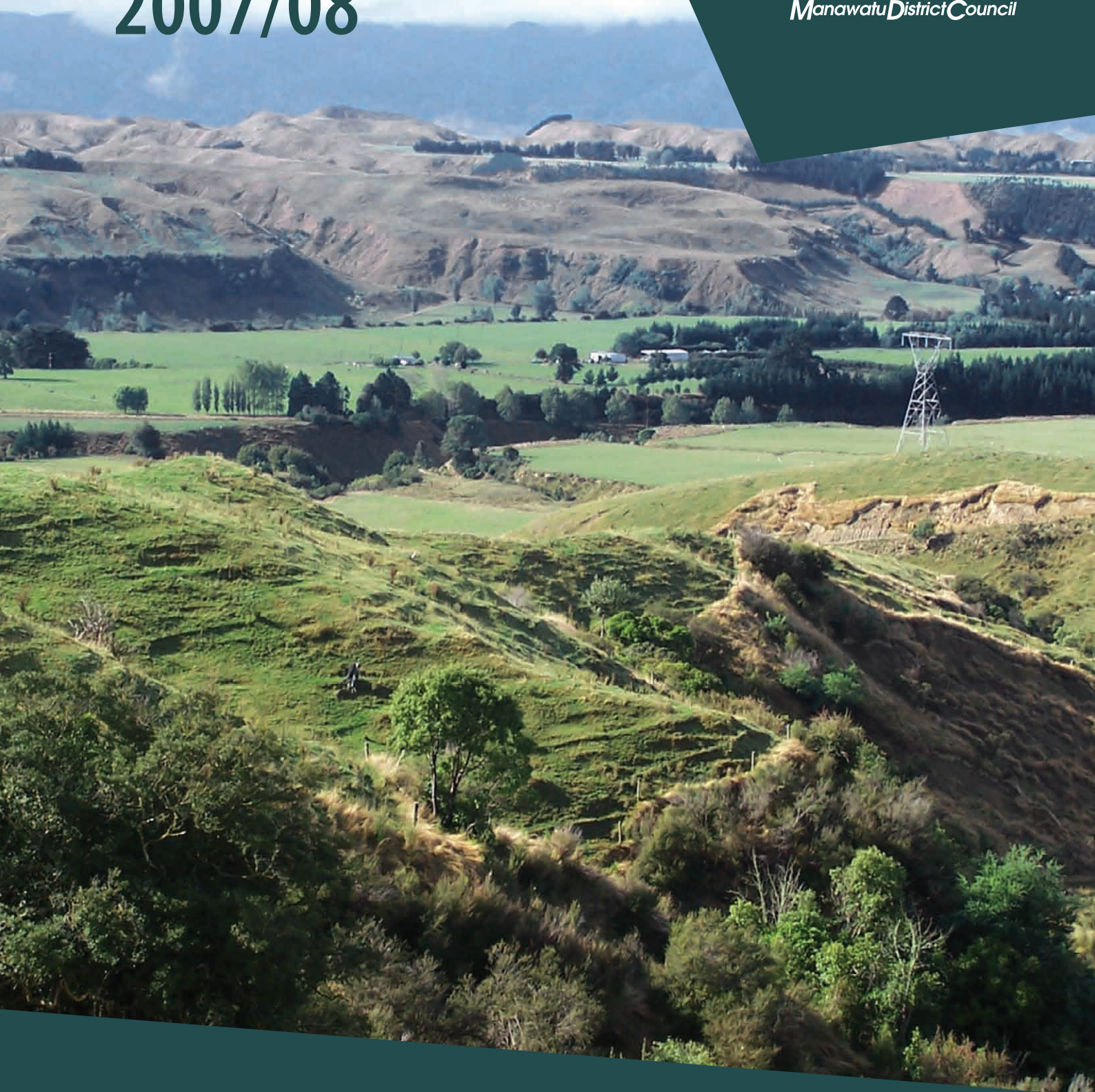
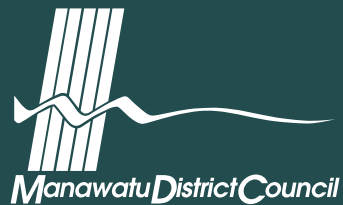


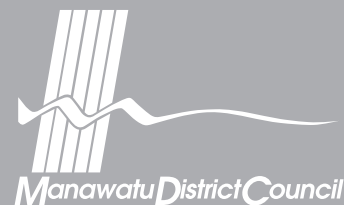
Annual Report 2007/08



For the year ended 30 June 2008



ANNUAL REPORT 2007/08



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P1 Introduction

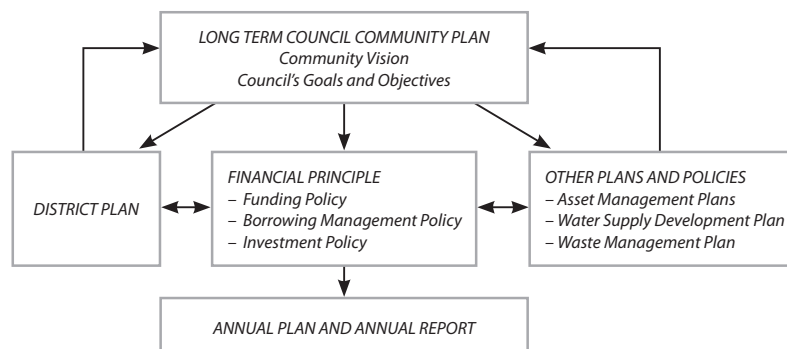
ROLE OF THE ANNUAL REPORT

This report has been prepared under section 98 of the Local Government Act 2002 (and includes the provisions of schedule 10, part 3). It compares Council's actual performance against what was forecast for the 2007/08 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 the 2006-2016 LTCCP – we are reporting against what we said we would do in the 2007/08 financial year
- reports against Council policies such as the Funding Policy and Borrowing Management and Investment Policies
- outlines how Council has spent money collected from ratepayers, residents, financial institutions and government agencies

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



The report is broken into four sections:

- | | |
|---|---|
| Section One:
Introduction | Gives an overview of the 2007/08 year including key highlights. |
| Section Two:
Groups of Activities | Summarises what Council has achieved in each activity group, including performance indicators. |
| Section Three:
Financial Information | Provides a financial overview, including financial statements, notes to the accounts and reports against the Revenue and Financing Policy and the Liability Management and Investment Policies. |
| Section Four:
Other Information | Other information, including summary information about the Manawatu District Council, elected representatives, staff and grants. Also reports against the development of Maori capacity to contribute to decision-making and the Equal Employment Opportunities Policy. |

INTRODUCTION FROM THE MAYOR AND CHIEF EXECUTIVE

The 2007/08 year was the second year of the Manawatu District Council's first full Long Term Council Community Plan 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 report sets out the Council's performance and overall financial position for the year ended 30 June 2008.

The following pages in this introductory section set out the highlights of the year's operations. The main body of the report 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 another successful year has been completed. Key financial indicators are presented in part three of the report.

Last year we commented that we were pleased that council has developed further close working relationships with neighbouring authorities, particularly with Palmerston North City Council, with joint building services, and Rangitikei District, with joint assets management services. We are pleased that arrangements with both councils continue to be successful. In a similar vein, Council is entering into a shared services agreement with six other local authorities in the Manawatu-Wanganui region to form an umbrella company to foster joint projects that will benefit the sector.

A triennial election was held during the past financial year and this saw the election of five new people to the Council table. It is pleasing that the "new team" settled into its role well and demonstrates a progressive attitude for the enhancement and growth of the district. We very much appreciate the support of councillors and staff in achieving positive results for the year.



A handwritten signature in black ink, appearing to read 'Ian McKelvie'.

Ian McKelvie
MAYOR



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

Rod Titcombe
CHIEF EXECUTIVE

THE YEAR IN REVIEW

New Community Trust Exciting Development

Five trustees have been appointed to the newly established Manawatu Community Wellbeing and Housing Trust in what has been described as an “exciting development” by Manawatu District Mayor, Ian McKelvie.

The inaugural trust members are Mary Ann Baskerville-Davies and Colin McJannett, of Feilding; Richard Bowling, of KIWITEA; John Culling, of Pohangina, and Dave Broderick, of Himatangi Beach.

The trust will own and manage the Manawatu District Council’s 208 Housing for the Elderly and Disabled units. The Council considered that the Community Trust could potentially afford better opportunities to tenants and the wider community, going beyond the provision of physical housing to a broader concept of community health and wellbeing.

Mr McKelvie said the establishment of the trust was not only exciting for the newly appointed members, who would be taking on challenges associated with a large asset, but also offered great potential in regard to future developments in the community.

Strategic Rooding Network

The Manawatu District Council has been working with the Palmerston North City Council (PNCC) to develop a co-ordinated strategic rooding network linking the district with the city.

Although this work has increased in intensity since the application from Palmerston North Airport Ltd to close Milson Line, previous discussions and consultation has occurred on delivering a more effective strategic rooding network.

Three principal drivers have led the two councils to consider a more effective rooding network within the Manawatu. These drivers are:

- Heavy and light traffic arising from the ongoing development of the North East Industrial Area of Palmerston North
- Increasing traffic between Palmerston North and Feilding and to a lesser extent the wider Manawatu District
- Likely closure of Milson Line for the airport runway extension.

Council and PNCC have been assessing the time and likely impact of these drivers to ensure that the rooding network is able to meet the demands as and when they occur and if that is not achievable then as soon as practicably possible thereafter.

The proposals for implementing a more effective strategic rooding network are essentially based on a rural ring road around Palmerston North City with links to Feilding and the Manawatu District. Earlier this year members of the public were invited to comment on two options around Bunnythorpe. After receiving 143 submissions and hearing some of the submitters Council decided to remove the preferred status of those two options and do further investigation on two other options: Te Ngaio Road and Roberts Line. Further consultation on these two options will be undertaken.

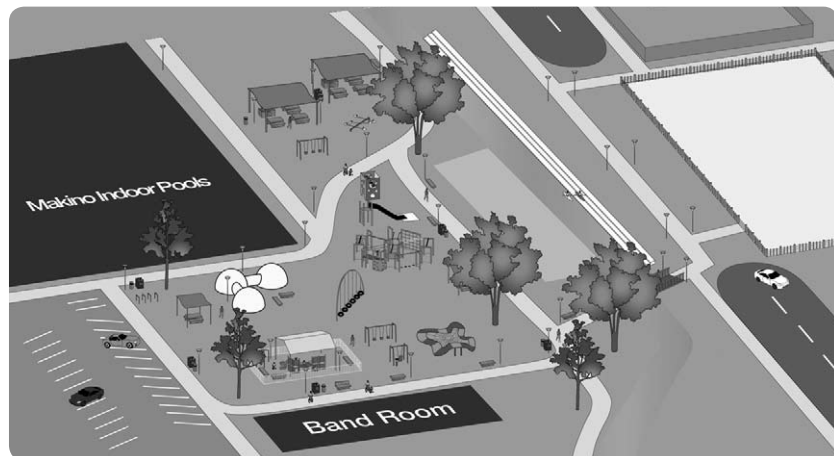
When agreement is reached on the route, a programme covering its implementation will be worked out, covering such issues as road designation, land acquisition and mitigating measures for property owners on the route.

Leisureville

Formed in July 2007, the Leisureville Project team has developed a draft plan of what Leisureville could look like. The plan envisages that Leisureville will be made up of five 'zones': aquatic; environmental; adventure; recreational; and educational. These zones will be linked by a path, which goes round the whole area and acts as a 'ring road'.

From here the team will take the many excellent ideas received over the last year (including those received as part of this year's Draft Annual Plan process) and use them to progress the plan, including indicative costs and funding sources, to be included in the 2009-2019 Draft Long Term Council Community Plan, which will be released for public consultation and comment in early 2009. Pictured below is an artist's impression of what part of Leisureville could look like. Highlights include:

- An extended Makino Aquatic Centre
- Numerous play features for children
- BBQ facilities
- Beautified Makino Stream with second bridge.



Councillor's Long Service to End

Long-Serving Manawatu District Councillor Mervyn Craw had no idea in 1974 that for the next 33 years he would be involved in the world of local body politics.

"When I started, there were no thoughts I would still be there 30-odd years later," said Mr Craw, who retired in September last year after a distinguished career that began with the Manawatu County Council and covered 11 terms in office.

"It's only been in the last eight to 10 years that I've thought about the possibility of pulling out. But I believe quite strongly the time is now right for me to go."

Mr Craw, a dairy farmer at Glen Oroua for more than 50 years, said he had enjoyed the local body experience, still found the job interesting and was leaving with no regrets. "Councillors initially took a hands-on approach, but now it is more theoretical. We are now the policy-makers and work on the theory on how it should be done."

He said the council, like most local authorities, had been subject to criticism from time to time, but felt that it did a pretty reasonable job overall.

2007 Elections

The 2007 elections, held last October, resulted in District Mayor, Ian McKelvie, retaining his position for a third term, and five new district councillors (from left to right) – Howard Voss, Margaret Giles, Steve Gibson, Alison Short and Barbara Cameron.



Shared Services with Rangitikei District Council

Council has formed a Shared Services Assets Department with Rangitikei District Council with the primary focus on providing infrastructural services. Both councils previously experienced difficulty in recruiting suitably qualified and experienced engineering staff but by pooling staff under a single structure, a full range of engineering services remains viable. The Assets Department came into effect on 1 July.

The establishment of the Shared Services Assets Department has no impact on the intended levels of service, which for both Rangitikei and Manawatu remain unchanged from those presented in the 2006-16 LTCCP.

COMMUNITY VISION

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

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

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

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

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

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

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

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

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

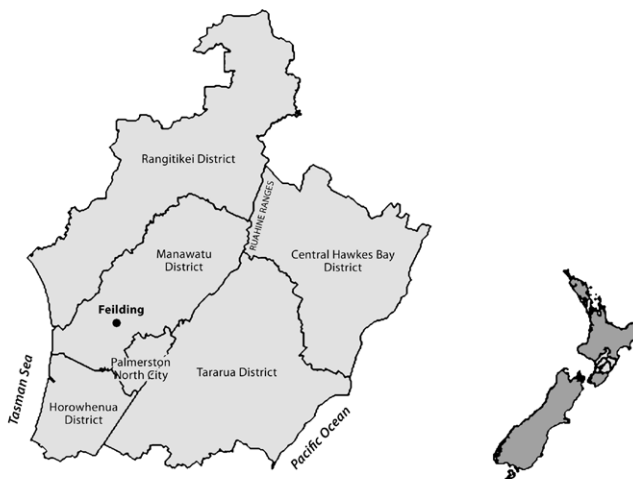
Guiding Principles and Groups of Activities

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

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

THE MANAWATU DISTRICT PROFILE

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



Area

The district covers an area of 253,164 hectares. It stretches from 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%.

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

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 2008 fairly reflect the financial position and operations of Manawatu District Council.



Ian McKelvie
Mayor

16 October 2008



Rod Titcombe
Chief Executive

AUDIT REPORT

TO THE READERS OF MANAWATU DISTRICT COUNCIL AND GROUP'S ANNUAL REPORT FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2008

The Auditor-General is the auditor of Manawatu District Council (the District Council) and group. The Auditor-General has appointed me, Bede Kearney, 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 2008, including the financial statements.

Unqualified Opinion

In our opinion:

- The financial statements of the District Council and group on pages 15 to 142:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect :
 - the District Council and group's financial position as at 30 June 2008; 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 15 to 90 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 16 October 2008, 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

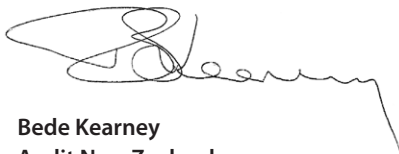
The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2008. They must also fairly reflect the results of 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 the Long Term Council Community Plan, we have no relationship with or interests in the District Council or any of its subsidiaries.



Bede Kearney
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Matters Relating to the Electronic Presentation of the Audited Financial Statements, Performance Information and the Other Requirements

This audit report relates to the financial statements, performance information and the other requirements of Manawatu District Council and group for the year ended 30 June 2008 included on Manawatu District Council and group's website. The Manawatu District Council and group's Council is responsible for the maintenance and integrity of Manawatu District Council and group's website. We have not been engaged to report on the integrity of Manawatu District Council and group's website. We accept no responsibility for any changes that may have occurred to the financial statements, performance information and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements, performance information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, performance information and the other requirements. 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, performance information and the other requirements as well as the related audit report dated 16 October 2008 to confirm the information included in the audited annual report presented on this website.

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



P2 Groups of Activities

GUIDE TO PART TWO

This section summarises results from the 2007/08 financial year for Council's Groups of Activities.

Groups of Activities

In 2007/08, Council provided various services organised into nine Groups of Activities. These are:

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

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.

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 2007/08 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 factors 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 well-being, 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 2007/08

Summarises key work programmes, capital developments and special projects during the 2007/08 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 2007/08 financial year for each activity. For comparison purposes, the first column contains actual data for 2006/07 and the last column contains budget information for 2007/08.

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

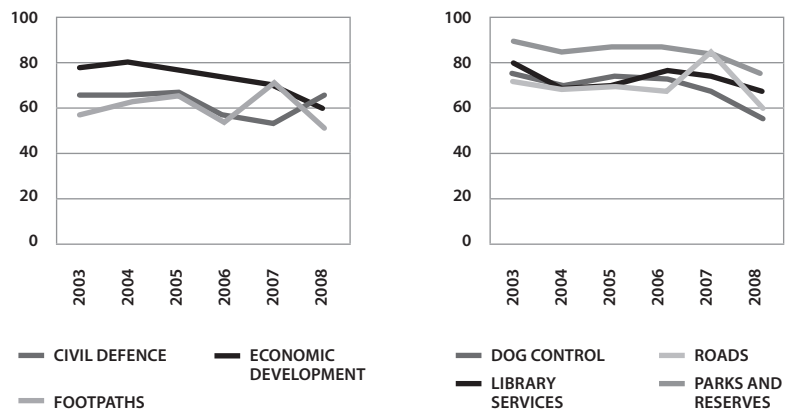
Highlights from the 2008 Communitrak survey are:

- 74% of residents are satisfied with food hygiene within the District (2007: 90%).
- 75% of residents are satisfied with Council's Parks and Reserves (2007: 83%).
- 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.*

Overall Satisfaction – Selected Services 2003-2008



COMMUNITY FACILITIES

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 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	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	49% overall satisfaction	Very/Fairly satisfied: 49% Not very satisfied: 2% Don't know: 49%
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	91% visitor satisfaction	Very/Fairly satisfied: 91% Not very satisfied: 4% Don't know: 5%
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	

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
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%	
Continued beautification of the Council-maintained cemeteries in Feilding, Rongotea, Sanson, Halcombe, Kimbolton, Rangiwahia, Waituna West and Pohangina	Beautification programme carried out within specified time frame and budget	Beautification is being achieved within specified time frames and budgets	Ongoing beautification of Council-maintained cemeteries continues – including tree and shrub plantings, seating
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	49% overall satisfaction	Very/Fairly satisfied: 49% Not very satisfied: 2% Don't know: 49%
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	91% visitor satisfaction	Very/Fairly satisfied: 91% Not very satisfied: 4% Don't know: 5%

Operating and Capital Work Programme for 2007/2008

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	0	0	This cost is met under the current operational budget
TOTAL	0	0	

COMMUNITY FACILITIES

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 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
Council, thanks to good community support via LTCCP submissions, has decided to work towards establishing a Community Trust to manage its Housing for the Elderly and Disabled Portfolio. Because the Trust concept involves a transfer of ownership or control of a strategic asset from the local authority, Council will undertake further community consultation under the Special Consultative Procedure (SCP) in accordance with the Local Government Act 2002	Work Programme is completed within time frames and budgets – by 1 July 2008		The Community Trust is now a Council Controlled Organisation, officially "opening for business" on 1 July 2008 and meeting its project deadline
Carry out necessary maintenance and work programmes to maintain HFTED units	Annual Work Programme carried out within specified time frames and budget		Annual Work Programme has been carried out within specified time frames and budget

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
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	92%	Occupancy rate as at 30 June 2008

Operating and Capital Work Programme for 2007/2008

SIGNIFICANT OPERATIONS/ MAINTENANCE	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Painting of Elizabeth and Woodlark Flats	19,163	20,000	Painting contract let to successful tenderer and work satisfactorily completed June 2008
TOTAL	19,163	20,000	

RENEWAL WORK	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Sanson HFTED water supply upgrade	23,215	25,000	Supply and installation of the six new water tanks and pumps satisfactorily completed September 2007
TOTAL	23,215	25,000	

CAPITAL WORK	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Renewals – programmed in accordance with the maintenance matrix	68,729	49,200	Fifteen new cookers installed. Nineteen full interior redecorations carried out. Eighteen new carpet and fourteen new vinyl floor installations. Four new stainless steel sink benches, two new hot water cylinders and one shub to shower conversion Overspend is due to the reassignment of some work from operational to capital expenditure
TOTAL	68,729	49,200	

COMMUNITY FACILITIES

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 well-being 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 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	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	49% overall satisfaction	Very/Fairly satisfied: 49% Not very satisfied: 20% Don't know: 31%
Asset Management Plan implementation – replacement of obsolete components as indicated in plan	88% user satisfaction with the public toilets as measured in Communitrak Survey	70% user satisfaction	Very/Fairly satisfied: 70% Not very satisfied: 24% Don't know: 6%
Toilets are regularly maintained and cleaned	There are no safety incident reports – the above satisfaction levels remain in line with targets		All cleaning and maintenance issues dealt with in a timely manner
Service provision of toilets	70% overall satisfaction with the toilets as measured in Communitrak Survey	49% overall satisfaction	Very/Fairly satisfied: 49% Not very satisfied: 20% Don't know: 31%
Service provision of toilets	88% user satisfaction with the toilets as measured in Communitrak Survey	70% user satisfaction	Very/Fairly satisfied: 70% Not very satisfied: 24% Don't know: 6%
Exterior security lighting is used at night	Ongoing	100% security light provision at night	Any security lighting issues dealt with immediately

Operating and Capital Work Programme for 2007/2008

SIGNIFICANT OPERATIONS/ MAINTENANCE	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Feilding Railway Station toilets – maintenance, cleaning, security	9,517	15,000	Railway Station toilet now has a security camera and monitored alarms on door and is set up for daily cleaning and 7.00am opening and 7.00pm closing. Street and station signage is in place
TOTAL	9,517	15,000	

CAPITAL WORK	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	1,612	150,000	Two new beach unit toilets/ changing rooms with outdoor showers were delivered to a prepared site at Himatangi Beach in July 2008
Public toilets upgrade: funding of up to \$200,000 has been provided to investigate and upgrade the existing Sanson public toilets	0	200,000	Funding for this project has been carried over to 2008/09. Toilet design options are currently being prepared and costed. Some options have already been presented to the Sanson community for comment on design and siting preferences. Work ongoing in liaison with the Destination Manawatu-led Sanson development group
TOTAL	1,612	350,000	

COMMUNITY FACILITIES

FUNDING SUMMARY FOR THE PERIOD ENDED 30 JUNE 2008

ACTUAL 2007 \$000		ACTUAL 2008 \$000	BUDGET 2008 \$000
Operating Costs			
621	Housing for the Elderly and Disabled	664	619
202	Cemeteries	146	185
50	Public Conveniences	69	100
68	Interest	43	62
487	Depreciation	490	491
134	Support Costs	129	135
1,562	TOTAL OPERATING COSTS	1,541	1,592
Capital Costs			
10	New Work	9	365
95	Renewal Work	92	74
684	Loan Repayments	17	102
789	TOTAL CAPITAL COSTS	118	541
2,351	TOTAL COSTS	1,659	2,133
Funded By:			
Operating Revenue			
237	Targeted Rates	253	241
878	User Fees	951	956
1,115	TOTAL OPERATING REVENUE	1,204	1,197
Capital Funding			
616	Renewal Loans Raised	0	0
0	New Loans Raised	0	25
113	Transfers from Investments	2	422
487	Funding from Non Cash Items	490	491
1,216	TOTAL CAPITAL FUNDING	492	938
2,331	TOTAL FUNDING	1,696	2,135
(20)	SURPLUS/(DEFICIT)	37	2

DEMOCRACY

DEMOCRACY

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 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	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		The Council's first Community Outcomes monitoring report will be produced by September 2008, providing valuable information for the 2009 LTCCP
Timely and efficient production of planning and reporting requirements	All plans and reports are 100% compliant with local government legislation (Council Records/Audit NZ opinions)	100%	The Annual Plan 2008/09 was adopted by Council on 29 May 2008

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
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	79% community satisfaction	63% of respondents rated the Mayor and Councillors as very/fairly good and 16% as acceptable
Review the current means of communication with the public	Review is undertaken	Review completed	The Communitrak Survey shows that The Bulletin is the most utilised form of Council-provided information
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	79% community satisfaction	63% of respondents rated the Mayor and Councillors as very/fairly good and 16% as 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	80% community satisfaction	56% of respondents rated the level of information from Council as very/fairly good and 24% as 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	A policy is in place	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

FUNDING SUMMARY FOR THE PERIOD ENDED 30 JUNE 2008

ACTUAL 2007 \$000		ACTUAL 2008 \$000	BUDGET 2008 \$000
	Operating Costs		
378	Mayor & Members	398	402
35	Other Council	79	44
58	Public Relations	65	62
379	Strategic Planning	186	383
184	Secretariat	92	211
6	Elections	87	70
400	Support Costs	354	379
1,440	TOTAL OPERATING COSTS	1,261	1,551
0	Capital Costs	0	0
1,440	TOTAL COSTS	1,261	1,551
	Funded By:		
	Operating Revenue		
1,466	Targeted Rates	1,589	1,538
0	Other	42	13
1,466	TOTAL OPERATING REVENUE	1,631	1,551
0	Capital Funding	0	0
1,466	TOTAL FUNDING	1,631	1,551
26	SURPLUS/(DEFICIT)	370	0

DISTRICT DEVELOPMENT

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 encourage 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 (\$195,000 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 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
District Awareness			
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	Data shows both increases and decreases	The data collection of the visitors through Feilding and District Information Centre is recorded manually by the staff when an enquiry is made at the front counter. The ability for staff to accurately record this information has been challenging with staff changes and resource demands

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
			The data shows a decline in local visitors yet the team at the Feilding and District Information Centre has increased their level of agency bookings and interaction with the local community. It is assumed that the busier the team gets, the less time they get to accurately record visitors through the centre
Community Facilities, Marae and Organisations			
Allocation of Community Development Funds, including Creative Communities and Trust funds	100% of grants approved meet Council criteria (Council records)	100%	All grants approved during the last 12 months 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 during the last 12 months have been assessed by the Community Wellbeing Subcommittee and meet criteria
Contributions to regional facility projects	Assessed on a project-by-project basis	Ongoing	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 during the last 12 months have been assessed by the Creative Communities Subcommittee and meet criteria
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 time frame – work programme reported against six-monthly	Activities and programmes carried out within specified time frame	This target was part of Sport Manawatu's 12-month report to the Strategic Planning and Policy Committee following collective presentations to funders in September 2008
Carry out work programme as specified in the District Leisure Plan (and provide support for other initiatives)	Annual work programmes carried out within specified time frame – 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 2008

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
Safer Community			
Safety projects (via funding sourced from Crime Prevention Unit) including Youth Anger Management Programme, Neighbourhood Support, Community Patrol	Projects are carried out within specified time frame and budget	Projects were carried out within specified time frame and budget	Achievements are reported by Service Providers on a 6 and/or 12-month reporting regime depending on level of support. Reports are due to the Crime Prevention Unit via MDC in July 2008

Operating and Capital Work Programme for 2007/2008

SIGNIFICANT OPERATIONS/ MAINTENANCE	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Community Development Funding	194,778	199,375	
Sport Manawatu funding annual grant – service agreement agreed through to June 2009	60,000	61,500	
Events Coordinator – this position is jointly funded with the Palmerston North City Council	10,000	10,250	
24-hour security – for the provision of 24-hour security in the town centre	61,500	61,500	
Leisureville – re-developing the Makino Park and adjoining areas will be the topic for public consultation during the 2007/08 year	1,708	10,000	As at 30 June artist's impressions of what Leisureville could look like have been produced. These were presented to key leisure stakeholders at a meeting in March. It is now envisaged that these ideas will be firmed up (including indicative costings and potential funding sources) for inclusion in the 2009-19 LTCCP. The balance of this budget has been carried over to 2008/09
TOTAL	327,986	342,625	

DISTRICT DEVELOPMENT

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 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 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	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	\$547,539	Government grants investment significantly exceeded target in the region totalling \$547,539
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	There has been an increase in visitor nights	Please note the visitor arrivals and bed nights data contained in DM's 12-month report relating to this measure were circulated to councillors as part of the September 2008 collective presentations

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
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	Seven functions held	The functions include business networking functions and seminars. This target is reported against via 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 via 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	Feilding Promotion's annual report suggests that the 80% satisfaction measure has been reached	This target is reported against via 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% overall community satisfaction of economic development in the district as measured by Communitrak survey	60% overall satisfaction	Very/Fairly satisfied: 60% Not very satisfied: 5% Don't know: 35%
Review of industrial and residential land supply for Feilding	Review completed during 2007/08	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 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.

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
			The change became operative from 1 August. Council has now started to identify another plot of land as a logical second step for development
Broker central government support and investment in the region which develop the supporting sectors of the Regional Economic Strategy	\$700,000 of funding per annum is obtained from central government 80% satisfaction with enterprise training programmes	\$720,000 90% satisfaction	\$720,000 achieved for business growth and training initiatives. Enterprise training programme target was exceeded for year, reaching 90% level of satisfaction
District Promotion			
Development of tourist and visitor activities (via contract with Destination Manawatu)	Appropriate cluster development takes place	Appropriate cluster development has taken place	Examples were contained in 12-month collective presentations to funders in September 2008
Positive promotion of Feilding and the district to key markets (facilitated by Feilding Promotion)	A promotion programme is implemented within time frame and budget	Promotion programme implemented within time frame and budget	Promotion examples were noted during the presentation of Feilding Promotion's 12-month report to the Strategic Planning and Policy Committee in September 2008 as well as the formal reports from Vision Manawatu, Sport Manawatu and Destination Manawatu

Operating and Capital Work Programme for 2007/2008

SIGNIFICANT OPERATIONS/ MAINTENANCE	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Vision Manawatu funding Three-year agreement in place	178,750	178,750	
Destination Manawatu funding (three-year agreement in place)	225,229	225,231	
Feilding Promotion funding (this amount does not include the additional \$66,356 information services funding received via Destination Manawatu) Service agreement agreed through to June 2009	144,012	144,012	
Economic Development – Internal	31,673	57,400	Expenditure here has included the following: 1. Sanson development group 2. Dedicated locomotive water filling station 3. RNZAF Ohakea Visitor Centre trust development 4. 10 Manchester Square (Feilding Promotion building) lease and rates
Regional initiatives – allows Manawatu District Council to meet its joint commitments with Palmerston North City Council	3,450	5,125	Expenses here relate to Palmerston North International Airport regional signage. Costs are shared with PNCC
Manfeild Park Trust (funding is made to assist the approved capital works programme. \$1 million of this has been carried over from 2006/07)	0	2,537,500	\$1,592,899.85 was advanced to MPT as at 31 December 2007. The agreed loan advance of \$2,500,000 has now been fully paid to MPT. Expenditure against this project is nil due to the expenditure being reclassified from an operating expenditure to a loan advance. This is consistent with the treatment of the loan advance to MPT in the 06/07 Annual Report
Manfeild Park Trust – community investment. This is an annual community investment contribution towards the operation of Manfeild Park	250,000	256,250	
TOTAL	833,114	3,404,268	

DISTRICT DEVELOPMENT

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 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 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
Feilding			
Implement a component of the Feilding CBD Development Plan. Completing the upgrade of Manchester Street and MacArthur Street that was initiated in 2006/07	Upgrading work completed – \$307,500 in 2007/08	Tracking	Manchester Street and MacArthur Street have been completed except for wrought iron fencing on Bowen St/Manchester St corner
Allocation of the Heritage Incentive Strategy Fund	100% of grants approved meet Council criteria		No applications for funding received in this financial year
Events, incorporating use of the CBD where appropriate, are delivered as per agreement with Feilding Promotion	Contract outcomes satisfy KPIs – in six-month report	Contract outcomes satisfy KPIs	This target was reported against via Feilding Promotion's 12-month reporting process
Ensure pavers and street furniture are kept clean and tidy	Record non compliances from the maintenance reports – no more than one noncompliance every two years	Tracking	Pavers being washed once per year and minor isolated spots cleaned as required
Villages and Other Communities			
Develop programmes for revitalisation as requested by respective communities	Programmes developed on request	Requests have been received for revitalisation from specific communities	Programmes to note: 1. Rangiwahia – trees and War Memorial around Domain 2. Apiti – trees and upgrades around Domain 3. Kimbolton – the play area and entrance to the Domain. 4. Sanson – planting of gardens in the main street 5. Himatangi Beach – the development of the reserve areas

Operating and Capital Work Programme for 2007/2008

CAPITAL WORK	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
CBD Development – implementing parts of the Feilding CBD Development Plan (Dec 2001)	305,540	307,500	Manchester Street and MacArthur Street have been completed except for wrought iron fencing on Bowen St/ Manchester St corner
TOTAL	305,540	307,500	

DISTRICT DEVELOPMENT

FUNDING SUMMARY FOR THE PERIOD ENDED 30 JUNE 2008

ACTUAL 2007 \$000		ACTUAL 2008 \$000	BUDGET 2008 \$000
	Operating Costs		
437	Community Funding	462	420
42	Community Development	146	112
568	Economic Development	608	652
2,490	Manfeild Park Development	250	2,794
60	CBD - Security	62	62
212	Interest	209	318
5	Depreciation	5	5
63	Support Costs	79	68
3,877	TOTAL OPERATING COSTS	1,821	4,431
	Capital Costs		
101	New Work	306	308
61	Loan Repayments	121	158
50	Transfers to Investments	0	0
212	TOTAL CAPITAL COSTS	427	466
4,089	TOTAL COSTS	2,248	4,897
	Funded By:		
	Operating Revenue		
184	Targeted Rates	206	200
1,277	General Rates	1,723	1,723
0	Manfeild Park Development	147	0
66	Subsidies	79	23
4	User Fees	18	4
1,531	TOTAL OPERATING REVENUE	2,173	1,950
	Capital Funding		
0	New Loans Raised	1,708	2,808
134	Transfers from Investments	143	134
5	Funding from Non Cash Items	5	5
139	TOTAL CAPITAL FUNDING	1,856	2,947
1,670	TOTAL FUNDING	4,029	4,897
(2,419)	SURPLUS/(DEFICIT)	1,781	0

EMERGENCY MANAGEMENT

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 man-made 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 man-made 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 man-made events (e.g. chemical spills) as well as rural fires, e.g. vegetation fire.

What has Council achieved in 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
Training of Civil Defence volunteers	Volunteers continue to be retained (present level of 76 volunteers)	35 volunteers active in Civil Defence Emergency Management training	Review to be undertaken as part of new emergency service agreement with Horizons Regional Council
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	Ongoing	New training regime to be instigated as part of emergency service agreement with Horizons Regional Council
CDEM Plan is produced	Plan accepted by Manawatu District Council	Plan accepted	Civil Defence Emergency Management Group (CDEMG) Plan to be reviewed in 2008/09

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
Train emergency services personnel in level two and four of the Co-ordinated Incident Management System	Ongoing training takes place as required	Three (3) Co-ordinated Incident Management System (CIMS) courses have been conducted during the reporting period	CIMS courses were held in Ruapehu (2) and Palmerston North
Increased integration within Horizons Region, utilising public awareness programme	Communitrak surveys indicate greater public awareness (see Communitrak target below)	66% overall satisfaction	Very/Fairly satisfied: 66% Not very satisfied: 7% Don't know: 27%
Apply appropriate processes and effectively manage local emergency events through District Emergency Management Committee	Emergency situations managed successfully – effectively is defined as: there is no loss of life, infrastructure is restored as soon as practicable	Ongoing	No emergency situation requiring Manawatu District Emergency Management Committee (EMC) response has occurred
Staff to be trained in Co-ordinated Incident Management System (CIMS)	EOC and community emergency staff are deemed competent by regional assessment team	Ongoing	Review to be undertaken as part of new emergency service agreement with Horizons Regional Council
Emergency Management Committee for the Manawatu formed and meeting regularly to develop response plans	EOC and community emergency staff are deemed competent by regional assessment team	Ongoing	The Manawatu District Emergency Management Committee (EMC) has developed activation procedures and a communications protocol that is consistent with the regional Civil Defence Emergency Management Group (CDEMG) Plan, and since tested by February 2004 events. EMC meetings are held on a quarterly basis
Recovery system, following a natural disaster, fits with the requirements of CDEM Group Recovery Plan	70% community satisfaction with Civil Defence as measured in Communitrak Survey	66% Community satisfaction	Very/Fairly satisfied: 66% Not very satisfied: 7% Don't know: 27%
Promotion and education through advertising in local media	70% community satisfaction with Civil Defence as measured in Communitrak Survey	66% Community satisfaction	Very/Fairly satisfied: 66% Not very satisfied: 7% Don't know: 27%
Continue meetings and plan tabletop exercises	Linkages to CDEM group are demonstrated through individual service links, eg radio communications	Ongoing	Linkages to Civil Defence Emergency Management Group (CDEMG) are mostly achieved through Council representation at Coordinating Executive Group (CEG) and Joint Committee levels

EMERGENCY MANAGEMENT

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 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
Monitor rural fire conditions and keep public informed through the Council's website and media	Public updated through website/newspaper/ Bulletin page/radio	Ongoing	Rural fire conditions monitored as appropriate to conditions
Issue rural fire permits	Fire permits issued in a timely and professional manner – within 24 hours of request	Ongoing	Permits issued according to the fire season
Provide rural fire public education	Reduction in non-permitted fires in rural area during restricted fire season	Ongoing	Rural fire public education achieved through rural fire pamphlets delivered to the rural community. This is generally completed before the summer fire season starts
Implementation of rural fire plan	Fire plan approved by Manawatu District Council	Approved October 2007	Manawatu District Rural Fire Plan operative until 2009

EMERGENCY MANAGEMENT

FUNDING SUMMARY FOR THE PERIOD ENDED 30 JUNE 2008

	ACTUAL 2007 \$000		ACTUAL 2008 \$000	BUDGET 2008 \$000
Operating Costs				
107		Civil Defence	99	118
25		Rural Fire	69	46
0		Hazard Response	0	0
6		Depreciation	3	8
67		Support Costs	74	71
205		TOTAL OPERATING COSTS	245	243
Capital Costs				
6		Renewal Work	0	7
6		TOTAL CAPITAL COSTS	0	7
211		TOTAL COSTS	245	250
Funded By:				
Operating Revenue				
192		Targeted Rates	184	176
27		General Rates	54	58
38		Flood 2004	0	0
6		Subsidies	5	8
5		User Fees	23	0
268		TOTAL OPERATING REVENUE	266	242
Capital Funding				
6		Funding from Non Cash Items	3	8
6		TOTAL CAPITAL FUNDING	3	8
274		TOTAL FUNDING	269	250
63		SURPLUS/(DEFICIT)	24	0

ENVIRONMENTAL AND REGULATORY MANAGEMENT

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

The following effects on community wellbeing have been identified:

Note: 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 ensures a healthy environment through appropriate development, sustainable land use and protection of environmental resources.

What has Council achieved in 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	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	61% user satisfaction	Very/Fairly satisfied: 61% Not very satisfied: 32% Don't know: 7%
Review dog policy and bylaws	75% community satisfaction with Council's control of dogs as measured in Communitrak Survey	56% community satisfaction	Very/Fairly satisfied: 56% Not very satisfied: 16% Don't know: 28%
Respond within 15 minutes to verbal notification of an animal attack	90% of verbal notifications responded to within 15 minutes	100%	44 animal attacks attended as at 30 June 2008. All complaints attended to within the required 15 minutes
Provision of sixteen areas for exercising dogs	Sixteen exercise areas are available for dogs (subject to review)	Sixteen (16) exercise areas are available for dogs	
"Preferred owner" system rewards responsible dog owners via lower registration fees	Number of preferred owners – ongoing	Number of preferred owners – ongoing	456 known preferred owners for the year ending 30 June 2008
Delivery of dog education programmes	Dog education programmes take place in one-third of the District's primary and intermediate school classes each year	Change of service provider, programme starting in May/June 2008	Dog education programme carried out during the second and third school terms

ENVIRONMENTAL AND REGULATORY MANAGEMENT

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 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	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)	90% user satisfaction	Key stakeholder group survey carried out during September 2007
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)	71.5% issued within 10 working days (as at 30 June 2008)	1,056 building consents processed as at 30 June 2008
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)	91.9% issued within 20 working days (as at 30 June 2008)	37 commercial building consents processed as at 30 June 2008

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
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	95% (as at 30 June 2008)	
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	MDC registration/accreditation achieved March 2008	

Operating and Capital Work Programme for 2007/2008

SIGNIFICANT OPERATIONS/ MAINTENANCE	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Building Accreditation	0	5,125	
TOTAL	0	5,125	

ENVIRONMENTAL AND REGULATORY MANAGEMENT

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 noncompliance
- Promoting and educating appropriate standards for public and environmental health across the district

What has Council achieved in 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	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%	No issues to report as at 30 June 2008
Compliance with environmental and regulatory management legislation	80% user satisfaction with Council's Environmental Health Services (User Survey)	100%	Surveys returned as at 30 June 2008 show all customers satisfied with service
Provision of environmental health services for the Manawatu District	80% community satisfaction with the standard of food premises in the district as measured in Communitrak Survey	74% community satisfaction	Very/Fairly satisfied: 74% Not very satisfied: 3% Don't know: 23%
Issuing consents and permits	100% of Environmental Health Licences turned around within 20 working days, where application is complete (from Council records)	88.7% (133 issued within 20 working days)	150 Health Licences were issued as of 30 June 2008
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	Inspections are ongoing	
Issuing consents and permits	Ongoing monitoring of trends which impact on environmental health	Inspections are ongoing	Inspections of hairdressers and offensive trades, mobile shops, hawkers etc are ongoing

ENVIRONMENTAL AND REGULATORY MANAGEMENT

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 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	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	A review of the District Plan will commence September 2008	Further reviews will be undertaken when required
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 2008	The State of Environment Report to be produced in August 2008. This is later than scheduled due to need to gather further information
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	Action is taken against consent holders that do not meet consent conditions
Produce a State of the Environment Report every five years	Report is available by November 2007	Report available August 2008	The State of Environment Report to be produced in August 2008. This is later than scheduled due to obtaining relevant information and producing effective environmental indicators

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
State of the Environment reporting also indicates whether the Plan is meeting its aims	Fully compliant District Plan is produced by 2012		
Issuing resource consents as required	80% User satisfaction with resource consent services (user survey)	Not applicable	User surveys are not currently being undertaken. It is anticipated in future that user satisfaction with this service will be measured by the Communitrak Survey

Operating and Capital Work Programme for 2007/2008

SIGNIFICANT OPERATIONS/ MAINTENANCE	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
District Plan review	0	3,075	This funding has been carried over as a result of the Annual Plan process
TOTAL	0	3,075	

ENVIRONMENTAL AND REGULATORY MANAGEMENT

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 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	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%	193 liquor license applications were processed as at 30 June 2008 and all were issued within the 15 day turn-around
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%	Two applications have been referred to the Liquor Licensing Authority as at 30 June 2008

ENVIRONMENTAL AND REGULATORY MANAGEMENT

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 fly-tipping 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 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	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	Ongoing	Petrol voucher incentive maintained at \$30
Inspect registered premises/activities and ensure compliance with relevant legislation	All registered premises inspected once a year	Ongoing inspections	
Issue legislative consents, licences, permits and certificates as required	Legislative consents issued as required	Ongoing	Issuing licenses, permits to street users, amusement devices etc 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	Achieved April 2008	Council adopted the Manawatu District Bylaw 2008 in April 2008
Apply capping policy for gambling machines in district	Number of gambling machines consistent with policy – no more than 150	Achieved	

ENVIRONMENTAL AND REGULATORY MANAGEMENT

FUNDING SUMMARY FOR THE PERIOD ENDED 30 JUNE 2008

ACTUAL 2007 \$000		ACTUAL 2008 \$000	BUDGET 2008 \$000
	Operating Costs		
166	Animal Control	178	178
300	Planning and Scheme	447	198
347	Building Control	911	351
136	Environmental Health	190	133
43	General Inspection	39	67
46	Liquor Licensing	41	55
6	Depreciation	6	6
348	Support Costs	317	419
1,392	TOTAL OPERATING COSTS	2,129	1,407
	Capital Costs		
31	New Work	0	0
288	Transfers to Investments	143	62
319	TOTAL CAPITAL COSTS	143	62
1,711	TOTAL COSTS	2,272	1,469
	Funded By:		
	Operating Revenue		
0	General Rates	142	142
620	Targeted Rates	622	604
151	Animal Control	166	143
504	Planning and Scheme	345	163
520	Building Control	460	330
40	Environmental Health	39	40
4	General Inspection	1	2
40	Liquor Licensing	35	40
1,879	TOTAL OPERATING REVENUE	1,810	1,464
	Capital Funding		
6	Funding from Non Cash Items	6	6
6	TOTAL CAPITAL FUNDING	6	6
1,885	TOTAL FUNDING	1,816	1,470
174	SURPLUS/(DEFICIT)	(456)	1

LEISURE RESOURCES

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

The following effects on community wellbeing have been identified:

Note: This applies to all 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.

What has Council achieved in 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	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		Next biennial survey due September 2008. Satisfaction with opening hours was measured in the 2006/07 Communitrak and revealed no clear mandate for change
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 five similar libraries)	\$30.90	Note that the figure of \$26.95 was set three years ago using the previous year's figure. For this benchmark to have any meaning the current expenditure of the peer libraries is required and an average cost per capita calculated
Action the recommendations of the 2002 Library Review	Implementation plan carried out within time frames and budget		The Implementation Plan was developed from recommendations of the 2002 Library Review. To date web access software has been installed, online databases made available and the historic photograph collection digitised for online searching. In 2009/10 a new staff member may be appointed subject to a review in 2008/09 and additional community library computers installed if appropriate
Buying and providing up-to-date publications, databases and library management software	80% overall satisfaction as measured in Communitrak Survey	68% overall satisfaction	Very/Fairly satisfied: 68% Not very satisfied: 2% Don't know: 30%
Buying and providing up-to-date publications, databases and library management software	96% user satisfaction with library service as measured in Communitrak Survey	96% user satisfaction	Very/Fairly satisfied: 96% Not very satisfied: 2% Don't know: 2%
Buying and providing up-to-date publications, databases and library management software	Average annual issues per item to exceed 4.5 (figure calculated by dividing total annual issues by total holdings), that is, each item is borrowed an average of 4.5 times a year	Average annual issues per item = 5.6	
Software and hardware upgrades where appropriate	80% overall satisfaction as measured in Communitrak Survey	68% overall satisfaction	Very/Fairly satisfied: 68% Not very satisfied: 2% Don't know: 30%
Software and hardware upgrades where appropriate	96% user satisfaction as measured in Communitrak Survey	96% user satisfaction	Very/Fairly satisfied: 96% Not very satisfied: 2% Don't know: 2%

What has Council achieved in 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
Carry out necessary work programmes to maintain building and assets	Annual work programme carried out within time frames and budget		Completed
A library collection that is compatible with current and future demand	80% overall satisfaction as measured in Communitrak Survey	68% overall satisfaction	Very/Fairly satisfied: 68% Not very satisfied: 2% Don't know: 30%
A library collection that is compatible with current and future demand	96% user satisfaction as measured in Communitrak Survey	96% user satisfaction	Very/Fairly satisfied: 96% Not very satisfied: 2% Don't know: 2%
Consultation with users via the Library Users survey	Biennial Library Users survey, sampling no fewer than 150 users		Next biennial survey due September 2008. Previous (2006/07) survey measured customer 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		All major signage now bilingual
The Library service is customer focused. Library staff are well informed and customer needs are valued and where appropriate acted upon	80% overall satisfaction as measured in Communitrak Survey	68% overall satisfaction	Very/Fairly satisfied: 68% Not very satisfied: 2% Don't know: 30%
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)	Four programmes provided	Winter Warmers reading programme for 100 children run in July 2007. Holiday programmes run in September 2007 and April 2008. Summer Reading Programme run for 300 children. 287 completed the programme
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 = 365,284	Target of 400,000 was set based on late 1990s trend of continuing increase in issues. Most public libraries have experienced a steady drop in use over the past 5 - 6 years. We have maintained a steady figure over the current three year cycle

Operating and Capital Work Programme for 2007/2008

RENEWAL WORK	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Library book purchases	165,685	164,000	
TOTAL	165,685	164,000	

CAPITAL WORK	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Community Archives	0	10,000	Funding will not be used this financial year as the Horse Drawn Vehicle Collection Trust is still awaiting responses to funding applications in order for them to undertake the major capital works required to establish a community archives facility. Funding has been carried over to 2008/09
TOTAL	0	10,000	

LEISURE RESOURCES

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 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	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 Communitrak Survey	71% overall satisfaction	Very/Fairly satisfied: 71% Not very satisfied: 6% Don't know: 23%
Provision and maintenance of local halls as per District Hall Management Policy (August 2002)	85% user satisfaction as measured in Communitrak Survey	89% user satisfaction	Very/Fairly satisfied: 89% Not very satisfied: 7% Don't know: 4%
Consultation with hall committees regarding suggestions for renewals	Annual consultation with hall committees takes place	Annual hall meeting held on 27 March 2008	Consultation will occur with Annual Hall reports due in November 2008
Carry out necessary work maintenance programme as per Hall Asset Renewal Programme	Renewal Programme carried out within time frames and budget	Seven projects have been completed and two are being held over to the 2008/09 year	Hall committees have been reminded of their respective work programme to ensure projects are on track
Implementation of Hall Management Policy including Hall Annual Report process and Hall Policy reviews	Work programme carried out within time frames and budget – review to take place in 2007/08	Most hall committees believe a review is not necessary at this time	Hall committees asked to comment in their annual report as to whether they consider that a Hall Policy review is necessary in 2007/08

Operating and Capital Work Programme for 2007/2008

SIGNIFICANT OPERATIONS/ MAINTENANCE	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Awahuri – hot water cylinder	1,604	1,536	Rear part of Awahuri Hall roof, which was leaking, replaced as a priority instead of hot water cylinder – approved by Council
Himatangi Beach – re-roofing	0	8,200	Project not started. A submission to hold the money over to allow better re-roofing options to be considered has been approved
Kairanga – water tank	2,665	3,589	New spouting, fascia boards, downpipes and stormwater drains replaced as a priority instead of water tank – approved by Council
Mt Biggs – painting maintenance instalments	1,575	1,135	Exterior painting maintenance completed July 2007
Rangiwahia – exterior painting	11,310	10,250	Hall Committee has obtained three quotes to paint the exterior. Best quote accepted and approved by Council. Painting work completed June 2008
Bunynthorpe Hall – feasibility study	11,280	10,000	Feasibility study is now complete; presented to Council January 2008
Feilding Civic Centre – contribution to new alarm system	0	50,000	Work well underway and will be completed early in the 2008/09 year. Funding has been held over to the 2008/09 year
Himatangi Beach – contribution towards replacing the Surf Life Saving Club	0	50,000	Funding has not been uplifted and has been carried over to the 2008/09 year
TOTAL	28,434	134,710	

RENEWAL WORK	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Apiti – repair west wall	0	2,563	Repair work to west wall completed June 2008
Cheltenham – paint roof	0	2,562	Project not started
Colyton – main hall interior upgrade	8,199	8,200	Interior repairs and improvements to hall completed June 2008
TOTAL	8,199	13,325	

LEISURE RESOURCES

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 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
Meet New Zealand water quality standard NZ 5826:2000	100% compliance	100% compliance	Earlier this year we had several readings for plate counts that came back over the water quality standards threshold. When we checked our procedures we found that the water sample was being taken from an outlet tap when it should have been taken from the pool itself. Procedures were updated and test results have all complied since then
Carry out necessary work programmes to maintain building and assets	Annual Work Programme carried out within time frames and budget	Completed	All maintenance is up to date
Monitor and maintain a safe facility environment	Health and Safety report (via Council's Human Resource Department) has a satisfactory outcome	Achieved	
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	96% satisfaction	Overall Customer satisfaction with the facility is at 96%

What has Council achieved in 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
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	Completed	Annual survey has been completed. There has been an improvement in nearly all areas surveyed with many satisfaction results being in the 90% plus region. Overall satisfaction with the facility is 96%
Provision of swimming lessons and programmes	Six to seven programmes provided annually, subject to demand	Nine programmes provided	Babies, toddlers, preschool, school and advanced and adult lesson classes provided as well as separate holiday lesson classes. Aqua group classes also facilitated. MAC has also started a 'water walking' rehabilitation class
Continue promotion and marketing strategy for Makino Aquatic Centre	Implementation of marketing strategy, carried out within specified time frames and budget	Completed	Promotion is now being targeted at specific events. MAC has also installed a LCD screen which advertises events, prices, times and pool availability
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)	Achieved	A very positive result has emerged from the MAC survey. All areas exceeded the 85% and many were over the 90% mark. Areas targeted that last year were under the 85% mark all exceeded the satisfaction threshold
Increase use of MAC by community	Increase in revenue against previous three year average	Achieved	Revenue is 17.5% higher than the average of the last three years

Operating and Capital Work Programme for 2007/2008

RENEWAL WORK	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Air/water temperature control system	0	20,500	This work has been deferred until MAC does its full maintenance shutdown in January 2009 to avoid inconveniencing the public
Pool equipment (eg inflatables)	10,053	10,250	Equipment purchased
Provide shade over outdoor grandstand	2,187	5,125	This project was not completed due to delays in being able to get the steel work done on time. The steel is now ready but the rest of the project is being deferred and will be completed in line with other major projects over this winter
Provide new BBQ and hot water to BBQ area	13,550	10,250	BBQ's have been installed and are proving popular. The overall cost did come in higher than budgeted as a lot of stainless steel was incorporated into the bench work
Pumps	3,700	6,150	A new submersible pump has been purchased
Security Fencing	0	11,000	This work was completed and paid for last year
Installation of a flying fox	0	3,000	This project will not be completed for safety reasons and has been overtaken by Leisureville development
TOTAL	29,490	66,275	

LEISURE RESOURCES

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 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	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 time frame and budget	Plans are completed within time frame and budget	Coastal Reserves Management Plan completed
Implementation of Strategic Management Plans	Annual work plan carried out within specified time frames and budget	Implementation of the Kowhai Park Reserve Management Plan (RMP) carried out within time frame and budget	Work completed on updating Kowhai Park as per its RMP
Development programmes including coastal plantings	Annual work plan carried out within specified time frames and budget	Work completed	Planting carried out at Himatangi Beach Development plan of the Himatangi Beach Reserves completed
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 time frames and budget		Contractor working well as per contract outcomes

What has Council achieved in 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
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 Communitrak Survey	87% user/visitor satisfaction	Very/Fairly satisfied: 87% Not very satisfied: 9% Don't know: 4%
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 Communitrak Survey	75% overall satisfaction	Very/Fairly satisfied: 75% Not very satisfied: 8% Don't know: 17%
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 Communitrak Survey	84% user/visitor satisfaction	Very/Fairly satisfied: 84% Not very satisfied: 9% Don't know: 7%
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 Communitrak Survey	68% overall satisfaction	Very/Fairly satisfied: 68% Not very satisfied: 8% Don't know: 24%
Provide educational information including signage and brochures and website information	Provision of relevant up-to-date information	Ongoing	Updated information for groups using Kowhai Park available. Kimbolton School has updated information at the Bush reserve at Kimbolton
Consultation with local communities regarding suggestions for local community spaces and renewals	Consultation with local communities completed every three years	Completed	Meetings held with a number of groups including Himatangi Beach/Rongotea/Apiti/Keep Feilding Beautiful Committee
Carry out annual renewal programme for parks, reserves and sports grounds	Renewal programme carried out within time frame and budget	Work completed	
Response to emergency maintenance requests	95% requests responded to within specified contract times	Requests being responded to within contract times	

Operating and Capital Work Programme for 2007/2008

RENEWAL WORK	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Kitchener Park – continued development	15,349	10,250	Work completed on replacement boardwalk. Replanting taking place in areas that have been cleared of Wandering Dew. Removal of dead trees by road. Redevelopment of the main gate and car parking area carried out
Kowhai Park – continued upgrading including footpaths and gates	63,363	51,250	New footpaths and new fence built by children's play area All gateways have been upgraded
District Playgrounds – play equipment replacement	26,323	20,500	New play areas and safety undersurfacing have been installed at Kowhai and Vista Parks. Bark supplied to Kimbolton Domain and a number of District schools
Mt Lees – new walkways and signs	7,425	10,250	New walkway started. Signs to be put in place once the track work is completed
Bunynthorpe – development of playground and public conveniences	0	24,000	This funding has been carried over to 2008/09
Himatangi – resurface of tennis courts or other recreational project	0	20,000	This funding has been carried over to 2008/09
TOTAL	112,460	136,250	

CAPITAL WORK	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Walkways (Kitchener Park/ Feilding link) – District walkways development	145,732	152,500	Working with Horizons Regional Council contractors on stopbank replacement at Kitchener Park. Work has started on clearing unwanted trees blocking the walkway Work on pathway well advanced
Timona Park – stage 3 development – summer garden	9,429	10,250	Main trees have been planted New entrance way cleared and ready for gate and steps
Almadale Reserve – walking bridge upgrade	15,508	30,750	Repairs to the foot bridge completed
Parks and Reserves expenditure to cater for growth – funded from development contributions	0	76,234	No work undertaken as at 30 June 2008. Funding to be used as future demand dictates the need and will be provided from Development Contributions
TOTAL	170,669	269,734	

LEISURE RESOURCES

FUNDING SUMMARY FOR THE PERIOD ENDED 30 JUNE 2008

ACTUAL 2007 \$000		ACTUAL 2008 \$000	BUDGET 2008 \$000
Operating Costs			
1,439	Parks & Reserves	1,409	1,217
64	Local Halls & Recreational Complexes	76	208
475	Library	491	477
843	Makino Aquatic Centre	848	789
120	Flood 2004	0	0
202	Asset Management	192	171
31	Interest	30	1
17	Asset Write Off's	0	0
870	Depreciation	849	855
376	Support Costs	416	377
4,437	TOTAL OPERATING COSTS	4,311	4,095
Capital Costs			
432	New Work	171	280
301	Renewal Work	395	379
0	Loan Repayments	0	7
20	Transfers to Investments	20	91
753	TOTAL CAPITAL COSTS	586	757
5,190	TOTAL COSTS	4,897	4,852
Funded By:			
Operating Revenue			
3,282	Targeted Rates	3,145	3,065
164	Parks & Reserves	250	206
73	Library	85	36
314	Makino Aquatic Centre	394	278
1	User Fees	1	2
70	Flood 2004	0	0
3,904	TOTAL OPERATING REVENUE	3,875	3,587
Capital Funding			
1,095	New Loans Raised	0	0
163	Transfers from Investments	269	410
887	Funding from Non Cash Items	849	855
2,145	TOTAL CAPITAL FUNDING	1,118	1,265
6,049	TOTAL FUNDING	4,993	4,852
859	SURPLUS/(DEFICIT)	96	0

ROADING

ROADING

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.

What has Council achieved in 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
Carriageways			
Carry out regular safety inspections and maintenance, where necessary, of existing roads to specified standards	Annual Work Programme carried out within specified time frame and budget	Target met	This was completed under Contract C-4/0605 – Roading Network Maintenance
Carry out regular safety inspections and maintenance, where necessary, of existing roads to specified standards	100% compliance with Safety and Technical (Quality) Audits	Ongoing	Safety and Technical audits undertaken. Assessing recommendations
Carry out regular safety inspections and maintenance, where necessary, of existing roads to specified standards	80% user satisfaction with district roads as measured in Communitrak Survey	60% user satisfaction	Very/Fairly satisfied: 60% Not very satisfied: 35% Don't know: 5%
Carry out regular safety inspections and maintenance, where necessary, of existing roads to specified standards	Reported injury crashes continues to decline	Not Confirmed	Data not available for period 1 May to 30 June 2008
Carry out 1 km seal extension of unsealed roads in accordance with priority to specified standards	1 Kilometre of seal extension per year	0 km	No seal extension undertaken
Carry out crash reduction studies and strategy studies	1 strategy annually	Target met	Recommendations currently being assessed
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	Not Confirmed	Data not currently available
Provide street lighting levels to enable safe and efficient traffic movement	90% compliance with NZ Standard by 2025	90%	This was completed under Contract c-4/0510 Street Lighting Maintenance
Works and services are procured either by tender in accordance with competitive pricing procedures or by other means to achieve a best-value outcome	A 100% compliant tender evaluation analysis for all works and services tendered using Competitive Pricing Procedures (CPP)	100%	Eight contracts tendered to date using LTNZ Competitive Pricing Procedures
Works and services are procured either by tender in accordance with competitive pricing procedures or by other means to achieve a best-value outcome	100% due diligence compliance for all works and services procured by other means to achieve a best-value outcome	100%	No procurement using alternative procedures to date

What has Council achieved in 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
Assess and monitor traffic flow on district roads to ensure roads optimum traffic flow	200 traffic counts completed annually	206 traffic counts	Traffic counts completed in fourth reporting period: April 2008 – 15 May 2008 – 15 June 2008 – 19 Total for the 2007/08 financial year: 206
Carry out improvements to enhance traffic movements	Annual work programme carried out within specified time frame and budget	Target met	Work on No.1 Line Pohangina completed, Taonui School/ Waughs Road lay-by improvements completed
Carry out improvements to enhance traffic movements	100% compliance with Technical and Safety Audits	100%	Safety audits of completed – projects undertaken. Report yet to be provided
Ensure traffic signs and marker posts meet specified standards (includes removal of unauthorised signs)	Annual work programme carried out within specified time frame and budget	Target met	This was completed under Contract C-4/0605 – Roading Network Maintenance
Ensure traffic signs and marker posts meet specified standards (includes removal of unauthorised signs)	100% compliance with Technical and Safety Audits	100%	Safety and Technical audits undertaken
Grass berms and vegetation are maintained to specification	Annual work programme carried out within specified time frame and budget	Target met	This was completed under Contract C-4/0605 – Roading Network Maintenance
Grass berms and vegetation are maintained to specification	100% compliance with Technical and Safety Audit	100%	Safety and Technical audits undertaken
Bridges			
Carry out detailed structural inspections on 20% of the bridges annually	20% of bridges with detailed structural inspections completed	45 bridges inspected (17%)	A bridge is defined as a structure with a waterway area of 3.4m ² or greater, according to the Land Transport New Zealand classification
Carry out routine inspections on all bridges annually	100% of routine inspections completed	100%	Routine bridge inspections completed

What has Council achieved in 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
Continue maintenance, renewal and construction of footpaths in accordance with the Council's Footpath Management Plan	Annual work programme carried out within specified time frame and budget	Target met	Programme identified from recent footpath rating survey completed Undertaking maintenance repairs as required
Continue maintenance, renewal and construction of footpaths in accordance with the Council's Footpath Management Plan	100% compliance with Technical (Quality) and Safety Audit	100%	Safety and Technical audits undertaken
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	53% user satisfaction	Very/Fairly satisfied: 53% Not very satisfied: 26% Don't know: 21%
Develop and implement a walkway/cycleway strategy	Annual work programme carried out within specified time frame and budget	Target met	Cycleways option report underway to identify options between Feilding and Palmerston North

Operating and Capital Work Programme for 2007/2008

SIGNIFICANT OPERATIONS/ MAINTENANCE	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Urban roading – maintenance of the urban road network	238,196	259,069	Programmed work completed
Rural roading – maintenance of rural road network	3,529,956	2,227,838	Programmed work completed. Also includes \$1,019,190 for Emergency work and \$282,928 for Reu Reu Road closure
Bridge, culvert and structures maintenance	252,106	292,125	Target met. Programmed work completed
Traffic signage, road markings and lighting maintenance	345,370	396,162	Target met. Programmed work completed
Operation and management of the roading network	1,022,411	977,032	Target met
Strategy study – investigation into road safety concerns	50,000	51,250	Strategy sites investigated and report completed
TOTAL	5,438,039	4,203,476	

Operating and Capital Work Programme for 2007/2008

RENEWAL WORK	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Urban roading network renewals	14,405	76,362	Programmed work undertaken. The majority of upgrade work for Manchester and MacArthur Streets was undertaken in 2006/07
Rural roading network renewals	310,155	486,875	Identified programmed work undertaken
Bridge, culvert and structures renewals and replacements	348,985	601,675	Identified renewal work programmed and completed
Traffic signage, road markings and lighting renewals and replacements	190,743	253,687	Identified renewal work programmed and completed
Resealing of 95 km of roadway surface	1,868,503	2,318,000	90 km target length achieved
Carriageway Rehabilitation (Area Wide Pavement Treatment – AWPT)	2,803,150	3,640,000	Five contracts for 2007/08 have been awarded Contract 07/23 – Taylor Rd and Tyne Street, Rongotea Contract 07/25 – Makino Road and Colyton Road Contract 07/28 – Oroua Valley Road and No.1 Line, Pohangina Contract 07/30 – Ranfurly Road improvements Contract 08/03 – Nannestad Line Target lengths achieved. 2007/08 saw a number of projects which were achieved below original estimates
TOTAL	5,535,941	7,376,599	

Operating and Capital Work Programme for 2007/2008

CAPITAL WORK	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Minor safety works	652,730	861,000	Identified works programmed and completed
Seal extension – subsidised	0	205,000	Deferred. No sites qualifying for LTNZ subsidy
Seal extension – unsubsidised – no allowance has been made for unsubsidised seal extension in 2007/08	0	0	
Rural walkway construction	19,847	5,125	Target met Extension of Cemetery Road, Sanson, undertaken This represents the accumulation of three year's work. Part of this will be offset by a contribution from the Sanson community committee
Reconstruction of carriageway, kerb and footpaths	158,088	256,250	Target met. Identified works programmed and completed
Carparks	19,540	10,250	Target met. Identified works programmed and completed
Cycleway improvements – this budget includes \$50,000 carried over from 2006/07	0	101,250	Further investigation required on how and where this funding could be spent. LTNZ has certain criteria for funding this activity. This funding has been carried over to 2008/09
Strategic Roding Networks – \$500,000 for planning, consulting and improving strategic roding networks – year one of a five year programme	69,411	500,000	Studies underway to determine preferred route options. This is ongoing and will carryover into 2008/09
Emergency fund for storm damage – no allowance has been made for this	0	0	No funding allocated, however, storm damage (\$1,019,190) has occurred and is being funded out of rural road maintenance
TOTAL	919,616	1,938,875	

FUNDING SUMMARY FOR THE PERIOD ENDED 30 JUNE 2008

ACTUAL 2007 \$000		ACTUAL 2008 \$000	BUDGET 2008 \$000
Operating Costs			
6,980	Subsidised Roading	5,513	3,888
4	Flood 2004	29	0
164	Non-Subsidised Roading	208	316
125	Interest	108	167
204	Asset Management	186	290
538	Asset Write Off's	0	0
4,921	Depreciation	4,921	4,419
8	Support Costs	40	20
12,944	TOTAL OPERATING COSTS	11,005	9,100
Capital Costs			
488	New Work	857	1,604
5,887	Renewal Work	5,849	8,015
415	Loan Repayments	234	284
89	Transfers to Investments	0	194
6,879	TOTAL CAPITAL COSTS	6,940	10,097
19,823	TOTAL COSTS	17,945	19,197
Funded By:			
Operating Revenue			
6,769	Targeted Rates	7,341	7,169
7,795	Subsidies	6,463	6,762
223	User Fees	576	390
	Vested Assets	755	0
14,787	TOTAL OPERATING REVENUE	15,135	14,321
Capital Funding			
0	New Loans Raised	240	240
0	Renewal Loans Raised	289	71
117	Transfers from Investments	115	146
5,459	Funding from Non Cash Items	4,921	4,419
5,576	TOTAL CAPITAL FUNDING	5,565	4,876
20,363	TOTAL FUNDING	20,700	19,197
540	SURPLUS/(DEFICIT)	2,755	0

WASTE

SOLID WASTE

The community has asked for:

A community that has access to effective services.

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

The following effects on community wellbeing have been identified:

Environmental wellbeing: The waste activity 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.

What has Council achieved in 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	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	All landfill monitoring is being carried out. 100% achieved	Horizons has requested additional information to process the consent application. This is currently being collated
Review Waste Management Plan (WMP)	The performance measures in the delivery of solid waste services match the Manawatu District WMP – WMP reviewed three yearly	Ongoing	Review of the Waste Management Plan will take place in 2008/09 financial year
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	22%	
Review Asset Management Plan to ensure that efficient and cost-effective solid waste management is provided in the Manawatu district to an appropriate level of service	80% user satisfaction with refuse bag collections as measured in Communitrak Survey	74% user satisfaction	Very/Fairly satisfied: 74% Not very satisfied: 11% Don't know: 15%
Review Asset Management Plan to ensure that efficient and cost-effective solid waste management is provided in the Manawatu district to an appropriate level of service	80% user satisfaction with recycling services as measured in Communitrak Survey	85% user satisfaction	Very/Fairly satisfied: 85% Not very satisfied: 13% Don't know: 2%
Collection of household/business refuse bags	100% of towns included in Council collections	100%	The Council has expanded refuse bag collection programmes to include newly developed areas
Collection of household/business refuse bags	90% of residents are within 50 km of a refuse transfer station	90%	Ongoing consultation and investigation to include more residents
Provision of facilities for depositing recyclable materials and kerbside collection of recyclables in Feilding	1,000 tonnes of recyclables diverted from landfill per annum	1,780 tonnes	1,780 tonnes of recyclables diverted from landfill
Provision of facilities for depositing recyclable materials and kerbside collection of recyclables in Feilding	2,000 tonnes green waste diverted from landfill per annum	Disposal of green waste is at the Feilding Transfer Station. 860 tonnes of green waste diverted from landfill	The quantity is less than anticipated because another Greenwaste Company has opened in Feilding with a lower gate fee

What has Council achieved in 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
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	Achieved	There have been no complaints about odour pertaining to the waste transfer station
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	There were 176 complaints about fly tipping.	There were 176 complaints about fly tipping. Fly tipping has increased a lot in the past year, and this will be addressed in the next Waste Management Plan
Ongoing liaison with the Marae Consultative Committee	Maori/local lwi are consulted on matters which affect them (Marae Consultative Committee minutes)	There have been no matters raised with the Marae Consultative Committee	There have been no matters raised with the Marae Consultative Committee
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	74% user satisfaction	Very/Fairly satisfied: 74% Not very satisfied: 11% Don't know: 15%
Feilding Landfill capping and closure	100% compliance with resource consent conditions	100% Achieved	Landfill is fully capped and awaiting notification of resource consent by Horizons Regional Council. Additional information supporting consent application is being collated
Consider entering a contract with private enterprise for provision of refuse transfer station services in Feilding	80% user satisfaction with transfer station services as measured in Communitrak Survey	61% user satisfaction	Very/Fairly satisfied: 61% Not very satisfied: 37% Don't know: 2%
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.	Regional Waste Officers' Group has not met over this period	
Waste Minimisation			
Provide an education programme about waste minimisation	2,000 tonnes of green waste diverted from landfill	Ongoing educational programme via the Bulletin page and in schools	Ongoing educational programme via the Bulletin page and in schools

What has Council achieved in 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
			Council has started publishing Waste Minimisation articles in the Feilding Herald
Provide facilities and services for recycling, garden waste and scrap metal recovery	Increased recycling and scrap steel recovery by 1,000 tonnes per annum	Services provided and 90 tonnes of scrapped metal recycled	Most scrap metal goes to the local dealers
Make submissions to relevant government policies and programmes	Waste packaging accords signed with leading manufacturers leading to reduction in waste to landfill	Ongoing	Council Waste Managers have made a joint submission on the proposed Waste Minimisation Bill
Clean fill disposal area developed at Feilding landfill	500 m ³ of clean fill to Feilding landfill/ annum	0 m ³	Cleanfill is not being disposed of at the Feilding Landfill. MDC is collating more information for Horizons Regional Council to accelerate the Resource Consent Application process

Operating and Capital Work Programme for 2007/2008

SIGNIFICANT OPERATIONS/ MAINTENANCE	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Refuse Collection Contract (includes collection + disposal + cost of bags)	394,594	389,991	Expenditure reflects slight increase in tonnage collected via bags
Kerbside Recycling Feilding	271,596	133,968	Expenditure is higher than budgeted because recycling quantities have increased
Transfer Station operation (includes rural and recycling centres)	293,617	366,232	Expenditure reflects reduction in quantities being collected
Shopping bag to each householder	0	15,375	It is proposed not to proceed with this project at this point
TOTAL	959,807	905,566	

WASTE

WASTE WATER

The community has asked for:

A community that has access to effective services.

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 well-being 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 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	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 Communitrak Survey	94% user satisfaction	Very/Fairly satisfied: 94% Not very satisfied: 2% Don't know: 4%
Upgrade schemes as existing resource consents expire Monitor wastewater discharges according to resource consent conditions	100% compliance with resource consent conditions	100% compliant	All upgrade projects are underway and compliant with resource consent conditions
Update Asset Management Plan	Asset Management Plan is up to date	Next version due in current calendar year	Work on the Asset Management Plan is in progress
Revaluations 3 yearly	Revaluations up to date	Revaluation due for 1 July 2008	Work on next revaluation underway
Level of service consultation	Consultation on levels of service has taken place	Next consultation planned as part of LTCCP consultation in 2009	
Competitively tender reticulation maintenance contracts	There are no unauthorised discharges from wastewater reticulation systems. Contractor performance measures are being met	No contracts tendered this financial year and no unauthorised discharges recorded	
Ongoing liaison with the Marae Consultative Committee	Maori/local Iwi are consulted on matters which affect them (Marae Consultative Committee minutes)	There have been no matters raised with the Marae Consultative Committee	
Upgrade the Feilding Wastewater Treatment Plant	100% compliance with resource consent conditions Long term consent in place for Feilding Wastewater Treatment Plant	Upgrade trials in progress and design for stage 1 upgrade is completed. Resource Consent Application is planned for December 2008. Current discharge is compliant with resource consent conditions	
Upgrade the Kimbolton and Longburn Wastewater Treatment Plants	Long-term resource consents in place for Longburn and Kimbolton Wastewater Treatment Plants	Consents not yet in place	Kimbolton – Resource Consent application and submissions received. Council is preparing for hearing in August 2008

What has Council achieved in 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
			Longburn – Options on connecting discharge to PNCC sewage treatment Plant still open but not progressed
Introduce new Trade Waste Bylaw to encourage trade waste industries to have waste minimisation and management programme	Reduced effluent concentrations from trade waste industries. No discharges from trade waste industries above their set limits	Ongoing	Ongoing monitoring in place and data being analysed for non-compliant discharge by trade waste industries. Letters have been sent to non-compliant dischargers
Review our customer service systems	Respond to high priority faults within 1 hour, 90% of the time	Target met	This has been achieved
Implementation of the Asset management database reporting system for faults and response times	Respond to written complaints within 10 working days	Target met	Target met
Implementation of the Asset management database reporting system for faults and response times	A 24 hour, seven day service is available for reporting 99% of the time	Target met	System has functioned well
Implementation of Asset management database reporting system for faults and response times	All response times are being met	Response times have been met	Response times have been met

Operating and Capital Work Programme for 2007/2008

RENEWAL WORK	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Wastewater asset replacement – \$100,000 of the budget has been carried over from 2006/07	375,764	490,008	Drake St and Wellington St sewermain renewal contract is let out. Design is completed and construction planned for 2008/09
TOTAL	375,764	490,008	

CAPITAL WORK	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Wastewater asset growth – \$100,000 of this budget has been carried over from 2006/07	237,231	361,375	Expenditure for design and project management services. Stage 1 construction work is let out to contractor
Longburn Wastewater Treatment Plant resource consent and upgrade	4,750	200,000	Waiting for the outcome of PNCC's decision on Water Enviro Services Ltd. (WESL) application to connect a 300mm dia pipe before deciding to connect to PNCC directly or buy capacity in the WESL pipe
Kimbolton Wastewater Treatment Plant resource consent and upgrade.	2,262	150,000	Awaiting the outcome of the hearing which took place on 25 August before proceeding with the upgrade
Himatangi Beach Sewerage System – year one of a four-year programme	155,645	300,000	Council has decided not to proceed with the project until Government funding becomes available
Feilding Waste Water Treatment Plant upgrade	691,430	650,000	Design of stage 1 works is completed and work commences in August 2008. Resource Consent Application to be submitted by November 2008
TOTAL	1,091,318	1,661,375	

FUNDING SUMMARY FOR THE PERIOD ENDED 30 JUNE 2008

ACTUAL 2007 \$000		ACTUAL 2008 \$000	BUDGET 2008 \$000
Operating Costs			
997	Waste Water	1,676	1,402
1,489	Solid Waste	1,117	1,067
426	Interest	419	413
251	Asset Management	256	234
604	Depreciation	577	621
40	Support Costs	52	48
3,807	TOTAL OPERATING COSTS	4,097	3,785
Capital Costs			
259	New Work	937	1,661
417	Renewal Work	421	490
1,503	Loan Repayments	935	1,055
0	Transfers to Depreciation Funds	0	44
276	Transfers to Investments	0	40
2,455	TOTAL CAPITAL COSTS	2,293	3,290
6,262	TOTAL COSTS	6,390	7,075
Funded By:			
Operating Revenue			
2,634	Targeted Rates	3,245	3,228
887	Waste Water	867	721
274	Solid Waste	298	386
47	Vested Assets	270	0
59	Interest	0	40
3,901	TOTAL OPERATING REVENUE	4,680	4,375
Capital Funding			
235	New Loans Raised	969	1,400
961	Renewal Loans Raised	464	382
241	Transfers from Investments	346	298
604	Funding from Non Cash Items	577	621
2,041	TOTAL CAPITAL FUNDING	2,356	2,701
5,942	TOTAL FUNDING	7,036	7,076
(320)	SURPLUS/(DEFICIT)	646	1

URBAN STORMWATER/RURAL LAND DRAINAGE

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 stormwater 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

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 well-being.

What has Council achieved in 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
Ensure that stormwater runoff discharged from Council systems is of adequate quality	100% compliance with Horizons MW discharge consents requirements	100%	There have been no stormwater runoff compliance issues recorded
Provide and maintain safe and cost effective stormwater services to established criteria	65% community satisfaction with Stormwater system as measured in Communitrak Survey	65% community satisfaction	Very/Fairly satisfied: 65% Not very satisfied: 11% Don't know: 24%
Respond to emergency situations in stormwater systems within specified time frames	100% of emergency situations responded to within 1 hour of notification	No emergency responses required	There have been no stormwater emergency situations to date
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 Communitrak Survey	92% user satisfaction	Very/Fairly satisfied: 92% Not very satisfied: 6% Don't know: 2%
Develop a Stormwater Management Plan for Feilding	Annual work programme is completed within specified time frame and budget	Tracking	The first stage of the Feilding stormwater hydraulic model has been received and has been reviewed. Stage two calibration has commenced
Develop open drain maintenance programme for Feilding, Bunnythorpe, Longburn, Sanson and Rongotea to established criteria	65% user satisfaction with open drain networks as measured in Communitrak Survey	66% user satisfaction	Very/Fairly satisfied: 66% Not very satisfied: 30% Don't know: 4%
Ongoing liaison with the Marae Consultative Committee	Maori/local Iwi are consulted on matters which affect them (Marae Consultative Committee minutes)	Target met	Relevant matters have been raised with the Marae Consultative Committee

Operating and Capital Work Programme for 2007/2008

SIGNIFICANT OPERATIONS/ MAINTENANCE	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Bunnythorpe stormwater	1,806	3,384	No stormwater problems in Bunnythorpe experienced. This activity was completed under budget for the year
Feilding stormwater	68,904	75,850	Maintenance within budget for the year
Longburn stormwater	13,391	2,870	Very high maintenance costs incurred clearing debris and tree roots from blocked drains along the main road to eliminate flooding problems. This cost is offset by \$6,000 of accumulated funding from previous year's under expenditure
Rongotea stormwater	2,971	4,571	No stormwater problems experienced. Maintenance within budget for the year
Sanson stormwater	13,359	6,919	Over expenditure due to project costs being added to this account for piped storm water section in Cemetery Road. Funding available from previous year's unspent project funds
Other stormwater	10,861	10,252	Soak pit installation at Himatangi Beach and improvements made in Cheltenham completed
Bainesse land drainage	1,935	11,010	No stormwater problems experienced. Maintenance within budget for the year
Maire land drainage	195	2,102	No stormwater problems experienced. Maintenance within budget for the year
Makowhai land drainage	425	5,637	No stormwater problems experienced. Maintenance within budget for the year
Oroua Downs land drainage	21,833	27,675	No stormwater problems experienced. Maintenance within budget for the year
TOTAL	135,680	150,270	

Operating and Capital Work Programme for 2007/2008

RENEWAL WORK	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Feilding stormwater upgrade – unplanned renewals	2,190	15,375	Installation of new connections is currently below expectation. Expenditure offset by revenue
Longburn stormwater – unplanned renewals	0	1,025	No renewal work identified to date
TOTAL	2,190	16,400	

CAPITAL WORK	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Bunnythorpe – 10 year programme to upgrade drain culverts	0	2,563	Upgrade work to be postponed until next year when additional budget available
Feilding capital work to cater for future growth and development	59,403	1,494,804	Capital work deferred until hydraulic model outcomes are confirmed and subdivisional development justifies expenditure
Feilding – stage 1 of Stormwater Management Plan Completion of Feilding stormwater project	56,340	30,750	Project proceeding well, draft model received for review. Rimu Park stormwater project (\$29,506) added to this account
TOTAL	115,743	1,528,117	

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 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
Promote water conservation in the Manawatu district through education and initiatives	Better community understanding of efficient sustainable water use	Water conservation education is provided through pamphlets and "Peter Pukeko" publications	Hand outs to consumers provided through the MDC customer services desk
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	Water loss programme not completed	Individual scheme investigation programmed for 2008/2009 financial year
Water supply schemes are operated in accordance with conditions of resource consent	100% compliance with conditions of resource consents	Targets largely met	100% resource consent compliance achieved to date for all schemes except Longburn Longburn water take has exceeded the resource consent maximum for short durations. This is being discussed with the Regional Council
Review of Manawatu District Water Supply Development Plan	All development is undertaken in accordance with the plan, and review is completed to schedule – 2008	Review of Plan not completed.	Work programmed for late 2008

What has Council achieved in 2007/2008?

WHAT WE SAID WE'D DELIVER IN 2007/2008	MEASURE OF SUCCESS (TARGET)	TARGET ATTAINED	COMMENTS (IF APPLICABLE)
A 24 hour, 7 day per week service is available for reporting problems	Service is available 24 hours a day, seven days a week	Target met	Achieved to date with customer service and after hours service
Respond to emergency situations in water systems within specified time frame	100% of emergency situations responded to within 1 hour of notification	Target met	There have been no emergency water situations to date
Public Health Risk Management Plans to be completed for water supply schemes	65% user satisfaction with water supplies as measured in Communitrak Survey	82% user satisfaction	Very/Fairly satisfied: 82% Not very satisfied: 15% Don't know: 3%
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	Target met	Ministry of Health approved water sampling programme implemented
Ongoing liaison with the Marae Consultative Committee	Maori/local Iwi are consulted on matters which affect them (Marae Consultative Committee minutes)	Target met	Relevant matters have been raised with the Marae Consultative Committee

Operating and Capital Work Programme for 2007/2008

SIGNIFICANT OPERATIONS/ MAINTENANCE	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Bunnythorpe Water	37,467	37,002	This activity was completed near to budget
Feilding Water Treatment Plant	518,413	474,574	This activity exceed budget due to the increased cost of chemicals, which were \$69,118 greater than budget
Feilding reticulation	344,373	317,442	Increased maintenance required, however additional funding available from accumulated funds from previous years
Himatangi Beach Water	60,708	54,890	Expenditure higher than expected due to reticulation repairs. Additional funding available from accumulated funds from previous years
Longburn Water	19,043	21,155	This activity managed within budget

Operating and Capital Work Programme for 2007/2008

SIGNIFICANT OPERATIONS/ MAINTENANCE	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Sanson Water	76,914	42,855	Budget exceeded due to emergency work undertaken at intake to maintain water supply. Operational loss to be carried over to 2008/09 year
Stanway/Halcombe Rural Water Scheme – pump station and pipe renewals	108,801	103,731	
Waituna West Rural Water Scheme	50,055	65,088	This activity managed within budget
TOTAL	1,215,774	1,116,737	

RENEWAL WORK	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Bunnythorpe – replacement of ageing assets	9,067	14,903	This activity managed within budget Renewal of telemetry equipment has commenced but is not completed
Feilding – replacement of old cast iron and asbestos cement watermains	172,182	493,845	This activity managed within budget Elizabeth Street and Denbigh Street watermain replacement is underway but not yet completed
Himatangi Beach – unplanned renewals	13,089	3,690	Unplanned replacement of chlorine alarm exceeded budget
Longburn – unplanned renewals	3,149	2,332	This activity exceeded budget by 35% Additional funding is available from accumulated funds from previous years
Sanson – electrical renewal and unplanned pipe renewals	3,704	9,994	This activity was managed within budget Telemetry renewals are continuing
Stanway/Halcombe RWS – telemetry and pump station equipment renewal	6,858	10,250	This activity was managed within budget Telemetry renewals are continuing
Waituna West Rural Water Scheme – storage and reticulation renewals	12,619	8,200	This activity exceeded budget by 53% due to the number of corroded valves that required renewal Additional funding is available from accumulated funds from previous years
TOTAL	220,668	543,214	

Operating and Capital Work Programme for 2007/2008

CAPITAL WORK	ACTUAL (YEAR TO DATE)	BUDGET	EXPLANATION OF VARIANCE/UPDATE
Feilding – development projects as identified in the growth strategy	8,961	331,075	Installation of the Ranfurly Rd watermain extension underway
Bunnythorpe Water Treatment Plant security fence	19,780	30,000	Project completed
Waituna West Rural Water Scheme – rebuilding of intake structures	9,879	450,000	Testing for the feasibility of a bore water supply is continuing
Feilding – metering and backflow	20,802	20,500	This activity managed near to budget
TOTAL	59,422	831,575	

FUNDING SUMMARY FOR THE PERIOD ENDED 30 JUNE 2008

	ACTUAL 2007 \$000		ACTUAL 2008 \$000	BUDGET 2008 \$000
Operating Costs				
973	Water		1,237	1,117
135	Drainage		141	150
394	Interest		384	532
217	Asset Management		265	239
17	Asset Write Off's		28	0
1,213	Depreciation		1,236	1,148
59	Support Costs		73	71
3,008	TOTAL OPERATING COSTS		3,364	3,257
Capital Costs				
593	New Work		372	2,390
615	Renewal Work		432	585
940	Loan Repayments		476	643
0	Transfers to Depreciation Funds		0	190
2,148	TOTAL CAPITAL COSTS		1,280	3,808
5,156	TOTAL COSTS		4,644	7,065
Funded By:				
Operating Revenue				
2,463	Targeted Rates		2,689	2,595
37	General Rates		62	63
97	Flood 2004		0	0
168	Vested Assets		1,273	0
361	Water		534	413
24	Drainage		54	98
3,150	TOTAL OPERATING REVENUE		4,612	3,169
Capital Funding				
2,308	New Loans Raised		837	450
145	Renewal Loans Raised		631	218
161	Transfers from Investments		102	2,080
1,230	Funding from Non Cash Items		1,264	1,148
3,844	TOTAL CAPITAL FUNDING		2,834	3,896
6,994	TOTAL FUNDING		7,446	7,065
1,838	SURPLUS/(DEFICIT)		2,802	0

FUNDING IMPACT STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2008

ACTUAL 2007 \$000		ACTUAL 2008 \$000	BUDGET 2008 \$000	% COMPLETED
Operating Costs				
23,731	Operating Costs	20,807	21,203	98%
1,338	Interest Paid	964	1,451	66%
8,559	Depreciation	8,500	8,013	106%
572	Asset Write-Offs	211	0	
34,200	TOTAL OPERATING COSTS	30,482	30,667	99%
Capital Costs				
1,938	New Work	2,666	6,674	40%
7,676	Renewal Work	7,565	10,250	74%
3,675	Loan Repayments	2,959	3,915	76%
2,168	Transfers to Investments	1,542	864	178%
0	Transfers to Depreciation Funds	0	234	0%
15,457	TOTAL CAPITAL COSTS	14,732	21,937	67%
49,657	TOTAL COSTS	45,214	52,604	86%
Funded By:				
Operating Revenue				
1,804	General Rates	2,230	2,072	108%
17,847	Targeted Rates	19,274	18,816	102%
7,867	Subsidies	6,547	6,793	96%
1,106	Interest & Dividends	1,154	907	127%
4,589	User Fees	5,259	4,351	121%
456	Gain/(Loss) on Asset Disposal	(223)	0	0%
205	Flood 2004 Revenue	0	0	0%
646	Other Revenue	2,579	359	718%
34,520	TOTAL OPERATING REVENUE	36,820	33,298	110%
Capital Funding				
3,638	New Loans Raised	0	4,923	0%
1,722	Renewal Loans Raised	0	1,772	0%
1,284	Transfers from Investments	861	4,747	18%
8,898	Funding from Non Cash Items	8,500	7,862	108%
15,542	TOTAL CAPITAL FUNDING	9,361	19,304	48%
50,062	TOTAL FUNDING	46,181	52,602	88%
405	OVERALL SURPLUS/(DEFICIT)	967	(2)	



P3 Financial Information

FINANCIAL INFORMATION

This section of the Annual Report contains the following information:

- Financial Statements
- Notes to the Accounts
- Policy reports: Revenue and Financing Policy and Liability Management and Investment Policies.

INCOME STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2008

	NOTE	COUNCIL			GROUP	
		ACTUAL 2008 \$000	BUDGET 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Revenue						
Rates revenue	3	21,504	20,886	19,651	21,504	19,651
Financial income	4	1,154	907	1,106	1,164	1,115
Other revenue	5	14,385	11,504	13,147	14,506	13,199
Other gains/(losses)	6	(223)	0	616	(223)	616
TOTAL REVENUE		36,820	33,297	34,520	36,951	34,581
Expenditure						
Personnel costs	7	4,593	4,836	4,776	4,618	4,799
Depreciation and amortisation expense	15,16	8,500	7,770	8,559	8,558	8,619
Finance costs	8	964	1,493	1,338	964	1,338
Other expenses	9	16,425	16,568	19,527	16,421	19,511
TOTAL EXPENDITURE		30,482	30,667	34,200	30,561	34,267
OPERATING SURPLUS/ (DEFICIT) BEFORE TAX		6,338	2,630	320	6,390	314
Income tax expense	10	0	0	0	0	0
SURPLUS/(DEFICIT) AFTER TAX		6,338	2,630	320	6,390	314

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

The accompanying notes form part of these financial statements.

BALANCE SHEET

AS AT 30 JUNE 2008

NOTE	COUNCIL			GROUP		
	ACTUAL 2008 \$000	BUDGET 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000	
ASSETS						
Current assets						
Cash and cash equivalents	11	5,303	5,318	6,410	5,400	6,428
Accounts receivable	12	4,809	2,409	5,280	4,811	5,286
Other financial assets	13	1,008	0	1,670	1,008	1,761
Non-current assets						
held for sale	14	10,881	0	241	241	241
TOTAL CURRENT ASSETS		22,001	7,727	13,601	11,460	13,716
Non-current assets						
Property, plant and equipment	15	507,311	480,753	488,145	521,770	488,404
Intangible assets	16	112	5	121	112	121
Forestry assets	17	465	757	825	465	825
Non-current assets held for sale						
Other financial assets	13	7,876	6,235	7,151	7,876	7,151
TOTAL NON-CURRENT ASSETS		515,764	488,647	496,242	530,223	496,501
TOTAL ASSETS		537,765	496,374	509,843	541,683	510,216
LIABILITIES						
Current liabilities						
Accounts payable	18	4,525	4,422	6,438	4,532	6,444
Provisions	19	63	0	41	63	41
Employee entitlements	20	468	0	448	469	449
Borrowings	21	2,326	2,024	2,781	2,326	2,781
TOTAL CURRENT LIABILITIES		7,382	6,446	9,708	7,390	9,715
Non-current liabilities						
Provisions	19	623	420	665	623	665
Borrowings	21	9,076	25,995	11,398	9,076	11,398
TOTAL NON-CURRENT LIABILITIES		9,699	26,415	12,063	9,699	12,063
TOTAL LIABILITIES		17,081	32,861	21,771	17,089	21,778
Equity						
Retained earnings	22	479,710	423,263	473,376	480,129	473,742
Other reserves	22	40,974	40,250	14,696	44,465	14,696
TOTAL EQUITY		520,684	463,513	488,072	524,594	488,438
TOTAL LIABILITIES & EQUITY		537,765	496,374	509,843	541,683	510,216

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2008

	NOTE	COUNCIL			GROUP	
		ACTUAL 2008 \$000	BUDGET 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Balance at 1 July		488,072	436,362	478,201	488,439	478,573
Property, plant and equipment						
Revaluation gains/(losses) taken to equity	22	26,274	24,521	9,551	29,765	9,551
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		26,274	24,521	9,551	29,765	9,551
Surplus/(deficit) for the year		6,338	2,630	320	6,390	314
TOTAL RECOGNISED INCOME/(EXPENSE) FOR THE YEAR ENDED 30 JUNE		32,612	27,151	9,871	36,155	9,865
BALANCE AS AT THE 30 JUNE 2008		520,684	463,513	488,072	524,594	488,438

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2008

NOTE	COUNCIL			GROUP	
	ACTUAL 2008 \$000	BUDGET 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Cash flows from operating activities					
Receipts from rates revenue	21,078	20,737	19,472	21,078	19,472
Interest received	1,106	907	1,031	1,116	1,038
Dividends received	8	0	8	8	8
Receipts from other revenue	13,567	11,502	12,357	13,694	12,475
Payments to suppliers and employees	(22,804)	(20,935)	(22,945)	(22,826)	(23,018)
Interest paid	(1,020)	(1,438)	(997)	(1,020)	(997)
Goods and services tax (net)	(399)	(81)	98	(399)	98
NET CASH FROM OPERATING ACTIVITIES	23 11,536	10,692	9,024	11,651	9,076
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment	265	0	1,544	265	1,544
Purchase of intangible assets	(30)	0	(16)	(30)	(16)
Purchase of property, plant and equipment	(10,035)	(16,925)	(9,382)	(10,162)	(9,423)
Net acquisition of investments	(62)	(143)	(56)	29	(71)
NET CASH FROM INVESTING ACTIVITIES	(9,862)	(17,068)	(7,910)	(9,898)	(7,966)
Cash flows from financing activities					
Proceeds from borrowing	0	6,695	5,360	0	5,360
Repayment of borrowings	(2,781)	(2,851)	(2,938)	(2,781)	(2,938)
Repayment of finance lease liabilities					
Dividends paid	0	0	0		
NET CASH FROM FINANCING ACTIVITIES	(2,781)	3,844	2,422	(2,781)	2,422
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(1,107)	(2,532)	3,536	(1,028)	3,532
Cash, cash equivalents and bank overdrafts at the beginning of the year	6,410	7,850	2,874	6,428	2,896
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR	11 5,303	5,318	6,410	5,400	6,428

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 form part of these financial statements.

NOTES TO THE FINANCIAL ACCOUNTS

1 STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

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

The group consists of Manawatu District Council and three controlled organisations, the Feilding Civic Centre Trust, the Manawatu Wellbeing and Housing Trust and Heartland Contractors Ltd (100% owned).

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

The balance date of the Council is 30 June annually.

Statement of Compliance and Basis of Preparation

These financial statements have been prepared in accordance with the requirements of section 111 of the Local Government Act 2002, the Financial Reporting Act 1992 and in accordance with generally accepted accounting practice in New Zealand. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. All available reporting exemptions allowed under the framework for PBEs have been adopted.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. These financial statements have also been prepared on the basis of the assumptions stated.

The financial statements have been prepared on a historical cost basis, except for assets and liabilities which are recorded at fair value. These are detailed in the specific policies below.

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

Subsidiaries

A subsidiary is an entity where the Council has the power to control their financing and operating policies, so as to obtain benefits from the activities of that entity. This power exists where the Council controls the majority voting power on the governing body, or where such policies have been irreversibly predetermined by the Council, or where the determination of such policies is unable to impact materially on the level of potential ownership benefits that arise from the activities of the subsidiary.

The Council's investment in its subsidiaries is carried at cost in the Council's own "parent entity" financial statements.

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 inter-entity balances, transactions, income and expenses are eliminated on consolidation.

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 the Council 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.

Budget Figure

The budget figures are those approved by the Council at the beginning of the year as part of the annual plan. The budget figures were prepared using accounting policies consistent with those used for the preparation of the financial statements.

Revenue

Revenue is measured at the fair value of consideration received.

- Rates revenue is recognised at the time the rates are invoiced.
- 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.
- Government grants and subsidies are recognised upon entitlement, which is when the conditions pertaining to eligible expenditure have been fulfilled. The most significant government grant is from New Zealand Transport Agency, which subsidises part of the costs in maintaining the local roading infrastructure network.
- Revenue from other services is recognised when the service has been rendered to a third party.
- Sales of goods are recognised when the goods are delivered.
- Interest income is accrued on a time basis, by reference to the investment principle and the effective interest applicable.
- Dividends (net of imputation credits) are recognised when the right to receive payment has been established.
- 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 the Council are recognised as revenue when control over the asset is obtained.
- Revenue derived through acting as an agent for another party is recognised as a commission or fee on the transaction.
- Development contributions are recognised as revenue when Council provides, or

is able to provide, the services that gave rise to the charging of the contribution. Development contributions are classified as part of "Other Revenue".

Borrowing Costs

All 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 a specified criteria. Expenditure is recognised when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application. Expenditure is recognised when a successful applicant has been notified of the Council's decision.

Cost Allocation

Costs directly attributable to an activity are charged directly to that activity. Indirect costs are charged to activities using appropriate cost drivers such as: actual usage; staff numbers; and floor area.

Foreign Currency

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 income statement.

Income Tax

Income tax expense is charged in the Income Statement in respect of the current year's earnings after allowing for permanent differences.

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 arise when the accounting treatment of taxation differs from the Inland Revenue Department's (IRD) requirements.

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 IRD is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are disclosed exclusive of GST.

Financial Instruments

The Council is party to financial instruments as part of its normal operations. These include bank accounts, investments, accounts receivable, accounts payable and borrowings. All financial instruments are recognised in the balance sheet and all revenues and expenses in relation to financial instruments are recognised in the income statement.

Unless otherwise covered by a separate policy, all financial instruments are reported at their fair value.

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. All these deposits are reflected at their fair value.

Trade and Other Receivables

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

A provision for impairment is established when there is objective evidence that the Council will not be able to collect all amounts due, according to the original terms of the agreements. The amount of the provision is the difference between the assets' carrying amount and the present value of estimated future cash flows.

Financial Assets

Financial assets are categorised 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 each investment was acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

The fair value of financial instruments traded in active markets is based upon the 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. The Council 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.

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. After initial recognition they are measured at their fair values. Gains or losses due to change in fair value are recognised in the income statement.

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

Loans and Receivables

Loans and Receivables are initially recorded at fair value and are subsequently recognised at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the income statement.

Council has provided a number of loans or advances to community-based organisations that have specific conditions attached. In some circumstances these loans are only repayable should the community-based organisation cease to operate in accordance with the loan conditions. Those loans, which are not expected to be repaid to Council in the foreseeable future, are shown as a contingent asset.

Loans and receivables are classified as "trade and other receivables" in the balance sheet.

Held to Maturity Investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that the Council has the positive intention and ability to hold to maturity, e.g. Local Government Stock and Bonds.

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 income statement.

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 the Council intends to hold long-term, but may be realised before maturity; and

- Shareholdings held for strategic purposes (other than Council's investments in its subsidiary).

Gains and losses are recognised directly in equity, except for impairment losses, which are recognised in the income statement. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in the income statement even though the asset has not been derecognised. On derecognition the cumulative gain or loss previously recognised in equity is recognised in the income statement.

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 income statement. 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 include land, buildings, library books, plant and equipment, and motor vehicles.
- Restricted assets include parks, reserves and associated assets owned by the Council which provide a benefit or service to the community and cannot be disposed of because of legal or other Council restrictions.
- Infrastructure assets are the fixed utility systems that provide a continuing service to the community and are generally regarded as non-tradeable. 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 are 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 the asset will provide future economic benefits or service potential to the Council 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 income statement. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Work in Progress

All assets constructed by Council are initially recorded as work in progress. Upon completion, these assets are transferred to their relevant asset class and depreciation commences.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land (which is not depreciated), at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The residual value and useful life of an asset is reviewed and adjusted, if applicable, at each financial year-end.

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%)

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 and Restricted – Land and Buildings**

These assets are revalued to fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Quotable Value NZ as at 30 June 2008. Council's policy is to revalue land and buildings every three years.

- **Infrastructural Asset Classes: Water Reticulation, Sewerage Reticulation and Stormwater Systems**

These assets are revalued to fair value on a depreciated replacement cost basis as determined by an independent valuer. At balance date the Council 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 as at 1 July 2005. All infrastructural asset classes carried at valuation were valued. Council's policy is to revalue these assets every three years.

- **Infrastructural Asset Classes: Roads**

These assets are revalued annually to fair value on a depreciated replacement cost basis as determined by an independent valuer. The valuation was performed by Mark Sneddon of GHD Limited as at 1 July 2007.

- **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, the Council has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost. Land under roads is therefore 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 NZ. This is considered deemed cost. All additions and disposals since that valuation are accounted for at cost.

Accounting for Revaluations

The Council 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 income statement. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the income statement will be recognised first in the income statement up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Intangible Assets

Software Acquisition and Development

Acquired computer software licences 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 the Council are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Software is amortised on a straight-line basis over the estimated useful life of the asset (usually 5 years).

Easements

Easements are not valued.

Forestry Assets

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

The forestry crop is independently revalued to fair value by Alan Bell and Associates on an annual basis. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate, less estimated point of sale costs. Gains or losses arising from a change in fair value less estimated point of sale costs are recognised in the income statement.

Costs of a capital nature are capitalised each year and the costs to maintain the forestry assets are included in the income statement.

Impairment of Assets

At each balance date the Council assesses whether there is any objective evidence that any asset has been impaired (unable to provide the intended level of service).

Any impairment losses are recognised in the income statement.

Financial Liabilities

Financial liabilities (trade payables, income in advance, loans/borrowings, bonds and deposits) are initially recognised at their fair value. These are subsequently recorded at amortised cost.

Employee Entitlements

Short-Term Entitlements

Provision is made for employee entitlements accumulating as a result of services rendered. These include salaries and wages accrued up to balance date and annual leave earned to, but not yet taken, at balance date. Annual leave has been calculated on an actual entitlement basis at current rates of pay. Sick leave has not been included, as the amount of accumulated sick leave that is anticipated to be taken in future periods is not considered to be material.

Long-Term Entitlements – Superannuation Schemes:

Defined Contribution Schemes

Obligations for contributions to Defined Contribution Superannuation Schemes are recognised as an expense in the income statement as incurred.

Defined Benefit Schemes

The Council 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 – Landfill Closure and Aftercare Costs

As the operator of landfills, the Council has a legal obligation to rehabilitate landfill sites post-closure and to provide ongoing maintenance and monitoring services after closure. The costs to meet these post-closure landfill obligations are recognised within the provision.

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.

Leases

Finance Leases

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

At the commencement of the lease term, the Council recognises the leased asset and corresponding liability in the balance sheet at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The asset is depreciated over the period the Council is expected to gain benefit from the use of the asset.

Operating Leases

An operating lease is a lease where the lessor effectively retains all the risks and benefits of ownership of an asset. Lease payments under an operating lease are charged as an expense in the period in which they are incurred.

Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities.

The components of equity are:

- Retained Earnings
- Restricted and Council Created 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. These reserves may be legally restricted or created by the Council.

Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised without reference to the Courts or a third party. Transfers from these reserves may be made 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.

2 SUMMARY COST OF SERVICES

	ACTUAL 2008 \$000	BUDGET 2008 \$000	ACTUAL 2007 \$000
Revenue			
Community Facilities	1,204	1,197	1,115
Democracy	1,631	1,551	1,466
District Development	2,173	1,950	1,531
Emergency Management	266	242	268
Environmental and Regulatory	1,810	1,464	1,879
Leisure Resources	3,875	3,587	3,904
Roading	15,135	14,321	14,787
Waste	4,680	4,375	3,901
Water	4,612	3,169	3,150
TOTAL ACTIVITY REVENUE	35,386	31,856	32,001
Other income	1,434	1,441	2,519
TOTAL OPERATING REVENUE	36,820	33,297	34,520
Expenditure			
Community Facilities	1,541	1,592	1,562
Democracy	1,261	1,551	1,440
District Development	1,821	4,431	3,877
Emergency Management	245	243	205
Environmental And Regulatory	2,129	1,407	1,392
Leisure Resources	4,311	4,095	4,437
Roading	11,005	9,100	12,944
Waste	4,097	3,785	3,807
Water	3,364	3,257	3,008
TOTAL ACTIVITY EXPENDITURE	29,774	29,461	32,672
Other expenditure	708	1,206	1,528
TOTAL OPERATING EXPENDITURE	30,482	30,667	34,200

3 RATES REVENUE

	ACTUAL 2008 \$000	ACTUAL 2007 \$000
General Rates attributable to Activities:		
District development	1,723	1,277
Emergency management	54	27
Environmental and regulatory	142	0
Water	62	37
Other	5	268
TOTAL GENERAL RATES	1,986	1,609
Uniform Targeted Rates (UTR) and Targeted Rates attributable to Activities:		
Community facilities	253	237
Democracy	1,589	1,466
District development	206	184
Emergency management	184	192
Environmental and regulatory	622	620
Leisure resources	3,145	3,282
Roading	7,341	6,769
Waste	3,245	2,634
Water	2,689	2,463
TOTAL UNIFORM TARGETED RATES AND TARGETED RATES	19,274	17,847
Rates Penalties	244	195
TOTAL REVENUE FROM RATES	21,504	19,651

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.

	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Total Rates Revenue	21,600	19,775
Less Rates Remissions	96	124
RATES REVENUE NET OF REMISSIONS	21,504	19,651

In accordance with the Local Government (Rating) Act 2002, certain properties cannot be rated for general rates. This includes schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute a remission under MDC's rates remission policy.

4 FINANCIAL INCOME

	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Interest income for financial assets not at fair value through profit and loss	1,146	1,098	1,156	1,107
Dividend income	8	8	8	8
TOTAL FINANCIAL INCOME	1,154	1,106	1,164	1,115

5 OTHER REVENUE

	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
User fees and charges	4,086	3,940	4,135	3,970
Land Transport NZ subsidies	6,463	7,795	6,463	7,795
Other subsidies	84	151	84	151
Petrol tax	195	213	195	213
Vested assets	2,298	215	2,298	215
Development contributions	1,098	648	1,098	648
Other income	161	185	233	207
TOTAL FINANCIAL REVENUE	14,385	13,147	14,506	13,199

There are no unfulfilled conditions and other contingencies attached to Land Transport NZ subsidies recognised.

6 OTHER GAINS/LOSSES

	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Gain/(loss) on changes in fair value of forestry assets (note 17)	(359)	73	(359)	73
Gain/(loss) on disposal of property, plant and equipment	136	543	136	543
TOTAL GAINS/(LOSSES)	(223)	616	(223)	616

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

	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Increase in fair value due to revaluation	(356)	66
Profit/(loss) made on harvesting	(3)	7
	(359)	73

7 PERSONNEL COSTS

	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Salaries and wages	4,477	4,732	4,502	4,754
Employer contributions to multi-employer defined benefit plans	95	90	95	90
Increase/(decrease) in employee benefit liabilities	21	(46)	21	(45)
TOTAL PERSONNEL COSTS	4,593	4,776	4,618	4,799

8 FINANCE COSTS

	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Interest Expense				
Interest on bank borrowings	920	1,312	920	1,312
Interest on Rural Housing loans	0	0	0	0
Provisions: discount unwinding (note 19)	44	26	44	26
TOTAL FINANCE COSTS	964	1,338	964	1,338

9 OTHER EXPENSES

	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Fees to principal auditor:				
Audit fees for financial statement audit MDC	88	76	88	76
Audit fees for Heartland Contractors	0	0	0	1
Audit fees for Feilding Civic Centre Trust	0	0	2	2
Audit fees for NZ IFRS transition	20	15	20	0
Audit fees for amendment to LTCCP	0	8	0	0
Impairment of receivables (note 12)	39	17	39	17
Assets written off	211	572	211	572
Minimum lease payments under operating leases	21	11	21	11
Other operating expenses	16,046	18,828	16,040	18,832
TOTAL OTHER EXPENSES (1)	16,425	19,527	16,421	19,511

(1) Rates Remitted are deducted from rates revenue rather than treated as an operating expense (as disclosed in note 3).

10 TAX

Relationship between Tax Expense and Accounting Surplus/(Deficit)

	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Surplus/(deficit) before tax	6,338	320	6,390	314
Tax at 33%	2,092	106	2,109	104
Non-taxable income	(2,092)	(106)	(2,109)	(104)
TAX EXPENSE	0	0	0	0

Components of Tax Expense

	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$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

The Council's subsidiary, Heartland Contractors Limited has imputation credit of \$346,307 (2007 \$346,307) which can be used to impute dividend payments to Council.

Heartland Contractors Limited has unrecognised tax losses of \$497,897 (2007 \$497,897) with a tax effect of \$164,306 (2007 \$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 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Cash at bank and in hand	50	36	71	54
Short term deposits with a term of three months or less	5,253	6,374	5,329	6,374
TOTAL CASH AND CASH EQUIVALENTS	5,303	6,410	5,400	6,428

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 \$189,159 (2007 \$183,987). Refer to note 30 for weighted average effective interest rate for cash and cash equivalents.

12 ACCOUNTS RECEIVABLE

	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Rates receivables	1,084	764	1,084	764
Land Transport NZ Subsidy	1,751	2,530	1,751	2,530
Other receivables	912	295	917	301
Accrued Revenue	249	1,335	250	1,335
GST Receivable	602	265	603	265
Related party receivables (note 26)	5	0	0	0
Prepayments	233	108	233	108
	4,836	5,297	4,838	5,303
Less provision for impairment of receivables	(27)	(17)	(27)	(17)
TOTAL ACCOUNTS RECEIVABLE	4,809	5,280	4,811	5,286

The carrying value of trade and other receivables 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. Ratepayers 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 5 months after the due date for payment. If payment has not been made within 3 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.

At balance date each year, 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 either are 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 general receivables and community loans are as follows:

	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
AS AT 1 JULY	17	0	17	0
Additional provisions made during the year	10	17	10	17
Receivables written off during period	0	0	0	0
AS AT 30 JUNE	27	17	27	17

13 OTHER FINANCIAL ASSETS

	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Current Portion				
Advances, Loans and Receivables				
Short-term deposits with a term of between 4 to 12 months	0	0	0	91
Community loans – Other	7	0	7	0
Rural Housing Loan Mortgages	1	0	1	0
Held to Maturity				
Other Investments	1,000	1,670	1,000	1,670
Local authority stock	0	0	0	0
TOTAL CURRENT PORTION	1,008	1,670	1,008	1,761
Non-Current Portion				
Advances, Loans and Receivables				
Community loans – Other	27	41	27	41
Community loan – Manfeild Park	3,547	1,807	3,547	1,807
Rural Housing Loan Mortgages	2	3	2	3
Held to Maturity				
Other Investments	600	1,600	600	1,600
Local authority stock	3,638	3,638	3,638	3,638
Investments Carried at Cost				
Shares in subsidiary (Heartland Contractors Ltd)	0	0	0	0
NZ Local Government Insurance Corp Ltd	62	62	62	62
TOTAL NON-CURRENT PORTION	7,876	7,151	7,876	7,151
TOTAL OTHER FINANCIAL ASSETS	8,884	8,821	8,884	8,912

The fair value of community loans is \$3,580,835 (2007 \$1,847,740). The face value of community loans is \$5,480,835 (\$3,747,740). 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.

There were no impairment provisions for other financial assets.

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. With the exception of the housing for the elderly and disabled portfolio, 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.

The assets associated with the housing for the elderly and disabled were gifted to the Manawatu Community Wellbeing and Housing Trust on 1 July 2008 (see note 29).

	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Non-Current Assets held for sale are:				
Housing for the Elderly and Disabled	10,640	0	0	0
Other Land	241	241	241	241
TOTAL NON-CURRENT ASSETS HELD FOR SALE	10,881	241	241	241
Current Portion	10,881	241	241	241
Term Portion	0	0	0	0
TOTAL	10,881	241	241	241

15 PROPERTY, PLANT AND EQUIPMENT

Movements for each class of plant, property and equipment are as follows:

2008	COST/ REVALUATION 30 JUNE 2008 \$000	ACCUMULATED DEPRECIATION & IMPAIRMENT CHARGES 30 JUNE 2008 \$000	CARRYING AMOUNT 30 JUNE 2008 \$000
COUNCIL			
Operational assets			
Land	3,978	0	3,978
Buildings	4,826	0	4,826
Library books	1,713	776	937
Plant and equipment	157	136	21
Office Equipment & Furniture	1,141	884	257
Motor vehicles	900	428	472
TOTAL OPERATIONAL ASSETS	12,715	2,224	10,491
Infrastructural assets			
Land	5,900	0	5,900
Waste	26,161	1,866	24,295
Water	50,614	3,506	47,108
Roading network	321,672	4,921	316,751
Land under roads	68,170	0	68,170
Work in progress	2,006	0	2,006
TOTAL INFRASTRUCTURAL ASSETS	474,523	10,293	464,230
Restricted assets			
Land	17,799	0	17,799
Buildings	13,884	0	13,884
Plant and equipment	1,414	662	752
Work in progress	155	0	155
TOTAL RESTRICTED ASSETS	33,252	662	32,590
TOTAL COUNCIL	520,490	13,179	507,311
GROUP			
Housing for the Elderly – Land	3,829	0	3,829
Housing for the Elderly – Buildings	10,302	0	10,302
Buildings	97	25	72
Plant and equipment	403	147	256
TOTAL GROUP	14,631	172	14,459
GROUP – PROPERTY, PLANT AND EQUIPMENT	535,121	13,351	521,770

2007

COST/ REVALUATION 30 JUNE 2007 \$000	ACCUMULATED DEPRECIATION & IMPAIRMENT CHARGES 30 JUNE 2007 \$000	CARRYING AMOUNT 30 JUNE 2007 \$000
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COUNCIL**Operational assets**

Land	2,345	0	2,345
Buildings	4,466	251	4,215
Library books	1,548	614	934
Plant and equipment	162	132	30
Office Equipment & Furniture	1,036	748	288
Motor vehicles	714	265	449
TOTAL OPERATIONAL ASSETS	10,271	2,010	8,261

Infrastructural assets

Land	3,612	0	3,612
Waste	25,210	1,215	23,995
Water	45,926	2,339	43,587
Roading network	304,115	4,944	299,171
Land under roads	68,170	0	68,170
Work in progress	6,397	0	6,397
TOTAL INFRASTRUCTURAL ASSETS	453,430	8,498	444,932

Restricted assets

Land	13,678	0	13,678
Buildings	21,360	2,109	19,251
Plant and equipment	2,432	599	1,833
Work in progress	190	0	190
TOTAL RESTRICTED ASSETS	37,660	2,708	34,952

TOTAL COUNCIL	501,361	13,216	488,145
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GROUP

Buildings	85	16	69
Plant and equipment	288	98	190
TOTAL GROUP	373	114	259

**GROUP – PROPERTY,
PLANT AND EQUIPMENT**

501,734	13,330	488,404
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2008	CARRYING AMOUNT 1 JULY 2007 \$000	REVALUATION SURPLUS \$000	ADDITIONS \$000	TRANSFER OF PROPERTY CLASSIFICATION \$000	DISPOSALS \$000	DEPRECIATION \$000	CARRYING AMOUNT 30 JUNE 2008 \$000
COUNCIL							
Operational assets							
Land	2,345	1,543	0	100	10	0	3,978
Buildings	4,215	781	0	0	46	124	4,826
Library books	934	0	165	0	0	162	937
Plant and equipment	30	0	0	(5)	0	4	21
Office Equipment & Furniture	288	0	105	0	0	136	257
Motor vehicles	449	0	237	5	56	163	472
TOTAL OPERATIONAL ASSETS	8,261	2,324	507	100	112	589	10,491
Infrastructural assets							
Land	3,612	2,288	0	0	0	0	5,900
Waste	23,995	0	1,146	0	195	651	24,295
Water	43,587	0	4,715	0	27	1,167	47,108
Roading network	299,171	12,496	10,005	0	0	4,921	316,751
Land under roads	68,170	0	0	0	0	0	68,170
Work in progress	6,397	0	0	(4,391)	0	0	2,006
TOTAL INFRASTRUCTURAL ASSETS	444,932	14,784	15,866	(4,391)	222	6,739	464,230
Restricted assets							
Land	13,678	6,902	0	(2,668)	113	0	17,799
Buildings	19,251	2,264	73	(6,630)	5	1,069	13,884
Plant and equipment	1,833	0	102	(1,105)	15	63	752
Work in progress	190	0	0	(35)	0	0	155
TOTAL RESTRICTED ASSETS	34,952	9,166	175	(10,438)	133	1,132	32,590
TOTAL COUNCIL	488,145	26,274	16,548	(14,729)	467	8,460	507,311
GROUP							
Housing for the Elderly – Land	0	1,161	0	2,668	0	0	3,829
Housing for the Elderly – Buildings	0	2,422	0	7,880	0	0	10,302
Buildings	69	0	12	0	0	9	72
Plant and equipment	190	0	115	0	0	49	256
TOTAL GROUP	259	3,583	127	10,548	0	58	14,459
GROUP – PROPERTY, PLANT AND EQUIPMENT	488,404	29,857	16,675	(4,181)	467	8,518	521,770

2007	CARRYING AMOUNT 1 JULY 2006 \$000	REVALUATION SURPLUS \$000	ADDITIONS \$000	DISPOSALS \$000	IMPAIRMENT CHARGES/ GAIN \$000	DEPRECIATION \$000	CARRYING AMOUNT 30 JUNE 2007 \$000
COUNCIL							
Operational assets							
Land	2,367	0	0	22	0	0	2,345
Buildings	4,310	0	31	0	0	126	4,215
Library books	927	0	162	0	0	155	934
Plant and equipment	29	0	6	0	0	5	30
Office Equipment & Furniture	359	0	121	0	0	192	288
Motor vehicles	459	0	234	112	25	132	449
TOTAL OPERATIONAL ASSETS	8,451	0	554	134	25	610	8,261
Infrastructural assets							
Land	3,612	0	0	0	0	0	3,612
Waste	24,249	0	350	0	0	604	23,995
Water	44,192	0	625	17	0	1,213	43,587
Roading network	288,603	9,551	6,476	538	0	4,921	299,171
Land under roads	68,170	0	0	0	0	0	68,170
Work in progress	5,480	0	917	0	0	0	6,397
TOTAL INFRASTRUCTURAL ASSETS	434,306	9,551	8,368	555	0	6,738	444,932
Restricted assets							
Land	13,709	0	0	31	0	0	13,678
Buildings	20,085	0	418	177	0	1,075	19,251
Plant and equipment	1,876	0	68	17	(3)	94	1,833
Work in progress	0	0	190	0	0	0	190
TOTAL RESTRICTED ASSETS	35,670	0	676	225	(3)	1,169	34,952
TOTAL COUNCIL	478,427	9,551	9,598	1,306	22	8,517	488,145
GROUP							
Buildings	77	0	0	0	0	8	69
Plant and equipment	200	0	42	0	0	52	190
TOTAL GROUP	277	0	42	0	0	60	259
GROUP – PROPERTY, PLANT AND EQUIPMENT	478,704	9,551	9,640	1,306	22	8,577	488,404

16 INTANGIBLE ASSETS

COUNCIL AND GROUP	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Balance at 1 July		
Cost	475	459
Accumulated amortisation and impairment	(354)	(312)
OPENING CARRYING AMOUNT	121	147
Additions	31	16
Disposals	0	0
Amortisation charge	(40)	(42)
CLOSING CARRYING AMOUNT	112	121
Balance at 30 June		
Cost	506	475
Accumulated amortisation and impairment	(394)	(354)
CLOSING CARRYING AMOUNT	112	121

17 FORESTRY ASSETS

COUNCIL AND GROUP	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Balance at 1 July	825	774
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	(343)	66
Decreases due to harvest	(17)	(15)
BALANCE AT 30 JUNE	465	825

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.

A small portion of the forest was harvested during the period to clear roadways etc. Independent registered valuer, Alan Bell has valued forestry assets as at 30 June 2008. A pre-tax discount rate of 10% (2007: 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

The joint venture is exposed to financial risks arising from changes in timber prices. The joint venture 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. The joint venture reviews its outlook for timber prices regularly in considering the need for active financial risk management.

Operations during the year

COUNCIL AND GROUP	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Income from harvesting	15	22
Expenses paid	(89)	(11)
Interest capitalised to loan	(19)	(20)
Cost of bush harvested	(17)	(15)
Increase/(decrease) in asset value	(343)	66
	(453)	42

18 ACCOUNTS PAYABLE

	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Accounts payables	2,989	2,597	2,994	2,603
Deposits and bonds	676	795	676	795
Accrued expenses	495	2,684	497	2,684
Amounts due to related parties (note 26)	0	0	0	0
Revenue in advance	365	362	365	362
TOTAL ACCOUNTS PAYABLE	4,525	6,438	4,532	6,444

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 2008 \$000	ACTUAL 2007 \$000
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Current Provisions are represented by:

Landfill aftercare provision	63	41
TOTAL CURRENT PROVISIONS	63	41

Non-Current Provisions are represented by:

Financial guarantees	0	0
Landfill aftercare provision	623	665
TOTAL NON-CURRENT PROVISIONS	623	665

COUNCIL AND GROUP	LANDFILL 2008 \$000	LANDFILL 2007 \$000
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Opening balance	706	863
Additional provisions made during the year		474
Amounts used during the year	(64)	(657)
Unused amounts reversed during the year		0
Discount unwinding (note 8)	44	26
CLOSING BALANCE	686	706

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 ongoing maintenance and monitoring of the site for at least 30 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
- ongoing management including maintenance of grass cover, 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 following major assumptions have been made in the calculation of the provision:

- annual price index of 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 \$6,898 has been allowed for annual ongoing monitoring and maintenance expenditure on these two sites.

20 EMPLOYEE ENTITLEMENT LIABILITIES

	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Accrued pay	155	155	155	155
Annual leave	313	293	314	294
TOTAL EMPLOYEE ENTITLEMENT LIABILITIES	468	448	469	449
Comprising:				
Current	468	448	469	449
Non-current	0	0	0	0
TOTAL EMPLOYEE ENTITLEMENT LIABILITIES	468	448	469	449

21 BORROWINGS

COUNCIL AND GROUP	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Opening Balance of Term Borrowings	14,179	11,454
Loans raised during the year	0	5,374
Loans repaid during the year	(2,796)	(2,942)
Loans recognised during the year ^{note 1}	19	293
CLOSING BALANCE OF TERM BORROWINGS	11,402	14,179

note 1 As at 30 June 2008 the Gordon Kear Forestry Encouragement loans of \$297,157, interest expense of 19,288 and repayments of \$14,794 for the year have been recognised. (Note: forestry loans are in the name of Palmerston North City Council and are repayable from harvest proceeds.)

COUNCIL AND GROUP	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Current		
Bank overdraft	0	0
Secured loans	2,326	2,781
TOTAL CURRENT BORROWINGS	2,326	2,781
Non-current		
Secured loans	9,076	11,398
TOTAL NON-CURRENT BORROWINGS	9,076	11,398

Fixed-rate debt

MDC's secured debt is issued at fixed rates of interest.

MDC has established loan redemption funds in respect of loans, with a carrying amount of \$1,622,236. 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 funds held are included in other financial assets.

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 Long-Term Council Community Plan.

22 EQUITY

	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Retained Earnings				
As at 1 July	473,376	474,392	473,745	474,764
Transfers to:				
Restricted reserves	(2,092)	(2,045)	(2,092)	(2,045)
Transfers from:				
Restricted reserves	2,088	709	2,088	709
Surplus/(deficit) for the year	6,338	320	6,390	314
AS AT 30 JUNE	479,710	473,376	480,129	473,742
Restricted Reserves				
As at 1 July	5,145	3,809	5,145	3,809
Transfers to:				
Retained earnings	(2,088)	(709)	(2,088)	(709)
Transfers from:				
Retained earnings	2,092	2,045	2,092	2,045
AS AT 30 JUNE	5,149	5,145	5,149	5,145
Asset Revaluation Reserves (ARR)				
As at 1 July	9,551	0	9,551	0
Revaluation gains/(losses)	26,274	9,551	29,765	9,551
Transfer of revaluation reserve to retained earnings on disposal of property, plant and equipment	0	0	0	0
AS AT 30 JUNE	35,825	9,551	39,316	9,551
TOTAL RESERVES	40,974	14,696	44,465	14,696

	COUNCIL		GROUP	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000

Restricted reserves consist of:

Trust Funds

Hook Bequest	13	13	13	13
Trewin Bequest	1	1	1	1
Wakerill Trust	1	1	1	1
Robert Dickson Library Trust	3	3	3	3
P A Broad Memorial Trust	5	4	5	4
Historical Trust	2	2	2	2
Children's Welfare Trust	0	0	0	0
Robert Dickson Educational Trust	41	43	41	43
Museum Trust	1	1	1	1
Feilding and District Relief Trust	122	116	122	116
	189	184	189	184

Special Funds

Land Subdivision	726	657	726	657
General Purpose	3,214	2,225	3,214	2,225
Vehicle Replacement	(48)	18	(48)	18
Emergency	758	721	758	721
Council Community Loans	255	237	255	237
Internal Loans	0	223	0	223
Landfill Closure and Aftercare	0	819	0	819
Heritage Incentive	31	29	31	29
Community Funding General Grants	17	26	17	26
Rongotea Committee	7	6	7	6
	4,960	4,961	4,960	4,961

TOTAL TRUST AND SPECIAL FUNDS 5,149 5,145 5,149 5,145

Asset Revaluation Reserves consist of:

Operational assets				
Land	1,543	0	1,543	0
Buildings	781	0	781	0
Infrastructural assets				
Land	2,288	0	2,288	0
Waste	0	0	0	0
Water	0	0	0	0
Roading network	22,047	9,551	22,047	9,551
Restricted assets				
Land	6,902	0	8,063	0
Buildings	2,264	0	4,594	0
TOTAL	35,825	9,551	39,316	9,551

Restricted reserves relate to:

- trusts and bequest funds that have been provided to MDC by various people for specific projects
- special funds, are restricted by Council resolution, and 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 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Surplus/(deficit) after Tax	6,338	320	6,390	314
Add/(less) Non-Cash items:				
Depreciation and amortisation	8,500	8,558	8,558	8,618
Loans recognised during the year (refer note 21)	0	293	0	293
Interest capitalised to loan	19	0	19	0
Asset write-offs	211	572	211	572
Vested assets	(2,298)	(215)	(2,298)	(215)
(Gains)/losses in fair value of forestry assets	341	(73)	341	(73)
Add/(less) items classified as investing or financing activities:				
(Gains)/losses on disposal of property, plant and equipment	(135)	(543)	(135)	(543)
(Gains)/losses on disposal of biological assets	3	0	3	0
Add/(less) movements in working capital items:				
(Increase)/Decrease in Trade and other receivables	513	(813)	517	(817)
Increase (Decrease) in Trade and other payables	(1,956)	1,128	(1,956)	1,129
Increase (Decrease) in Provisions	(20)	(157)	(20)	(157)
Increase (Decrease) in Employee benefits	20	(46)	21	(45)
NET CASH FROM OPERATING ACTIVITIES	11,536	9,024	11,651	9,076

24 CAPITAL COMMITMENTS AND OPERATING LEASES

	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Capital Commitments				
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment	324	781	324	781

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:

PROPERTY AND EQUIPMENT	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Non-Cancellable Operating Leases as lessee				
Not later than one year	71	59	71	59
Later than one year and not later than two years	51	59	51	59
Later than two years and not later than five years	115	91	115	91
Later than five years	0	0	0	0
TOTAL NON-CANCELLABLE OPERATING LEASES	237	209	237	209

25 CONTINGENCIES

CONTINGENT LIABILITIES	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Building Act claims	0	0	0	0
Guarantees	1,546	0	1,546	0
Other legal proceedings	0	0	0	0
TOTAL CONTINGENT LIABILITIES	1,546	0	1,546	0

Building Act Claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect to the issue 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 balance sheet. At this stage MDC is not aware of any circumstances in which the guarantees are likely to be called upon.

Unquantified claims

There are no unquantified claims to be recognised at balance date.

Contingent Assets

Buildings on Reserve Land

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 balance sheet.

Community Loans

A number of loans have been given to community organisations. These loans become repayable only if the organisation cease to provide a service within the district. At this stage MDC is not aware of any circumstance in which the loan becomes repayable. These loans are recorded at fair value (\$nil) in the balance sheet. These loans total \$1,900,000.

26 RELATED PARTY TRANSACTIONS

MDC is the ultimate parent of the group and controls three entities, being Heartland Contractors Ltd, the Feilding Civic Centre Trust, and the Manawatu Community Wellbeing and Housing Trust.

The following transactions were carried out with related parties:

	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Feilding Civic Centre Trust		
Grant provided by MDC	71	70
Services provided to MDC	0	4
Accounts payable to the MDC	5	0
Heartland Contractors Limited (Non Trading)		no transactions
Manawatu Community Wellbeing and Housing Trust		no transactions

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2007 \$nil).

Elected members and key management personnel

Elected members and key management personnel, 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 Council had transactions with Focal Point Limited, a company in which Councillor Bell is a Shareholder and Director. The value of purchases totalled \$587 and revenue received totalled \$1,326. There were no amounts outstanding at balance date. In 2006/07 MDC purchased a vehicle from Z-One Motoring Ltd, in which the Mayor is a shareholder. The value of the purchase was \$27,588. During that year services to the value of \$293 were also supplied on normal commercial terms. There were no purchases this year.

There is no provision recognised for the impairment of receivable for any loans or other receivable to related parties (2007 \$nil).

Key Management Personnel Compensations

(Includes Senior Management, the Mayor and Councillors)

	2008 \$	2007 \$
Salaries and other short term employee benefits	941,387	929,033
Other long term benefits	24,081	20,472
	965,468	949,545

27 REMUNERATION

Elected Members

Remuneration is determined by the Remuneration Authority. Remuneration paid to elected members (including meeting allowances) during the year was:

	2008 \$	2007 \$
Current Elected members		
Mayor	69,700	69,468
Councillor John Baxter	27,926	24,116
Councillor Matt Bell	37,246	26,525
Councillor John Gregory	33,457	31,061
Councillor Prue McBeth	25,569	26,525
Councillor John Salmon	25,990	24,116
Councillor Barbara Cameron (from October 2007)	16,362	0
Councillor Steve Gibson (from October 2007)	15,988	0
Councillor Margaret Giles (from October 2007)	15,988	0

Councillor Alison Short (from October 2007)	15,988	0
Councillor Howard Voss (from October 2007)	16,753	0

Elected members to October 2007

Councillor Kevin Argyle	7,235	24,116
Councillor Ross Barnett	7,235	24,116
Councillor Mervyn Craw	9,307	26,525
Councillor Del Gibb	7,235	24,116
Councillor David Stroud	7,235	24,116
	339,214	324,800

Chief Executive

For the year ended 30 June 2008, the total cost of remuneration paid to the Chief Executive was \$189,167 (2007 \$178,715).

28 SEVERANCE PAYMENTS

For the year ended 30 June 2008, MDC made no severance payments to employees (in 2007 seven payments were made totalling \$237,085).

29 EVENTS AFTER THE BALANCE SHEET DATE

On the 1 July 2008, MDC gifted its housing for the elderly and disabled assets to the Manawatu Community Wellbeing and Housing Trust. At this date the Trust assumed responsibility for Council's loans associated with these assets.

The fair value of the gifted assets as at the 1 July 2008 is \$14,131,000. The book value of these assets at 30 June 2008 was \$10,742,810 and is included in non-current assets held for sale.

The liability assumed by the Trust is \$690,435. MDC also made a cash advance to the trust of \$105,564. The combined loan of \$800,000 is at an interest rate of 7.5% and is repayable over a five period.

30 FINANCIAL INSTRUMENTS

Financial instrument categories

The accounting policies for financial instruments have been applied to the line items below:

	NOTE	COUNCIL		GROUP	
		ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
FINANCIAL ASSETS					
Advances, Loans and receivables					
Cash and cash equivalents	11	5,303	6,410	5,400	6,428
Accounts receivable	12	4,809	5,280	4,811	5,286
Other financial assets:					
Term deposits	13	0	0	0	91
Community loans	13	3,581	1,848	3,581	1,848
Rural Housing Loan Mortgages	13	3	3	3	3
TOTAL LOANS AND RECEIVABLES		13,696	13,541	13,795	13,656
Held to maturity					
Other financial assets:					
Other investments	13	1,600	3,270	1,600	3,270
Local authority stock	13	3,638	3,638	3,638	3,638
TOTAL HELD TO MATURITY		5,238	6,908	5,238	6,908
Fair value through equity					
Other financial assets:					
Shares in subsidiary (Heartland Contractors Ltd)	13	0	0	0	0
NZ Local Government Insurance Corp Ltd	13	62	62	62	62
TOTAL FAIR VALUE THROUGH EQUITY		62	62	62	62
FINANCIAL LIABILITIES					
Financial liabilities at amortised cost					
Accounts payable	18	4,525	6,438	4,532	6,444
Borrowings:					
Bank overdraft	21	0	0	0	0
Secured loans	21	11,402	14,179	11,402	14,179
TOTAL FINANCIAL LIABILITIES AT AMORTISED COST		15,927	20,617	15,934	20,623

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 fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through equity. This price risk arises due to market movements in listed securities. This price risk is managed by diversification of Council's investment portfolio in accordance with the limits set out in Council's Investment policy.

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

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.

Maximum exposure to credit risk

Council's maximum credit exposure for each class of financial instrument is as follows:

	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000
Cash at bank and term deposits	5,303	6,410	5,400	6,519
Accounts receivable	4,809	5,280	4,811	5,286
Community and Rural Housing Mortgagees	3,584	1,851	3,584	1,851
Local authority stock and other investments	5,238	6,908	5,238	6,908
Financial guarantees	1,546	1,593	1,546	1,593
TOTAL CREDIT RISK	20,480	22,042	20,579	22,157

The maximum exposure to credit risk for financial guarantees is the maximum amount a Council would have to pay if the guarantee is called on, which may be significantly greater than the amount recognised as a liability.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

	COUNCIL		GROUP	
	ACTUAL 2008 \$000	ACTUAL 2007 \$000	ACTUAL 2008 \$000	ACTUAL 2007 \$000

COUNTERPARTIES WITH CREDIT RATINGS

Cash at bank and term deposits:

AA Rating	5,303	6,410	5,400	6,519
TOTAL CASH AT BANK & TERM DEPOSITS	5,303	6,410	5,400	6,519

Other investments

AA rating	1,600	3,270	1,600	3,270
TOTAL OTHER INVESTMENTS	1,600	3,270	1,600	3,270

COUNTERPARTIES WITHOUT CREDIT RATINGS

Local authority stock, community and rural housing loans:

Existing counterparty with no defaults in the past	7,222	5,489	7,222	5,489
Existing counterparty with defaults in the past	0	0	0	0
TOTAL LOCAL AUTHORITY STOCK, COMMUNITY & RURAL HOUSING LOANS	7,222	5,489	7,222	5,489

Accounts receivable mainly arise from Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity risk

Management of 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 Long Term Council Community Plan.

Contractual maturity analysis of financial liabilities

The following table analyses Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt is based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	1-5 YEARS \$000	MORE THAN 5 YEARS \$000
Council 2008					
Accounts payable	4,525	4,525	4,525	0	0
Secured loans	11,402	13,127	2,751	9,520	856
Financial guarantees	0	0	0	0	0
TOTAL	15,927	17,652	7,276	9,520	856
Group 2008					
Accounts payable	4,532	4,532	4,532	0	0
Secured loans	11,402	13,127	2,751	9,520	856
Financial guarantees	0	0	0	0	0
TOTAL	15,934	17,659	7,283	9,520	856

	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	1-5 YEARS \$000	MORE THAN 5 YEARS \$000
Council 2007					
Accounts payable	6,438	6,438	6,438	0	0
Secured loans	14,179	16,835	3,704	10,259	2,872
Financial guarantees	0	0	0	0	0
TOTAL	20,617	23,273	10,142	10,259	2,872

Group 2007					
Accounts payable	6,444	6,444	6,444	0	0
Secured loans	14,179	16,835	3,704	10,259	2,872
Financial guarantees	0	0	0	0	0
TOTAL	20,623	23,279	10,148	10,259	2,872

Contractual maturity analysis of financial assets

The following table analyses Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	1-5 YEARS \$000	MORE THAN 5 YEARS \$000
Council 2008					
Cash and cash equivalents	5,303	5,303	5,303	0	0
Accounts receivable	4,809	4,809	4,809	0	0
Other financial assets:					
Term deposits	0	0	0	0	0
Community loans	3,581	6,593	975	1,306	4,312
Rural Housing Loan Mortgages	3	3	1	2	0
Other investments	1,600	2,020	1,110	172	738
Local authority stock	3,638	4,215	505	3,710	0
TOTAL	18,934	22,943	12,703	5,190	5,050

Group 2008					
Cash and cash equivalents	5,400	5,400	5,400	0	0
Accounts receivable	4,811	4,811	4,811	0	0
Other financial assets:					
Term deposits	0	0	0	0	0
Community loans	3,581	6,593	975	1,306	4,312
Rural Housing Loan Mortgages	3	3	1	2	0
Other investments	1,600	2,020	1,110	172	738
Local authority stock	3,638	4,215	505	3,710	0
TOTAL	19,033	23,042	12,802	5,190	5,050

	CARRYING AMOUNT \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	1-5 YEARS \$000	MORE THAN 5 YEARS \$000
Council 2007					
Cash and cash equivalents	6,410	6,410	6,410	0	0
Accounts receivable	5,280	5,280	5,280	0	0
Other financial assets:					
Term deposits	0	0	0	0	0
Community loans	1,848	5,009	(617)	712	4,914
Rural Housing Loan Mortgages	3	3	1	2	0
Other investments	3,270	3,906	1,892	1,233	781
Local authority stock	3,638	4,483	268	3,440	775
TOTAL	20,449	25,091	13,234	5,387	6,470
Group 2007					
Cash and cash equivalents	6,428	6,428	6,428	0	0
Accounts receivable	5,286	5,286	5,286	0	0
Other financial assets:					
Term deposits	91	91	91	0	0
Community loans	1,848	5,009	(617)	712	4,914
Rural Housing Loan Mortgages	3	3	1	2	0
Other investments	3,270	3,906	1,892	1,233	781
Local authority stock	3,638	4,483	268	3,440	775
TOTAL	20,564	25,206	13,349	5,387	6,470

Sensitivity analysis

The following tables illustrate the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on Council's financial instrument exposures at the balance date.

COUNCIL	FOOTNOTE	2008				2007			
		-100bps		+100bps		-100bps		+100bps	
		PROFIT \$000	OTHER EQUITY \$000	PROFIT \$000	OTHER EQUITY \$000	PROFIT \$000	OTHER EQUITY \$000	PROFIT \$000	OTHER EQUITY \$000
INTEREST RATE RISK									
Financial assets									
Cash and cash equivalents	1	(53)	0	53	0	(64)	0	64	0
Other financial assets:									
- Community loans	2	(36)	0	36	0	(18)	0	18	0
- Rural Housing Loan Mortgages	2	0	0	0	0	0	0	0	0
- Other investments	3	0	0	0	0	0	0	0	0
- Local authority stock	3	0	0	0	0	0	0	0	0
Financial liabilities									
Secured loans	4	0	0	0	0	0	0	0	0
TOTAL SENSITIVITY TO INTEREST RATE RISK		(89)	0	89	0	(82)	0	82	0
EQUITY PRICE RISK									
Financial assets									
Other financial assets:									
NZ Local Government									
Insurance Corp Ltd	5	0	0	0	0	0	0	0	0
TOTAL SENSITIVITY TO EQUITY PRICE RISK		0	0	0	0	0	0	0	0

Explanation of sensitivity analysis – Council

Financial Assets

1 – Cash and cash equivalents

Cash and cash equivalents include deposits at call totalling \$5,213,000 (2007 \$6,410,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$52,130 (2007 \$64,100).

2 – Community and rural housing loans

Council has floating rate community advances and a housing mortgage with a principal amount totalling \$3,584,000 (2007 \$1,851,000). A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$35,840 (2007 \$18,510).

3 – Local authority stock and other investments

Council has fixed rate term bonds and deposits totalling \$5,238,000 (2007 \$6,908,000) that are held to maturity. A movement in market interest rates does not have an impact to interest income on these fixed rate term bonds and deposits.

Financial Liabilities

4 – Secured loans

Council has fixed rate debt with a principal amount totalling \$11,402,000 (2007 \$14,179,000). A movement in market interest rates on fixed rate debt does not have any impact because these secured loans are accounted for at amortised cost using the effective interest method.

Equity

5 – Unlisted shares

Council holds unlisted equity instruments in NZ Local Government Insurance Corp Ltd, which are not traded and will continue to be held by Council. The market value of these shares is difficult to determine, but the net asset backing of this shareholding was \$187,000 in Dec 2007. Council accounts for these shares at cost.

GROUP	FOOTNOTE	2008				2007			
		-100bps		+100bps		-100bps		+100bps	
		PROFIT \$000	OTHER EQUITY \$000	PROFIT \$000	OTHER EQUITY \$000	PROFIT \$000	OTHER EQUITY \$000	PROFIT \$000	OTHER EQUITY \$000

INTEREST RATE RISK

Financial assets

Cash and cash equivalents	1	(54)	0	54	0	(64)	0	64	0
Other financial assets:									
Term deposits	3	0	0	0	0	(1)	0	1	0
Community loans	2	(36)	0	36	0	(18)	0	18	0
Rural Housing Loan Mortgages	2	0	0	0	0	0	0	0	0
Other investments	3	0	0	0	0	0	0	0	0
Local authority stock	3	0	0	0	0	0	0	0	0

Financial liabilities

Secured loans	4	0	0	0	0	0	0	0	0
TOTAL SENSITIVITY TO INTEREST RATE RISK		(90)	0	90	0	(83)	0	83	0

EQUITY PRICE RISK

Financial assets

Other financial assets:									
NZ Local Government Insurance Corp Ltd	5	0	0	0	0	0	0	0	0
TOTAL SENSITIVITY TO EQUITY PRICE RISK		0	0	0	0	0	0	0	0

Explanation of sensitivity analysis – Group

Financial Assets

1 – Cash and cash equivalents

Cash and cash equivalents include deposits at call totalling \$5,310,000 (2007 \$6,428,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$53,100 (2007 \$64,280).

2 – Community and rural housing loans

The group has floating rate community advances and a housing mortgage with a principal amount totalling \$3,584,000 (2007 \$1,851,000). A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$35,840 (2007 \$18,510).

3 – Local authority stock and other investments

The group has fixed rate term bonds and deposits totalling \$5,238,000 (2007 \$6,999,000) that are held to maturity. A movement in market interest rates does not have an impact on interest income on these fixed rate term bonds and deposits.

Financial Liabilities

4 – Secured loans

The group has fixed rate debt with a principal amount totalling \$11,402,000 (2007 \$14,179,000). A movement in market interest rates on fixed rate debt does not have any impact because these secured loans are accounted for at amortised cost using the effective interest method.

Equity

5 – Unlisted shares

Council holds unlisted equity instruments in NZ Local Government Insurance Corp Ltd, which are not traded and will continue to be held by Council. The market value of these shares is difficult to determine, but the net asset backing of this shareholding was \$187,000 in Dec 2007. Council accounts for these shares at cost.

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 [the Act] 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. Ratepayer's 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. Intergenerational 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 Long Term Council Community Plan (LTCCP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act also 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:

- Trust Funds; and
- Special 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 (see note 22).

32 EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Detailed below are explanations for major variations from the estimated figures in the 2007/08 Annual Plan:

Income Statement

Net surplus for the year is \$6.338 million against a budgeted surplus of \$2.630 million. The most significant variations are:

- The Annual Plan included a grant to the Manfeild Park Trust for their new stadium of \$2.5 million. In terms of the agreement entered into, the final portion of Council's assistance with the Trust's project was funded by way of loan. This is accounted for as a community loan in the balance sheet rather than operating expenditure.
- Infrastructural assets vested in Council as a result of subdivisions totalled \$2.3

million during the year. These were not included in the Annual Plan.

- There was unbudgeted roading emergency works expenditure of \$1m offset by the associated subsidy received. However, the increased subsidy for emergency work is countered by the decrease in subsidy from capital works not completed (see the roading activity statements).
- Additional depreciation expense of \$800k was primarily due to revaluation of roading infrastructural assets that were not taken into account in the Annual Plan.
- The forestry assets are revalued annually. This year's valuation resulted in a \$341k decrease that reflects the current market.
- An increase of \$130k in Environmental and Regulatory revenue primarily due to demand for building consents. Associated costs have also increased to cover the increased activity and the cost of compliance with the new requirements.

Balance Sheet

The greatest movements within the balance sheet are as follows:

- The loan to Manfeild Park Trust was treated as an investment rather than a grant in the operational activities. This year \$1.4m was paid over and is the main variance in community loans (included in the other financial assets category).
- The forestry assets are revalued annually. This year's valuation resulted in a \$341k decrease that reflects the current market.
- Council elected to fund capital work and debt repayment from investments and reserve funds, through an internal borrowing regime, rather than new external borrowings.
- Due to the timing of budget preparation, the loan funding associated with capital projects not undertaken were included in carry forward balances.
- There was an increase in equity as a result of the revaluation of roading, land and buildings. This year's valuation was in line with the Annual Plan. However, prior year's valuations were not available when preparing the Annual Plan and therefore were not included. This has resulted in a significantly greater value in both property, plant and equipment and equity.

Statement of Cash Flows

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

- The variances in the cash flow are a direct result of the items mentioned above.
- The remaining variances in other revenue and expenditure is due to the difference the timing of money being received and paid out, as reflected in the movement of accounts receivable and accounts payable.

REPORT ON REVENUE AND FINANCING POLICY

Introduction

Council's current Revenue and Financing Policy was adopted as part of the 2006/16 LTCCP. The Funding Policy sets out who will pay and how for Council's functions.

This report summarises progress against the policy for the year ended 30 June 2008 and includes:

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

Overall Performance

In general 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).

Council was able to recover costs associated with rural fires during the year.

SIGNIFICANT ACTIVITY	ACTUAL			FUNDING POLICY	
	PUBLIC	PRIVATE	FUNCTION	PUBLIC	PRIVATE
COMMUNITY FACILITIES	100%	0%	Public Conveniences	100%	0%
	0%	100%	Housing for the Elderly and Disabled	0%	100%
	66%	34%	Cemeteries	60%	40%
DEMOCRACY	100%	0%	Democracy and Policy Development	100%	0%
DISTRICT DEVELOPMENT	100%	0%	Community Funding and Development	100%	0%
	100%	0%	Economic Development	100%	0%
	66%	34%	Feilding CBD Redevelopment	65%	35%
	19%	81%	Feilding CBD Security	20%	80%
EMERGENCY MANAGEMENT	100%	0%	Civil Defence	100%	0%
	70%	30%	Rural Fire	100%	0%
ENVIRONMENTAL AND REGULATORY MANAGEMENT	100%	0%	Environmental Policy	100%	0%
	66%	34%	Animal Control – Policy	65%	35%
	0%	100%	Animal Control – Consents	0%	100%
	50%	50%	Animal Control – Monitoring and Enforcement	50%	50%
	100%	0%	Building Consents	20%	80%
	85%	15%	Environmental Health Consents	20%	80%
	99%	1%	General Inspection Consents	60%	40%

SIGNIFICANT ACTIVITY	ACTUAL		FUNCTION	FUNDING POLICY	
	PUBLIC	PRIVATE		PUBLIC	PRIVATE
ENVIRONMENTAL AND REGULATORY MANAGEMENT	19%	81%	Liquor Licensing Consents	20%	80%
	77%	23%	Planning Consents	50%	50%
	100%	0%	Environmental Monitoring and Enforcement	100%	0%
LEISURE RESOURCES	91%	9%	Libraries and Archives	95%	5%
	99%	1%	Local Halls and Recreation Complexes	100%	0%
	96%	4%	Parks and Reserves	95%	5%
	67%	33%	Makino Aquatic Centre	65%	35%
	0%	100%	Parks and Reserves (Development due to growth)	0%	100%
ROADING	49%	51%	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%
	14%	86%	Solid Waste Collection	15%	85%
	94%	6%	Solid Waste Disposal	50%	50%
	100%	0%	Recycling	100%	0%
WATER	6%	94%	Rural Land Drainage	5%	95%
	18%	82%	Urban Stormwater	20%	80%
	0%	100%	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 year \$2.8 million of borrowings were repaid, taking term borrowings from \$14.2 million at the start of the financial year to \$11.4 million at 30th June 2008. No new external loans were raise. Council elected to fund capital activities and loan refinancing from internal borrowing.

Key Statistics

Actual 2007		Actual 2008	Budget 2008
3.9%	Gross Interest Expense compared to Revenue (not to exceed 10%)	2.6%	4.4%
7.2%	Gross Interest Expense compared to Rates Revenue (not to exceed 20%)	4.5%	7.0%
6.7	Net Cash flows from operating activities to exceed Gross Interest Expense by 1.5 times	13.1	7.4
1.3	Net Working Capital Ratio (Current assets compared to current liabilities excluding current portion of debt and Properties for Sale – Target is 1 or greater.)	2.2	1.7
2.8%	Total Debt compared to Total Assets	2.1%	5.6%

Council has complied with all aspects of its Liability Management policy. For further information on borrowings 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 and dividends received on investments was \$1,154,025 (2007 \$1,097,857) and is higher than budgeted mainly due to the higher interest rates obtained.

Compliance with Policy

On a few occasions, Council breached its investment policy by having more than 20% in any one institution. This was always with on call funds held with our transactional banker as a result of larger than usual cash receipts. Any breach of policy was immediately rectified.



P4 Other Information

OTHER INFORMATION

This section of the Annual Report contains the following information:

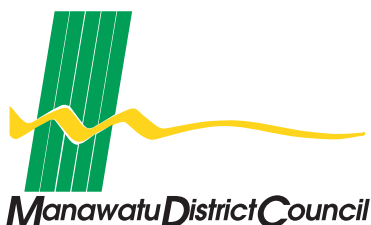
- Manawatu District Council: Directory
- Manawatu District Council: Mayor and Councillors
- Manawatu District Council : Organisation Structure
- Manawatu District Council: Activities and Functions
- Member's Responsibilities
- Manawatu District Council: Statement of Resources
- Equal Employment Opportunities Statement
- Maori Capacity to Contribute to Decision-Making
- Grants 2007/08
- 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.



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
(on behalf of the Office of the Controller and Auditor General)

MAYOR AND COUNCILLORS

Mayor



Ian McKelvie
Ph: 323 0000 (CI)
Ph: 324 8446 (Hm)

Feilding Ward



Cr Matt Bell
Ph: 323 3147
(Deputy Mayor)



Cr Alison Short
Ph: 328 8768



Cr Barbara Cameron
Ph: 323 5333



Cr John Gregory
Ph: 323 6531



Cr Steve Gibson
Ph: 323 5533

Kairanga Ward



Cr Howard Voss
Ph: 356 9779



Cr John Salmon
Ph: 357 6910



Cr Margaret Giles
Ph: 324 8987

Kiwitea - Pohangina Ward



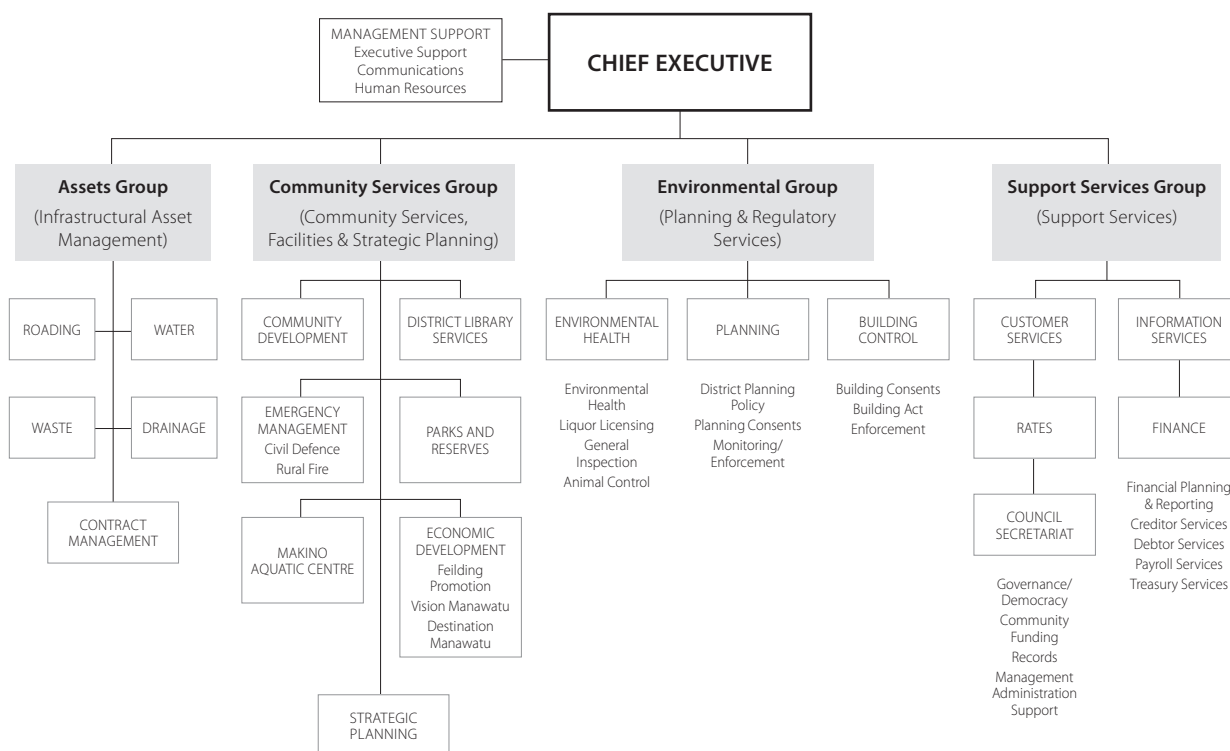
Cr John Baxter
Ph: 328 7019



Cr Prue McBeth
Ph: 328 5839

ORGANISATION STRUCTURE

Functional Staff Organisation Chart at 30 June 2008



Chief Executive
Rod Titcombe



Community and Environment Group Manager
Lorraine Vincent

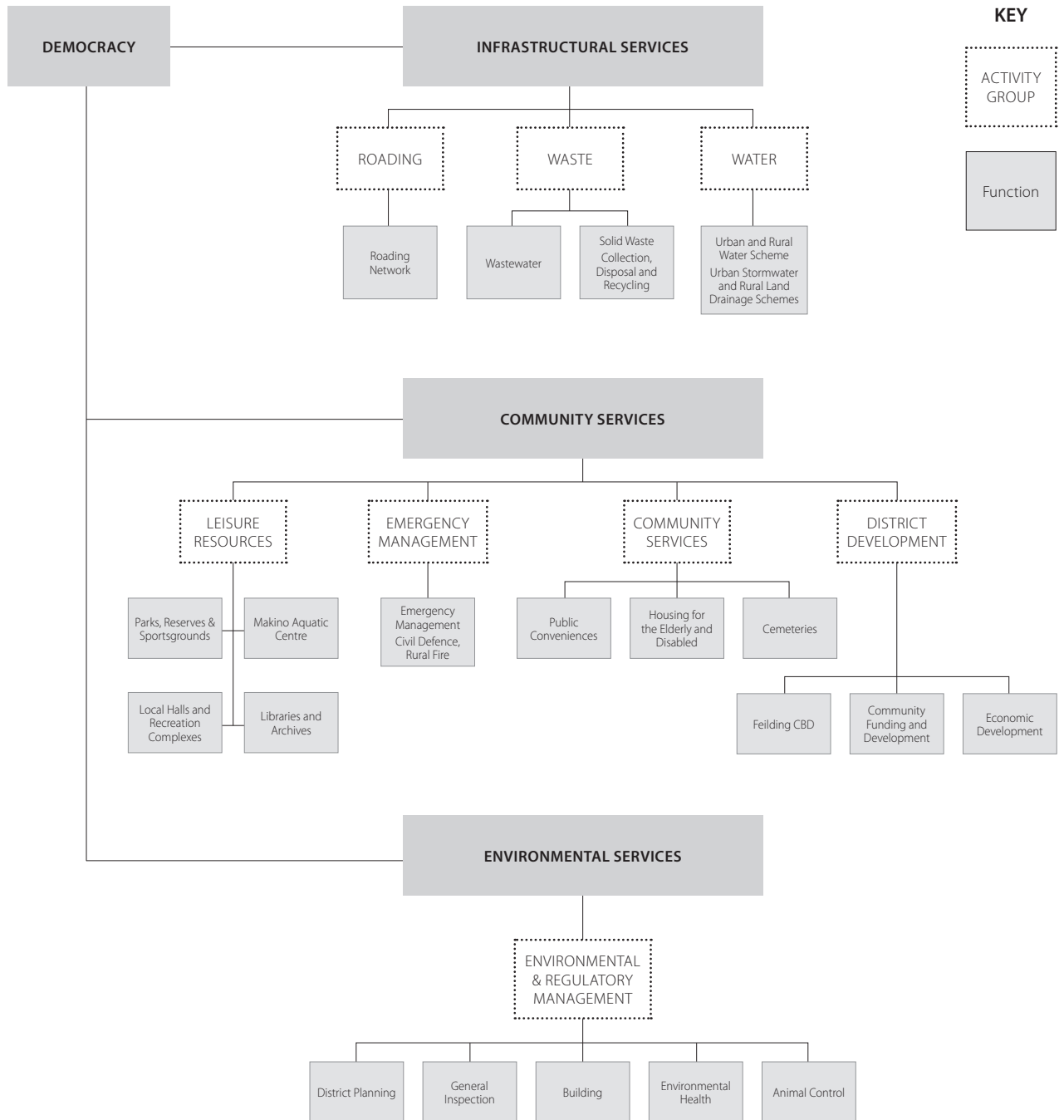


Assets Group Manager
Richard Kirby



Support Services Group Manager
Shayne Harris

ACTIVITIES AND FUNCTIONS



MEMBER'S RESPONSIBILITIES

Standing Committee Membership at 30 June 2008

Elected Member	Strategic Planning & Policy	Workshop Meeting Committee	Hearings Committee	Marae Consultative Standing Committee	MDC/PNCC Joint Strategic Planning Committee
Mayor	✓	✓ (C)		✓ (C)	✓
Cr Baxter	✓ (DC)	✓	✓ (DC)	✓	
Cr Bell	✓	✓ (DC)	✓ (C)		✓
Cr Cameron	✓	✓	✓		✓
Cr Gibson	✓	✓			✓
Cr Giles	✓	✓			
Cr Gregory	✓ (C)	✓	✓		✓
Cr McBeth	✓	✓			
Cr Salmon	✓	✓	✓		
Cr Short	✓	✓		✓	
Cr Voss	✓	✓	✓		

Subcommittee Membership at 30 June 2008

Elected Member	Community Wellbeing	Chief Executive's Employment
Mayor		✓ (C)
Cr Baxter		
Cr Bell		✓
Cr Cameron		
Cr Gibson	✓	
Cr Giles	✓	✓
Cr Gregory		
Cr McBeth	✓ (C)	
Cr Salmon	✓ (DC)	
Cr Short	✓	✓
Cr Voss		✓

Key

- ✓ Member of Committee
- (DC) Deputy Chairperson
- (C) Chairperson

STATEMENT OF RESOURCES

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

	30 JUNE 2007	30 JUNE 2008
Community Services		
Cemeteries:		
Feilding, Halcombe, Kimbolton, Pohangina, Rangiwahia, Rongotea, Sandon, Waituna West	8	8
Housing for the Elderly and Disabled (units)	208	208
Drainage		
Length of Stormwater Mains (kms)		
Feilding	66.7	66.7
Bunnythorpe	2.2	2.2
Rongotea	1.7	1.7
Sanson	1.7	1.7
	72.3	72.3
Leisure Resources		
Libraries and Archives:		
Feilding Public Library (also services 7 volunteer community libraries)	1	1
Other library buildings	1	1
Total book stocks	64,988	65,908
Total issues	363,138	365,284
Local Halls and Recreation Complexes		
Local Halls ^{Note 1}	19	19
Recreation complexes (Civic Centre and Te Kawau Memorial Recreation Centre)	2	2
Parks and Reserves		
Total reserves for District (ha)	538.4	538.4
Swimming Pools:		
Makino Aquatic Centre	1	1
Pohangina old school grounds	1	1
Pakihikura old school grounds	1	1
Rewa old school grounds	1	1
Roading and Footpaths		
Length of Roads (km):		
Rural – sealed	908.1	906.8
Rural – unsealed	383.5	383
Urban – sealed	126.4	126.8
Urban – unsealed	11.7	11.7
	1,429.7	1,428.3

	30 JUNE 2007	30 JUNE 2008
Bridges	359	420
(includes culverts with a water area greater than 3.4 m2)		
Length of footpaths (km)	121.8	135
Street lighting – lights	1,580	1,585
Street lighting – poles	824	824
Feilding stormwater leads (considered part of the roading asset)	12km	12km
Waste		
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	148.5	148.5
Sanson	5.4	5.4
Rongotea	9.1	9.1
Halcombe	6.8	6.8
Longburn	5.0	5.0
Bunnythorpe	12.8	12.8
Kimbolton	6.5	6.5
Cheltenham	2.6	2.6
Himatangi	0.7	0.7
Awahuri	0.6	0.6
	198	198
Sewage Treatment Schemes (no.)	9	9
Water Supply		
Length of mains (km):		
Feilding	137.6	142.5
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
	383.6	388.5
Water Supply Schemes (no.):		
Urban	5	5
Rural	4	4

30 JUNE 2007 30 JUNE 2008

Employees (Full-time equivalent (FTE) positions) ^{Note 2}

Chief Executive	3.6	3.6
Support Services	17.7	20.8
Environmental*	11.3	6.8
Assets*	18	23.2
Community Services	24.4	25.2
	75	79.6

*Please note that shared services arrangements have influenced the staff numbers in these groups.

Vehicles and Plant

Cars and station wagons	23	25
Utilities	5	5
	28	30

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
	18	18

Notes:

1. Council also helps administer 9 halls that are owned and run by their communities.
2. Employee numbers shown at 30 June 2008 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 2008, excluding elected members, was \$4,496,594 (2007 \$4,369,693). In addition to employed Council staff, there are numerous volunteers throughout the district who assist activities provided by the Council. Their support is highly valued and contributes towards the effective provision of services.

EQUAL EMPLOYMENT OPPORTUNITIES STATEMENT

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

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

Gender	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
- Remuneration strategy
- Harassment policy.

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

Summary of the 2007/08 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

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 2007/08 financial year.

GRANTS 2007/08

During 2007/08, 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:

- Rates 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.

Rates Grants	\$
Apostolic Church Trust Board	6,013.00
Baha'i Faith Centre	789.00
Bunnythorpe Gospel Hall Trust Board	855.00
Bunnythorpe Rugby Football Club	534.53
Central Districts Playcentre Association	303.00
Feilding & Districts Art Society	3,182.03
Feilding Bible Chapel	2,871.00
Feilding Brass Inc.	1,052.20
Feilding & Districts SPCA Inc.	1,112.10
Feilding & Districts Steam Rail Society Inc.	1,951.73
Feilding Caledonian Society	1,304.80
Feilding Golf Club Inc.	2,625.15
Feilding Gospel Trust	789.00
Feilding Guides and Scouts Association	4,492.30
Feilding Kindergarten	2,177.00
Feilding Lawn Tennis Club	1,133.48
Feilding Methodist Church Trustees	2,082.00
Feilding Rugby Executive	655.73
Feilding Senior Citizens Association	3,267.53
Halcombe Playcentre	850.00
Halcombe Rugby Club	498.30
Kimbolton Playcentre	400.00
Manawatu Historic Vehicle Collection Trust	2,541.23
Manchester House Social Services	8,487.60
Manawatu Outdoor Leisure Club	481.66
Manfeild Park Trust	1,900.45
Methodist Church Trustees	225.00
Ministry of Education (Feilding Playcentre; Northend Playcentre)	2,619.00
Plunket Society Kimbolton/Kiwitea Branch	564.80
Presbyterian Church Property Trustees	303.00

Riding for the Disabled	1,099.30
Rongotea Bible Chapel	303.00
Royal New Zealand Plunket Society	4,044.50
Ruahine Kindergarten Association	1,483.00
Sanson Playcentre	929.00
St Johns Ambulance	10,388.51
Taumata Ote Ra Marae Committee	1,605.00
Teen Challenge (NZ) International Trust	1,715.50
Te Kawanu Bowling Club	499.43
Te Manawa Services	789.00
Wellington Diocesan Trust Board	580.00
TOTAL	\$79,497.86

Representative Grants

\$

Barriball, B	300.00
Kirby, C	500.00
Hickland, R	250.00
Maynard-Kendall, J	500.00
McNab, S	400.00
Rooney-Cribb, L	500.00
Vuleta, K	300.00
Webb, B	500.00
Webb, M	500.00
TOTAL	\$3,750.00

Community Promotions

\$

Feilding Civic Centre Trust	1,000.00
Feilding Promotion Inc (Grand Prix)	2,000.00
Feilding Promotion Inc (All Aboard)	10,000.00
Fitzherbert Lions Club	1,178.44
New Life Church	300.00
Parklee Bullriding (RJ Bird)	500.00
Pohangina Complex Users Group	500.00
TOTAL	\$15,478.44

Community Fund

\$

Feilding and Districts Youth Board	7,000.00
Manawatu Rural Support Service	1,000.00
Soul Survivor NZ	1,333.34
TOTAL	\$9,333.34

Partnership Fund **\$**

Feilding Brass Inc.	6,000.00
Feilding and District Art Society	18,000.00
Feilding and District Pipe Band	4,000.00
Feilding and District Steam Rail Inc.	3,000.00
Manchester House Social Services	20,000.00
Manawatu Historic Vehicle Collection Trust	3,000.00
PN Surf Life Saving Club Inc.	12,386.78
Neighbourhood Support	10,000.00
Social Issues Network	1,200.00
Te Manawa Services	10,000.00
TOTAL	\$87,586.78

Swimming Pool Grant **\$**

Bunnythorpe School	175.00
Rongotea School	175.00
Sanson School	175.00
Tangimoana School	175.00
TOTAL	\$700.00

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 2007/08 were:

Bunnythorpe School	4,140.00
Feilding High School	16,309.00
Feilding Intermediate School	7,981.00
Halcombe School	2,360.00
Longburn Adventist School	7,600.00
Longburn School	1,600.00
Lytton Street School	9,369.00
Manchester Street School	8,328.00
North Street School	5,899.00
Rongotea School	530.00
Sanson School	905.00
St Josephs School	3,817.00
TOTAL	\$68,838.00

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 \$2,500 per year. Grants allocated from these funds during 2007/08 were:

Anderson Memorials (Urupa Funding)	888.89
Aorangi Urupa Management Committee	407.50
Hikungarara Whanau Trust	407.50
Kiwitea Churchyard Trust	385.00
TOTAL	\$2,088.89

Trust Funds

Council administers trust funds that have been vested in Council over the years and are available for specific purposes. The total grants allocated from these funds during 2007/08 were:

Robert Dickson Trust Fund:	\$4,348.10
Hook Bequest Trust:	\$1,293.92

GLOSSARY

Activity: A group of related functions in which Council is involved.

Annual Plan: An annual document that details Council's proposed work programme, budgets, performance indicators, significant policies and objectives

Annual Report: An annual document that reports against the previous year's Annual Plan, including what Council has achieved. Also reports against performance indicators, objectives and significant policies. Council is required to produce an Annual Report under the Local Government Act 2002.

Asset Management Plan (AMP): Plans that detail the future development and maintenance of Council's infrastructural assets to a specified level of service.

Borrowing Management Policy: Outlines the methods and limits of any borrowing undertaken by Council. This is now called the Liability Management Policy under the Local Government Act 2002.

Capital Expenditure: Expenditure on new or replacement assets used in providing services to the ratepayer.

Community Vision: Community view of a preferred future.

Cost of Service Statement: Statement detailing Council's financial estimates for the financial year in question related to each significant activity.

Function: A specific area of Council responsibility (e.g. parks and reserves).

Funding Policy: Sets out who should pay and how for Council activities. This is now called the Revenue and Financing Policy under the Local Government Act 2002.

Group of Activities: Two or more related activities. Council has nine groups of activities.

Guiding Principles: Fundamental points that will assist Council to make decisions about present and future community needs.

Infrastructure: Pipes, structures and equipment used to help provide services (e.g. underground water pipes, roads).

Investment Policy: Outlines boundaries within which Council will carry out its investments.

Long Term Council Community Plan (LTCCP): Sets out Council's priorities for the next 10 years, and provides information on budgets, rating levels, major projects and general Council services. The Plan is operative for three years, therefore years 2009 to 2016 are indicative.

Operating Costs: Expenses incurred in the normal day to day operations of the activity. These include running expenses, maintenance, interest paid on loans and support costs (administration).

Operating Revenue: Income received directly relating to the activity. These include user fees, separate charges and subsidies received from Government agencies.

Overall Goal(s): An overall, open-ended aim for each significant activity (e.g. roading).

Performance Indicator: Specific measures that outline how an activity is performing against set targets or standards.

Special Funds: Funds established by Council through resolutions, the terms of which limit the areas they can be expended on.