b>0</b>	

# 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 through out 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 the Leisure Plan

## 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

## 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

**The following effects on community wellbeing have been identified – this applies to all the activities within the Leisure Resources Group:**

**Social and cultural wellbeing:** Council acknowledges that leisure, in all its various forms, is an important component of individual and community life. Libraries and archives, local halls and recreation complexes, parks, reserves, sports grounds and the Makino Aquatic Centre provide places for leisure, active recreation, opportunities for education, social gatherings and community celebrations to occur. Quality leisure resources contribute to a sense of civic pride as well as healthy active communities.

# Libraries and Archives



*The community has asked for:*

**A vital community that is cohesive and is characterised by community involvement**

**A community that has access to effective services**

*In response to this Council aims to:*

Support independent, lifelong education and encourage participation in leisure and social activities by:

- Providing an efficient, up-to-date, accessible library service that supports the development of a knowledgeable and informed community

- Ongoing commitment to provide a safe, multi-use library facility incorporating current technology and facilities
- Providing responsive library services that cope with demand, now and in the future
- Continuing extending and improving opportunities to promote the Maori language
- Providing a quality customer-friendly library service
- Encouraging community participation

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
Feilding Public Library to be open at specified hours. Community libraries to be open at specified hours and/or by arrangement.	80% users are fairly/very satisfied with the opening hours via the Biennial Library Users Survey.	93% user satisfaction.	Very/Fairly satisfied: 93% Not very satisfied: 5% Don't Know: 2% Satisfaction with opening hours was measured via Communitrak so that non users as well as users were surveyed. There was no clear mandate to change present hours. The Biennial survey took place in October 2006 and measured satisfaction with collections, facilities and staff performance.

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
The facilities are managed at the lowest possible cost for the desired levels of service.	Cost per capita does not exceed \$26.95 (compared with 5 similar libraries).	\$29.52	The target figure was derived from an average of the costs per capita of five comparable district library services. It was formulated in 2004 and unchanged since.
Action the recommendations of the 2002 library review via the Implementation Plan adopted by Council which includes installation of further community library computers if appropriate, and review need for additional staff member.	Implementation plan carried out within timeframes and budget.	The plan is being implemented within timeframes and budgets.	The Implementation Plan was developed from recommendations of the 2002 Library Review. To date web access software has been installed and online databases made available. In future years a new staff member may be appointed and additional community library computers may be installed if appropriate.
Buying and providing up-to-date publications, databases and library management software.	80% overall satisfaction as measured in Communitytrak survey.	73% overall satisfaction	Very/Fairly satisfied: 73% Not very satisfied: 1% Don't Know: 26%
Buying and providing up-to-date publications, databases and library management software.	96% user satisfaction with library service as measured in Communitytrak survey.	100% user satisfaction	Very/Fairly satisfied: 100% Not very satisfied: -% Don't Know: -%
Buying and providing up-to-date publications, databases and library management software.	Stock turnover exceeds 4.5% of base stock (compared with 5 similar libraries).	Stock turnover: 5.6	
Software and hardware upgrades where appropriate e.g. digitise Library's archive photograph collection (sponsorship to be sought).	80% overall satisfaction as measured in Communitytrak survey.	73% overall satisfaction	Very/Fairly satisfied: 73% Not very satisfied: 1% Don't Know: 26%  Digitisation of historic photographs completed.



<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Software and hardware upgrades where appropriate e.g. digitise Library's archive photograph collection (sponsorship to be sought).	96% user satisfaction as measured in Communitytrak survey.	100% user satisfaction.	Very/Fairly satisfied: 100% Not very satisfied: -% Don't Know: -%
Carry out necessary work programmes to maintain building and assets.	Annual work programme carried out within timeframes and budget.	All work carried out when required within timeframes and budget.	
A library collection that is compatible with current and future demand.	80% overall satisfaction as measured in Communitytrak survey.	73% overall satisfaction	Very/Fairly satisfied: 73% Not very satisfied: 1% Don't Know: 26%
A library collection that is compatible with current and future demand.	96% user satisfaction as measured in Communitytrak survey.	100% user satisfaction.	Very/Fairly satisfied: 100% Not very satisfied: -% Don't Know: -%
Consultation with users via the Library Users survey. Results acted on, where appropriate.	Biennial Library Users survey, sampling no fewer than 150 users.	Survey completed in October 2006. Sample: 330	The survey measured user satisfaction with the Library's collections, facilities and customer service. Satisfaction in all these areas exceeded 90%
Ensure all major signage in Maori and English.	Bilingual signs are installed.	New signage completed.	New signage on front of building to be bilingual. Completed May 2007.
The Library service is customer focused; customer needs are valued and where appropriate acted upon. Library staff are well informed and will make every effort to ensure customer satisfaction.	80% overall satisfaction as measured in Communitytrak survey.	73% overall satisfaction.	Very/Fairly satisfied: 73% Not very satisfied: 1% Don't Know: 26%

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Promote Library use among district's children through regular contact with schools and provision of reading and school holiday programmes.	Four to five programmes provided annually (subject to demand).	Three holiday/reading programmes completed. Other events noted under comments.	Holiday programme held during September school break. Bright Sparks weekly pre-school programme held during school term; Make a Monster competition for Library week. Summer reading programme run December 2006/January 2007 with 98% completion rate. School holiday programme and Build a Bug competitions in April. Weekly visits to Feilding and Northern rural schools began in May.
Promote Library use among district's children through regular contact with schools and provision of reading and school holiday programmes.	400,000 Library issues per annum.	Issues to 30 June 2007: 363,108.	

### Operating and Capital Work Programme for 2006/2007

<b>Significant Operations/Maintenance</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
<b>TOTAL</b>	<b>0</b>	<b>0</b>	

<b>Capital Works</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Library book purchases	161,354	160,000	
<b>TOTAL</b>	<b>161,354</b>	<b>160,000</b>	

# Local Halls and Recreation Complexes

*The community has asked for:*

**A vital community that is cohesive and is characterised by community involvement**

*In response to this Council aims to:*

Provide indoor community venues for a range of social, cultural, recreational and

educational uses by:

- Providing and maintaining indoor community venues
- Ongoing implementation of the Manawatu District Hall Management Policy (August 2002), to be reviewed every five years

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
Provision and maintenance of local halls as per District Hall Management Policy (August 2002).	80% overall satisfaction as measured in Comunitrak survey.	71% overall satisfaction.	Very/Fairly satisfied: 71% Not very satisfied: 12% Don't Know: 17%
Provision and maintenance of local halls as per District Hall Management Policy (August 2002).	85% user satisfaction as measured in Comunitrak survey.	81% user satisfaction.	Very/Fairly satisfied: 81% Not very satisfied: 14% Don't Know: 5%
Consultation with Hall Committees regarding suggestions for renewals (included in renewal programme where appropriate).	Annual consultation with hall committees.	Annual hall meeting held in March 2007.	Consultation occurred through Annual Hall reports and the LTCCP process, with three-year renewal programme finalised.
Carry out necessary work maintenance programme as per Hall Asset Renewal Programme.	Renewal Programme carried out within timeframes and budget.	All but one low cost project completed.	Eight projects completed within timeframe and overall budget. Details noted below under renewal summary.
Implementation of Hall Management Policy including Hall Annual Report process and Hall Policy reviews.	Work programme carried out within timeframes and budget.	Work programme carried out within timeframes and budget as stated.	

## Operating and Capital Work Programme for 2006/2007

Significant Operations/Main-tenance	Actual (Year to Date)	Budget	Explanation of Variance/Update
<b>TOTAL</b>	<b>0</b>	<b>0</b>	

Operating/Re-newal Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Apiti – re-roofing.	3,730	5,200	Project completed March 2007.
Awahuri – window surrounds and painting.	1,565	1,400	Project completed March 2007.
Beaconsfield – paint inside of kitchen windows.	444	500	Project completed March 2007.
Kairanga – main hall re-roof.	7,765	10,000	Project completed May 2007. Full re-roof deemed unnecessary. Part of roof only replaced, rest of roof painted, all with Council approval.
Kimbolton – re-roof south side.	7,916	6,000	Project completed June 2007. Extra costs approved by Council for extra materials and labour required and an overall price increase.
Kiwitea – water connection.	0	2,000	Project not carried out for unknown reasons.
Mt Biggs – painting maintenance instalments and bench top.	1,229	1,707	Painting maintenance completed September 2006.
Sanson – supper room and kitchen vinyl.	3,545	4,000	Supper room and kitchen vinyl installed November 2006.
Stanway – exterior painting.	0	5,000	Project completed but using alternative funding (not Council). The Stanway Hall Committee does not want to accept Council funding for this type of work as they have sourced alternative funding.
Tangimoana – repair weatherboards and upgrade toilet.	1,955	2,200	Weatherboards repair and toilet upgrade completed October 2006..
<b>TOTAL</b>	<b>28,149</b>	<b>38,007</b>	

# Makino Aquatic Centre

*The community has asked for:*

**A vital community that is cohesive and is characterised by community involvement**

**A community that has access to effective services**

*In response to this Council aims to:*

Provide an efficient, safe and modern aquatic facility that meets the leisure needs of Manawatu District residents through:

- Activities and programmes that cater for all ages
- Ongoing commitment to review and implement an effective regional marketing strategy
- Quality, customer-friendly service
- Increased use of Makino Aquatic Centre (MAC)

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
Meet New Zealand water quality standard NZ 5826:2000.	100% compliance.	100% compliance.	Water quality tested against the New Zealand water quality standard NZ 5826:2000 every three hours. 100% compliance to date.
Carry out necessary work programmes to maintain building and assets.	Annual Work Programme carried within timeframes and budget.	All projects completed.	Asset Management Plan (October version) adopted by full Council in November 2006.
Monitor and maintain a safe facility environment.	Health and Safety report (via Council's Human Resource Department) has a satisfactory outcome.	Satisfactory outcome, as stated.	There are no issues in this area. The Hazard Register is being reassessed and updated to ensure that there are no new or existing hazards which have not been dealt with.
The aquatic services are offered as advertised and expected – surprise closures are the exception.	85% users are fairly/very satisfied with the opening hours and services offered e.g. availability of lanes for public swimming (MAC Customer Satisfaction Survey).	88% overall satisfaction.	The MAC Customer Satisfaction Survey reports 88% overall satisfaction and 85% felt value for money was good or excellent.

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Consultation with MAC users via the MAC survey. Results published in a monthly newsletter and acted on, where appropriate.	Number of surveys undertaken: 1 MAC Customer Satisfaction survey per year, sampling no fewer than 150 users.	Survey completed - 96 people responded.	The MAC Customer Satisfaction Survey has shown a good overall satisfaction rate.
Swimming lessons and programmes: Babies Pre-school School age Adults Nifty 50s Aqua aerobics Flippa Ball.	Six to seven programmes provided annually, subject to demand.	Eight programmes delivered as at 30 June.	
Continue promotion and marketing strategy for MAC	Implementation of marketing strategy, carried out within specified timeframes and budget.	Completed.	Promotion is ongoing. Radio and newspaper advertising are utilised for summer programmes and specific events.
A service that includes general friendliness and cheerfulness. Fairness and competence will be shown in enforcing pool rules and diligence and care exhibited in responding to special requests.	85% of users are fairly/very satisfied with the staff's customer service (MAC Customer Satisfaction Survey).	95% satisfaction with overall customer service.	The MAC Customer Satisfaction Survey showed 95% satisfaction with customer service. Overall satisfaction with the lifeguards was 88%, however, only 70% said that it was good or excellent. Strategies have been implemented to improve customer perceptions.
Increase use of facility by community.	Increase in revenue against previous three year average.	Average total revenue is up 7%.	Revenue is up 3.09% on last year's total and 7% on the average for the previous two years (an average over the three years was not done as the very low figure for the 2004 floods would skew the result too much).

## Operating and Capital Work Programme for 2006/2007

<b>Significant Operations/Maintenance</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Spray indoor pool roof for lichen.	2,500	3,000	
Repairs to indoor pool roof.	2,821	5,000	
Repaint changing rooms.	6,055	5,000	Damage and deterioration in this area was significant and took more work to achieve.
Paint dive pool.	0	15,000	Painting of dive pool has been completed. The actual amount column shows zero because the painting of the dive pool was treated as renewal rather than maintenance expenditure. This is because it is a significant project which is completed every 5-10 years.
Investigate installation of water playground – investigation only.	0	0	This project has not been advanced due to a revision of renewal work following management changes. Now a 2008/09 project.
<b>TOTAL</b>	<b>11,376</b>	<b>28,000</b>	

<b>Renewal Works</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Indoor pool covers.	3,513	9,000	Indoor pool covers have been purchased. See comments below.
Balance of outdoor pool covers.	22,167	18,000	Outdoor pool covers have been purchased. Outdoor covers were slightly above budget but it should be noted indoor cover cost was less than budgeted.
Automatic chemical dosing pump.	5,892	6,000	Automatic chemical dosing pump purchased and installed.
Installation outdoor boundary fence security.	11,875	11,000	This project was to have been electric security fencing on top of our existing fencing. A review of this option showed that this type of measure would not be effective. Security cameras have been installed throughout the grounds and complex.
Outdoor seating.	4,720	3,000	Outdoor seating purchased. A set of three aluminium BBQ tables were purchased which worked out dearer than budget but are far more practical and will have a longer lifespan than conventional seating.
Installation of a flying fox.	0	3,000	This project has not been advanced due to a revision of renewal work following management changes. Now a 2008/09 project.
<b>TOTAL</b>	<b>48,167</b>	<b>50,000</b>	



# Parks, Reserves and Sports Grounds

*The community has asked for:*

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

*In response to this Council aims to:*

- Provide parks, reserves and sports grounds for active and passive leisure pursuits with the aim of enhancing community wellbeing and overall pleasantness of the district by:
  - Managing Parks and Reserves with future generations in view
  - Managing leisure opportunities

in fragile areas (e.g. beaches, coastlines) in ways that minimise environmental damage

- Providing and maintaining good quality parks, reserves and sports grounds for all
- Developing appropriate parks and reserves as educational facilities for residents of the Manawatu district
- Ensuring parks, reserves and sports grounds are responsive and maintained as local 'community spaces'

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
Development of Strategic Management Plans for district parks, reserves and sports grounds.	Plans are completed within timeframe and budget.	Plans completed within timeframe and budget.	Coastal Reserves Management Plan progressing. Scheduled completion date September 2007.
Development of Strategic Management Plans for district parks, reserves and sports grounds.	Annual work plan carried out within specified timeframes and budget.	Annual work plans carried out as stated.	
Implementation of Strategic Management Plans.	Annual work plan carried out within specified timeframes and budget.	Annual work plans carried out as stated.	
Development programmes including coastal plantings.	Annual work plan carried out within specified timeframes and budget.	Annual work plans carried out as stated.	
Carry out necessary work programmes to maintain parks, reserves and sports grounds to established criteria and standards in asset management plans and contracts.	Annual work plan carried out within specified timeframes and budget.	Annual work plans carried out as stated.	

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Carry out necessary work programmes to maintain parks, reserves and sports grounds to established criteria and standards in asset management plans and contracts.	95% user/visitor satisfaction with parks and reserves as measured in Comunitrak survey.	93% user/visitor satisfaction.	Very/Fairly satisfied: 93% Not very satisfied: 4% Don't Know: 3%
Carry out necessary work programmes to maintain parks, reserves and sports grounds to established criteria and standards in asset management plans and contracts.	90% overall satisfaction with parks and reserves as measured in Comunitrak survey.	83% overall satisfaction.	Very/Fairly satisfied: 83% Not very satisfied: 6% Don't Know: 11%
Carry out necessary work programmes to maintain parks, reserves and sports grounds to established criteria and standards in asset management plans and contracts.	95% user/visitor satisfaction with sports grounds and playgrounds as measured in Comunitrak survey.	84% user/visitor satisfaction.	Very/Fairly satisfied: 84% Not very satisfied: 11% Don't Know: 5%
Carry out necessary work programmes to maintain parks, reserves and sports grounds to established criteria and standards in asset management plans and contracts.	85% overall satisfaction with sports grounds and playgrounds as measured in Comunitrak survey.	71% overall satisfaction .	Very/Fairly satisfied: 71% Not very satisfied: 10% Don't Know: 19%
Provide educational information including signage and brochures and website information.	Provision of relevant up-to-date information.	Information being updated all the time.	Signage, brochures and website information updated as appropriate. Work started on new information signs for Kowhai Park.

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Consultation with local communities regarding suggestions for local community spaces and renewals (included in renewal programme where appropriate).	Consultation with local communities completed every three years.	Consultation with local communities has taken place.	
Carry out annual renewal programme for parks, reserves and sports grounds.	Renewal programme carried out within timeframe and budget.	Renewal programme carried out within timeframe and budget as stated.	Please note detail below relating to renewal programme.
Response to emergency maintenance requests within specified contract times.	95% requests responded to within specified contract times.	As at 30 June all complaints responded to within specified contract times.	Response to emergency maintenance completed within timeframes as outlined in maintenance contracts.

### Operating and Capital Work Programme for 2006/2007

<b>Significant Operations/Maintenance</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
<b>TOTAL</b>	<b>0</b>	<b>0</b>	

<b>Renewal Works</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Himatangi – Resur- face tennis courts.	0	20,000	This project, as a result of LTCCP discussion, was referred back to the Himatangi Beach community for consideration as part of the overall township development. The community has expressed a preference that the funding is used for another recreational project. However, the community is keen to delay development of this project until it is known where the public toilet facility will be located. The \$20,000 funding for this project sits in 2007/08.
District Playgrounds – undersurface and equipment.	19,580	20,000	New play equipment installed at Vista Park and Mt Lees Reserve.
Raumi – public convenience upgrade.	13,656	15,000	Due to a slip at the entrance way to the lookout, the work was diverted to making the entrance safe.
District Reserves – development of esplanade reserves and strips.	5,000	5,000	Work completed.
Kitchener Park – con- tinued development.	10,565	6,000	Work is progressing well. Development has included involvement by The Friends of the Park group. Fences have been replaced, more planting carried out and the boardwalk repaired. Council is currently working with Horizons Regional Council which has given \$6,000 to help with fences and the upgrade of stop banks along the Makino stream.
Bunnythorpe - devel- opment of play- ground and public conveniences.	0	24,000	Nothing to report here as activity linked to hall removal.
<b>TOTAL</b>	<b>48,801</b>	<b>90,000</b>	

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Timona Park – stage 2 Development – Summer Garden (Reserve Management Plan).	9,886	10,000	Large summer flowering trees have been planted as part of the stage 2 summer garden development.
Kowhai Park – replace pavilion (Reserve Management Plan).	194,075	200,000	Work is scheduled to be completed mid-September 2007.
Walkways (Kitchener Park/Feilding link) – District walkways development.	38,624	100,000	Walkway work underway. Council is working with Horizons Regional Council on the use of the stop bank as part of the walkway.
Parks and Reserves expenditure to cater for growth – funded from development contributions.	15,984	615,825	The amount set aside for 2006/07 is \$615,825. However, expected growth has not eventuated and therefore there is no need to purchase reserve land in this financial year. Future purchase will be made when demand dictates and will be provided from the Development Contributions fund.
<b>TOTAL</b>	<b>258,569</b>	<b>925,825</b>	

**Sale of Aorangi Street, Feilding, property (formerly Fergusson Street Children's playground).**

In September 2006 the Council invited submissions on its intention to sell this property. Three submissions were received, one in support, one opposed, and a third submission related to the proceeds of any sale. Following this consultation Council resolved to sell the property so that it may achieve a higher and better use.

In order for any sale to proceed Council needed to amend its District Plan and re-zone the site from "Recreation" to "Business" under the provisions of the Resource Management Act 1991 (RMA). A consultation document was prepared and the necessary processes required by the RMA were completed on 19 July 2007, thereby effecting the zone change.

The property has now been sold.

Subsequent to a sale and purchase agreement being entered into, the matter of the status of the property in relation to the Council's significance policy was considered. Legal advice obtained indicated that the property should properly be considered

a "strategic asset" under the significance policy and accordingly consultation would be expected to have been taken in that the sale would be specifically provided for in the Long Term Council Community Plan (LTCCP).

Council is of the view that in the circumstances of the change of status and sale of the property, the practical effects of not specifically providing for the sale in the LTCCP is minimal, taking into account the following mitigating factors:

- consultation has taken place on the sale of the site;
- further and extensive consultation has taken place under the RMA on the proposed plan change, the fundamental basis for the change being the sale of the site; and
- Section 138 of the Local Government Act 2002 (which provides that a local authority cannot sell a "park" without consultation), would appear to have been satisfied with the Council applying the principles of consultation under section 82 of the Act to conclude the level of consultation required.

# Leisure Resources

## Funding Summary for the year ended 30 June 2007

<b>Actual 2006 \$000</b>		<b>Actual 2007 \$000</b>	<b>Budget 2007 \$000</b>	<b>% Completed</b>
<b>Operating Costs</b>				
1,319	Parks & Reserves	1,439	1,245	116%
65	Local Halls & Recreational Complexes	64	82	78%
460	Library	475	468	101%
796	Makino Aquatic Centre	843	781	108%
8	Flood 04	120	0	
208	Asset Management	202	194	104%
43	Interest	31	2	1550%
0	Asset Write Off's	17	0	
814	Depreciation	870	837	104%
332	Support Costs	376	416	90%
<b>4,045</b>	<b>Total Operating Costs</b>	<b>4,437</b>	<b>4,025</b>	<b>110%</b>
<b>Capital Costs</b>				
36	New Work	432	926	47%
319	Renewal Work	301	327	92%
0	Loan Repayments	0	54	0%
20	Transfers to Investments	20	20	100%
<b>375</b>	<b>Total Capital Costs</b>	<b>753</b>	<b>1,327</b>	<b>57%</b>
<b>4,420</b>	<b>TOTAL COSTS</b>	<b>5,190</b>	<b>5,352</b>	<b>97%</b>
<i>Funded By:</i>				
<b>Operating Revenue</b>				
3,080	Targeted Rates	3,282	3,248	101%
62	Parks & Reserves	164	84	195%
62	Library	73	36	203%
294	Makino Aquatic Centre	314	271	116%
1	User Fees	1	2	50%
37	Flood 04	70	0	
<b>3,536</b>	<b>Total Operating Revenue</b>	<b>3,904</b>	<b>3,641</b>	<b>107%</b>
<b>Capital Funding</b>				
0	New Loans Raised	1,095	0	
96	Transfers from Investments	163	875	19%
814	Funding from Non Cash Items	887	837	106%
<b>910</b>	<b>Total Capital Funding</b>	<b>2,145</b>	<b>1,712</b>	<b>125%</b>
<b>4,446</b>	<b>TOTAL FUNDING</b>	<b>6,049</b>	<b>5,353</b>	<b>113%</b>
<b>26</b>	<b>CASH SURPLUS/(DEFICIT)</b>	<b>859</b>	<b>1</b>	

# 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

*The community has asked for:*

**A community that has access to effective services**

*In response to this Council aims to:*

Develop and maintain a roading network appropriate to community usage, demand and ability to fund by:

- Providing a quality\*, safe\* roading network
- Providing a cost-effective\* roading network
- Providing a roading network that is efficient\* and responsive to community need
- Providing quality, safe bridges which provide continuous all-weather roads over rivers, streams and uneven terrain
- Providing quality, safe footpaths
- Providing a safe and efficient network of cycle and walkways

## \* Definitions

- Quality is defined as meeting the required standard to ensure maximum performance is achieved throughout its lifetime
- Safety is defined as maximising the wellbeing of road users by minimising risks and danger
- Cost effective is defined as achieving the best outcome for the

investment incurred

- Efficient is defined as achieving an outcome with minimum effort

**The following effects on community wellbeing have been identified:**

**Economic and Social wellbeing:** Well maintained roads are an integral means of ensuring access around and beyond the district and are essential for the economic and social wellbeing of the district.

The roading and footpaths network provide significant benefits to the community, including:

- connections to other transportation networks
- access and mobility for people, goods and services
- locality and property identification
- separation of pedestrians from main flow of traffic (ie footpaths)

### What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
<b>Carriageways</b>			
Carry out regular safety inspections and maintenance, where necessary, of existing roads to specified standards.	Annual Work Programme carried out within specified timeframe and budget.	Target met.	This is being undertaken as part of monitoring Road Maintenance Contract, 2006-2009 (c-4/0605).
Carry out regular safety inspections and maintenance, where necessary, of existing roads to specified standards.	100% compliance with Safety and Technical (Quality) Audits.	Target met.	Safety and Technical audits have been undertaken jointly with MDC and LTNZ. Compliance issues are being prioritised and programmed in line with available funding.
Carry out regular safety inspections and maintenance, where necessary, of existing roads to specified standards.	80% user satisfaction with district roads as measured in Communitytrak survey.	84% user satisfaction.	Very/Fairly satisfied: 84% Not very satisfied: 15% Don't Know: 1%
Carry out regular safety inspections and maintenance, where necessary, of existing roads to specified standards.	Reported injury crashes continues to decline.	Tracking.	Awaiting data from LTNZ.
Carry out 1 km seal extension of unsealed roads in accordance with priority to specified standards.	1 Kilometre of seal extension per year.	Target not met.	No seal extensions completed this year.



<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Carry out crash reduction studies and strategy studies.	1 strategy annually.	Target met.	Contract c-4/0609 – Various Distributor Routes. Investigation work complete. Report received.
The Road Safety Programme, including 11,620 police hours per annum spent on enforcing road safety, is delivered as per agreement.	11,620 hours per annum sourced through Quarterly and Annual Reports from Police.	Ongoing.	Police are now not advising hours delivered. Projects are identified and reported through the Road Safety Action Plan.
Provide street lighting levels to enable safe and efficient traffic movement.	90% compliance with NZ Standard by 2025.	Target met.	In terms of day to day maintenance, under contract c- 4/0510, the 90% compliance standard is being achieved. Further funding would permit a more consistent standard to be applied across the district.
Works and services are procured either by tender in accordance with Competitive Pricing Procedures (CPP) or by other means to achieve a bestvalue outcome.	A 100% compliant tender evaluation analysis for all works and services tendered using CPP.	100% compliant as at 30 June 2007.	6 contracts tendered to date using CPP.
Works and services are procured either by tender in accordance with CPP or by other means to achieve a bestvalue outcome.	100% due diligence compliance for all works and services procured by other means to achieve a best-value outcome.	Not applicable.	No procurement using alternative procedures to date.
Assess and monitor traffic flow on district roads to ensure roads optimum traffic flow.	200 traffic counts completed annually.	315 Traffic counts completed as at 30 June 2007.	Additional counts taken to update Road Assessment and Maintenance Management data.

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Carry out improvements to enhance traffic movements.	Annual work programme carried out within specified timeframe and budget.	Target not met.	75% of programmed work completed.
Carry out improvements to enhance traffic movements.	100 % compliance with Safety and Technical (Quality) Audits.	Target met.	Safety and Technical audits have been undertaken jointly with MDC and LTNZ. Compliance issues are being prioritised and programmed in line with available funding.
Ensure traffic signs and marker posts meet specified standards (includes removal of unauthorised signs).	Annual work programme carried out within specified timeframe and budget.	Target met.	This work is being undertaken under Contract c-4/0605.
Ensure traffic signs and marker posts meet specified standards (includes removal of unauthorised signs).	100% compliance with Technical and Safety Audits.	Target met.	Safety and Technical audits have been undertaken jointly with MDC and LTNZ. Compliance issues are being prioritised and programmed in line with available funding.
Grass berms and vegetation are maintained to specification.	Annual work programme carried out within specified timeframe and budget.	Target met.	These are being maintained under Contract c-4/0605.
Grass berms and vegetation are maintained to specification.	100% compliance with Technical and Safety Audit.	Target met.	Safety and Technical audits have been undertaken jointly with MDC and LTNZ. Compliance issues are being prioritised and programmed in line with available funding.

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
<b>Bridges</b>			
Carry out detailed structural inspections on 20% of the bridges annually.	20% of bridges with detailed structural inspections completed.	Target met.	40 bridges (20% of total) inspected.
Carry out routine inspections on all bridges annually.	100% of routine inspections completed.	100% - Routine inspections completed on all 369 bridges.	
Continue maintenance, renewal and construction of footpaths in accordance with the Council's Footpath Management Plan.	Annual Work Programme carried out within specified timeframe and budget.	Target met.	Renewal of Manchester Street footpath complete. New footpath completed in Dutton Street, Bunnythorpe. Various sections of footpath repaired or replaced.
Continue maintenance, renewal and construction of footpaths in accordance with the Council's Footpath Management Plan.	100% compliance with Technical (Quality) and Safety Audit.	Target met.	Footpath rating survey undertaken and deficiency issues have been prioritised and programmed in line with available funding.
Continue maintenance, renewal and construction of footpaths in accordance with the Council's Footpath Management Plan.	65% user satisfaction with footpaths as measured in Communitrak survey.	71% user satisfaction.	Very/Fairly satisfied: 71% Not very satisfied: 16% Don't Know: 13%
Develop and implement a walkway/cycleway strategy (Manawatu Active Transport Strategy).	Annual Work Programme carried out within specified timeframe and budget.	Progress is not sufficient to enable implementation so funding has been carried forward.	Funding carried forward via the Annual Plan to 2007/08.

## Operating and Capital Work Programme for 2006/2007

Significant Operations/Maintenance	Actual (Year to Date)	Budget	Explanation of Variance/Update
Urban roading – maintenance of the urban road network.	175,951	252,750	Identified programme maintenance work completed was less than that expected.
Rural roading – maintenance of rural road network.	5,167,127	2,123,500	This includes \$2,828,620 for emergency work which includes three separate emergency events during the year. Over-expenditure (\$200,000) has occurred on general maintenance due to pavement repairs identified prior to resealing.
Bridge, culvert and structures maintenance – repairs to bridges and culverts.	200,239	285,000	Bridge maintenance under-expenditure due to extent of repairs identified in detail bridge inspections.
Traffic signage, road markings and lighting maintenance – repairs to traffic signs, road markings and street lights.	429,078	386,500	Repairs to traffic signs greater than expected.
Operation and management of the roading network.	1,124,861	953,202	Emergency events during the year resulted in additional network management resources, and contributed to over-expenditure.
Strategy study – investigation into road safety concerns.	50,000	50,000	Investigation work complete. Report received for six different road corridors.
<b>TOTAL</b>	<b>7,147,256</b>	<b>4,050,952</b>	

<b>Renewal Works</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Urban roading network renewals.	0	74,500	Expenditure utilised on urban maintenance, mainly carpark upgrades and kerb and channel improvements.
Rural roading network renewals.	364,626	475,000	Under-expenditure due to a lesser amount of renewal work identified for replacement.
Bridge, culvert and structures renewals and replacements.	98,917	537,000	Renewal of Jacks Creek Bridge and Campbell Road bridge on hold until completion of the investigation into the Strategic roading link between Feilding and Palmerston North.
Traffic signage, road markings and lighting renewals and replacements.	208,309	247,500	Under-expenditure due to lesser amount of renewal work identified for replacement.
Resealing of 100km of roadway surface.	1,674,383	2,055,000	The 2006/07 programme has been completed with 92km of sealing achieved.
Carriageway Rehabilitation (Area Wide Pavement Treatment - AWPT).	3,064,433	3,250,000	AWPT sections identified in 2006/07 have been completed. Contract 05/23 - Tangimoana Rd, Wilson Rd and Various sections, 4.87km.  Contract 06/15 - Apiti region, 1.821km Contract 06/16 - Pohangina Rd and Taonui Rd, 3.749km. Contract 06/17 - Haynes Line, 2.016km carried over to 2007/2008.
District Footpath upgrading programme.	110,813	135,000	Delays in receiving footpath rating report impacted on length of footpath renewed. A five year programme is now available to enable future targets to be achieved.
<b>TOTAL</b>	<b>5,521,481</b>	<b>6,774,000</b>	

<b>Capital Works</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Minor safety works.	417,000	560,000	Various safety projects identified have been completed. Under-expenditure is due to resources being committed to weather event clean-ups that occurred in 2006/2007.
Seal extension – subsidised.	0	200,000	No seal extensions identified to qualify for funding.
Rural walkway construction – to construct new walkways.	0	5,000	Expenditure carried forward to 2007/08.
Reconstruction of carriageway, kerb and footpaths – to undertake major street upgrades.	61,236	250,000	Balance of Manchester Street, Goodbehere Street and MacArthur Street reconstruction work has been carried over into 2007/08 financial year. Wet weather and resourcing has contributed to the delays.
Carparks – to construct new carparks (often with 2/3rds funding from third parties, in accordance with Council Policy).	0	10,000	Expenditure carried forward to 2007/08.
Pohangina Carpark Development.	9,825	9,000	New carpark at Pohangina constructed.
Cycleway improvements – To construct cycleways in accordance with the cycleway strategy (Manawatu Active Transport Strategy).	0	50,000	Expenditure carried forward to 2007/08.
<b>TOTAL</b>	<b>488,061</b>	<b>1,084,000</b>	

# Roading

## Funding Summary for the year ended 30 June 2007

Actual 2006 \$000		Actual 2007 \$000	Budget 2007 \$000	% Completed
<b>Operating Costs</b>				
6,108	Subsidised Roothing	6,980	3,743	186%
2,673	Flood 04	4	0	
255	Non-Subsidised Roothing	164	308	53%
159	Interest	125	157	80%
239	Asset Management	204	279	73%
0	Asset Write Off's	538	0	
4,313	Depreciation	4,921	4,375	112%
15	Support Costs	8	105	8%
<b>13,762</b>	<b>Total Operating Costs</b>	<b>12,944</b>	<b>8,967</b>	<b>144%</b>
<b>Capital Costs</b>				
601	New Work	488	1,084	45%
7,505	Renewal Work	5,887	6,774	87%
457	Loan Repayments	415	431	96%
0	Transfers to Investments	89	95	94%
<b>8,563</b>	<b>Total Capital Costs</b>	<b>6,879</b>	<b>8,384</b>	<b>82%</b>
<b>22,325</b>	<b>TOTAL COSTS</b>	<b>19,823</b>	<b>17,351</b>	<b>114%</b>
<i>Funded By:</i>				
<b>Operating Revenue</b>				
6,272	Targeted Rates	6,769	6,708	101%
11,617	Subsidies	7,795	5,854	133%
29	User Fees	223	97	230%
<b>17,918</b>	<b>Total Operating Revenue</b>	<b>14,787</b>	<b>12,659</b>	<b>117%</b>
<b>Capital Funding</b>				
0	Renewal Loans Raised	0	194	0%
488	Transfers from Investments	117	123	95%
4,313	Funding from Non Cash Items	5,459	4,375	125%
<b>4,801</b>	<b>Total Capital Funding</b>	<b>5,576</b>	<b>4,692</b>	<b>119%</b>
<b>22,719</b>	<b>TOTAL FUNDING</b>	<b>20,363</b>	<b>17,351</b>	<b>117%</b>
<b>394</b>	<b>CASH SURPLUS/(DEFICIT)</b>	<b>540</b>	<b>0</b>	

# 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

## 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.

## 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'

## The following effects on community wellbeing have been identified:

**Environmental wellbeing:** The waste group includes reducing, collection, disposal and recycling of solid waste and the management of wastewater. Council strives to provide waste management services that are sustainable, both environmentally and economically. Recycling and sustainable land-use are important elements in minimising waste volumes and managing waste well; making significant contributions towards achieving environmental wellbeing.





# Solid Waste

The community has asked for:

**A community that has access to effective services; and**

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

*In response to this Council aims to provide:*

Waste Management – to deliver efficient and cost effective solid waste services to customers while safeguarding public health, taking into account cultural issues and minimising adverse effects on the environment.

Waste Minimisation – to promote waste reduction towards zero waste through education, development and implementation of recycling, reuse and recovery methods.

These objectives will be met by:

- Moving towards a zero waste management philosophy
- Providing efficient and cost-effective solid waste management to an appropriate level
- Working in co-operation with other local authorities towards development of cost-effective regional solid waste services and facilities
- Providing education about waste minimisation opportunities
- Advocating to central government for reductions in waste packaging through Local Government New Zealand

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
Carry out landfill monitoring. Obtain resource consents for Feilding Landfill post closure.	100% compliance with resource consent conditions.	100% Compliance achieved as at 30 June for Kimbolton and Tangimoana. New consent in process for Feilding.	
Formulate education plan (waste minimisation) on a regional basis and implement, as part of zero waste philosophy for the Manawatu District.	20% waste reduction to landfill per annum.	30% Reduction as at 30 June. Waste Minimisation Education Programme in progress.	A school education programme commenced in April under the 'Paper for Trees' programme.
Annual review of the Asset Management Plan.	80% user satisfaction with refuse disposal and refuse bag collections as measured in Communitrak survey.	76% user satisfaction.	Very/Fairly satisfied: 76% Not very satisfied: 13% Don't Know: 11%
Annual review of the Asset Management Plan.	80% user satisfaction with recycling services as measured in Communitrak survey.	91% user satisfaction.	Very/Fairly satisfied: 91% Not very satisfied: 8% Don't Know: 1%
Collection of household/business refuse bags.	100% of towns included in Council collections.	As at 30 June 2007, 100% of Towns included as stated.	New contract in place with measurable KPIs.
Collection of household/business refuse bags.	90% of residents are within 50 km of a refuse transfer station.	As at 30 June 2007, 90% of residents are included as stated.	New contract in place with measurable KPIs.
Provision of facilities for depositing recyclable materials and kerbside collection of recyclables in Feilding.	1,000 tonnes of recyclables diverted from landfill per annum.	1,220 tonnes diverted as at 30 June 2007.	New contract in place with measurable KPIs.

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Provision of facilities for depositing recyclable materials and kerbside collection of recyclables in Feilding.	2,000 tonnes green waste diverted from landfill per annum.	1,250 tonnes diverted as at 30 June 2007.	New contract in place with measurable KPIs. Below target due to greenwaste price increase.
Provision of waste handling and disposal facilities and services where appropriate (eg refuse transfer stations, bulk collections, litter bins).	No more than three complaints per year pertaining to odours and nuisances.	One complaint received as at 30 June 2007.	
Provision of waste handling and disposal facilities and services where appropriate (eg refuse transfer stations, bulk collections, litter bins).	No more than 10 complaints per year pertaining to fly tipping.	106 incidents of fly-tipping reported as at 30 June 2007.	Fly tipping is increasing as at 30 June, probably due to increasing Transfer Station charges.
Ongoing liaison with the Marae Consultative Committee.	Maori/local Iwi are consulted on matters which affect them (Marae Consultative Committee minutes).	No issues during reporting period.	
Tender refuse bag collection service-Council to consider refuse collection extensions from time to time.	80% user satisfaction with waste collection services as measured in Communitrak survey.	76% user satisfaction.	Very/Fairly satisfied: 76% Not very satisfied: 13% Don't Know: 11% An extension to the collection route has been made in Awahuri.
Feilding Landfill capping and closure.	Compliance with 100% of resource consent conditions.	Landfill remediation is now complete, we are awaiting resource consent.	
Consider entering a contract with private enterprise for provision of refuse transfer station services in Feilding from 2006/07.	80% user satisfaction with transfer station services as measured in Communitrak survey.	67% user satisfaction.	Very/Fairly satisfied: 67% Not very satisfied: 33% Don't Know: -%

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Consider joint provision of recycling, resource recovery, hazardous waste and education services and facilities- Participate in regional waste officers' group.	Hazardous Waste and Education policy formulated on a regional basis: education on recycling being met across region. Hazardous wastes being recovered on a regular basis.	Policy in place.	Hazardous waste collection in place on a Regional basis. New resource recovery centre is now in operation at Palmerston North. All recycling from MDC is now being delivered to this facility.
<b>Waste Minimisation</b>			
Provide an education programme about waste minimisation.	2,000 tonnes of green waste diverted from landfill.	1,250 tonnes diverted as at 30 June.	A school education programme commenced in April under the 'Paper for Trees' programme.
Provide facilities and services for recycling, garden waste and scrap metal recovery.	Increased recycling and scrap steel recovery by 1,000 tonnes per annum.	As at 30 June 1,080 tonnes of recyclables have been recovered from waste and 140 tonnes of scrap steel has been put through Feilding Transfer Station.	Scrap steel is not being recycled at Feilding Landfill due to Remediation Project. Green waste is being recycled at Palmerston North facility.
Make submissions to relevant government policies and programmes.	Waste packaging accords signed with leading manufacturers leading to reduction in waste to landfill.	Accord not yet signed.	A submission on Waste Minimisation Bill has been made.
Scrap steel recycling area formed at Feilding landfill.	Increased scrap metal recycling by 160 tonnes per annum.	Scrap steel is not being recycled at Feilding Landfill. However, 140 tonnes of scrap steel has been put through Feilding Transfer Station.	

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Clean fill disposal area developed at Feilding landfill.	500 m <sup>3</sup> of clean fill to Feilding landfill/annum.	0m <sup>3</sup> as at 30 June 2007	A clean fill disposal area has been allowed for in the Landfill Remediation project. Clean fill disposal at landfill requires consent from Horizons Regional Council. After use of the closed landfill is currently under review to ascertain the viability of this option.

### Operating and Capital Work Programme for 2006/2007

<b>Significant Operations/Maintenance</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Refuse Collection Contract (includes collection + disposal + cost of bags).	359,393	354,880	LTCCP budget was estimated prior to the solid waste contracts being confirmed, however, expenditure is tracking slightly higher.
Kerbside Recycling Feilding.	185,294	130,700	LTCCP budget was estimated prior to the solid waste contracts being confirmed. Contract prices were above estimate. Expenditure has exceeded budget due to high volumes of waste and higher rates in the contract.
Transfer Station operation (includes rural and recycling centres).	320,085	339,200	LTCCP budget was estimated prior to the solid waste contracts being confirmed. Expenditure is on track and within budget.
Shopping bag to each householder.	0	15,000	Prices have been obtained for bags. Production and delivery issues were being pursued as at 30 June 2007.
<b>TOTAL</b>	<b>864,772</b>	<b>839,780</b>	

# Waste Water

*The community has asked for:*

**A community that has access to effective services; and**

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

*In response to this Council aims to provide:*

Waste Management – to deliver efficient and cost effective wastewater services to customers while safeguarding public health, taking into account cultural issues and minimising adverse effects on the environment by:

- Collection, treatment and disposal of sewage (including trade wastes) through wastewater schemes within the district
- Meeting requirements of the Resource Management Act 1991 and

Regional Plans for discharge of treated effluent to waterways and land

- Ensuring wastewater operations meet good practice and are effective in protecting the health and wellbeing of people and the environment
- Consulting with Maori/local Iwi on matters which concern them
- Upgrading the Feilding, Kimbolton and Longburn Wastewater Treatment Plant to meet requirements of the Manawatu Catchment Water Quality Regional Plan by 2009
- Encouraging trade waste industries to have waste minimisation and management programme
- Ensuring that customer service is responsive and the service remains reliable

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
Treatment and disposal of waste water at each scheme.	90% user satisfaction with Sewage disposal as measured in Communitytrak survey	97% user satisfaction.	Very/Fairly satisfied: 97% Not very satisfied: 1% Don't Know: 2%
Upgrade schemes as existing resource consents expire. Monitor wastewater discharges according to resource consent conditions.	100% compliance with resource consent conditions.	As at 30 June the majority of Resource consent conditions are being met.	Scheme upgrade is now only required at Kimbolton.
Update Asset Management Plan.	Asset Management Plan is up to date.	Asset Management Plan up to date as stated.	
Revaluations three yearly.		Informal revaluation completed as at 30 June 2007.	Full revaluations take place every three years, with the next one due in 2009. Informal revaluations take place annually.

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Level of service consultation planned.	Consultation on levels of service has taken place, and subsequent levels of service are in line with community expectations.	Levels of service consultation planned as part of LTCCP process.	No level of service consultation has taken place. All levels of service at present are technical and community consultation is required.
Competitively tender reticulation maintenance contracts.	There are no unauthorised discharges from wastewater reticulation systems. Contractor performance measures are being met.	One discharge from Sewerage system as at 30 June 2007.	New maintenance contract has been awarded. KPIs are in place.
Ongoing liaison with the Marae Consultative Committee.	Maori/local Iwi are consulted on matters which affect them (Marae Consultative Committee minutes).	No issues during reporting period.	
Upgrade the Feilding Wastewater Treatment Plant.	Long term consent in place for Feilding Waste Water Treatment Plant.	Consent in place until June 2009.	Option studies are presently being carried out. Four options are being considered: pipeline to Palmerston North; irrigation at times of low river flow; plant upgrade; and full land disposal.
Upgrade the Kimbolton and Longburn wastewater treatment plants.	Long-term resource consents in place for Longburn and Kimbolton waste water treatment plants.	Longburn Consent in place until 2009. Resource Consent for Kimbolton has been lodged.	Consenting issues being investigated with Horizons Regional Council for Kimbolton.
Introduce new Trade Waste bylaw.	No discharges from trade waste industries above their set limits.	Discharges from trade waste industries met set limits as at 30 June, 2007	New bylaw introduced in July 2006. Industry is working to new Trade Waste bylaw.
Review our customer service systems.	Respond to high priority faults within one hour, 90% of the time.	100% response times met as at 30 June 2007.	Being monitored in conjunction with our contractor.

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Implementation of the Asset management data base reporting system, for faults and response times.	Respond to written complaints within 10 working days.	System not yet implemented.	System not yet implemented to record response times to written complaints. A system is still under investigation.
Implementation of the Asset management data base reporting system, for faults and response times.	A 24 hour, seven day service is available for reporting 99% of the time.	100% response times met as at 30 June. 2007	
Implementation of Asset management data base reporting system.	All response times are being met.	System has been implemented to record response times but requires further work.	Further work to be carried out to reporting response times.

### Operating and Capital Work Programme for 2006/2007

<b>Significant Operations/Maintenance</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Oxidation pond sludge removal survey- Rongotea, Sanson, Longburn, Halcombe, Bunnythorpe.	0	0	Previous reports indicate that this may not be required at this stage.
Feilding Infiltration/ Inflow study.	6,500	15,000	Report indicated significant expense required to complete Infiltration/Inflow study. However smoke testing can achieve same result at lower cost.
<b>TOTAL</b>	<b>6,500</b>	<b>15,000</b>	

<b>Renewal Works</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Wastewater asset re- place – replacement below and above ground, as high- lighted in the Asset Management Plans.	331,269	505,321	As at 30 June 2007 replacement work has been carried out in Hobson Street and Manchester Steet. Completion of Feilding STP switchboard replacement. Further renewal work is ongoing.
<b>TOTAL</b>	<b>331,269</b>	<b>505,321</b>	

<b>Capital Works</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Wastewater asset growth – yearly.	11,115	323,000	North Street - Lethbridge sewer extension will take place in the next financial year. The contract has been awarded.
Continue Feilding Wastewater Treatment Plant upgrade.	152,343	3,000,000	As a result of the Draft Annual Plan process the budgetary figures have been carried over into the next three years. S/I for further upgrade on the plant is ongoing.
Kimbolton Waste- water Treatment Plant resource consent and upgrade.	1,900	10,000	Consent has been lodged and issues being investigated with Horizons Regional Council for Kimbolton.
Telemetry for Sewer Pumping Stations in Feilding, Kimbolton, Awahuri and Cheltenham.	0	0	As at 30 June 2007 this item is in approval stage.
Himatangi Beach Sewerage System.	47,940	4,000,000	A timing change has been approved in the Annual Plan. Site investigation is complete and preliminary design for reticulation and treatment has been initiated. Negotiation for land purchase for land disposal is in progress.
<b>TOTAL</b>	<b>213,298</b>	<b>7,333,000</b>	



# Waste

## Funding Summary for the year ended 30 June 2007

Actual 2006 \$000		Actual 2007 \$000	Budget 2007 \$000	% Completed
<b>Operating Costs</b>				
1,101	Waste Water	997	1,104	90%
1,156	Solid Waste	1,489	996	149%
458	Interest	426	427	100%
374	Asset Management	251	213	118%
582	Depreciation	604	355	170%
38	Support Costs	40	78	51%
<b>3,709</b>	<b>Total Operating Costs</b>	<b>3,807</b>	<b>3,173</b>	<b>120%</b>
<b>Capital Costs</b>				
418	New Work	259	7,323	4%
445	Renewal Work	417	580	72%
678	Loan Repayments	1,503	1,557	97%
76	Transfers to Investments	276	240	115%
<b>1,617</b>	<b>Total Capital Costs</b>	<b>2,455</b>	<b>9,700</b>	<b>25%</b>
<b>5,326</b>	<b>TOTAL COSTS</b>	<b>6,262</b>	<b>12,873</b>	<b>49%</b>
<i>Funded By:</i>				
<b>Operating Revenue</b>				
2,261	Targeted Rates	2,634	2,631	100%
1,161	Waste Water	887	624	142%
454	Solid Waste	274	351	78%
9	Flood 04	0	0	
32	Vested Assets	47	0	
40	Interest	59	40	148%
<b>3,957</b>	<b>Total Operating Revenue</b>	<b>3,901</b>	<b>3,646</b>	<b>107%</b>
<b>Capital Funding</b>				
0	New Loans Raised	235	7,200	3%
0	Renewal Loans Raised	961	1,051	91%
223	Transfers from Investments	241	622	39%
582	Funding from Non Cash Items	604	355	170%
<b>805</b>	<b>Total Capital Funding</b>	<b>2,041</b>	<b>9,228</b>	<b>22%</b>
<b>4,762</b>	<b>TOTAL FUNDING</b>	<b>5,942</b>	<b>12,874</b>	<b>46%</b>
<b>(564)</b>	<b>CASH SURPLUS/(DEFICIT)</b>	<b>(320)</b>	<b>1</b>	

# 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. Ground-water 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. 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.

## 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 2002, 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

## The following effects on community wellbeing have been identified:

**Environmental, social and economic wellbeing:** Water is a basic requirement for life and vital to maintain a healthy community. Council's water activities comprise the administration of Urban Stormwater/Rural Land Drainage schemes and Water Supply schemes.

The provision of urban stormwater services provides benefits to the environmental, social and economic wellbeing of the community through decreasing risks from flooding, protecting the community (including people, property and community assets), maintaining the economic productivity of rural land and property values and encouraging residential development. A good water supply contributes to personal health and wellbeing.

# Urban Stormwater/Rural Land Drainage

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*The community has asked for:*

**A community that has access to effective services**

*In response to this Council aims to:*

Manage stormwater so as to minimise the risk to people and property and to minimise adverse environmental effects from stormwater runoff (Stormwater).

Maximise the drainage within the land drainage scheme areas in order to maximise rural production efficiency (land drainage).

These objectives will be achieved by:

- Achieving reasonable environmental quality standards with stormwater discharge
- Providing safe and effective storm water services for the district
- Continuing the further development of urban stormwater schemes
- Improving the look of open stormwater drains within urban areas
- Consulting with Maori/local Iwi on matters which concern them

## What has Council achieved in 2006/2007?

What we said we'd deliver in 2006/2007	Measure of success (Target)	Target Attained	Comments (if applicable)
Ensure, where required, that stormwater runoff discharged from Council systems is of adequate quality so that it does not adversely affect the environment.	100% compliance with Horizons MW discharge consents requirements.	100% compliance as at 30 June 2007.	Discussions continue with Horizons Regional Council on stormwater discharge consent requirements.
Provide and maintain safe and cost effective stormwater services to established criteria and standards in Asset Management Plans.	65% community satisfaction with Stormwater system as measured in Communitrak survey.	61% community satisfaction.	Very/Fairly satisfied: 61% Not very satisfied: 9% Don't Know: 30% Communitrak survey result is disappointing but acceptable as 30% of the those contacted showed compliance with the level of service provided.

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Respond to emergency situations in stormwater systems within specified timeframes.	100% of emergency situations responded to within one hour of notification.	No emergency situations as at 30 June 2007.	Level of service met.
Continue upgrades in Bunnythorpe, Feilding, Rongotea, Sanson and Longburn where communities can afford the costs.	65% user satisfaction with reticulated stormwater systems as measured in Communitytrak survey.	89% user satisfaction.	Very/Fairly satisfied: 89% Not very satisfied: 10% Don't Know: 1% Level of service satisfied.
Develop a Stormwater Management Plan for Feilding. Taking into account an assessment of the impacts of urban growth on existing infrastructure and investigate alternative technologies to defer upgrades. (Infiltration, LIUDD).	Annual work programme is completed within specified timeframe and budget.	Work has been delayed and is nearing completion.	Work continues on the hydraulic model component of the Feilding Stormwater Management Plan.
Develop open drain maintenance programme for Feilding, Bunnythorpe, Longburn, Sanson and Rongotea that satisfies Asset Management Plan criteria and standards.	65% user satisfaction with open drain networks as measured in Communitytrak survey.	72% user satisfaction.	Very/Fairly satisfied: 72% Not very satisfied: 26% Don't Know: 2%
Ongoing liaison with the Marae Consultative Committee.	Maori/local Iwi are consulted on matters which affect them (Marae Consultative Committee minutes).	No issues to report as at 30 June 2007.	

## Operating and Capital Work Programme for 2006/2007

Significant Operations/Maintenance	Actual (Year to Date)	Budget	Explanation of Variance/Update
Bunnythorpe stormwater.	22,077	3,300	The unexpected pipe failure in the stormwater system between Dutton Street and Baring Street has been renewed. Renewal costs are being funded largely from previous year's unspent operations surplus.
Feilding stormwater.	72,142	74,000	Required maintenance was less than that budgeted.
Longburn stormwater.	-1	2,800	Maintenance work was completed during the year. Balance due to Contract Management Unit credit.
Rongotea stormwater.	66	4,460	Maintenance work was undertaken during the year but was offset by a \$1,679 credit from 2004 flood funds.
Sanson stormwater.	572	6,750	Budget under expenditure due to the work invoices not being received before the end of the financial year.
Other stormwater.	2,784	10,250	Additional work in this activity was not achieved due to wet weather conditions and is now programmed in the 2007/08 year.
Bainesse land drainage.	2,612	3,840	Operation costs kept to a minimum during the year to balance the high cost of previous year's work.
Maire land drainage.	-38	2,050	No maintenance work identified by the scheme committee in the financial year. Balance due to Contract Management Unit credit.
Makowhai land drainage.	14,248	5,500	Substantial maintenance work in lower reaches of scheme funded from previous year's operational surplus.
Oroua Downs land drainage.	20,993	27,000	Under expenditure achieved this year. All identified scheme maintenance work was completed.
<b>TOTAL</b>	<b>135,455</b>	<b>139,950</b>	

<b>Renewal Works</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Feilding stormwater upgrades – unplanned renewals.	23,536	15,000	This is over budget due to an increased number of new connections made to the stormwater reticulation system. New connection expenditure is offset by connection fees.
<b>TOTAL</b>	<b>23,536</b>	<b>15,000</b>	

<b>Capital Works</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Bunnythorpe – upgrade drain culverts. Completion of stormwater upgrade work in Maple Street.	60,362	15,060	Over expenditure due the unplanned renewal of the Dutton St SW system. Work funded from previous year's unspent renewal surplus.
Feilding capital work to cater for future growth and development.	0	54,825	No issues to date. Work being delayed until the completion of the Feilding SW Management Plan.
Feilding – stage 1 of Stormwater Management Plan Completion of Feilding stormwater project.	54,337	50,000	Completion of Stormwater Management Plan delayed. Additional operational costs incurred checking Feilding survey datums.
<b>TOTAL</b>	<b>114,699</b>	<b>119,885</b>	

# Water Supply

*The community has asked for:*

A community that has access to effective services

*In response to this Council aims 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. This will be achieved by:

- Facilities which are managed in a sustainable manner with respect to future generations
- A reliable, responsive service
- Safe, pleasant tasting and looking drinking water
- Consultation with Maori/local Iwi on matters which concern them

## What has Council achieved in 2006/2007?

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
Promote water conservation in the Manawatu District through education and initiatives.	Better community understanding of efficient sustainable water use.	Ongoing.	Handouts available for community and Peter Pukeko school activity books.
Reduce water loss in system reticulation by completing a water loss investigation for each scheme and undertake a cost/benefit analysis for water loss reduction.	More efficiently operated schemes: achieve a cost effective reduction in water losses that meets an Asset Management Plan goal.	Investigation is yet to commence.	Loss of trained human resources has delayed this activity.
Water supply schemes are operated in accordance with conditions of resource consent.	100% compliance with conditions of resource consents.	100% compliance as at 30 June 2007.	Operated within resource consent conditions.
The 20 year water management plan called 'Manawatu District Water Supply Development Plan' was adopted by Council in 1998 and will be reviewed in 2008.	Any development is undertaken in accordance with the plan.	This is an ongoing activity.	Plan in operation.

<b>What we said we'd deliver in 2006/2007</b>	<b>Measure of success (Target)</b>	<b>Target Attained</b>	<b>Comments (if applicable)</b>
A 24 hour, seven day per week service is available for reporting problems.	Service is available 24 hours a day, seven days a week.	Service available as stated.	System in place and operating.
Respond to emergency situations in water systems within specified timeframe.	100% of emergency situations responded to within one hour of notification.	No emergency situations as at 30 June 2007.	Level of service met.
Public Health Risk Management Plans to be completed for water supply schemes.	65% user satisfaction with water supplies as measured in Communitytrak survey.	68% user satisfaction.	Very/Fairly satisfied: 68% Not very satisfied: 32% Don't Know: -% Level of service satisfied. Public Health Risk Management Plans have been completed to draft level.
Continue to monitor source and treated water for e-coli and protozoa compliance.	100% compliance with E.coli criteria of the drinking-water standards for New Zealand 2005.	100% compliance as at 30 June 2007.	Level of service met.
Ongoing liaison with the Marae Consultative Committee.	Maori/local Iwi are consulted on matters which affect them (Marae Consultative Committee minutes).	No issues to report as at 30 June 2007.	

## Operating and Capital Work Programme for 2006/2007

<b>Significant Operations/Maintenance</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Bunnythorpe.	36,230	36,100	Operations maintained close to budget.
Feilding Water Treatment Plan.	409,608	463,000	On track. Work programmed to be completed by December 2007.
Feilding reticulation.	288,452	299,700	Operations maintained close to budget.



<b>Significant Operations/Maintenance</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Himatangi Beach.	56,168	53,550	Operations maintained close to budget.
Longburn.	12,669	19,140	Operations maintained below budget. Few operational problems encountered during the year.
Sanson.	37,256	41,810	Operations maintained close to budget.
Stanway/Halcombe Rural Water Scheme.	93,846	101,200	Operations maintained close to budget.
Waituna West Rural Water Scheme.	38,786	43,500	Operations maintained below budget.
<b>TOTAL</b>	<b>973,015</b>	<b>1,058,000</b>	

<b>Renewal Works</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Feilding - replacement of old cast iron and asbestos cement watermains.	496,625	451,700	Higher costs experienced due to an increase in contractor rates.
Himatangi Beach – replace concrete tanks or install new timbertank reservoir.	0	43,000	Work delayed until adjacent land purchase confirmed for water treatment plant expansion.
Bunnythorpe – renewal of telemetry and pump control.	11,263	31,040	Pump control work completed. Telemetry work delayed until Feilding base station work completed.
Longburn – chlorine changeover renewal.	3,870	10,275	Chlorine dosing equipment renewed. Telemetry work delayed until Feilding base station work completed.
Sanson – telemetry and chlorinator.	4,650	15,000	Chlorine dosing equipment renewed. Telemetry work delayed until Feilding base station work completed.
Waituna West RWS – telemetry renewal.	0	5,000	Telemetry work delayed until Feilding base station work completed.
Stanway/Halcombe RWS – telemetry & pump station equipment renewal.	6,227	10,000	Pump station equipment renewed. Telemetry work delayed until Feilding base station work completed.
<b>TOTAL</b>	<b>522,635</b>	<b>566,015</b>	

<b>Capital Works</b>	<b>Actual (Year to Date)</b>	<b>Budget</b>	<b>Explanation of Variance/Update</b>
Feilding – development projects as identified in the growth strategy.	10,300	127,500	Growth development in Feilding during 2006/07 did not require the full expenditure of this budget.
<b>TOTAL</b>	<b>10,300</b>	<b>127,500</b>	

# Water

## Funding Summary for the year ended 30 June 2007

<b>Actual 2006 \$000</b>		<b>Actual 2007 \$000</b>	<b>Budget 2007 \$000</b>	<b>% Completed</b>
<b>Operating Costs</b>				
1,008	Water	973	1,058	92%
119	Drainage	135	140	96%
14	Flood 04	0	0	
299	Interest	394	394	100%
248	Asset Management	217	228	95%
0	Asset Write Off's	17	0	
1,126	Depreciation	1,213	728	167%
65	Support Costs	59	103	57%
<b>2,879</b>	<b>Total Operating Costs</b>	<b>3,008</b>	<b>2,651</b>	<b>113%</b>
<b>Capital Costs</b>				
2,863	New Work	593	293	202%
427	Renewal Work	615	636	97%
275	Loan Repayments	940	970	97%
<b>3,565</b>	<b>Total Capital Costs</b>	<b>2,148</b>	<b>1,899</b>	<b>113%</b>
<b>6,444</b>	<b>TOTAL COSTS</b>	<b>5,156</b>	<b>4,550</b>	<b>113%</b>
<i>Funded By:</i>				
<b>Operating Revenue</b>				
2,119	Targeted Rates	2,463	2,395	103%
74	General Rates	37	62	60%
141	Flood 04	97	0	
52	Vested Assets	168	0	
281	Water	361	229	158%
13	Drainage	24	63	38%
<b>2,680</b>	<b>Total Operating Revenue</b>	<b>3,150</b>	<b>2,749</b>	<b>115%</b>
<b>Capital Funding</b>				
0	New Loans Raised	2,308	33	6994%
0	Renewal Loans Raised	145	522	28%
20	Transfers from Investments	161	519	31%
1,126	Funding from Non Cash Items	1,230	728	169%
<b>1,146</b>	<b>Total Capital Funding</b>	<b>3,844</b>	<b>1,802</b>	<b>213%</b>
<b>3,826</b>	<b>TOTAL FUNDING</b>	<b>6,994</b>	<b>4,551</b>	<b>154%</b>
<b>(2,618)</b>	<b>CASH SURPLUS/(DEFICIT)</b>	<b>1,838</b>	<b>1</b>	

# Funding Impact Statement

Actual 2006 \$000		Actual 2007 \$000	Budget 2007 \$000	% Completed
<b>Operating Costs</b>				
22,334	Operating Costs	23,731	21,165	112%
888	Interest Paid	1,339	1,115	120%
7,749	Depreciation	8,558	6,984	123%
0	Asset Write-Offs	572	0	
<b>30,971</b>	<b>Total Operating Costs</b>	<b>34,200</b>	<b>29,264</b>	<b>117%</b>
<b>Capital Costs</b>				
3,991	New Work	1,938	10,186	19%
9,104	Renewal Work	7,676	8,891	86%
1,621	Loan Repayments	3,675	3,237	114%
766	Transfers to Investments	2,168	1,796	121%
15,482	Total Capital Costs	15,457	24,110	64%
<b>46,453</b>	<b>TOTAL COSTS</b>	<b>49,657</b>	<b>53,374</b>	<b>93%</b>
<b>Funded By:</b>				
<b>Operating Revenue</b>				
1,861	General Rates	1,609	1,578	102%
16,169	Targeted Rates	17,847	17,648	101%
7,424	Subsidies	7,867	5,884	134%
889	Interest & Dividends	1,106	598	185%
4,243	User Fees	4,589	3,557	129%
(25)	Gain/(Loss) on Asset Disposal	456	437	104%
4,453	Flood 04 Revenue	205	0	
1,022	Other Revenue	841	457	184%
<b>36,036</b>	<b>Total Operating Revenue</b>	<b>34,520</b>	<b>30,159</b>	<b>114%</b>
<b>Capital Funding</b>				
0	New Loans Raised	3,638	10,633	34%
0	Renewal Loans Raised	1,722	1,767	97%
1,174	Transfers from Investments	1,284	3,288	39%
7,749	Funding from Non Cash Items	8,898	7,529	118%
<b>8,923</b>	<b>Total Capital Funding</b>	<b>15,542</b>	<b>23,217</b>	<b>67%</b>
<b>44,959</b>	<b>TOTAL FUNDING</b>	<b>50,062</b>	<b>53,376</b>	<b>94%</b>
<b>(1,494)</b>	<b>CASH SURPLUS/(DEFICIT)</b>	<b>405</b>	<b>2</b>	<b>20250%</b>



## P3 Other Information



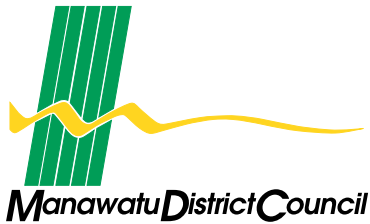
# Other Information

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**This section of the Annual Report 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
- Maori Capacity to Contribute to Decision-Making
- Grants 2006/07
- Glossary

# Manawatu District Council: Directory



The logo for the Manawatu District Council has a flowing style of "M" endeavouring 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.

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**Council Office:**

135 Manchester Street, Feilding

**Postal Address:**

Private Bag 10-001, Feilding 4740

**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

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as at 30 June 2007



**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: 328 7019



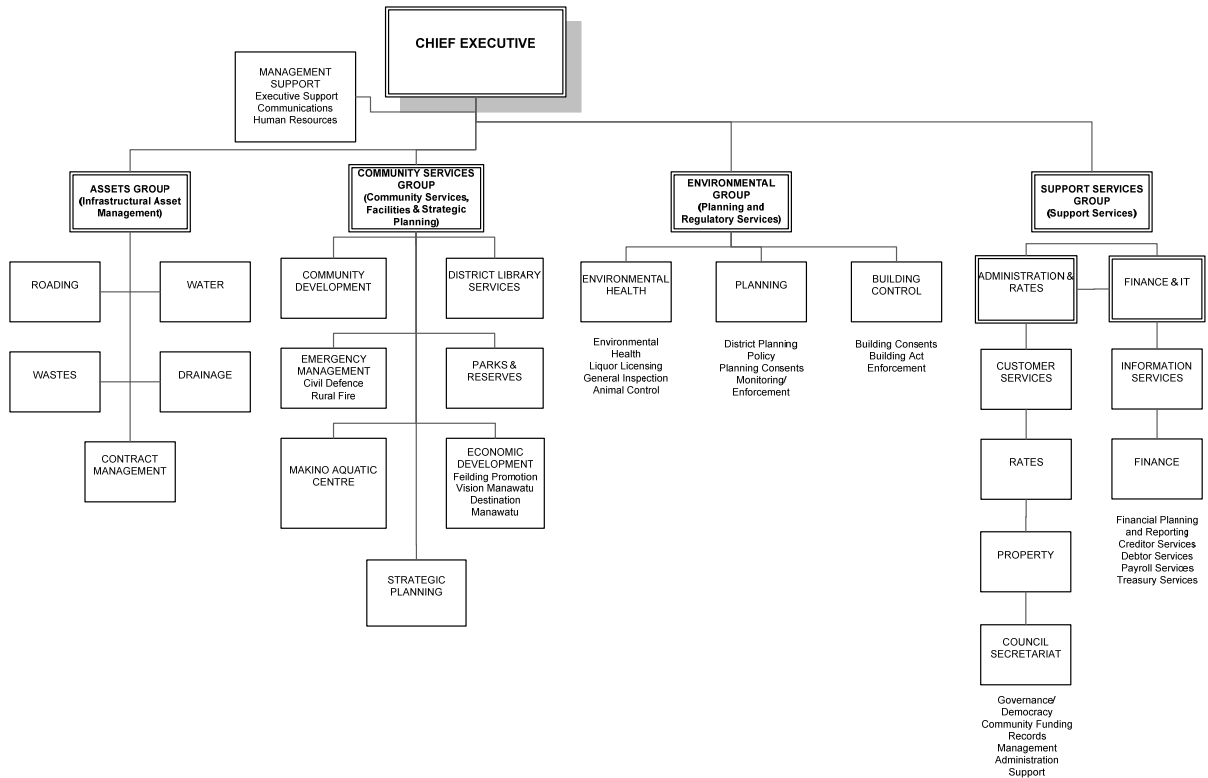
**Cr Kevin Argyle**  
Phone : 354 1844



**Cr Prue McBeth**  
Phone: 328 5839

# Manawatu District Council: Organisation Structure

Functional Staff Organisation Chart at 30 June 2007



**Chief Executive**  
Rod Titcombe



**Community and Environment Group Manager**  
Lorraine Vincent



**Assets Group Manager**  
Richard Kirby

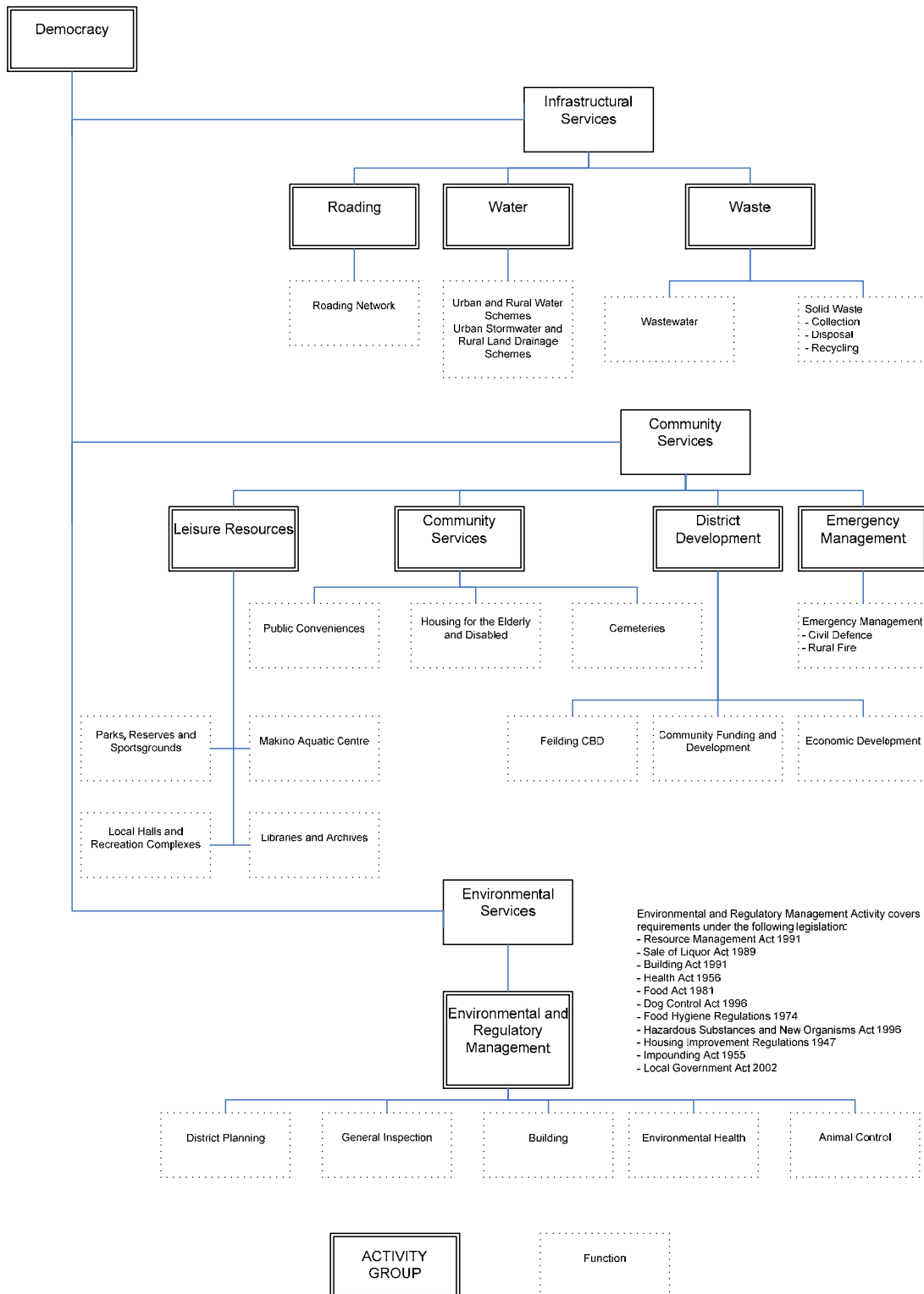


**Chief Financial Officer**  
Craig McLean



**Rates and Administration Manager**  
Murray Ramage

# Manawatu District Council: Activities and Functions



# Member's Responsibilities as at 30 June 2007

## Standing Committee Membership

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

## 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

# 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. Nonfinancial quantitative information relating to these resources is detailed below:

	30 June 2006	30 June 2007
<b>Community Services</b>		
Cemeteries: Feilding, Halcombe, Kimbolton, Pohangina, Rangiwahia, Rongotea, Sandon, Waituna West	8	8
Housing for the Elderly and Disabled (units)	208	208
<b>Drainage</b>		
Length of Stormwater Mains (kms) - Feilding	66.7	66.7
Bunnythorpe	2.2	2.2
Rongotea	1.7	1.7
Sanson	1.7	1.7
	<b>72.3</b>	<b>72.3</b>
<b>Leisure Resources</b>		
<b>Libraries and Archives</b>		
Feilding Public Library (also services 8 volunteer community libraries)	1	1
Other library buildings	1	1
Total book stocks	66,486	64,988
Total issues	358,441	363,138
<b>Local Halls and Recreation Complexes</b>		
Local Halls <sup>Note 1</sup>	19	19
Recreation complexes (Civic Centre and Te Kawai Memorial Recreation Centre)	2	2
<b>Parks and Reserves</b>		
Total reserves for District (ha)	538.4	538.4
<b>Swimming Pools</b>		
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 2006	30 June 2007
<b>Roading and Footpaths</b>		
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
	<b>1,429.7</b>	<b>1,429.7</b>
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
<b>Waste</b>		
Solid Waste		
Operating landfills	0	0
Transfer stations	4	4
Recycling centres	8	8
Closed landfill sites	3	3
Wastewater: Length of mains (km):		
Feilding	94.3	148.5
Sanson	4.4	5.4
Rongotea	6.8	9.1
Halcombe	6.0	6.8
Longburn	4.3	5.0
Bunnythorpe	13.6	12.8
Kimbolton	6.5	6.5
Cheltenham	2.6	2.6
Himatangi	0.7	0.7
Awahuri	0.6	0.6
	<b>139.8</b>	<b>198</b>
Sewage Treatment Schemes (no.)	9	9
Water Supply		
Length of mains (km):		
Feilding	137.6	137.6
Sanson	13.5	13.5
Longburn	2.2	2.2
Bunnythorpe	5.7	5.7
Himatangi	9.9	9.9
Kiwitea Rural Water Supply	45.5	45.5
Waituna West Rural Water Supply	45.4	45.4
Stanway/Halcombe Rural Water Supply	106.5	106.5
Oroua No 1 Rural Water Supply	17.3	17.3
	<b>383.6</b>	<b>383.6</b>

	30 June 2006	30 June 2007
Water Supply Schemes (no.):		
Urban	5	5
Rural	4	4
<b>Employees (Full-time equivalent (FTE) positions)</b> <small>Note 2</small>		
Chief Executive	3	3.6
Support Services	22.1	17.7
Environmental	12.9	11.3
Assets	19	18
Community Services	22.1	24.4
	79.1	75
Vehicles and Plant		
Cars and station wagons	23	23
Utilities	4	5
Construction plant and tractors	0	0
	<b>27</b>	<b>28</b>
Buildings		
Housing - staff and others	7	7
Administration offices	1	1
Camping grounds (both leased out)	2	2
Commercial property (leased out)	0	0
Depots	2	2
Other commercial property	6	6
	<b>18</b>	<b>18</b>

Notes:

1. Council also helps administer 10 halls that are owned and run by their communities.
2. Employee numbers shown at 30 June 2007 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 2007, excluding elected members, was \$4,369,693 (2006: \$4,200,688). 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

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

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 2006/07 Equal Employment Opportunities Programme

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



# Development of Maori Capacity to Contribute to Decision-Making

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In late 2005 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.

No further action on this has been taken during the 2006/07 financial year.

# Grants 2006/07

## General Grants

During 2006/07, 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*

	2006/07 \$		2006/07 \$
<b>District Grants</b>			
Apostolic Church Trust Board	4,608.35	Kimbolton Playcentre	327.11
Baha'I Faith Centre	607.11	Feilding Senior Citizens Association	2,789.24
Brethren Thames Street Chapel	240.89	Halcombe Playcentre	734.22
Bunnythorpe Gospel Hall Trust Board	733.33	Manawatu Historic Vehicle Collection Trust	2,171.24
Bunnythorpe Rugby Football Club	456.40	Manchester House Social Services	7,064.89
Central Districts Playcentre Association	1,089.78	Manawatu Outdoor Leisure Club	446.89
Feilding & Districts Art Society	2,028.39	Manfeild Park Trust	1,081.69
Feilding & Districts SPCA Inc.	940.40	Methodist Church Trustees	200.00
Feilding & Districts Steam Rail Society Inc.	1,639.56	Plunket Society Kimbolton/Kiwitea Branch	485.87
Feilding Caledonian Society	1,105.60	Riding for the Disabled	928.89
Feilding Community Learning Centre	607.11	Rongotea Uniting Parish	240.89
Feilding Golf Club Inc.	2,189.20	Royal New Zealand Plunket Society	3,459.56
Feilding Gospel Trust	607.11	Ruahine Kindergarten Association	1,090.67
Feilding Kindergarten	1,574.22	Sanson Playcentre	751.11
Feilding Lawn Tennis Club	958.27	Shiloh Community Trust	1,457.42
Feilding Methodist Church Trustees	1,450.67	St Johns Ambulance	7,097.38
Feilding Municipal Band	895.29	Steam Traction Society	613.69
Feilding Playcentre	1,090.67	Stewarts Trust of New Zealand Inc.	2,057.78
Feilding Rugby Executive	560.36	Taumata Ote Ra Marae Committee	1,391.11
Feilding Scout and Guide Hall Committee	3,521.24	Te Kawau Bowling Club	427.29
		Wellington Diocesan Trust Board	1,100.62
		<b>TOTAL</b>	<b>\$62,821.50</b>

	2006/07		2006/07
	\$		\$
<b>Representative Grants</b>			
Atmore, S	300.00	Mikaera, L	300.00
Feilding Volunteer Fire Brigade	4,000.00	Roberts, N	500.00
Findlay, T	300.00	Scott, G	500.00
		<b>TOTAL</b>	<b>\$5,900.00</b>
<b>Community Promotions</b>			
Feilding Family Violence Focus Group	821.25	Manawatu Western Riding Club	1,000.00
Feilding Light Party	297.78	Manfeild Park Garden Festival	2,000.00
Feilding Promotion Inc	1,000.00	Parklee Bullriding	444.44
Fitzherbert Lions Club	2,000.00	Rongotea & District Christmas Parade	311.81
Manawatu Pony Club	2,425.56	Ruahine Endurance Club	853.07
		<b>TOTAL</b>	<b>\$11,153.91</b>
<b>Community Fund</b>			
Feilding and Districts Youth Board	7,000.00	Manchester House Social Services	1,500.00
Feilding Brass Inc	5,000.00	<b>TOTAL</b>	<b>\$13,500.00</b>
<b>Partnership Fund</b>			
Feilding & District Art Society	18,000.00	Manchester House Social Services	22,500.00
Feilding & District Steam Rail Inc	2,966.67	Palmerston North Surf Life Saving Club Inc	12,000.00
Manawatu Historical Vehicles Collection Trust	3,000.00	Social Issues Network Council	399.89
Manawatu Rural Support Service	10,000.00	Te Manawa Services	10,000.00
		<b>TOTAL</b>	<b>\$78,866.56</b>
<b>Swimming Pool Grant</b>			
Bunnythorpe School	175.00	Tangimoana School	175.00
Hiwinui School	175.00	<b>TOTAL</b>	<b>\$525.00</b>

## 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 2006/07 were:

	2006/07		2006/07
	\$		\$
Bunnythorpe School	3,275.56	Lytton Street School	6,286.22
Feilding High School	11,121.78	Manchester Street School	6,286.22
Feilding Intermediate School	5,802.67	North Street School	4,110.22
Halcombe School	2,048.00	Rongotea School	208.89
Longburn Adventist School	5,888.00	Sanson School	733.33
Longburn School	1,144.89	St Josephs School	2,176.00
	<b>TOTAL</b>		<b>\$49,081.78</b>

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 2006/07 were:

	2006/07		2006/07
	\$		\$
Kiwitea Churchyard Trust	385.00	St Michael & All Angels	250.00
Rongopai Urupa Committee	444.44	<b>TOTAL</b>	<b>\$1,079.44</b>

## 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 2006/07 were:

	2006/07		2006/07
	\$		\$
Robert Dickson Trust Fund			
Birch, B	1,094.15	250.00	364.17
Coley, K	150.93	Gilsenan, S	250.00
Cotton, D	518.50	Sinclair, H	1,988.00
Easton, B	200.00	Stone, C	291.00
Puha, R	571.42	<b>TOTAL</b>	<b>\$5,428.17</b>

# Glossary

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

