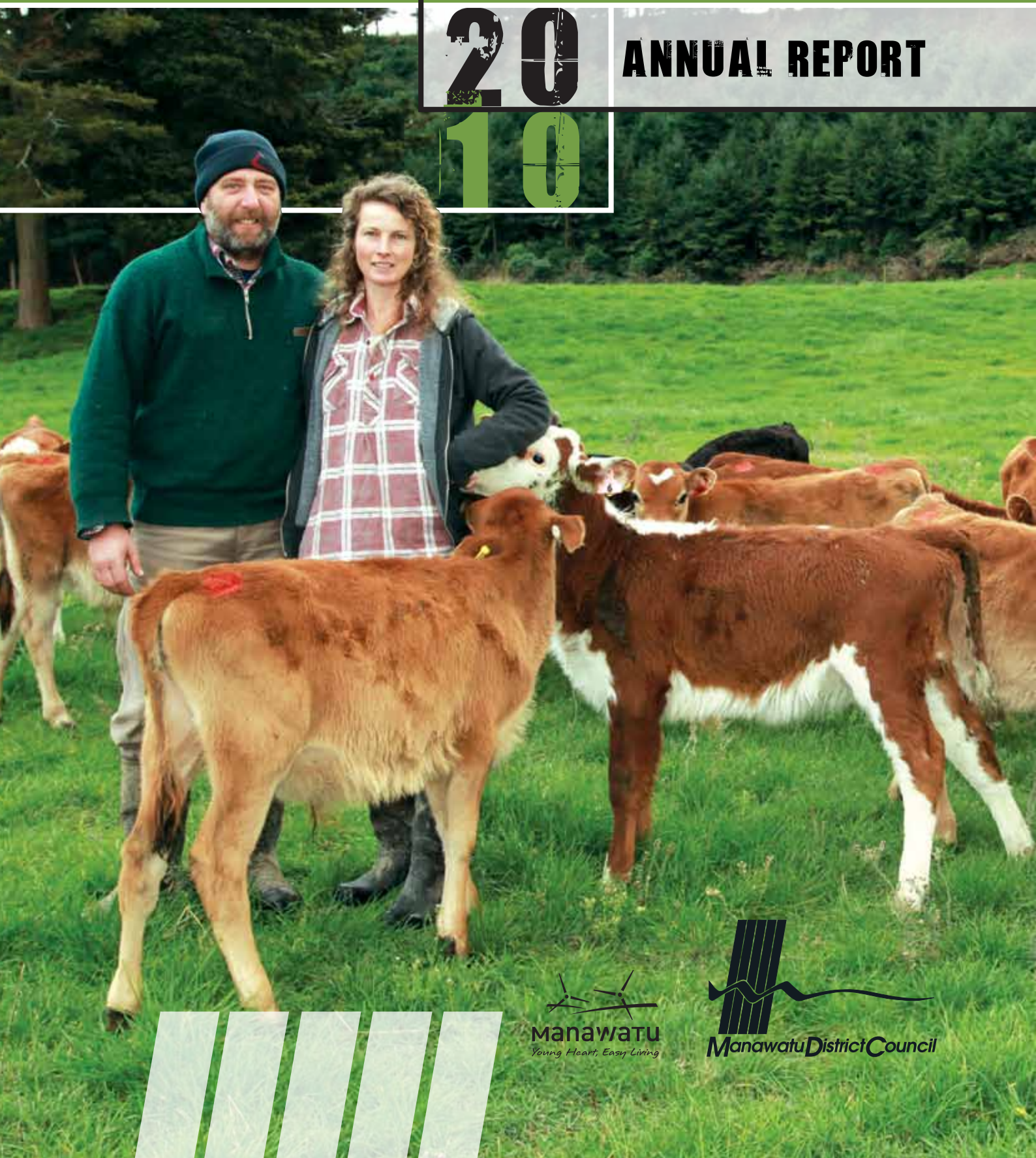



Manawatu District Council
for the year ended 30 June 2010

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ANNUAL REPORT




manawatu
Young Heart, Easy Living


Manawatu District Council



2010

Manawatu District Council
ANNUAL REPORT 2010

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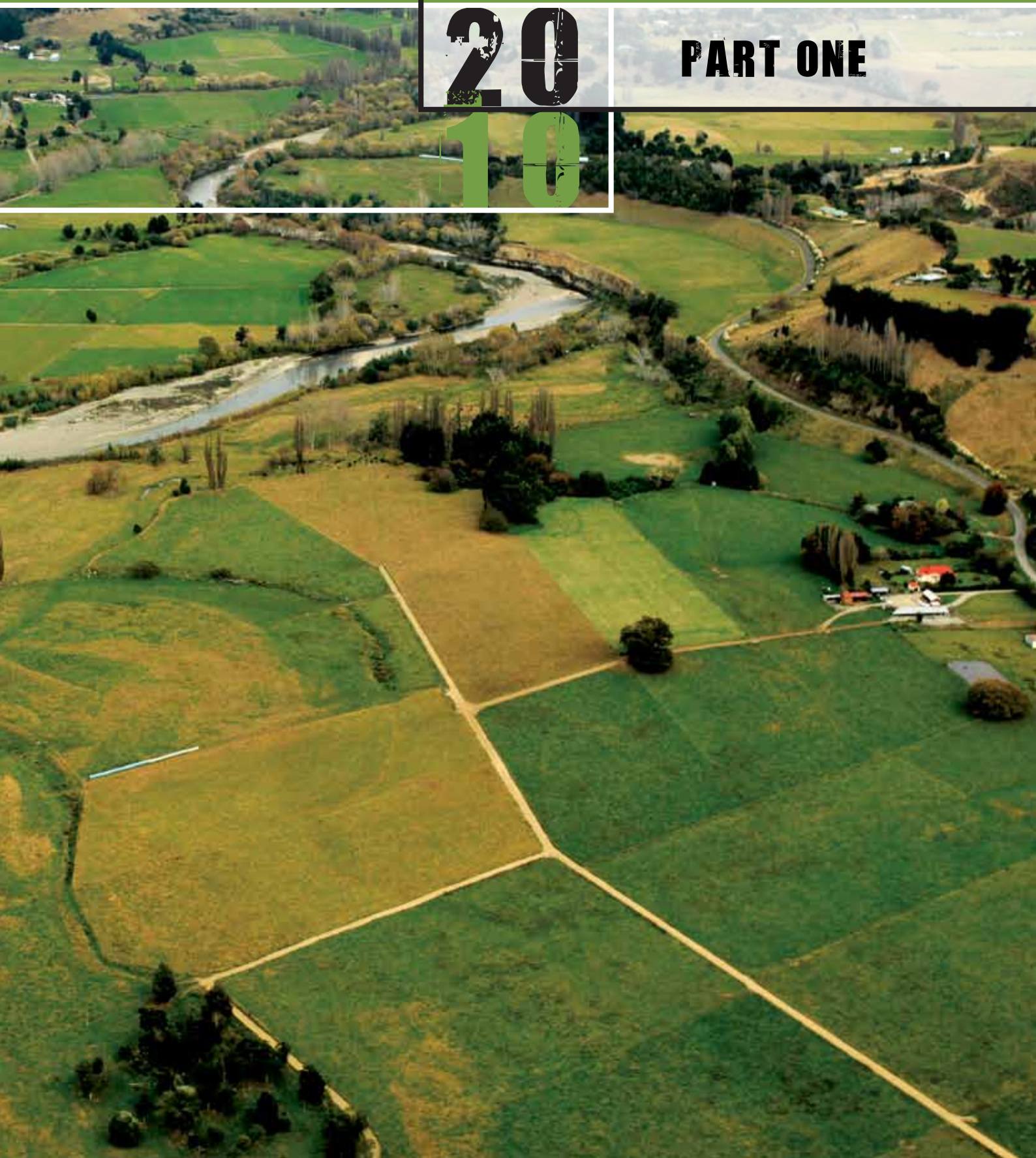
Peter McDermott



INTRODUCTION

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PART ONE





2010

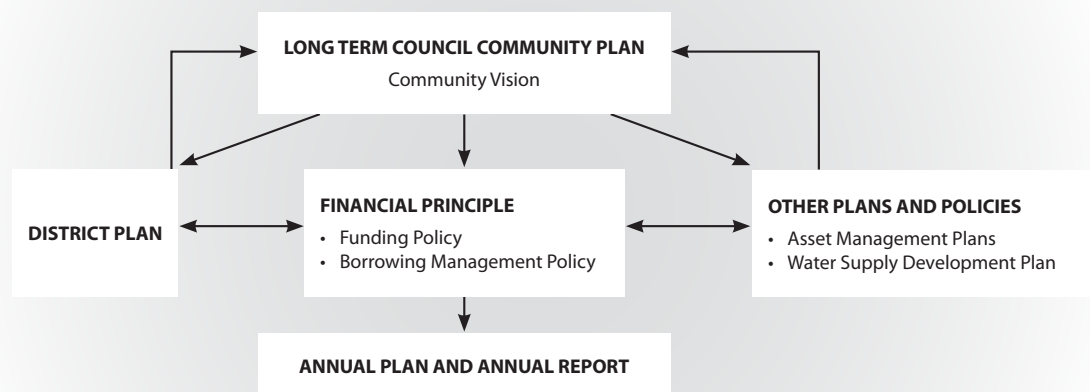
ROLE OF THE ANNUAL REPORT

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 2009/10 financial year in the 2009-2019 Long Term Council Community Plan (LTCCP).

THE ANNUAL REPORT

- reports against Manawatu District Council's key activities, performance indicators and budgets outlined in the 2009-2019 LTCCP – we are reporting against what we said we would do in the 2009/10 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 Section one provides an overview of the 2009/10 year including key highlights.

SECTION TWO:

Groups of Activities Section two summarises what Council has achieved in each activity group, including performance indicators.

SECTION THREE:

Policy Reports Section three 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 Section four provides other information, including summary information about the Manawatu District Council, elected representatives, staff and grants.

INTRODUCTION

FROM MAYOR AND CHIEF EXECUTIVE

Welcome to the 2009/10 Annual Report. This is Council's key accountability document to the residents and ratepayers of Manawatu district. It tracks how Council has performed against budgets and performance targets as set out in the 2009/2019 Long Term Council Community Plan.

We believe 2009/10 has been a successful year. As you will see in the following pages, Council has met the majority of its performance targets. In the few places where we haven't, we have provided an explanation. We enjoy a positive working relationship with our neighbours. Palmerston North City Council's provision of building services continues to work well, as does Horizons Regional Council's delivery of emergency management services. The joint asset management arrangement with Rangitikei District Council also continues to be a success.

One of the most important developments in the area of relationships was the final report, commissioned by Palmerston North City and Manawatu District Councils, which looked into the future governance of the Manawatu region. In particular, it examined the following four options to address growth pressures on boundaries between the two Councils:

- amalgamation
- boundary change (option 1): a small adjustment of the boundary between MDC and the city
- boundary change (option 2): a larger adjustment to the boundary
- cross-boundary servicing

The Councils' preferred option is boundary change (option 2). Council, in tandem with PNCC, plans to undertake informal consultation on this option in October 2010. Council will also welcome feedback on the other options.

Other important developments during the year include:

MAKINO AQUATIC CENTRE

During the Draft Annual Plan process, Council received nearly 60 submissions on the proposed Makino Aquatic Centre (MAC) upgrade. The majority of submitters expressed a desire to see the 50m pool retained. In response, Council will look closely at options for the redevelopment of MAC. It will seek community engagement via a focus group, develop a comprehensive project plan and explore alternative funding sources.

TOTARA RESERVE REGIONAL PARK

Council resolved in June to transfer Totara Reserve Regional Park to Horizons Regional Council, pending final approval from the Department of Conservation.

HIMATANGI BEACH WASTEWATER SCHEME

Council has decided to pursue a wastewater scheme for Himatangi Beach, in consultation with the Himatangi Beach community. Council has formed a focus group consisting of two MDC councillors, two Horizons Regional councillors and community representatives from Himatangi Beach.

RONGOTEA WATER SCHEME

Council has decided to proceed with a voluntary water supply scheme for Rongotea instead of the compulsory scheme that was rejected in a community poll of Rongotea residents.

For more information on these, and other projects, please see the Year in Review section on page 5.

The following pages in this introductory section set out the highlights of the year's operations. Part 2 of the report details each activity, or group of activities, undertaken by Council. Part 3 outlines financial information and Part 4 contains general information such as grants paid and details of Council's infrastructure.



Ian McKelvie
MAYOR



Lorraine Vincent
CHIEF EXECUTIVE

THE YEAR

IN REVIEW - 2009/10

MANAWATU DISTRICT/PALMERSTON NORTH CITY COUNCIL PROPOSED BOUNDARY CHANGE

Growth is occurring in the Manawatu region, particularly on the boundary between Palmerston North City and Manawatu District Councils. This is good for our region, but it has created some issues between the two Councils. Development has to date been on an ad hoc basis and this has created planning and servicing issues. The Councils are keen to manage these growth pressures. In November last year, Council commissioned consultants to look, in-depth, at how these pressures could be addressed.

In response, the consultants considered the following four options:

- amalgamation
- boundary change (option 1): a small adjustment of the boundary between MDC and the city, focused on Longburn and a small portion of the north-east industrial area
- boundary change (option 2): a larger adjustment to the boundary, focused on land to the north and west of Palmerston North which would be transferred to the City. This would include Longburn and Bunnythorpe
- cross-boundary servicing

The Councils' preferred option is boundary change option 2. This would see an area of Manawatu District land to the north and west of Palmerston North transferred to the city.

Where to from here?

The Councils plan to undertake joint consultation to determine community views based on the preference of boundary change option 2, including a potential plan to compensate MDC for loss of income for a determined period.

Consultation will also include the amalgamation option in order that our communities may better understand the potential benefits this may offer. Consultation is likely to take place towards the end of the year. You will have an opportunity to be involved in further consultation.

MAKINO AQUATIC CENTRE (MAC)

Council received nearly 60 submissions on the proposed MAC upgrade. The majority of submitters felt that the

50m pool is an asset to the MAC and the wider district. Submitters expressed a desire to see it retained.

The proposals outlined in the Draft Annual Plan are by no means settled. Council will now look more closely at the options for the redevelopment of the MAC. This involves:

- Community engagement
- Developing a comprehensive project plan
- Exploration of funding sources
- Preliminary architectural design work
- Council will fund this work by reprioritising some current projects.

There are a number of projects, which were scheduled for 2009/10, that may not be necessary should the redevelopment proceed. Therefore, Council proposes reprioritising the funding from these projects for the initial planning phase.

TOTARA RESERVE REGIONAL PARK

In June Council resolved to transfer Totara Reserve Regional Park to Horizons Regional Council (HRC), pending final approval from the Department of Conservation.

This transfer will involve all the reserve land and associated building, which HRC will control and manage. The Crown will still own the reserve land. The levels of service and funding will remain the same for Totara Reserve Regional Park.

HIMATANGI BEACH WASTEWATER SCHEME

Council has decided to pursue a wastewater scheme for Himatangi Beach, in consultation with the Himatangi Beach community. To this end, Council will form a focus group, made up of two MDC councillors, two Horizons Regional councillors and community representatives from Himatangi Beach.

The purpose of the focus group is to:

- be a 'sounding board' for the Council as it pursues the steps necessary to produce a successful outcome for the Himatangi Beach Wastewater Scheme
- act primarily as a 'community conscience' on the project, and

- confirm or otherwise, the direction and methods used for public participation, and
- ensure that the solution developed reflects the outcome of public participation
- Council shall retain responsibility for making the final decision after considering the outcomes from the focus group.

RONGOTEA WATER SCHEME

Council has decided not to proceed with the Rongotea Water Supply Scheme that was the subject of a community poll. Instead, Council will investigate further the feasibility of a similar water supply scheme being installed at Rongotea to which householders could connect on a voluntary basis, as opposed to the previously proposed compulsory scheme. This option is subject to being financially viable and receiving the approval of the Ministry of Health.

HISTORIC PHOTOS AVAILABLE ON-LINE

A series of 62 photographs depicting early scenes of the Manawatu District are now accessible on the Feilding Public Library website thanks to Apiti historian/researcher Ruth McIntyre.

Many of the black and white images are from a substantial postcard collection that Mrs McIntyre has collected over the years.

Library Manager, Simon Johnson, said Mrs McIntyre's valuable photographs could be viewed either on-line or in hard copy form.

"The most significant ones relate to towns and events that we previously didn't have in our catalogue," he said.

There are photographs of commercial buildings and churches in Apiti, Kimbolton, Bunnythorpe and Halcombe. Some date back to the late 19th century. There are also photographs of Feilding's Manchester Street, Manchester Square and Kimbolton Road.

Mr Johnson said two of the most interesting prints were of Apiti Lake, subsequently destroyed in the late 1940s after a huge landslide cascaded the water out onto the surrounding countryside.

"There is also a wonderful photograph of an electric truck used by the Awahuri Dairy Co Ltd about 100 years ago," he

said. The American-manufactured Walker Electric Truck was powered by a rack of batteries under the tray and had a range of about 60 kms.

Mr Johnson said specialists were used to transfer the images into digitalised and hard copy forms and asked for people with other old photographs to consider lending them to the library for possible cataloguing.

"This type of material is a valuable resource and it would be good to be able to build up the library's historic photographic collection," he said.

Mrs McIntyre said a number of the photographs were from her mother, Nita Ratford (nee Wishnowsky), who had grown up in Halcombe and belonged to the St John's Lutheran Church in the township.

She is hoping that photographs collected for her latest project – World War I soldiers from Apiti and surrounding districts who had served overseas – may also appear on the library website. Her interest in the Apiti soldiers was fuelled by husband Roger's father, Hugh McLellan McIntyre, who flew Spitfires with 273 Squadron during World War II.

COMMUNITY OUTCOMES

WHAT ARE COMMUNITY OUTCOMES?

Community outcomes are the things that are important to our community.

In the Manawatu District this means:

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 into account the needs of future generations
- » 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'

WHERE DID THEY COME FROM?

The community decided our community outcomes. During 2005/06 the Council with the help of others, facilitated a Community Outcomes Process. The Community Outcomes Process involved extensive consultation with the community, including public meetings and attendance at community events such as the Field Days and the Manfeild Park Garden Festival.

The aim was to get as much community input as possible, so we asked everyone from kids on the street to people in government and local organisations. We featured in the local newspaper, the Feilding Herald, on the council website and even in the Feilding Christmas Parade! We ended up with over 3000 ideas. We looked carefully at all of the ideas and summarised them into the community outcomes.

ACHIEVING THE COMMUNITY OUTCOMES

While Council facilitated the process to identify the Community Outcomes, the Community Outcomes do not belong to the Council. The Community Outcomes belong to the community. They are for everybody: organisations, groups and individuals to work towards. They will only be achieved if everybody works towards them. Council is committed to playing its part. The Long Term Council Community Plan 2009-2019 shows how we will do this.

All the organisations, including the Council, work towards the outcomes in various ways:

- » by doing our 'day-to-day work', eg MidCentral Health provides health services, schools provide education and sports clubs offer recreation opportunities
- » by working together on particular projects, eg the Council and Ministry of Justice jointly fund Neighbourhood Support, and Horizons Regional Council and Manawatu District Council work in partnership to look after Totara Reserve Regional Park.
- » by working together through networks and 'umbrella groups', such as the Regional Inter Agency Network (central and local government agencies) and Social Issues Network Council of Social Services.

DISTRICT PROFILE

WHO ARE WE? WHERE ARE WE GOING?

We are a district with a population of 28,254. Our major town, Feilding, has a population of 13,887. Feilding has won the 'Most Beautiful Town' award 14 times.

Our district was established on 1 November 1989 when the five former authorities of Oroua, Kiwitea, Pohangina, Manawatu and Feilding amalgamated. 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.

Manawatu district comprises three wards: Kiwitea-Pohangina (northern part of the district), Kairanga (southern part of the district) and Feilding.

WE HAVE BEAUTIFUL NATURAL FEATURES

- » 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

WE HAVE A DIVERSE ECONOMY

- » In 2007, there were 8,900 Full-Time-Equivalents (FTEs) employed in the Manawatu district in 4,030 businesses, generating \$712 million in GDP
- » Agriculture – mainly dairy and cattle farming, and livestock and cropping farming – is the key driver industry in the Manawatu district economy
- » Manufacturing, mainly food processing, accounts for around 13% of employment in the district
- » The district also has a large defence industry at Ohakea, which makes up around 8% of employment
- » The importance of these industries is reflected in their large levels of employment
- » Feilding acts as a service centre to the surrounding rural community, with several rural-based businesses, including the Feilding stock sale yards. It has a thriving central business district, with significant national retailers. Smaller communities around the district act as local service centres. Tourism and visitor industries are increasingly prominent, for example, B&Bs, cafes and rural homestays

- » Manawatu district is centrally located. It has significant regional operations nearby including Palmerston North International Airport, Massey University, Linton Army Camp, Palmerston North Hospital and the Universal College of Learning (UCOL)

WE HAVE EXTENSIVE INFRASTRUCTURE

- » The district is serviced with 1,433 km of roads, of which 1,288 km are sealed and 145 km are unsealed
- » There are 290 bridges within the district
- » State Highways 1 and 3 run through the south western point of the district
- » There are 9 waste water treatment plants and 9 water supply schemes – 5 urban and 4 rural
- » Most small towns outside Feilding are serviced with water supply, wastewater and stormwater disposal
- » A number of rural communities are also connected to water supplies and drainage systems
- » There are a number of parks, reserves and sportsgrounds throughout the district including 3 urban parks, 6 playground reserves, 31 open spaces, 10 sportsgrounds, 5 bush reserves and 6 riverside reserves
- » There are eight libraries within the district. The main library is located in Feilding on the corner of Stafford and Bowen Streets. There are community libraries at Himatangi Beach, Kimbolton, Pohangina, Sanson, Rongotea, Tangimoana and Waituna West
- » There are 28 public halls and community centres within the district, including the Te Kawau Centre in Rongotea and the Feilding Civic Centre

ETHNICITY

- » 78% of our population class themselves as European, compared to 68% for New Zealand
- » 14% of our population class themselves as Maori, compared to 15% for New Zealand
- » 15% of our population class themselves as New Zealanders – a relatively new classification. This is higher than for the rest New Zealand at 11%

DISTRICT PROFILE

EDUCATION

- » 35% of our population, aged 15 and over, has a post-school qualification, compared to 40% for New Zealand
- » A greater proportion of the Manawatu district, aged 15 and over, has no formal qualifications (31%) compared to 25% for the rest of New Zealand

WE HAVE A RELATIVELY YOUNG POPULATION

- » We have a slightly higher proportion of under-19 year olds (31%) compared to the rest of New Zealand (28%)
- » However, we have less 20-34 year olds (15%) compared to the rest of New Zealand (20%)

WE ARE A GROWING POPULATION

- » In the next 25 years our population is estimated to grow approximately 12% (3,500)

HOWEVER, WE ARE AN AGEING POPULATION

- » The bulk of this growth will occur within the over 65s age group
- » It is estimated that by 2031 the number of over 65s will have more than doubled
- » At the same time it is estimated that the number of 40-64 year olds will fall, perhaps by as much as 10-20%
- » It is possible that by 2031 every age group under 64 will decline by between 10% and 20%, while the number of over 65s will double
- » The growth in over 65s will accelerate from 2011, as the baby-boomers begin to retire
- » Manawatu District is not alone in this: local authorities and regions across New Zealand face similar increases. Similar trends are occurring in other countries

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 2010 fairly reflect the financial position and operations of Manawatu District Council.

DATE: 21 October 2010



Ian McKelvie

MAYOR



Lorraine Vincent

CHIEF EXECUTIVE

AUDIT REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

TO THE READERS OF MANAWATU DISTRICT COUNCIL AND GROUP'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

The Auditor-General is the auditor of Manawatu District Council (the District Council Type) and group. The Auditor-General has appointed me, Phil Kennerley, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf. The audit covers the financial statements, the service provision information and the District Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are included in the annual report of the District Council and group for the year ended 30 June 2010.

UNQUALIFIED OPINION

In our opinion:

- » **The financial statements of the District Council and group on pages 17 to 149**
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - *the District Council and group's financial position as at 30 June 2010; and*
 - *the results of operations and cash flows for the year ended on that date.*
- » **The service provision information of the District Council on pages 17 to 87 and 153 to 154**
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council's levels of service provision for the year ended 30 June 2010, including:
 - *the levels of service provision as measured against the intended levels of service provision adopted in the long-term council community plan; and*
 - *the reasons for any significant variances between the actual service provision and the expected service provision.*

- » The District Council and group have complied with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report, and that are included in the District Council and group's financial statements and service provision information.

The audit was completed on 21 October 2010, 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, the service provision 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, the service provision 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, the service provision information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether the significant management and system 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 financial and service provision data;

AUDIT REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied;
- determining the appropriateness of the reported service provision information within the Council's framework for reporting performance; and
- determining whether all required disclosures are adequate.

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

We evaluated the overall adequacy of the presentation of information in the financial statements, the service provision 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 and service provision information 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 2010. They must also fairly reflect the results of operations and cash flows for the year ended on that date. The service provision information must fairly reflect the District Council's levels of service provision for the year ended 30 June 2010.

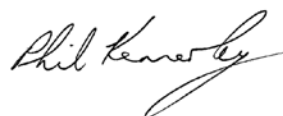
The Council is also responsible for meeting the other requirements of Schedule 10 of the Local Government Act 2002 and including that information in the annual report. The Council's responsibilities arise from section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements, the service provision 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 New Zealand Institute of Chartered Accountants.

Other than the audit and in carrying out the audit of long-term council community plan, we have no relationship with or interests in the District Council or any of its subsidiaries.



Phil Kennerley

Audit New Zealand

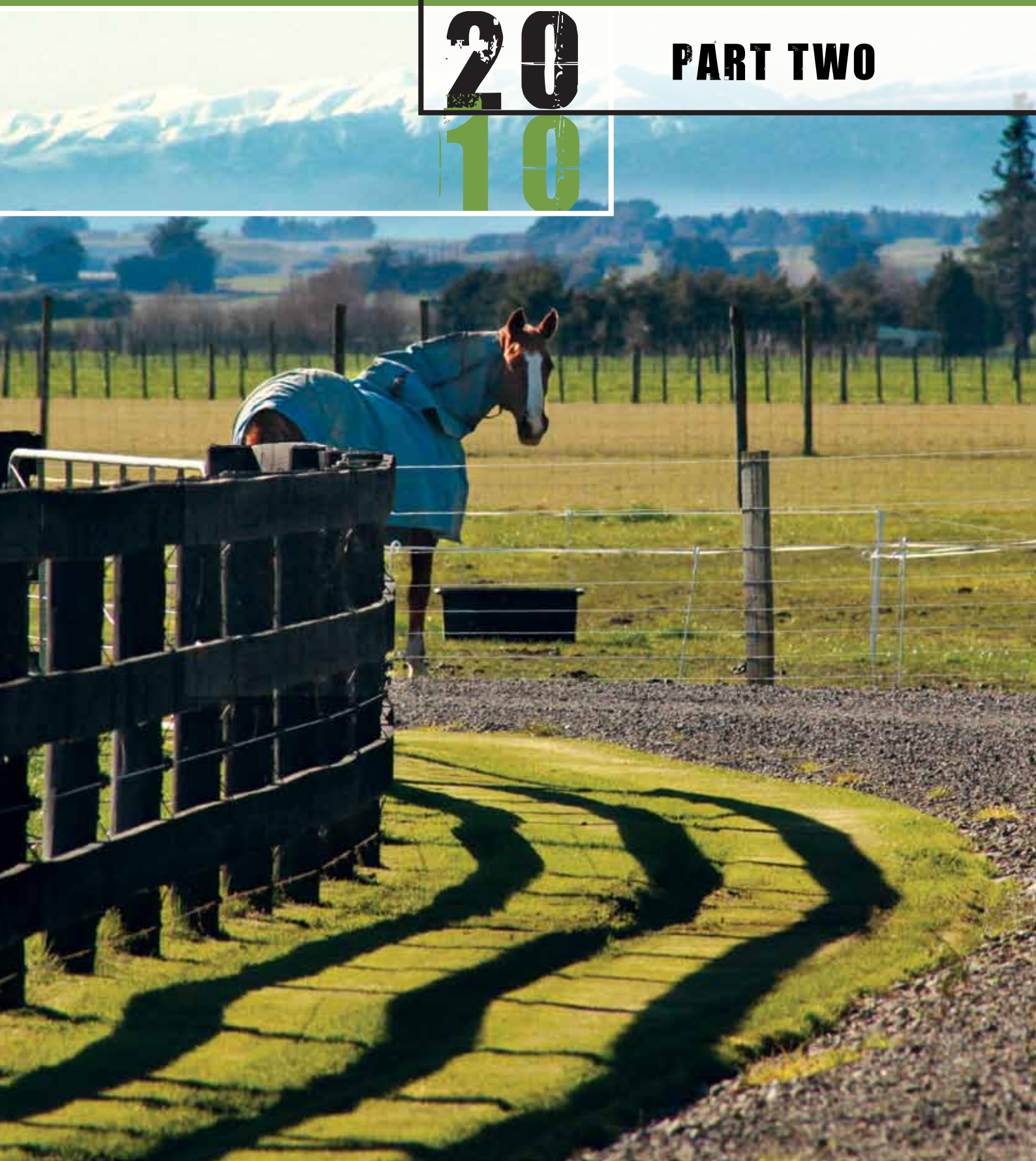
On behalf of the Auditor-General

Wellington, New Zealand

GROUPS OF ACTIVITIES

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PART TWO





2010

GUIDE

TO PART TWO

This section summarises results from the 2009/10 financial year for Council's Groups of Activities.

GROUPS OF ACTIVITIES

In 2009/10, 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:

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 WELL-BEING

Describes the effects Council's activities have had on community well-being during the 2009/10 financial year. According to the Local Government Act 2002, local authorities are expected to promote the current and future social, economic, environmental and cultural well-being of their communities. Local authorities are therefore required to take account of all four aspects of well-being when making decisions.

Local Government New Zealand (2002) defines social, economic, environmental and cultural well-being:

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 well-being of the community. The effects are summarised either at the group or activity level.

WHAT COUNCIL HAS ACHIEVED IN 2009/10

Summarises key work programmes, capital developments and special projects during the 2009/10 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 2009/10 financial year for each activity. For comparison purposes, the first column contains actual data for 2009/10 and the last column contains budget information for 2009/10.

COMMUNITRAK

SURVEY RESULTS

BACKGROUND

The National Research Bureau (NRB) undertakes a bi-annual community survey, known as Communitrak, for the Manawatu District Council. The survey measures community satisfaction with Council services, including the Mayor and Councillors. The survey also compares Council performance against a peer group of councils and against the results of a national survey of 1,004 interviews conducted in December 2008.

METHODOLOGY

The survey interviewed 400 people throughout the district with respondents randomly selected from the telephone directory. Weightings were applied to the sample data to reflect the actual ward/gender/age proportions in the area as determined by Statistics New Zealand 2006 Census data. The result is that the total figures represent the

adult population's viewpoint as a whole across the entire Manawatu District. The survey took place between 16 November 2009 and 13 June 2010.

HIGHLIGHTS

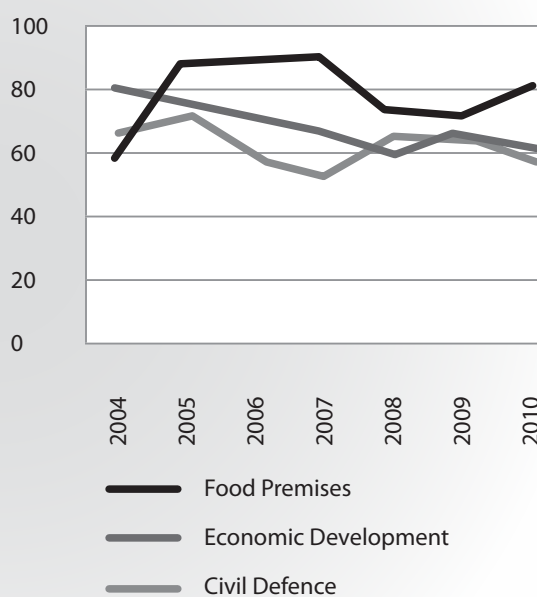
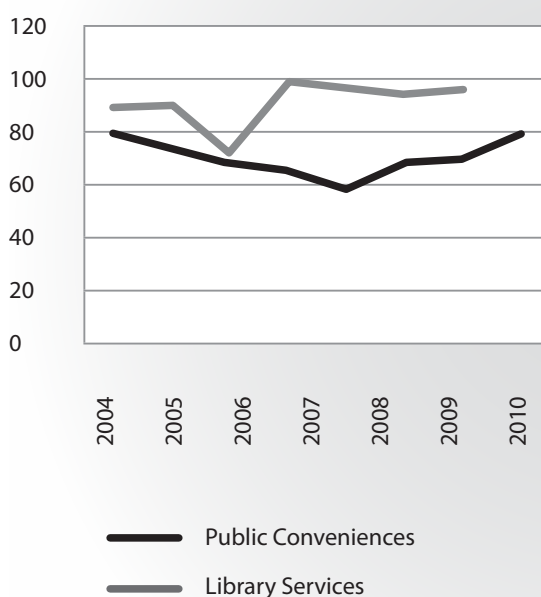
Highlights from the 2009/10 Communitrak survey are:

- » 96% of users are satisfied with the Library (2008/09: 95%).
- » 99% of residents are satisfied with sewage disposal services (2008/09: 98%).

The graphs below indicate the six-year trends for overall and user 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 the Annual Report.*

OVERALL SATISFACTION – SELECTED SERVICES 2004 - 2010



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 well-being have been identified:

Environmental, social and cultural well-being: 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 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Cemetery service that meets community needs	65% overall community satisfaction with cemeteries as measured in Communitrak Survey	Target not met	Very/Fairly satisfied 57% Not very satisfied 5% Don't know 38% The overall satisfaction rating for cemeteries was low due to the high number of 'don't knows'.
A quality Cemetery service that meets visitor needs	90% visitor (user) satisfaction with cemeteries as measured in Communitrak Survey	Target not met	Very/Fairly satisfied 86% Not very satisfied 8% Don't know 6% Visitor satisfaction has consistently been in the mid 80s to low 90s over the last few years.

COMMUNITY FACILITIES

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Cemetery service that keeps cemeteries well maintained and in a tidy condition	Number of complaints about untidy cemeteries - no more than 10 per annum (Council records)	Target met	Five complaints were received as at 30 June 2010. These generally focus on weeds and long grass, which has been an issue due to the wet weather and high humidity during the summer months. The contractors have been made aware of this. In addition, there have been complaints about sunken graves due to wet weather. The contractors have dealt with these issues

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Project	Actual	Budget	Variance Explanation
Feilding Cemetery - investigation of second RSA area. No additional cost	0	0	No additional cost
Continued beautification of Council-maintained cemeteries. No additional cost	0	0	No additional cost

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 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Public conveniences effectively meet community needs	78% user satisfaction with public conveniences as measured in Communitrak Survey	Target met	<p>Very/Fairly satisfied 80%</p> <p>Not very satisfied 19%</p> <p>Don't know 1%</p> <p>Many of the not satisfied comments concern the poor standards of public toilets, particularly in relation to hygiene, cleanliness and the need to upgrade facilities. Council is in the process of exploring alternative levels of service for the district's public toilets to address these issues</p>
Public conveniences are located in places where they are needed	Number of complaints about public conveniences not being available - no more than 10 per annum (Council records)	Target met	No complaints received

COMMUNITY FACILITIES

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Public conveniences are clean and tidy and are serviced regularly	Number of complaints about unclean/untidy toilets - no more than 10 per annum (Council records)	Target not met	Council received 64 complaints about public toilets during the year. These mainly concern vandalism and broken equipment. Council is assessing options for addressing these issues. As a first step Council intends undertaking work to improve the level of service at the Feilding (Manchester Square) toilets in the near future

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Project	Actual	Budget	Variance Explanation
Ongoing maintenance and cleaning of public conveniences	96,414	120,000	

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/ Update
Installation of signage in all public toilets advising users about how they can report untidiness	2,455	5,000	Signage installed

COMMUNITY FACILITIES

Funding Summary for the year ended 30 June 2010

	Actual 2010 \$000	Budget 2010 \$000	Actual 2009 \$000
Operating Costs (by Activity)			
Housing for the Elderly and Disabled	0	0	10,148
Cemeteries	321	272	196
Public Conveniences	126	155	104
Total Operating Costs (by Activity)	447	427	10,448
Operating Revenue (by Activity)			
Cemeteries	278	272	208
Public Conveniences	153	155	175
Total Operating Revenue (by Activity)	431	427	383
NET OPERATING COST OF SERVICE	17	0	10,065
Operating Costs			
Operating Costs	431	399	287
Depreciation & amortisation	17	28	17
Gifting of Assets	0	0	10,144
Total Operating Costs	447	427	10,448
Operating Revenue			
Targeted Rates	353	348	314
Subsidies and Grants	0	1	0
User Fees and Charges	78	78	69
Total Operating Revenue	431	427	383
Net Operating Cost of Service	17	0	10,065
Transfers to/(from) Reserves and Special Funds	(0)	5	0
To Fund Capital Expenditure	0	0	0
NET OPERATING COSTS	17	5	10,065
Capital Expenditure			
New Work	2	5	194
Total Capital Expenditure	2	5	194
Capital Funding Sources			
Transfers (to)/from Reserves and Special Funds	0	0	165
Current years Depreciation Expense	17	28	17
Total Capital Funding Sources	17	28	182
NET CAPITAL COSTS	2	28	(9,689)

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 well-being have been identified:

Community well-being: 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 well-being; social, economic, environmental and cultural well-being.

WHAT HAS COUNCIL ACHIEVED IN 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
An accessible Democracy and Policy Development service where opportunities are provided for involvement in decision-making	80% community satisfaction with the way Council involves the public in decision making as measured in Communitrak Survey	Target not met	Very satisfied 12% Satisfied 37% Neither satisfied nor dissatisfied 23% Dissatisfied 12% Very dissatisfied 4% Don't know 12%
A quality Democracy and Policy Development service that effectively advocates on behalf of the district	70% community satisfaction with the performance of the Mayor and Councillors as measured in Communitrak Survey	Target met	60% of respondents rated the Mayor and Councillors as very/fairly good and 21% as acceptable

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Project	Actual	Budget	Variance Explanation
Communitrak Survey	15,500	25,000	Communitrak Survey completed in June. Full report received in August 2010

DEMOCRACY

Funding Summary for the year ended 30 June 2010

	Actual 2010 \$000	Budget 2010 \$000	Actual 2009 \$000
Operating Costs			
Operating Costs	1,473	1,211	961
Interest	0	0	0
Depreciation & amortisation	0	0	0
Total Operating Costs	1,473	1,211	961
Operating Revenue			
Targeted Rates	1,211	1,211	1,502
Total Operating Revenue	1,211	1,211	1,502
NET OPERATING COST OF SERVICE	262	0	(541)

DISTRICT DEVELOPMENT

COMMUNITY FUNDING AND DEVELOPMENT

The Community has asked for:

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

This is achieved through:

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

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

This is achieved through:

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

The following effects on community well-being have been identified:

Social and cultural well-being: Applications for Community Development Funding (\$195,000 per annum) are required to demonstrate how projects primarily contribute towards the social and cultural well-being and secondarily to the economic and environmental well-being 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 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Support community organisations through funding for community programmes and events	\$212,000 in funding distributed per annum (Council records)	Target met	This funding has been allocated. Grants included in this budget are Rates Grants, the Partnership Fund, the Community Fund, Community Promotions, Representative Grants and Pool Grants. Please see page 168 for grant recipients
Provision of community forums	Number of forums held per annum - 2 (Council records)	Target met	Forums have been held including Youth Forum and hosting of Social Issues Network meeting to discuss Community Statistical Profile

DISTRICT DEVELOPMENT

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
User satisfaction with the quality of advice provided by Council about community funding and development	80% of users satisfied with the quality of advice (customer survey)	Target not met	Very/fairly satisfied 76% Not satisfied 12% Don't know 12%
Advocate to Ministry of Justice for funding that supports community safety projects	\$50,000 obtained per annum (Council records)	Target met	\$50,000 obtained is 2009/10 towards community safety projects. Continued advocacy for funding. The current funding agreement will cease in 2010/11

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Project	Actual	Budget	Variance Explanation
Community Development Funding (including Feilding Medical Centre - \$25,000 – and Rugby World Cup - \$15,000)	227,040	238,020	Completed
Sport Manawatu: Annual Grant	66,231	60,000	Completed
Events Coordinator	11,384	10,000	Completed
Te Manawa Museums Trust	20,000	20,000	Completed
New Zealand Rugby Museum	10,000	10,000	Completed

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 well-being have been identified:

Economic well-being: 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 well-being of the residents. A healthy district economy is vital to the present and future viability of the community. Specific activities that contribute toward economic well-being 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 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Economic Development service that meets the needs of the community as per the Regional Economic Development Strategy	75% community satisfaction with Economic Development as measured in Communitrak Survey	Target not met	Very/Fairly satisfied 61% Not very satisfied 12% Don't know 27% The overall satisfaction rating for Economic Development was low due to the high number of 'don't knows'. However, the satisfaction rating compares very favourably with the peer group and national averages. Both the peer group and national average satisfaction ratings were 50%

DISTRICT DEVELOPMENT

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Economic Development service that facilitates government support and investment in the region (via contract with Vision Manawatu)	\$700,000 obtained per annum from government grants (Council records)	Target met	Of the \$874,000 of Foundation of Research, Science and Technology grants brokered by Vision Manawatu over this period, two Feilding businesses received a total of \$146,000
An accessible Economic Development service where Manawatu businesses have access to BLZ programmes (via contract with Vision Manawatu)	20% of businesses involved are located in Manawatu District (Council records)	Target met	Over 2,100 businesses on the Vision Manawatu database are provided economic information and free access to business advice, development and training. About 20% of this database are based in the Manawatu District. Vision Manawatu continues its sponsorship and support of the Feilding Business Awards. During this financial year it carried out a business survey of over 100 businesses in the region, of which approximately 14% were based in the Manawatu District
A responsive Economic Development service that secures new events for the region (via contract with Key Agencies)	Four new events per annum (Council records)	Target met	Four events have been secured. Destination Manawatu has been successful in securing the National Dog Show for a further two years. This event will have significant economic impact for the region. Other events for 2009/10 have been Peppermint Park and a major annual cycling event. In addition Feilding Promotion organised the Young Achievers event, which was open to the public for the first time

DISTRICT DEVELOPMENT

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Economic Development service that delivers regional marketing campaigns promoting the district (via contract with Key Agencies)	Five regional marketing campaigns delivered per annum (Council records)	Target met	<p>Destination Manawatu arranged five marketing campaigns. These were:</p> <p>Manawatu Mission Possible Winter</p> <p>Manawatu Mission Possible Spring</p> <p>Manawatu Summer Fun Campaign</p> <p>The Country Road Map and Guide</p> <p>Cycling the Country Road Map and Guide</p> <p>These events contribute toward promoting the Manawatu Region</p>
An accessible Feilding and Districts Information Centre that meets the needs of the community (via Destination Manawatu contract with Feilding Promotion)	Feilding and Districts Information Centre is open and available as advertised: Monday-Friday, 9-4.30pm; Saturday 9-1pm (Council records)	Target met	Feilding & District Information Centre is open at the required times

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Project	Actual	Budget	Variance Explanation
Contribution towards signs for Feilding	0	15,000	Funding for this project has been carried forward to the 2010/2011 year
Feilding and Districts Information Centre	7,500	7,500	Completed
Vision Manawatu: provision of economic development services via a contractual arrangement	163,090	157,594	Completed
Destination Manawatu: provision of tourism services via a contractual arrangement	267,976	230,861	Completed
Feilding Promotion: provision of tourism services to the district, promotion and event management and support to the business and retail sector	113,318	147,612	Completed

DISTRICT DEVELOPMENT

Project	Actual	Budget	Variance Explanation
Sanson Facility Development Feasibility Study	35,974	20,000	<p>Report completed. Additional information sought from the consultant outside the original scope of work. This accounts for the additional expenditure.</p> <p>Council is now in a position to take the Sanson Facility development to the next stage. Council has added \$75,000 to the 2010/11 budget to cover costs associated with developing architectural conceptual plans, costing analysis and other engineering fees. These tasks follow on from the feasibility study completed in March</p>
Bio Commerce Centre: provision of operational grant	30,000	30,000	Completed
Manfeild Park Trust: community investment	250,000	250,000	Completed

DISTRICT DEVELOPMENT

FEILDING CBD REDEVELOPMENT

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 well-being have been identified:

Social, cultural and economic well-being: There are significant benefits for social, cultural and economic well-being 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 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality CBD area where footpaths are clean and tidy	Pavers kept clean and tidy: complete comprehensive washing of pavers every six months (Council records)	Target met	A portion of the pavers have been cleaned each month on a rotational basis. Overall all paving was cleaned twice per year
A quality CBD area where streets are clean and tidy	Streets are kept clear of dirt and litter and inspected daily to collect rubbish (Council records)	Target met	The streets are checked and dirt, litter and rubbish cleared every morning between 6:00am and 8:00am
A safe CBD area where street furniture is safe and functional	Street furniture is safe and functional: specific requests for repair are responded to within one hour (Council records)	Target met	Furniture has been fixed on 15 occasions. Repairs have been checked within the hour of notification and where possible repaired on site. If the furniture is too badly damaged, it is taken away to be fixed

DISTRICT DEVELOPMENT

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Project	Actual	Budget	Variance Explanation
Realignment Manfeild Park Entranceway (work carried forward from 2008/09)	329,746	300,000	The realignment is complete. This has been expensed and has not been capitalised as no Council-owned asset has been generated
CBD street cleaning	26,180	20,000	This expenditure was for the washing of pavers within the CBD
Inspection of street furniture within the CBD	30,910	32,500	This expenditure included street sweeping, daily inspections, litter collection and clearing of sumps

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Fergusson Street (Manchester Street to South Street): part of CBD redevelopment projects	21,566	224,000	This work is being designed ready to start. Delaying start to give Feilding Promotion opportunity to apply for funding for lighting and other items. The remaining funding has been carried over to 2010/11 as part of the Draft Annual Plan process

DISTRICT DEVELOPMENT

Funding Summary for the year ended 30 June 2010

	Actual 2010 \$000	Budget 2010 \$000	Actual 2009 \$000
Operating Costs (by Activity)			
Community Funding and Development	1,030	1,108	1,054
Economic Development	876	932	645
Feilding CBD Redevelopment	493	192	312
Total Operating Costs (by Activity)	2,400	2,232	2,011
Operating Revenue (by Activity)			
Community Funding and Development	1,089	1,174	2,179
Economic Development	941	932	
Feilding CBD Redevelopment	243	232	206
Total Operating Revenue (by Activity)	2,273	2,338	2,385
NET OPERATING COST OF SERVICE	127	(106)	(374)
Operating Costs			
Operating Costs	2,104	1,917	1,665
Interest	281	310	341
Depreciation & amortisation	14	5	5
Total Operating Costs	2,400	2,232	2,011
Operating Revenue			
General Rates	1,878	1,860	1,832
Targeted Rates	243	232	206
Subsidies and Grants	22	0	91
User Fees and Charges	0	4	79
Interest Received	129	242	177
Total Operating Revenue	2,273	2,338	2,385
Net Operating Cost of Service	127	(106)	(374)
Transfers to/(from) Reserves and Special Funds	(13)	0	0
To Fund Capital Expenditure	103	106	0
NET OPERATING COSTS	217	(0)	(374)
Capital Expenditure			
New Work	398	532	27
Loan Repayments	103	106	103
Total Capital Expenditure	501	638	130
Capital Funding Sources			
Loans Raised	201	382	0
Transfers (to)/from Reserves and Special Funds	150	150	124
Funded from Operational Revenue	103	106	0
Current years Depreciation Expense	(14)	5	5
Total Capital Funding Sources	440	643	129
NET CAPITAL COSTS	61	(5)	1

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 manmade disasters on people, the environment, infrastructure and property
- Ensure that there is an effective district-wide emergency management capability to respond to and recover from natural and manmade events
- Promote community awareness of hazards and emergency management, to create a resilient and prepared community

The following effects on community well-being have been identified:

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

WHAT HAS COUNCIL ACHIEVED IN 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Civil Defence service is provided which meets community needs through the provision of planning, training and public awareness programmes	65% overall community satisfaction with civil defence as measured in Communitrak Survey	Target not met	Very/Fairly satisfied 57% Not very satisfied 10% Don't know 33% The overall satisfaction rating for Civil Defence was low due to the high number of 'don't knows'. The satisfaction rating is similar to both the peer group and national averages (60% and 57% respectively)

EMERGENCY MANAGEMENT

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
An effective Civil Defence service is provided where Council is prepared for emergency situations	Annual review of Civil Defence Emergency Management Plan (CDEM) (Council records)	Target met	Manawatu-Wanganui CDEM Emergency Management Office Annual Business Plan agreed June 2009. Group Plan approved by the Manawatu-Wanganui CDEM Group Joint Standing Committee at December 2009 meeting. Manawatu-Wanganui CDEM Group capability assessment completed and reported on by the Ministry of Civil Defence and Emergency Management. Outcome of assessment good. Group rated among the best in New Zealand
Quality information is provided to residents on how to prepare for an emergency	Twenty advertising and/or education events during the year (Council records)	Target met	<p>Twenty advertising/education events delivered during the year. These include:</p> <p>Static display for Disaster Awareness Week - Manchester Square, Feilding</p> <p>Static display at Central District field days</p> <p>Static display at emergency services open day (Feb)</p> <p>Presentations to various community groups</p> <p>Advertising through various publications ie: Are you Prepared magazine, Community A-Z, the Bulletin and various other media publications.</p>

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Project	Actual	Budget	Variance Explanation
Provision of service by Horizons Regional Council	150,000	150,000	

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 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Rural Fire service is provided which protects the interests of the community by monitoring the rural fire situation	Frequency of monitoring - ongoing (Council records)	Target met	All fires responded to in accordance with contractual requirements. Updated Fire Plan Approved on 10 December 2009. Activities and changes resulting from Performance Assessment Feedback Criteria dated March 2009 have continued throughout the year
A quality Rural Fire permit scheme is provided	No more than 10 complaints per annum about non-permitted fires during restricted fire season (Council records)	Target met	There was no restricted fire season, and no complaints were received

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Project	Actual	Budget	Variance Explanation
Provision of service by Horizons Regional Council	90,000	100,000	

EMERGENCY MANAGEMENT

Funding Summary for the year ended 30 June 2010

	Actual 2010 \$000	Budget 2010 \$000	Actual 2009 \$000
Operating Costs (by Activity)			
Civil Defence	202	176	228
Rural Fire	212	124	132
Total Operating Costs (by Activity)	414	300	360
Operating Revenue (by Activity)			
Civil Defence	173	176	236
Rural Fire	126	124	60
Total Operating Revenue (by Activity)	298	300	296
NET OPERATING COST OF SERVICE	116	0	64
Operating Costs			
Operating Costs	412	297	357
Depreciation & amortisation	2	3	3
Total Operating Costs	414	300	360
Operating Revenue			
General Rates	126	124	60
Targeted Rates	165	167	198
Subsidies and Grants	8	9	38
Total Operating Revenue	298	300	296
NET OPERATING COST OF SERVICE	116	0	64

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 well-being have been identified:

Environmental well-being: The activities undertaken by this group make a significant contribution to the community's environmental well-being. 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. District Planning services ensures a healthy environment through appropriate development, sustainable land use and protection of environmental resources.

WHAT HAS COUNCIL ACHIEVED IN 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
The provision of Animal Control service 24 hours, 7 days a week	70% overall satisfaction with animal control service as measured in Communitrak Survey	Target met	Very/Fairly satisfied 71% Not very satisfied 15% Don't know 14% Many of the not satisfied comments concern roaming dogs, which are perceived to pose a danger and cause a nuisance

ENVIRONMENTAL AND REGULATORY MANAGEMENT

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Animal Control service	80% user satisfaction with the service (Customer Survey)	Target not met	75% of those who returned survey forms were satisfied with the Animal Control service. 16% of those who returned forms were not satisfied with the service. Most 'not satisfied' comments relate to lack of action concerning roaming dogs, especially when the respondent had contacted the after-hours centre
A responsive Animal Control service where complaints about dog attacks and wandering stock are responded to in a timely manner	95% of complaints are responded to within 15 minutes (Council Records)	Target met	53 dog attacks for the year ending 30 June 2010. 100% responded to within 15 minutes. 150 callouts regarding stock on the road for the period. 100% responded to within 15 minutes
A proactive Animal Control service that provides dog education programmes to schools and interested parties	All interested Manawatu District schools are provided with the Dog Education programme at least once every three years (Council records)	Target met	10 classes visited, with 128 children going through the programme. The children are taught the dos and don'ts about what to do if approached by a dog, dog owner responsibilities, and community responsibilities

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Dog pound security	10,121	20,000	Cameras installed and operational

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 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
An accessible Building Control service where information and education about regulatory function is made available	Ensure that web page is current and updated on a quarterly basis (Council records)	Target met	New fees and charges booklet updated for 1 July 2010
	Produce industry education information/ news bulletins on a quarterly basis (Council records)	Target met	We produced industry education information on a quarterly basis and reported everything in the Bulletin. One example concerns an article explaining the new Land Information Memorandum process review. Attended building liaison group meeting on 21 July 2010
A responsive Building Control service where consent applications are processed in a timely manner	100% of building consents are processed within statutory time frame of 20 working days from the receipt of the application (Council records)	Target not met	96% compliance. 4% non compliance due to higher workloads over last four months

ENVIRONMENTAL AND REGULATORY MANAGEMENT

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
	100% of code compliance certificates are issued within statutory time frame of 20 working days after the final inspection has passed (Council records)	Target not met	96% compliance. 4% non compliance due to difficulty in managing admin leave and workloads
	100% of Project Information Memorandums (PIMs) are issued within statutory time frame of 20 working days from receipt of application (Council records)	No longer measurable	From 31 January 2010 PIMs are voluntary, although the system requires that a PIM be issued before a building consent can be issued. This is a system issue and the applicant does not have to pay for the PIM. The new Ozone system to be introduced will provide more accurate records. In the meantime, however, the statistics are not accurate
A responsive Building Control service where inspections are undertaken in a timely manner	85% of inspections carried out within 3 working days from date of receipt of request	Target not met	55% compliance Extra resource is contracted from PNCC when timeframes are under pressure
A responsive Building Control Service where complaints about dangerous buildings are dealt with in a timely manner to ensure public safety	100% of building related complaints are responded to within 48 hours. Complainants are provided with advice and guidance about what action will be taken and in what timeframe (Council records)	Not applicable	There have been no complaints regarding dangerous buildings

ENVIRONMENTAL AND REGULATORY MANAGEMENT

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Building Control Service ensured through maintaining Building Control Accreditation	Council can perform the functions required by the Building Act by maintaining the current Building Control Accreditation status. A review is undertaken every two years (Council records)	Target met	<p>Reassessment undertaken by IANZ in October 2009. Passed with no corrective actions.</p> <p>The Department of Building and Housing recently proposed some amendments to the Building Act 2004. These include:</p> <ul style="list-style-type: none"> • changes to the exempt building work (Schedule 1) in 2011 • streamlining the consent process • making accountability clearer • introducing a requirement for written contracts for residential building projects • centralisation of the building consenting system <p>These changes are likely to occur over a longer timeframe, which has not yet been defined.</p> <p>Council does not anticipate any significant affects from these changes</p>

POINTS OF INTEREST

Earthquake Prone Buildings

Council set aside \$36,000 in 2010/11 to undertake an assessment of earthquake prone buildings within Manawatu district, to ensure they are in line with Council's Earthquake Prone Policy. This policy is a requirement of the Building Act 2004. Council is now in the process of reviewing the policy and obtaining quotes from engineers for the preliminary assessments of potentially earthquake prone buildings in the district.

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Project	Actual	Budget	Variance Explanation
Provision of service by Palmerston North City Council	667,786	860,000	

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

WHAT HAS COUNCIL ACHIEVED IN 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
To ensure public safety through the provision of the service	80% community satisfaction with the standards of food premises in the district as measured in Communitrak Survey	Target met	<p>Very/Fairly satisfied 81%</p> <p>Not very satisfied 3%</p> <p>Don't know 16%</p> <p>The high level of 'don't knows' has skewed the satisfied rating somewhat – of those who expressed an opinion other than 'don't know' the vast majority were satisfied. For the past five years the satisfied rating has consistently been above 70%, and often in the 80s</p>
An effective Environmental Health Service where regulations are effective in protecting the community	Inspect all low risk premises annually (Council records)	Target met	<p>125 out of 126 low risk premises inspected during the period. One isolated rural premises not inspected as the owner was unavailable. The premises still received a licence as there were no known issues in previous years</p>
	High risk premises are inspected at least twice yearly (Council records)	Target met	<p>All 37 high risk premises inspected twice</p>

ENVIRONMENTAL AND REGULATORY MANAGEMENT

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A responsive Environmental Health Service where enquiries and complaints are responded to in a timely manner	95% of complaints are responded to within one working day (Council records)	Target currently not measured	Currently working on a system to record data accurately
A responsive Environmental Health Service where applications are processed in a timely manner	90% of applications for permits are processed and issued within 20 working days (where complete information is provided - Council records)	Target not met	161 licences issued. 19 were delayed for operating issues. 118 of 142 licences issued within the time frame (83%). Resourcing issues affected outcome. These issues have been addressed
A quality Environmental Health service where enquiries and complaints are responded to in an effective manner	Complaints are responded to effectively - 80% satisfaction (customer survey, where every 10th complainant is contacted)	Target not met	73% of those who returned survey forms were satisfied with the Animal Control service. 16% of those who returned forms were not satisfied with the service
Noise Control: Enquiries and complaints are responded to in a timely manner	95% of noise complaints are responded to within one hour (Council records)	Target met	644 excessive noise complaints for the year. 624 responded to within one hour. (96.89%)

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Project	Actual	Budget	Variance Explanation
Domestic food review accreditation	312	37,000	This funding has been carried over to 2010/11 as part of the Draft Annual Plan process

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 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A responsive District Planning service where resource consent applications are processed in a timely manner	All notified and non-notified land use resource consent applications are processed within the prescribed statutory timeframes: 50% of non-notified land use consent applications are processed within 15 days of receipt and 90% of non-notified subdivision applications are processed within 15 days of receipt (Council records)	Target met	126 non-notified land use consents were approved - 107 land use consents were processed within 15 days of receipt - 85% 89 non notified subdivision consents were approved - 63 non-notified subdivision consents were processed within 15 days of receipt -71% More complex subdivision consents have been received. These require more time to process so this specific target could not be met All non notified and notified resource consent were processed within the statutory timeframes of the Resource Management Act 1991
A responsive District Planning service where enquiries and complaints are dealt with in a timely manner	All complaints and instances of non-compliance with the District Plan rules or resource consent conditions are dealt with efficiently, within three months of complaint being received (Council records)	Target met	Two complaints received: 28 August 2009; matter was resolved by 29 August 2009. 29 October 2009; matter was resolved on 30 October 2009

ENVIRONMENTAL AND REGULATORY MANAGEMENT

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality District Planning service where customers receive accurate advice	Customers are provided with accurate advice regarding district planning enquiries. Staff keep abreast of legislative changes and attend professional development courses at least once a year (Council records)	Target met	Staff have attended seminars and workshops on the Resource Management Act reforms and Resource Management (Discount on Administrative Charges) Regulations 2010. This ensures that Planning staff are up to date with all changes and customers are provided with the latest information
A quality District Planning service where environmental policy, regulations and the District Plan are reviewed to ensure that the natural environment is protected	Continue monitoring of environmental health through State of the Environment Report - Report produced every five years (Council records)	Target met	State of Environment report produced in 2007
	Review environmental policy, regulations and District Plan to ensure protection of natural environment - action is taken when required (Council records)	Target met	The District Plan is underway. The District Plan Review Discussion Document was released on 29 July 2010
An accessible District Planning service where education and information is provided about planning functions	Ensure that the Manawatu District Council's web page relating to planning is current: updated on a quarterly basis (Council records)	Target met	The Planning page on Council's website is kept up to date. Currently it contains information on the District Plan Review
	That brochures and forms produced by the planning section are updated when necessary: updated on a quarterly basis (Council records)	Target met	Brochures and forms are updated on a quarterly basis to reflect the Resource Management Act reforms
An accessible District Planning service where opportunities are provided for involvement in decision making	All plan changes and notified consents are posted on the Manawatu District Council's web page and are included in the Bulletin page of the Feilding Herald (Council records)	Target met	This occurs when required The District Plan review discussion document has been posted on the Council's web page and has been included in the Feilding Herald

ENVIRONMENTAL AND REGULATORY MANAGEMENT

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Project	Actual	Budget	Variance Explanation
Future land use: proposed rezonings that will include industrial, residential areas and Manfeild Park	52,058	100,000	The remaining funding has been carried over to 2010/2011 as part of the Draft Annual Plan process. It has now been assigned to Manfeild Park

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 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
An effective Liquor Licence service where regulations protect the community	All premises are inspected at least on an annual basis (Council records)	Target not met	29 of the 69 premise licences inspected as at 30 June 2010. From last quarter three premises have closed down. We did not meet the target due to resourcing issues, which have since been resolved. Those premises which were not inspected still received licences as there were no known issues from previous years
A responsive Liquor Licence service where applications are processed in a timely manner	All applications for Liquor Licences are processed and issued within 10 working days (where complete information is provided - Council records)	Target met	For the period ending 30 June 2010, 201 applications for liquor licences were processed and issued within 10 working days

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Not applicable for 2009/10

ENVIRONMENT AND REGULATORY

Funding Summary for the year ended 30 June 2010

	Actual 2010 \$000	Budget 2010 \$000	Actual 2009 \$000
Operating Costs (by Activity)			
Animal Control	456	384	218
Building Control	1,322	1,355	845
Environmental Health	470	664	291
Liquor Licensing	73	75	48
District Planning	756	615	678
Total Operating Costs (by Activity)	3,077	3,093	2,080
Operating Revenue (by Activity)			
Animal Control	434	384	266
Building Control	1,406	1,355	1,444
Environmental Health	592	626	47
Liquor Licensing	71	75	34
District Planning	649	648	186
Total Operating Revenue (by Activity)	3,153	3,089	1,977
NET OPERATING COST OF SERVICE	(75)	4	103
Operating Costs			
Operating Costs	3,072	3,087	2,077
Depreciation & amortisation	5	6	3
Total Operating Costs	3,077	3,093	2,080
Operating Revenue			
General Rates	458	448	156
Targeted Rates	1,476	1,475	699
User Fees and Charges	1,197	1,133	1,122
Sundry Revenue	8	0	0
Development Contributions	14	33	0
Total Operating Revenue	3,153	3,089	1,977
Net Operating Cost of Service	(75)	4	103
Transfers to/(from) Reserves and Special Funds	(18)	4	32
To Fund Capital Expenditure	0	0	17
NET OPERATING COSTS	(93)	(0)	49
Capital Expenditure			
New Work	10	21	17
Total Capital Expenditure	10	21	17
Capital Funding Sources			
Transfers (to)/from Reserves and Special Funds	0	21	0
Funded from Operational Revenue	0	0	17
Current years Depreciation Expense	5	6	3
Total Capital Funding Sources	5	27	20
NET CAPITAL COSTS	5	(6)	(3)

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 well-being have been identified – this applies to all the activities within the Leisure Resources Group:

Social and cultural well-being: 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 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Library service meets customer expectations	95% user satisfaction with library service as measured in Communitrak Survey	Target met	Very/Fairly satisfied 96% Not very satisfied 4% Don't know 0% The library continues to perform well and has maintained satisfaction ratings in the 90s for the past 10 years

LEISURE RESOURCES

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Programmes are provided for children during the school holidays	Four Holiday and Summer Reading programmes provided (Council records)	Target met	Four programmes provided as follows: holiday programmes run in first week of July, September 2009 school holidays and April 2010. Winter Warmers reading programme run June/July 2009. Maths is Fun was run in October 2009. Summer Reading programme for 300 children concluded mid January 2010. All parent feedback questionnaires positive
Provide a children's library service	Children's librarian to visit district primary schools to read to junior classes: nine times per year (Council records)	Target met	Nine visits took place in winter, 2010. Class visits to the Library take place frequently during term time
Library staff offer a customer friendly and effective service	90% user satisfaction with library staff (Biennial Library Survey)	Target not relevant for the 2009/10 financial year	Biennial survey will take place in September 2010. 2008 report showed 90% plus satisfaction with staff, collections and facilities

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Project	Actual	Budget	Variance Explanation
Processing and cataloguing archive photographs	3,419	6,000	Ruth McIntyre collection digitised and catalogued for customer access. Work started on Mandahl collection. Local Salvation Army photos currently being processed. Entire photo collection checked for consistency in entries and descriptions

Renewal Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Library book purchases	184,948	168,000	Books purchased

LEISURE RESOURCES

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Purchase DVD resurfacing machine	1,626	4,000	A less expensive model became available in June 2009 which was purchased. Most of the amount budgeted to this code will not be required although the Library Manager ordered some extra solid DVD cases to reduce the likelihood of DVDs being damaged in the first place
Internet connection at Himatangi Beach community library	311	5,250	System up and running

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 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Quality Local Halls and Recreation Complexes are provided that meet community needs	80% overall satisfaction as measured in Communitrak survey	Target not met	Very/Fairly satisfied 70% Not very satisfied 7% Don't know 23% The overall satisfaction rating for halls was low due to the high number of 'don't knows'. Overall, satisfaction ratings have generally been in the 70s over the past 10 years.
	85% user satisfaction as measured in Communitrak survey	Target met	Very/Fairly satisfied 86% Not very satisfied 9% Don't know 5% User satisfaction compares favourably with the peer and national averages (85% and 80% respectively)
Accessible Local Halls and Recreation Complexes where Hall Committees have a say in the ongoing management of the facility they operate	Council meets annually with hall committees to discuss the management of the facility they operate (Council records)	Target not met	Meeting was held in August, where hall committees will had the opportunity to discuss issues of relevance to them

LEISURE RESOURCES

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Reliable Local Halls and Recreation Complexes that are maintained in good working condition	100% of the annual programme of renewals is completed (Council records)	Target not met	80% of programmes, as listed in the 2009-2019 LTCCP, have been completed. Two programmes have been carried over as part of the Draft Annual Plan process. One programme is not going ahead at this stage. For details, please see comments against projects below

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Project	Actual	Budget	Variance Explanation
Bunnythorpe Community Centre: Council contribution towards new community centre	85,000	325,000	Council has acquired the land upon which the Bunnythorpe Hall sits. As part of the Draft Annual Plan process Council carried over to 2010/11 the contribution towards the new hall (\$225,000)
Cheltenham Hall - paint exterior	7,832	8,600	Work completed
Kairanga Hall - water tank	0	3,500	Work has been completed but Council has not received an invoice
Mt Biggs Hall - painting maintenance	849	1,000	Work completed
Newbury Hall - carpark repairs	2,000	2,000	Work completed
Ohakea Hall - glass facings	717	900	Completed
Oroua Downs Hall - spouting on south side and doors and exterior painting	0	15,000	Council has carried this funding over during the Draft Annual Plan process
Rangiotu Hall - replace rotten sills and facings; new spouting	1,120	3,609	Work completed except for new spouting. New spouting not required
Te Arakura/Taonui - paint doors and windows	1,800	1,850	Work complete

Renewal Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Te Kawau Memorial Recreation Centre - painting of exterior	13,644	15,000	Work complete

LEISURE RESOURCES

Renewal Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Himatangi Beach Surf Life Saving Club - carry forward of work planned in 2008/09	0	50,000	The life saving club was advised to make a submission to the Draft Annual Plan. Council has not received a submission from the club. Consequently this funding has not been carried over
Himatangi Beach Hall re-roofing - carry forward of work planned for 2008/09	18,600	38,952	Work completed. Portion of roof by surf life saving club will need to be replaced after demolition of the surf life saving club
Apiti Hall - exterior painting	10,200	6,800	Work complete. Additional work was undertaken which was not originally factored in

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 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A wide range of services is available to the public	85% customer satisfaction with the variety of services available (MAC customer satisfaction survey)	Target met	<p>94% achieved. Very few comments were made about programmes. Overall, 94% of the public felt the number and variety of programmes offered were good or excellent</p> <p>There have been requests for more equipment (toys, balls, etc), especially in the learners' pool for the little ones to play with. Overall, 91% of the public felt the quality of equipment available was good or excellent. 91% of the public felt the quality of information available was good or excellent</p>

LEISURE RESOURCES

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Top quality customer service is provided: general friendliness, fairness and competence in enforcing pool rules, diligence and care in responding to special requests	Fewer than 10 written complaints per year regarding customer service (MAC records)	Target met	<p>Four written complaints received which mainly relate to plasters floating in the water and lifeguards. See comments below.</p> <p>All comments in regards to the reception staff were positive. They are always friendly and welcoming, polite, engaging and efficient. Overall 97% of the public felt the helpfulness of reception staff was good or excellent.</p> <p>95% of the public found the information offered by staff to be good or excellent.</p> <p>97% of the public found the way requests or complaints were dealt with was good or excellent.</p> <p>Overall, 100% of the public felt the helpfulness of the swim school staff and aqua instructors to be good or excellent.</p>

LEISURE RESOURCES

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Safe swimming facilities are provided	85% customer satisfaction with the safety supervision provided by lifeguards (MAC customer satisfaction survey)	Target not met	<p>Did not meet 85%customer service satisfaction. Average of 78% attained. There have been some great comments about the helpfulness of the lifeguards, for example, how friendly and pleasant they are, even in the mornings. However, the general comment about the lifeguards is that they appear bored, which has brought the standard down to 78%</p> <p>The general comment from the public regarding the efficiency of the lifeguards is that they have “not needed them” so have not “seen them in action” which has possibly led to a lesser result from previous years, a result of 78%</p> <p>Since receiving this result we have undertaken customer service training with four staff having to complete a Kiwihost Customer Service Course. Also, senior staff are to present a customer service workshop to all lifeguards. The coordinator for lifeguards has also undergone training and mentoring in customer service</p>
	Meet New Zealand water quality standard NZ5826/2000 (MAC records)	Target met	<p>Standard continues to be met as testing is conducted by ELS and daily testing from lifeguards</p> <p>Also 92% of the public felt the cleanliness of the water was good or excellent. There are a few comments about plasters floating in the water etc</p>

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Initial Concept Plans for MAC Leisureville developments - including initial plans and a comprehensive business case	24,450	38,500	The planning with LHT Design and the consultant is complete. As part of further community engagement Council will form a focus group of key MAC stakeholders to examine development ideas

Renewal Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Replace slide set	0	15,000	As part of the Draft Annual Plan process Council carried over and reprioritised this funding. This funding will be used for Stage 1 of the MAC developments if approved.
Paint outdoor grandstand	0	8,000	As part of the Draft Annual Plan process Council carried over and reprioritised this funding. This funding will be used for Stage 1 of the MAC developments if approved.
Replacement of large vacuum cleaner	12,300	12,000	New water vacuum purchased for \$12,300 in late January
Insulation in wall cavity between office and pool area	0	25,000	As part of the Draft Annual Plan process Council carried over and reprioritised this funding. This funding will be used for Stage 1 of the MAC developments if approved.
New outdoor pool covers	1,903	10,000	\$1,903 spent on new pool cover during this financial year. Only minimal repairs were required for the indoor pool covers

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 well-being and overall pleasantness of the district by:

- Managing Parks and Reserves with future generations in view
- Managing leisure opportunities in fragile areas (eg 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 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Good quality parks, reserves and sports grounds are provided which are managed with future generations in view	Development and implementation of strategic management plans for parks, reserves and sports grounds, on time and within budget (Council records)	Target met	Reserve Management Plans have been completed. A review of all Reserve Management Plans has been undertaken and, in response to this, an action list has been drawn up
	95% user/visitor satisfaction with parks and reserves as measured in Communitrak survey	Target not met	<p>Very/Fairly satisfied 90%</p> <p>Not very satisfied 6%</p> <p>Don't know 4%</p> <p>90% satisfaction is a good result. Over the past few years visitor satisfaction has been in the high 80s or low 90s</p>

LEISURE RESOURCES

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
	90% overall satisfaction with parks and reserves as measured in Communitrak Survey	Target not met	<p>Very/Fairly satisfied 80%</p> <p>Not very satisfied 6%</p> <p>Don't know 14%</p> <p>The high level of 'don't knows' has skewed the satisfied rating somewhat – of those who expressed an opinion other than 'don't know' the vast majority were satisfied. The overall satisfaction rating over the past 10 years has generally been high, averaging around 84%</p>
	95% user/visitor satisfaction with sports grounds and playgrounds as measured in Communitrak Survey	Target not met	<p>Very/Fairly satisfied 89%</p> <p>Not very satisfied 6%</p> <p>Don't know 5%</p> <p>89% satisfaction is a good result. Over the past few years visitor satisfaction has generally been in the mid to high 80s</p>
	82% overall satisfaction with sports grounds and playgrounds as measured in Communitrak Survey	Target not met	<p>Very/Fairly satisfied 77%</p> <p>Not very satisfied 6%</p> <p>Don't know 17%</p> <p>The high level of 'don't knows' has skewed the satisfied rating somewhat – of those who expressed an opinion other than 'don't know' the vast majority were satisfied. The overall satisfaction rating over the past 10 years has generally been high, averaging around 76%</p>
Develop appropriate parks and reserves as educational facilities for residents of the Manawatu district	Provision of relevant up-to-date information, on time and within budget (Council records)	Target met	To date we have upgraded signs and brochures for Kowhai Park and Totara Reserve Regional Park. Brochures provide the public with up-to-date information on the parks

LEISURE RESOURCES

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Project	Actual	Budget	Variance Explanation
Council's commitment to maintenance and development of Totara Reserve Regional Park	50,000	70,000	

Renewal Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Replacement of play equipment	146,529	150,000	New equipment in place at Himatangi, Timona Park and Kowhai Park
Bunnythorpe playground and public toilets	85,550	75,000	Toilet and playground completed

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Kitchener Park - ongoing development	55,844	10,000	Work ongoing. Community Max Finished - they did a very good job. Cost reimbursed from WINZ
Leisureville - ongoing concept development	37,769	50,000	<p>Work on concept development is complete. The expenses relate to pathway design brief and full crime prevention analysis</p> <p>Council has put the Leisureville project on hold and will review it at the next Long Term Plan round in light of MAC developments</p>

LEISURE RESOURCES

Funding Summary for the year ended 30 June 2010

	Actual 2010 \$000	Budget 2010 \$000	Actual 2009 \$000
Operating Costs (by Activity)			
Libraries and Archives	1,156	1,120	1,035
Local Halls and Recreation Complexes	454	794	456
Makino Aquatic Centre	1,268	1,295	1,226
Parks, Reserves and Sportsgrounds	2,267	1,905	2,234
Total Operating Costs (by Activity)	5,144	5,114	4,951
Operating Revenue (by Activity)			
Libraries and Archives	1,135	1,124	1,053
Local Halls and Recreation Complexes	178	173	186
Makino Aquatic Centre	1,361	1,302	1,237
Parks, Reserves and Sportsgrounds	1,974	1,946	1,848
Total Operating Revenue (by Activity)	4,648	4,545	4,324
NET OPERATING COST OF SERVICE	497	569	626
Operating Costs			
Operating Costs	4,123	4,176	3,990
Interest	1	37	54
Depreciation & amortisation	1,020	901	907
Total Operating Costs	5,144	5,114	4,951
Operating Revenue			
Targeted Rates	3,910	3,900	3,594
Subsidies and Grants	77	0	0
User Fees and Charges	477	445	532
Sundry Revenue	50	0	0
Vested Assets	0	0	115
Development Contributions	134	200	83
Total Operating Revenue	4,648	4,545	4,324
Net Operating Cost of Service	497	569	627
Transfers to/(from) Reserves and Special Funds	0	61	0
To Fund Capital Expenditure	0	11	0
NET OPERATING COSTS	497	641	627
Capital Expenditure			
New Work	127	300	512
Renewal Work	791	742	434
Total Capital Expenditure	918	1,042	946
Capital Funding Sources			
Transfers (to)/from Reserves and Special Funds	(171)	326	192
Funded from Operational Revenue	0	11	0
Current years Depreciation Expense	695	432	907
Total Capital Funding Sources	525	769	1,099
NET CAPITAL COSTS	393	273	(153)

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 well-being 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 well-being have been identified:

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

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

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

ROADING

WHAT HAS COUNCIL ACHIEVED IN 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Roothing Network where adequate carparking is provided, car parking controls are appropriately implemented and enforced	80% community satisfaction with carparking provision within the district as measured by Communitrak Survey	Target not met	<p>Very/Fairly satisfied 67%</p> <p>Not very satisfied 28%</p> <p>Don't know 5%</p> <p>Many of the not satisfied comments concern the lack of parking within the Feilding CBD. While this is problematic it does suggest that the town is a popular destination</p> <p>Another issue is the narrowness of the streets, which is perceived as dangerous in relation to parking. While there may be a perception of danger, narrow streets in fact have the effect of calming traffic, thus making them potentially safer</p>
A responsive Roothing Network where enquiries are responded to in a timely manner	Acknowledgment of written requests within three working days of receipt (Council records)	Target met	Requests requiring verbal responses are responded to immediately and notified if further investigation or research is deemed necessary
	Substantive response to written requests within 15 days of receipt (Council records)	Target met	Ongoing commitment to meet response time
	Confirmation of when work has been completed within two hours, by telephone (Council records)	Target met	Requests requiring written responses are responded to immediately and notified if further investigation or research is deemed necessary

ROADING

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Roading Network where roads are in good condition, up to date and fit for purpose	Level of comfort while driving on an unsealed road: road users can drive comfortably on a straight, unsealed road at 60km per hour without loss of control (Council records - monthly road inspection audits)	Target met	<p>Audit results advise unsealed roads in good condition with specifications being met.</p> <p>Engineers managing the road maintenance contract undertake regular audits of the network to monitor its condition. The network is measured against set specifications. The example of the unsealed road level of comfort uses the following specification: number of potholes, depth and length of corrugations, rutting etc. A good riding surface will enable a vehicle to travel comfortably at 60 km per hour on any unsealed surface, but within the conditions of the road</p>
	Level of comfort while driving on a sealed road: sealed roads to achieve a smooth travel index (STI) measure of 95	Target met	<p>Smooth Travel Exposure Index (STI) survey completed. The STI measure on all roads was 98 (urban and rural).</p> <p>Smooth travel exposure is pavement roughness modified by traffic volume. The higher the value, the smoother the network. The results indicate the 98% of all road users experience smooth travel within the Manawatu District. The Manawatu District exhibits a steady Smooth Travel exposure (STE) value approximately 15% higher than the National Vehicle Kilometres Travelled (VKT)Weighted Average</p>

ROADING

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Roading Network where streets, footpaths and carparks are clean, tidy and free of litter	75% user satisfaction with the state of streets, footpaths and carparks as measured by Communitrak Survey	Target met	<p>Very/Fairly satisfied 77%</p> <p>Not very satisfied 22%</p> <p>Don't know 1%</p> <p>Many of the not satisfied comments concern the poor condition of footpaths, lack of footpaths in certain areas and poor condition of repair. Some of the comments relate to areas Council is already attending to, for example, Denbigh Street. Council is also looking at reviewing footpath provision within the district</p>
A safe Roading Network where lighting is provided to enhance safety for all road users, and to aid navigation and security	Lighting that makes driving easy and safe and complies 100% with industry standards	Target met	<p>Streetlight maintenance contract requires lighting meets standards and faults are responded to in a timely manner. Lighting levels meeting standards and customer fault reports completed within three days (100%)</p>

POINTS OF INTEREST – BLACK SPOTS

Black spots are locations where accidents have occurred at a higher than average frequency. Council investigates these locations as part of crash reduction studies. Findings, and/or recommendations, are implemented as funding permits.

One example is the Halcombe Road safety project. This involves the construction of a right-turn bay on Halcombe Road at the Monteith Street intersection. Safety concerns have been raised due to high number of vehicles turning towards Halcombe Primary School. A vehicle waiting to turn right leaves no room for traffic following from behind to negotiate past.

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Project	Actual	Budget	Variance Explanation
Sealed pavement maintenance	1,337,829	1,218,725	Sealed maintenance completed based on identified faults
Unsealed pavement maintenance	679,516	465,000	Metalling renewal programme completed

ROADING

Project	Actual	Budget	Variance Explanation
Routine drainage and structures maintenance	443,021	579,000	Programmed maintenance completed based on identified culvert or bridge faults
Environmental maintenance	444,266	482,000	Programmed vegetation control completed based on growth pattern and pest plants identified
Traffic services and level crossing maintenance	288,881	464,650	Programmed signs maintenance completed based on identified or reported faults. Level crossing work less than previous years, but managed directly by Ontrack
Network and asset management	608,081	992,778	Network and Asset Management completed by in-house and external professional services

Renewal Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Unsealed road metalling	226,124	320,000	Remetalling completed as per identified needs on unsealed roads
Sealed road resurfacing	2,408,693	2,427,994	Resurfacing programme completed
Drainage and structure renewals	418,008	524,000	Programmed renewal works identified and completed
Pavement rehabilitation	1,941,770	4,161,525	Two projects carried forward to 2010/11 as part of the Draft Annual Plan process. Campbell Road rehabilitation deferred pending outcome of Feilding - Palmerston North Strategic Transportation Study. Denbigh Street under construction but road rehabilitation component later in project phase
Traffic services and associated improvements	136,459	238,000	Denbigh Street components carried forward to 2010/11 as part of the Draft Annual Plan process. Streetlight renewals identified
Preventative maintenance	2,174	210,000	Pohangina Valley East Road retreat on hold due to weather conditions. Funding carried over to 2010/11

ROADING

Renewal Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Environmental renewals	5,400	16,400	Identified renewals have been completed
District footpath renewals	125,716	200,000	Kimbolton Road and East Street Feilding renewals completed. Halcombe renewal project not awarded. This will be put out for tender again in 2010/11

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Road studies	23,000	50,000	Road study completed
Cycle facilities	0	57,000	Existing cycle path on Aorangi Street maintenance works completed. Further long-term pathway on hold with focus towards identified training circuits. This funding has been carried over to 2010/11
Minor improvements	182,728	958,000	Two safety improvement projects at Halcombe and one at Apiti carried over to 2010/11

ROADING

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Road reconstruction - strategic roading upgrades	21,046	5,500,000	<p>Manawatu District Council has been working with Palmerston North City Council, Horizons Regional Council and the New Zealand Transport Agency to develop a strategic Roding network within the Manawatu Region. Together the Councils commissioned a report to investigate this.</p> <p>The report makes a number of recommendations. Some of them are:</p> <ul style="list-style-type: none"> A state highway route between Mt Stewart and the Manawatu Gorge, via Bunnythorpe Improving commuter links between Feilding and Palmerston North A second bridge over the Manawatu River A rural ring road around Palmerston North <p>The Councils will implement these recommendations over the next 30 years. In the mean time, the funding set aside for this has been carried over to 2010/11 as there is no construction anticipated this year.</p>
New footpaths	1,743	65,000	New footpaths commencing 2010/11



ROADING

Funding Summary for the year ended 30 June 2010

	Actual 2010 \$000	Budget 2010 \$000	Actual 2009 \$000
Operating Costs			
Operating Costs	4,407	4,486	5,502
Interest	107	353	104
Depreciation & amortisation	6,367	6,411	5,784
Total Operating Costs	10,881	11,250	11,390
Operating Revenue			
General Rates	0	0	0
Targeted Rates	6,516	6,422	6,862
Subsidies and Grants	4,896	9,773	5,983
User Fees and Charges	4	0	20
Sundry Revenue	0	0	0
Interest Received	0	0	0
Vested Assets	531	0	0
Development Contributions	249	413	147
Total Operating Revenue	12,196	16,608	13,012
Net Operating Cost of Service	(1,315)	(5,358)	(1,622)
Transfers to/(from) Reserves and Special Funds	0	276	147
To Fund Capital Expenditure	3,859	8,215	3,356
NET OPERATING COSTS	2,544	3,133	1,881
Capital Expenditure			
New Work	126	4,153	733
Renewal Work	5,433	11,585	6,283
Loan Repayments	105	65	462
Total Capital Expenditure	5,664	15,803	7,478
Capital Funding Sources			
Loans Raised	0	2,598	0
Transfers (to)/from Reserves and Special Funds	0	1,612	425
Funded from Operational Revenue	3,859	8,215	3,356
Current years Depreciation Expense	3,046	3,378	3,017
Total Capital Funding Sources	6,905	15,803	6,798
NET CAPITAL COSTS	(1,242)	0	680

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 well-being have been identified:

Environmental well-being: 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 well-being.

WASTE

WHAT HAS COUNCIL ACHIEVED IN 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality rubbish collection service is available to each household	Less than 10 complaints about rubbish collection per year (Council records)	Target not met	Council received 103 complaints during the year. The majority of these concern missed rubbish bags on rubbish collection days. Where this is the case Council instructs the contractor to collect missed bags the following day. Investigation has revealed that some of the missed bags were left out after the collection had taken place. Council intends to increase the monitoring of contractor performance to help remedy this problem
	80% user satisfaction with rubbish collection as measured in Communitrak Survey	Target not met	<p>Very/Fairly satisfied 68%</p> <p>Not very satisfied 9%</p> <p>Don't know 23%</p> <p>The user satisfaction rating for rubbish collection was low due to the high number of 'don't knows'. The satisfaction rating does not compare favourably with the peer group and national averages (85% and 88% respectively)</p> <p>Council is consulting on its draft Waste Management and Minimisation Plan with the view of getting public input on improving waste services in the community</p>

WASTE

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Quality recycling facilities are provided to each household on a weekly basis	90% user satisfaction with recycling services as measured in Communitrak Survey	Target not met	<p>Very/Fairly satisfied 78%</p> <p>Not very satisfied 20%</p> <p>Don't know 2%</p> <p>Many of the not satisfied comments concern the lack of a collection service in some places, the poor standard of recycling facilities and the impracticality of plastic bags</p> <p>Council is consulting on its draft Waste Management and Minimisation Plan with the view of getting public input on improving waste services in the community</p>
	There is an increased tonnage of recyclables collected each year: 1,800 tonnes for 2009/10 (Council records)	Target met	<p>Council met this target of recycling approximately 1,800 tonnes of material and diverting it from landfill. This represents 23% of total waste processed for the year</p>
Quality transfer stations are provided throughout the district for the disposal of waste (currently there are four transfer stations)	80% user satisfaction with transfer stations as measured in Communitrak Survey	Target not met	<p>Very/Fairly satisfied 60%</p> <p>Not very satisfied 40%</p> <p>Don't know 0%</p> <p>This is a disappointing result for Council. Many of the not satisfied comments concern the cost of using the facilities and the poor standard of the facilities</p> <p>Council is consulting on its draft Waste Management and Minimisation Plan with the view of getting public input on improving waste services in the community</p>
An accessible Solid Waste service where information and education about waste minimisation is made available	Waste minimisation is provided on Council's website and is updated on a quarterly basis (Council records)	Target met	<p>Information on Council website is updated as required. Council will continue to provide additional information as part of the consultation process on the draft Waste Management and Minimisation Plan</p>

WASTE

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Project	Actual	Budget	Variance Explanation
Refuse collection contract	464,565	444,000	
Feilding kerbside recycling	256,109	270,000	
Transfer station operation, including rural transfer stations and recycling centres	338,156	356,000	
Provision of reusable shopping bags to each household	0	15,000	This project is on hold pending the adoption of the Waste Management and Minimisation Plan in 2010/11

Renewal Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Asset renewal	19,133	36,770	This work relates to Kimbolton, Bunnythorpe and Rongotea transfer stations

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 Plants to meet requirements of the Manawatu Catchment Water Quality Regional Plan by 2009
- Encouraging trade waste industries to have waste minimisation and management programmes
- Ensuring that customer service is responsive and the service remains reliable

WHAT HAS COUNCIL ACHIEVED IN 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
An accessible Wastewater Service where connections are available to residents within sewerage-serviced communities	Properties within sewerage-serviced areas are connected to the network within 10 working days of Council receiving payment (Council records)	Target met	All physical sewer connections are completed within 10 working days of Council receiving payment
A responsive Wastewater Service where service complaints are responded to in a timely manner	90% of high priority faults are responded to within one hour (Council records)	Target met	All priority faults are responded to within one hour

WASTE

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
	Written complaints are responded to within 10 working days (Council records)	Target met	<p>Council received two complaints and responded to them within 10 working days. The complaints related to the cost of fixing sewer pipe blockages on private properties. The property owners were about to make a claim from Council for the sewer blockage on their properties</p> <p>This was resolved by explaining to the complainants that it is not Council's policy to pay for blockages on private property</p>
	Reporting system is available 24 hours a day, seven days a week for 99% of the time (Council records)	Target met	The telephone and email system has been available 24 hours a day, 7 days a week for reporting at all times during the year
A quality Wastewater Service where sewage is managed without adversely affecting the quality of the receiving environment	There are no complaints relating to odours from wastewater treatment facilities or pump stations (Council records)	Target not met	Council received one odour complaint during the year. The complaint concerned a sewerage odour near the Adventist College in Longburn. Council aerated the pond in order to reduce the odour.
	Wastewater treatment and release complies with resource consent conditions. No prosecutions are taken against wastewater treatment facilities for non-compliance (Council records)	Target met	Wastewater treatment plants have largely complied with resource consent conditions, with occasional minor non-compliance. There was one infringement notice served on one plant but Council has taken steps to rectify the non-compliance
A reliable Wastewater Service is provided	95% user satisfaction with sewage disposal services as measured in Communitrak Survey	Target met	<p>Very/Fairly satisfied 99%</p> <p>Not very satisfied 0%</p> <p>Don't know 1%</p> <p>The result for sewage disposal is very pleasing. Over the past 10 years, satisfaction has consistently been in the mid to high 90s</p>

WASTE

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Wastewater is managed without risk to public health	Number of overflows per year - no more than one per year	Target met	One wastewater spill occurred in the year. The spill was due to an electric fault at a pump station. Council contractor was on hand to clean-up to reduce risk to public health
	Overflows are cleaned up within three hours of being reported	Target met	All overflows cleaned up within three hours of being reported

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Project	Actual	Budget	Variance Explanation
CCTV of Feilding reticulation	0	30,000	Council has carried out CCTV work as part of its reticulation maintenance work
Emptying of sludge in oxidation ponds at Longburn, Halcombe and Bunnythorpe	0	60,000	Council has carried this work over to 2010/11 and is included in the Annual Plan
Emptying of septic tanks at Kimbolton and Cheltenham	0	4,000	Council has surveyed septic tanks in Cheltenham and Kimbolton and drawn up a schedule to empty those that are full in the 2010/11 year. Thereafter they will be emptied every five years

WASTE

Renewal Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Wastewater asset replacement	409,519	656,250	<p>Renewal work on Nelson and Poole Streets is complete. Construction work on Denbigh Street sewer renewal is underway. The expected completion date is March 2011.</p> <p>Wastewater asset replacement in Bunnythorpe is completed. This includes work on pump stations and pipe work</p> <p>Asset replacement at Bunnythorpe is complete</p> <p>Work on the pump station at Awahuri has commenced and is due to be completed in 2010/11</p>

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Continued upgrade of Feilding Wastewater Treatment Plant	893,000	1,800,000	Part of Stage 2 design work has started and construction is in progress. Other parts of the work are scheduled for 2010/11
Feilding asset growth	154,036	1,150,000	Design complete and physical works to commence on Denbigh Street. Another contract has been let and construction to start in the summer of 2010/11
Kimbolton Wastewater Treatment Plant resource consent and upgrade	264,690	300,000	Physical work is in progress and well underway at the Kimbolton Wastewater Treatment Plant. The expected completion date is October 2011
Pipe connection from Longburn to Palmerston North Wastewater Treatment Plant	23,345	300,000	Design is completed and waiting for go ahead from Palmerston North City Council

WASTE

Funding Summary for the year ended 30 June 2010

	Actual 2010 \$000	Budget 2010 \$000	Actual 2009 \$000
Operating Costs (by Activity)			
Solid Waste	1,440	1,527	1,271
Wastewater	3,237	3,474	3,181
Total Operating Costs (by Activity)	4,678	5,001	4,452
Operating Revenue (by Activity)			
Solid Waste	1,498	1,521	1,204
Wastewater	3,708	3,446	3,391
Total Operating Revenue (by Activity)	5,206	4,967	4,595
NET OPERATING COST OF SERVICE	(528)	34	(143)
Operating Costs			
Operating Costs	3,436	3,673	3,223
Interest	516	523	574
Depreciation & amortisation	726	805	655
Total Operating Costs	4,678	5,001	4,452
Operating Revenue			
Targeted Rates	3,746	3,736	3,571
Subsidies and Grants	44	0	0
User Fees and Charges	967	1,037	1,007
Sundry Revenue	3	0	0
Vested Assets	359	0	0
Development Contributions	88	194	17
Total Operating Revenue	5,206	4,967	4,595
Net Operating Cost of Service	(528)	34	(143)
Transfers to/(from) Reserves and Special Funds	0	178	17
To Fund Capital Expenditure	0	55	126
NET OPERATING COSTS	(528)	267	0
Capital Expenditure			
New Work	525	3,663	1,580
Renewal Work	1,503	726	794
Loan Repayments	201	209	204
Total Capital Expenditure	2,229	4,598	2,578
Capital Funding Sources			
Loans Raised	(3,197)	2,493	0
Transfers (to)/from Reserves and Special Funds	0	1,201	7
Funded from Operational Revenue	0	55	126
Current years Depreciation Expense	726	805	655
Total Capital Funding Sources	(2,471)	4,554	788
NET CAPITAL COSTS	4,700	44	1,789

WATER

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:

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

Land Drainage – maximise the drainage within the land drainage scheme areas in order to maximise rural production efficiency

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 well-being have been identified:

Environmental, social and economic well-being: 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 well-being 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 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
An accessible Stormwater Service where connection is readily available to properties within the scheme area	Properties within stormwater service areas are connected to the network within 10 working days of paying application fee (Council records)	Target met	Stormwater services are available for property connections within scheme areas. Applications for connection have been processed within the 10 day working period as at 30 June 2010

WATER

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Stormwater Service where properties and people are protected from the impacts of flooding	No urban properties are flooded in any annual storm event (Council records)	Target met	No urban properties have been flooded in an event less than an annual return period
	No urban roads are closed by flooding during any annual storm event (Council records)	Target met	Roads are protected from flooding by the stormwater system. No urban roads have been closed in an event less than an annual return period
A safe Stormwater Service that poses no hazard to the health of residents	No health nuisances reported from Council stormwater facilities (noise, mosquitoes) (Council records)	Target met	A safe stormwater system is provided to communities. No health nuisances have been attributed to the stormwater systems as at 30 June 2010
	No injury incidents reported which can be attributed to poorly-maintained drains (Council records)	Target met	A safe stormwater system is provided to communities. No injuries attributed to poorly-maintained drains have been reported
A reliable stormwater system that is managed in a manner to minimise flooding and interruptions to service	No more than three disruptions per year (Council records)	Target met	The stormwater systems are managed to provide a reliable service with minimal flooding and interruptions. There were no disruptions to the system this year

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Project	Actual	Budget	Variance Explanation
Operation and maintenance of the stormwater network	663,396	909,000	Operational expenditure was maintained within budget for the year

WATER

Renewal Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Renewal of aged assets (Feilding)	90,828	387,000	Due to the change in depreciation, funding renewal expenditure was lower than expected. Depreciation funding is now spread evenly over the years

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Feilding - improvements to Stormwater Asset Management Plan	29,973	20,000	

WATER

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 2009/2010?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
An accessible Water Supply where connection is readily available to properties within a scheme area	Properties within water scheme areas are connected to the network within 10 working days from date of application (Council records)	Target met	Applications for connection have been processed within the 10 day working period
A quality Water Supply where water tastes good and there are no unpleasant colours or odours	65% user satisfaction with water supply as measure in Communitrak Survey	Target met	Very/Fairly satisfied 80% Not very satisfied 17% Don't know 3% Satisfaction with water supply has been in the 80s over the past 10 years. Many of the not satisfied comments relate to bad taste and smell, poor quality of water and too many chemicals

WATER

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A safe Water Supply that poses no hazard to the health of residents	Water is safe to drink. New Zealand Drinking Water 2000 Standards are achieved (Council records)	Target met	<p>New Zealand Drinking Water 2005 Standards have been achieved in schemes except Waituna West where a boiled water notice has been in effect since the 2004 floods</p> <p>A new water source is being established to resolve the quality issue. Council expects that the boiled water notice will be lifted early in the new year.</p> <p>E.coli transgressions occurred at Waituna West and Himatangi Beach during the third quarter. Resampling procedures were undertaken and sample results were clear of contamination</p>
A reliable Water Supply system where there are no unexpected disruptions to service	There are no unexpected disruptions to service without prior notice - 24 hours where programmed work requires a water shut down (Council records)	Target met	There were 78 shutdowns during the year. In all cases, 24 hours notice of service disruptions was provided to customers prior to programmed water shutdowns
	Domestic customers are not without water for no more than 8 hours during one event or 24 hours per year (Council records)	Target met	No customers have been without water for more than 8 hours in one event or 24 cumulative hours
A responsive Water Supply where service complaints are assessed and responded to in a timely manner	100% of urgent service complaints are responded to within one hour (Council records)	Target met	100% of urgent service complaints were responded to within one hour

OPERATING AND CAPITAL WORK PROGRAMME FOR 2009/2010

Project	Actual	Budget	Variance Explanation
Operation and maintenance of the water supply network	3,121,364	3,452,000	Operational expenditure is within budget expectations

WATER

Renewal Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Asset renewal	656,815	670,000	Renewal programme has been completed for the year within budget

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Feilding Water Scheme – metering and backflow protection	31,500	31,500	Metering and backflow work is progressing as expected and expenditure is included in the renewal budget above
Himatangi Beach Water Scheme – water quality monitoring	18,659	30,000	Capital expenditure well advanced. Unspent budget transferred to next year's budget for project completion
Himatangi Beach Water Scheme – pump upgrade for increased demand	55,178	50,000	
Waituna West Water Scheme – rebuild of intake structure	111,394	450,000	Capital expenditure well advanced. Unspent budget transferred to next year's budget for project completion
Rongotea Water Scheme	7,487	2,910,750	Ministry of Health has approved \$2,069,866 subsidy for this work. Community consultation underway for project initiation. The funding has been carried over to 2010/11
Stanway Halcombe Water Scheme - upgrade of water intake	29,016	120,000	Capital expenditure well advanced. Unspent budget transferred to next year for project completion

WATER

Funding Summary for the year ended 30 June 2010

	Actual 2010 \$'000	Budget 2010 \$'000	Actual 2009 \$'000
Operating Costs (by Activity)			
Stormwater and Drainage	663	763	606
Water Supply	3,121	3,217	3,056
Total Operating Costs (by Activity)	3,785	3,980	3,662
Operating Revenue (by Activity)			
Stormwater and Drainage	1,052	976	276
Water Supply	3,610	5,699	2,945
Total Operating Revenue (by Activity)	4,662	6,675	3,220
NET OPERATING COST OF SERVICE	(877)	(2,695)	442
Operating Costs			
Operating Costs	1,965	2,045	1,804
Interest	393	423	493
Depreciation & amortisation	1,428	1,512	1,365
Total Operating Costs	3,785	3,980	3,662
Operating Revenue			
General Rates	162	160	13
Targeted Rates	3,657	3,547	2,822
Subsidies and Grants	0	2,330	0
User Fees and Charges	306	215	354
Sundry Revenue	10	0	0
Vested Assets	361	0	0
Development Contributions	166	423	32
Total Operating Revenue	4,662	6,675	3,220
Net Operating Cost of Service	(877)	(2,695)	442
Transfers to/(from) Reserves and Special Funds	0	423	32
To Fund Capital Expenditure	0	2,386	0
NET OPERATING COSTS	(877)	115	474
Capital Expenditure			
New Work	601	6,342	455
Renewal Work	793	1,524	849
Loan Repayments	217	217	290
Total Capital Expenditure	1,611	8,083	1,594
Capital Funding Sources			
Loans Raised	(439)	1,044	0
Transfers (to)/from Reserves and Special Funds	0	2,919	163
Funded from Operational Revenue	0	2,386	0
Current years Depreciation Expense	1,428	1,467	1,365
Total Capital Funding Sources	989	7,816	1,528
NET CAPITAL COSTS	622	267	66

OVERALL FUNDING SUMMARY

For the year ended 30 June 2010

COUNCIL			
	Actual 2010 \$000	Budget 2010 \$000	Actual 2009 \$000
Operating Costs			
Operating Costs	24,847	24,322	22,919
Interest	767	1,160	955
Depreciation & amortisation	10,180	10,308	9,155
Assets Gifted to Manawatu Community Trust	0	0	10,144
Total Operating Costs	35,793	35,790	43,173
Operating Revenue			
General Rates	3,052	2,763	2,739
Targeted Rates	21,277	21,038	19,768
Subsidies and Grants	5,047	12,113	6,114
User Fees and Charges	3,197	3,083	3,244
Sundry Revenue	2,198	2,271	1,789
Interest Received	669	811	899
Vested Assets	1,251	0	115
Development Contributions	650	1,263	280
Total Operating Revenue	37,341	43,342	34,948
Net Operating Cost of Service	(1,548)	(7,552)	8,225
Transfers to/(from) Reserves and Special Funds	(31)	934	228
To Fund Capital Expenditure	3,962	10,773	3,499
NET OPERATING COSTS	2,383	4,155	11,952
Capital Expenditure			
New Work	2,716	16,121	4,966
Renewal Work	9,741	15,301	8,862
Loan Repayments	5,620	657	2,105
Total Capital Expenditure	18,077	32,079	15,933
Capital Funding Sources			
Loans Raised	9,500	7,622	1,519
Transfers (to)/from Reserves and Special Funds	(1,245)	6,778	1,199
Funded from Operational Revenue	3,962	10,773	3,499
Current years Depreciation Expense	6,503	6,761	9,155
Total Capital Funding Sources	18,720	31,934	15,372
NET CAPITAL COSTS	(643)	145	561

FINANCIAL INFORMATION

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PART THREE





2010

FINANCIAL INFORMATION

THIS SECTION OF THE ANNUAL REPORT CONTAINS THE FOLLOWING INFORMATION:

» **Financial Statements**

» **Notes to the Accounts**

» **Policy reports:**

Revenue and Financing Policy

Liability Management and Investment Policies

Council Controlled Organisations

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2010

		COUNCIL			GROUP	
	Note	Actual 2010 \$000	Budget 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Revenue						
Rates revenue	3	24,329	23,801	22,507	23,973	22,211
Financial income	4	669	811	899	630	859
Other revenue	5	12,115	18,730	11,627	13,371	12,532
Other gains/(losses)	6	228	0	(85)	228	(85)
Total revenue	2	37,341	43,342	34,948	38,202	35,517
Expenditure						
Personnel costs	7	6,605	7,292	6,074	7,021	5,567
Depreciation and amortisation	8	10,180	10,308	9,155	10,599	9,565
Finance costs	9	767	1,160	955	767	955
Other operating expenses	10	18,242	17,030	16,845	18,184	17,723
Total operating expenditure	2	35,793	35,790	33,029	36,571	33,810
Operating surplus/(deficit) before tax and gifting of assets		1,548	7,552	1,919	1,631	1,707
Gifting of Property to the Manawatu Community Trust		0	0	10,144	0	0
Income tax expense	11	0	0	0	0	0
Net surplus/(deficit) before tax		1,548	7,552	(8,225)	1,631	1,707
Other comprehensive income						
Gains on the revaluation of property, plant and equipment		7,879	25,068	29,784	7,879	29,680
Total other comprehensive Income		7,879	25,068	29,784	7,879	29,680
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		9,427	32,620	21,559	9,510	31,387

Explanations of major variances against budget are provided in Note 33.

The income statement shows a net surplus/(deficit) before tax. This surplus/(deficit) is made up of the following:

	Actual 2010	Budget 2010
Roading subsidy received from NZ Transport Agency to fund capital expenditure	3,859	8,215
Subsidy for Rongotea Water Scheme capital expenditure	0	2,330
Development Contribution recognised as revenue above but used to fund past or future capital expenditure in relation to growth	650	1,263
The value of assets vested in Council	1,251	0
Depreciation not funded – non strategic assets and roading renewal funded by subsidy	(3,677)	(3,602)
Capital works and loan repayments to be funded by rates	103	228
Use of funds received in prior years	(619)	(882)
Write down of Manfeild Park loan to fair value	(1,578)	0
Net under expenditure in relation to budget. See major variances in note 33	1,559	
	1,548	7,552

BALANCE SHEET

As at 30 June 2010

		COUNCIL			GROUP	
	Note	Actual 2010 \$000	Budget 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Assets						
Current assets						
Cash and cash equivalents	12	8,886	3,427	5,052	9,320	5,382
Accounts receivable	13	3,694	3,198	3,993	3,744	4,023
Other financial assets	14	3,142	0	2,743	3,113	2,718
Non-current assets held for sale	15	0	0	0	0	0
Total current assets		15,722	6,625	11,788	16,177	12,123
Non-current assets						
Property, plant and equipment	16	551,555	589,802	541,321	565,531	555,481
Intangible assets	17	1,198	961	438	1,198	438
Forestry assets	18	535	339	393	535	393
Other financial assets	14	4,258	7,926	5,760	3,708	5,085
Total non-current assets		557,546	599,028	547,912	570,972	561,396
TOTAL ASSETS		573,269	605,653	559,700	587,149	573,519
Liabilities						
Current liabilities						
Creditors and other payables	19	5,653	4,281	5,275	5,708	5,352
Provisions	20	66	63	63	66	63
Employee entitlements	21	561	319	680	566	684
Borrowings	22	3,157	819	2,045	3,157	2,045
Total current liabilities		9,437	5,482	8,063	9,497	8,144
Non-current liabilities						
Provisions	20	622	604	623	622	623
Borrowings	22	11,539	16,171	8,771	11,539	8,771
Total non-current liabilities		12,161	16,775	9,394	12,161	9,394
TOTAL LIABILITIES		21,598	22,257	17,457	21,658	17,538
Equity						
Retained earnings	23	474,651	503,623	471,789	485,084	482,139
Other reserves	23	77,020	79,773	70,454	80,408	73,842
Total equity		551,671	583,396	542,243	565,492	555,981
TOTAL LIABILITIES AND EQUITY		573,269	605,653	559,700	587,150	573,519

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2010

		COUNCIL			GROUP	
	Note	Actual 2010 \$000	Budget 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Balance at 1 July		542,243	550,776	520,684	555,981	524,594
Total recognised income/ (expense) for the year ended 30 June		9,427	32,620	21,559	9,510	31,387
BALANCE AS AT 30 JUNE	23	551,670	583,396	542,243	565,491	555,981

STATEMENT OF CASH FLOWS

For the year ended 30 June 2010

		COUNCIL			GROUP	
	Note	Actual 2010 \$000	Budget 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Cash flows from operating activities						
Receipts from rates revenue		24,094	23,801	22,160	23,801	22,160
Interest received		535	811	1,014	496	1,030
Dividends received		5	0	9	5	9
Receipts from other revenue		12,085	18,001	13,104	13,235	14,092
Payments to suppliers and employees		(23,972)	(23,255)	(22,819)	(24,338)	(23,525)
Interest paid		(760)	(1,160)	(901)	(710)	(957)
Goods and services tax (net)		(197)	(626)	288	(237)	288
Net cash from operating activities	24	11,790	17,572	12,855	12,252	13,097
Cash flows from investing activities						
Proceeds from sale of property, plant and equipment		216	20	95	216	95
Proceeds from sale of forestry assets		0	0	(17)	0	(17)
Purchase of intangibles assets		(760)	0	(367)	(760)	(367)
Purchase of property, plant and equipment		(11,474)	(29,562)	(12,669)	(11,474)	(12,688)
Net acquisition of investments		106	289	381	(128)	381
Net cash from investing activities		(11,911)	(29,253)	(12,577)	(12,145)	(12,596)
Cash flows from financing activities						
Proceeds from borrowing		9,500	7,622	1,519	9,500	1,629
Repayment of borrowings		(5,545)	(657)	(2,048)	(5,545)	(2,148)
Net cash from financing activities		3,955	6,965	(529)	3,955	(519)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		3,834	(4,716)	(251)	4,000	(18)
Cash, cash equivalents and bank overdrafts at the beginning of the year		5,052	8,143	5,303	5,320	5,400
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR	12	8,886	3,427	5,052	9,320	5,382

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 Community Trust and Heartland Contractors Ltd (100% owned). All controlled organisations are incorporated and domiciled in New Zealand

Manawatu District Council owns 1/7th or 14% of the Manawatu Wanganui LASS Limited, a company set up in 2008 by seven local councils to investigate possibilities of economies of scale and joint procurement.

The primary objective of the Council is to provide goods or services for the community and social benefits, rather than making a financial return. Accordingly, the Council has designated itself and the group as 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. The financial statements were authorised for issue by Council on the 7th October 2010.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, the Financial Reporting Act 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 (PBE's). 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 and its subsidiaries is New Zealand dollars.

CHANGES IN ACCOUNTING POLICIES

NZ IAS 1 Presentation of Financial Statements (revised 2007) requires information in financial statements to be aggregated and introduces a statement of comprehensive income. The Council has adopted this standard for the year ending 30 June 2010.

NZ IFRS 7 Financial Instruments: Disclosure introduces a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used. The council has adopted this standard and has elected to disclose comparative information.

NZ IFRS 3 Business Combinations (revised 2008) and the amended NZ IAS 27 Consolidated and Separate Financial Statements have been adopted for the year ending 30 June 2010.

STANDARDS, AMENDMENTS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED

The Council have not been early adopters of NZ IFRS 9 Financial Instruments or NZ IAS 24 Related party Disclosures.

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 are carried at cost in the Council's own "parent entity" financial statements.

Basis of Consolidation

The purchase method is used to prepare the consolidated

NOTES

TO THE FINANCIAL ACCOUNTS

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 assets 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 in its 2009-2019 Long Term Council Community Plan (LTCCP). The budget figures have been prepared in accordance with NZ GAPP 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 or receivable. Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set.

- Rates revenue is recognised 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 Land Transport New Zealand, 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 and from the translation at year end exchange rates of monetary assets and liabilities denomination in foreign currencies are recognised in the Comprehensive Income Statement.

NOTES

TO THE FINANCIAL ACCOUNTS

Income Tax

Income tax expense is charged in the Comprehensive 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 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 Inland Revenue Department (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 payables 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 Comprehensive 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 surplus or deficit; held-to-maturity investments; loans and receivables; and financial assets at fair value through other comprehensive income. 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 Surplus or Deficit***

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit 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 Comprehensive Income Statement.

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

NOTES

TO THE FINANCIAL ACCOUNTS

- **Loans and Receivables**

These 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 Comprehensive 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 that are not expected to be repaid to Council in the foreseeable future are shown as a contingent asset.

Receivables are classified as "Account Receivables" in the balance sheet. Advances and loans are classified as "Other Financial Assets" 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 Comprehensive Income Statement.

- **Financial Assets at Fair Value through Other Comprehensive Income**

Financial assets at fair value through other comprehensive income 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 comprehensive income, except for impairment losses, which are recognised in the Comprehensive

Income Statement. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in the Comprehensive Income Statement even though the asset has not been derecognised. On derecognition the cumulative gain or loss previously recognised in comprehensive income is reclassified from equity to the surplus or deficit.

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 Comprehensive 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-tradable. 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.

NOTES

TO THE FINANCIAL ACCOUNTS

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 comprehensive 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.

NOTES

TO THE FINANCIAL ACCOUNTS

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

Buildings	20 to 80 years	(1%-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%)

NOTES

TO THE FINANCIAL ACCOUNTS

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 internally by engineering staff and certified by C H Jenkins of SPM Consultants Ltd as at 1 July 2009.

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 GHD Limited as at 1 July 2009.

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 other comprehensive income and are accumulated 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 Comprehensive Income Statement. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the Comprehensive Income Statement will be recognised first in the Comprehensive Income Statement up to the amount previously expensed, and then recognised in other comprehensive income.

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 of the asset (usually 5 years).

Easements

Easements are not valued.

Forestry Assets

The Gordon Kear Forest is a jointly controlled asset 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

NOTES

TO THE FINANCIAL ACCOUNTS

Alan Bell of Alan Bell & Associates on the 30 June annually. 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 Comprehensive Income Statement.

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

FINANCIAL GUARANTEE CONTRACTS

A financial guarantee contract is a contract that requires the Council or group to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a guarantee contract was issued in a stand-alone arms length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based on the probability that the Council or group will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

NOTES

TO THE FINANCIAL ACCOUNTS

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

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.

CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND ESTIMATES

All judgements, estimates and assumptions are included in the accounting policies. None is considered critical, with the exception of the following:

Land care Aftercare Provision

Note 19 presents and analysis of the exposure of Manawatu District Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural Assets

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

- The physical determination and condition of an asset, for example, the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example, storm water, wastewater and water supply pipes that are underground.
- This risk is minimised by Council performing a combination of physical inspections and condition modelling assessment of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth.

If useful lives do not reflect the actual consumption of the benefits of the asset, then Manawatu District Council could be over or under estimating the annual depreciation charge recognised as an expense in the statement of financial performance.

NOTES

TO THE FINANCIAL ACCOUNTS

To minimise this risk, Manawatu District Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on experience.

Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Manawatu District Council's asset management planning activities, which gives Manawatu District Council further assurance over its useful life estimates.

Experienced independent valuers and a certifier perform Councils infrastructural asset revaluations.

NOTES

TO THE FINANCIAL ACCOUNTS

2. SUMMARY COST OF SERVICES

	Actual 2010 \$000	Budget 2010 \$000	Actual 2009 \$000
Revenue			
Community Facilities	431	427	383
Democracy	1,211	1,211	1,502
District Development	2,273	2,338	2,385
Emergency Management	298	300	296
Environmental and Regulatory	3,153	3,089	1,977
Leisure Resources	4,648	4,545	4,324
Roading	12,196	16,608	13,012
Waste	5,206	4,967	4,595
Water	4,663	6,675	3,221
Total activity revenue	34,079	40,160	31,695
Other income	3,262	3,182	3,253
TOTAL OPERATING REVENUE	37,341	43,342	34,948

Expenditure			
Community Facilities	447	427	10,448
Democracy	1,473	1,211	961
District Development	2,398	2,232	2,011
Emergency Management	414	300	360
Environmental And Regulatory	3,077	3,093	2,080
Leisure Resources	5,144	5,114	4,951
Roading	10,881	11,250	11,390
Waste	4,678	5,001	4,452
Water	3,785	3,980	3,662
Total activity expenditure	32,299	32,608	40,315
Other expenditure	3,494	3,182	2,858
TOTAL OPERATING EXPENDITURE	35,793	35,790	43,173

Each significant activity is stated gross of internal costs and revenues, and includes targeted rates attributable to activities (refer to note 3). In order to fairly reflect the total external operations for the council in the Income Statement, these transactions are eliminated in the other income and other expenditure lines.

NOTES

TO THE FINANCIAL ACCOUNTS

3. RATES REVENUE

	COUNCIL & GROUP	
	Actual 2010 \$000	Actual 2009 \$000
General Rates attributable to Activities:		
District development	1,878	1,832
Emergency management	126	60
Environmental and regulatory	458	156
Water	162	13
Other	173	416
Total General Rates	2,797	2,477
Uniform Targeted Rates (UTR) and Targeted Rates attributable to Activities:		
Community facilities	353	314
Democracy	1,211	1,502
District development	243	206
Emergency management	165	198
Environmental and regulatory	1,477	699
Leisure resources	3,910	3,594
Roading	6,516	6,862
Waste	3,746	3,571
Water	3,657	2,822
Total Uniform Targeted Rates and Targeted Rates	21,278	19,768
<i>plus Rates Penalties</i>	254	262
TOTAL REVENUE FROM RATES	24,329	22,507

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 2010 \$000	Actual 2009 \$000
Total Rates Revenue	24,470	22,655
<i>less Rates Remissions</i>	(141)	(148)
RATES REVENUE NET OF REMISSIONS	24,329	22,507

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.

NOTES

TO THE FINANCIAL ACCOUNTS

4. FINANCIAL INCOME

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Interest income for financial assets not at fair value through profit and loss	664	890	625	850
Dividend income	5	9	5	9
TOTAL FINANCIAL INCOME	669	899	630	859

5. OTHER REVENUE

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
User fees and charges	3,197	3,244	3,197	4,049
New Zealand Transport Agency subsidies	4,896	5,983	4,896	5,983
Other subsidies	150	131	150	231
Petrol tax	218	185	218	185
Vested assets	1,250	115	1,250	115
Development contributions	650	312	650	312
Other income	1,754	1,657	3,011	1,657
TOTAL OTHER REVENUE	12,115	11,627	13,372	12,532

There are no unfulfilled conditions and other contingencies attached to New Zealand Transport Agency subsidies.

6. OTHER GAINS / LOSSES

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Gain/(loss) on changes in fair value of forestry assets (note 18)	192	(72)	192	(72)
Gain/(loss) on disposal of property, plant and equipment	36	(13)	36	(13)
TOTAL GAINS/(LOSSES)	228	(85)	228	(85)

NOTES

TO THE FINANCIAL ACCOUNTS

7. PERSONNEL COSTS

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Salaries and wages	6,525	5,743	6,939	5,233
Employer contributions to defined contribution plans	199	119	199	119
Increase/(decrease) in employee entitlement liabilities	(119)	212	(117)	215
TOTAL PERSONNEL COSTS	6,605	6,074	7,021	5,567

8. DEPRECIATION AND AMORTISATION

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Depreciation (note 16)	10,022	9,114	10,441	9,524
Amortisation (note 17)	158	41	158	41
TOTAL DEPRECIATION & AMORTISATION	10,180	9,155	10,599	9,565

9. FINANCE COSTS

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Interest Expense				
Interest on bank borrowings	759	912	759	912
Provisions: discount unwinding (note 20)	8	43	8	43
TOTAL FINANCE COSTS	767	955	767	955

NOTES

TO THE FINANCIAL ACCOUNTS

10. OTHER EXPENSES

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Fees to principal auditor				
Audit fees for financial statement audit MDC	102	90	107	90
Audit fees for LTCCP Amendment	5	95	5	95
Audit fees for Feilding Civic Centre Trust	0	0	1	2
Audit fees for Manawatu Housing Trust	0	0	8	8
Impairment of Investment	1,578	0	1,578	0
Impairment of Accounts Receivable	77	0	77	0
Assets written off	0	0	0	0
Minimum lease payments under operating leases	75	80	75	80
Other operating expenses	16,405	16,580	16,632	17,448
TOTAL OTHER EXPENSES <small>Note 1</small>	18,242	16,845	18,483	17,723

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

NOTES

TO THE FINANCIAL ACCOUNTS

11. INCOME TAX

Relationship between Tax Expense and Accounting Surplus/(Deficit)				
	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Surplus/(deficit) before tax	1,548	(8,225)	1,631	1,707
Tax at 30% (2009 33%)	464	(2,468)	489	512
Non-deductible expenditure	0	0	0	0
Non-taxable income	(464)	2,468	(489)	(512)
Prior year adjustment	0	0	0	0
Tax Losses Utilised	0	0	0	0
TAX EXPENSE	0	0	0	0

Components of Tax Expense				
	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$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

Heartland Contractors Limited has unrecognised tax losses of \$501,041, 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 \$501,041.

12. CASH AND CASH EQUIVALENTS

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Cash at bank and in hand	2,084	605	2,518	861
Short term deposits with a term of three months or less	6,802	4,447	6,802	4,521
TOTAL CASH AND CASH EQUIVALENTS	8,886	5,052	9,320	5,382

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 funds is \$185,900 (2009 \$191,534). Refer to note 23 for detail of trust funds.

Refer to note 31 for weighted average effective interest rate for cash and cash equivalents.

NOTES

TO THE FINANCIAL ACCOUNTS

13. DEBTORS AND OTHER RECEIVABLES

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Rates receivables	1,333	1,097	1,333	1,097
New Zealand Transport Agency Subsidy	538	763	538	763
Other receivables	805	1,720	845	1,763
Related party receivables	13	15	13	0
Accrued Revenue	58	97	68	98
GST Receivable	568	259	569	260
Prepayments	456	73	456	74
Less provision for impairment of receivables	(77)	(31)	(78)	(32)
TOTAL	3,694	3,993	3,744	4,023

The carrying value of debtors 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 five months after the due date for payment. If payment has not been made within three months of the Court's judgement, then MDC can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

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 are either past due or impaired.

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

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

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
As at 1 July	31	27	32	27
Additional provisions made during the year	146	4	148	5
Receivables written off during period	(100)	0	(101)	0
AS AT 30 JUNE	77	31	79	32

As at 30 June 2009, all overdue debtors and other receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

NOTES

TO THE FINANCIAL ACCOUNTS

Council - Rates receivables

2010	Gross \$000	Impairment \$000	Net \$000
Not past due - current year - 2010	959	0	959
Past due by 1 year - 2009	213	0	213
Past due by 2 years - 2008	78	0	78
Past due by 3 years - 2007	43	0	43
Past due by 4 years - 2006	27	0	27
Past due by 5 years - prior to 2005	13	0	13
TOTAL	1,333	0	1,333

Council - Other receivables

2010	Gross \$000	Impairment \$000	Net \$000
Not past due	321	0	321
Past due 31-60 days	60	0	60
Past due 60-90 days	234	0	234
Past due > 91 days	190	(77)	113
TOTAL	805	(77)	728

NOTES

TO THE FINANCIAL ACCOUNTS

14. OTHER FINANCIAL ASSETS

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Current Portion				
<i>Loans and Receivables</i>				
Community loans - Other	25	28	25	28
Community loan - Manawatu Community Trust	90	25	0	0
Community loan - Manfeild Park	0	51	0	51
Rural Housing Loan Mortgages	0	1	0	1
<i>Held to Maturity</i>				
Other Investments	3,027	0	3,088	0
Local authority stock	0	2,638	0	2,638
Total Current Portion	3,142	2,743	3,113	2,718
Non-Current Portion				
<i>Held to Maturity</i>				
Community loans - Other	20	0	20	0
Community loan - Manawatu Community Trust	550	675	0	0
Community loan - Manfeild Park	2,275	3,673	2,275	3,673
Other Investments	600	600	600	600
Local authority stock	750	750	750	750
<i>Investments Carried at Cost</i>				
Shares in subsidiary (Heartland Contractors Ltd)	0	0	0	0
Shares in NZ Local Government Insurance Corp Ltd	62	62	62	62
Shares in Manawatu-Wanganui LASS Limited	1	0	1	0
Total Non-Current Portion	4,258	5,760	3,708	5,085
TOTAL OTHER FINANCIAL ASSETS	7,400	8,502	6,821	7,803

Community Loans

The fair value of community loans is \$2,960,000 (2009 \$4,451,015). The face value of community loans is \$6,438,139 (2009 \$6,351,015). Some of these community loans are only repayable should the entity concerned cease to operate for the purpose that the loan was given. Details of these loans are provided below.

NOTES

TO THE FINANCIAL ACCOUNTS

Community Loans at nil fair value

On 30 September 2004 MDC sold all the land and buildings associated with the Feilding racecourse to the Manfeild Park Trust for the sum of \$1,650,000. In return for this Council holds a Community Interest in this Trust to the same value. This investment is only repayable to the Council should the Manfeild Park Trust be wound up. Therefore the fair value of this investment is nil.

The Council has community loans with Manawatu Historical Vehicle Trust totalling \$150,000 which are secured over buildings, but only repayable if the trust ceases to operate a facility for the storage, display and restoration of appropriate historic and vintage vehicles.

The Council has a \$50,000 community loan with Manchester House, which is secured over buildings, but only repayable if the trust ceases to operate a facility for social services in the district.

The Council has a \$50,000 community loan with the Feilding & District Steam Rail Society Inc, which is secured over buildings, but only repayable if the society ceases to operate a facility for presentation and storage of steam engines in Feilding.

The Council has a \$2,500,000 community loan to the Manfeild Park Trust. Council has suspended interest and principal repayments for a five year period. The fair value of this loan has been amended to reflect this and is recorded as \$1,374,763.

Local Authority Stock

The fair value of local authority stock is \$803,016 (2009 \$3,529,664). The face value of the local authority stock is \$750,000 (2009 \$3,388,000). Details of these loans is provided below.

	Actual 2010		Actual 2009	
	Face Value	Fair Value	Face Value	Fair Value
Kaipara District Council bond	-	-	438,000	448,400
Kaipara District Council bond	-	-	200,000	204,749
Ruapehu District Council bond	-	-	2,000,000	2,046,000
Total Current	-	-	2,638,000	2,699,149
Horowhenua District Council bond	750,000	803,016	750,000	830,515
Total Term	750,000	803,016	750,000	830,515
TOTAL	750,000	803,016	3,388,000	3,529,664

Impairment

Other than disclosed above, there were no impairment provisions for other financial assets.

NOTES

TO THE FINANCIAL ACCOUNTS

15. NON-CURRENT ASSETS HELD FOR SALE

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Non-Current Assets held for sale are:				
Other Buildings	0	0	0	0
Other Land	0	0	0	0
TOTAL NON-CURRENT ASSET HELD FOR SALE	0	0	0	0
Current Portion	0	0	0	0
Term Portion	0	0	0	0
TOTAL	0	0	0	0

NOTES

TO THE FINANCIAL ACCOUNTS

16. PROPERTY, PLANT AND EQUIPMENT

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

2010	Cost/Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount
	\$000	\$000	\$000
COUNCIL			
Operational assets			
Land	5,332		5,332
Buildings	7,264	(334)	6,930
Library books	2,050	(1,120)	930
Plant , Equipment and Furniture	1,472	(980)	492
Motor vehicles	946	(314)	632
Total operational assets	17,064	(2,748)	14,317
Infrastructural assets			
Land	5,353	0	5,353
Waste	30,006	(746)	29,260
Water	55,455	(1,475)	53,980
Roading network	348,285	(6,367)	341,918
Land under roads	68,357	0	68,357
Work in progress	4,720		4,720
Total infrastructural assets	512,175	(8,588)	503,588
Restricted assets			
Land	17,823		17,823
Buildings	16,577	(1,484)	15,092
Plant and equipment	1,385	(664)	720
Work in progress	15	0	15
Total restricted assets	35,800	(2,148)	33,650
TOTAL COUNCIL	565,039	(13,484)	551,555
OTHER GROUP ASSETS			
Housing for the Elderly - Land	3,726		3,726
Housing for the Elderly - Buildings	10,537	(706)	9,831
Manawatu Housing Trust - Plant and Equipment	7	(2)	5
Feilding Civic Centre Trust - Furniture, Equipment and Leasehold Improvements	708	(294)	414
Total	14,978	(1,002)	13,976
GROUP ASSETS - PROPERTY, PLANT AND EQUIPMENT	580,017	(14,486)	565,531

Each valuer valued the total class of asset as defined in the accounting policies

NOTES

TO THE FINANCIAL ACCOUNTS

2009	Cost/Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount
	\$000	\$000	\$000
Council			
Operational assets			
Land	5,332	0	5,332
Buildings	6,442	(160)	6,282
Library books	1,865	(932)	933
Plant and equipment	177	(138)	38
Office Equipment & Furniture	1,103	(659)	443
Motor vehicles	844	(312)	532
Total operational assets	15,763	(2,201)	13,560
Infrastructural assets			
Land	5,353	0	5,353
Waste	31,832	(673)	31,159
Water	53,085	(1,394)	51,690
Roading network	340,072	(5,784)	334,289
Land under roads	68,170	0	68,170
Work in progress	3,356		3,356
Total infrastructural assets	501,868	(7,851)	494,017
Restricted assets			
Land	17,738	0	17,738
Buildings	15,910	(657)	15,251
Plant and equipment	1,422	(666)	756
Work in progress	0	0	0
Total restricted assets	35,070	(1,323)	33,745
TOTAL COUNCIL	552,701	(11,375)	541,322
Other Group Assets			
Housing for the Elderly - Land	3,726	(353)	3,726
Housing for the Elderly - Buildings	10,501	0	10,148
Manawatu Housing Trust - Plant and Equipment	1	0	1
Feilding Civic Centre Trust - Furniture, Equipment and Leasehold Improvements	513	(230)	284
Total	14,741	(583)	14,159
GROUP ASSETS - PROPERTY, PLANT AND EQUIPMENT	567,442	(11,958)	555,481

NOTES

TO THE FINANCIAL ACCOUNTS

2010	Carrying Amount 1 July \$000	Revaluation Movement \$000	Additions \$000	Disposals \$000	Current Year Depreciation \$000	Carrying Amount 30 June \$000
Council						
Operational assets						
Land	5,332					5,332
Buildings	6,282		823		(174)	6,930
Library books	933		185		(188)	930
Plant , Equipment and Furniture	481		206		(195)	492
Motor vehicles	532		293	(73)	(120)	632
Total operational assets	13,560	0	1,507	(73)	(677)	14,317
Infrastructural assets						
Land	5,353		0		0	5,353
Waste	31,159	(2,424)	1,250		(725)	29,260
Water	51,690	2,257	1,461		(1,428)	53,980
Roading network	334,289	8,045	5,951		(6,367)	341,918
Land under roads	68,170		187		0	68,357
Work in progress	3,356		1,364			4,720
Total infrastructural assets	494,017	7,879	10,213	0	(8,520)	503,588
Restricted assets						
Land	17,738		85			17,823
Buildings	15,251		616		(775)	15,092
Plant and equipment	756		14		(51)	720
Work in progress	0		15		0	15
Total restricted assets	33,745	0	730	0	(825)	33,650
TOTAL COUNCIL	541,322	7,879	12,450	(73)	(10,022)	551,555
Other Group Assets						
Housing for the Elderly - Land	3,726					3,726
Housing for the Elderly - Buildings	10,148		35		(354)	9,829
Manawatu Housing Trust - Plant and Equipment	1		6		(2)	5
Feilding Civic Centre Trust - Furniture, Equipment and Leasehold Improvements	283		199		(66)	416
Total	14,158	0	240	0	(422)	13,976
GROUP ASSETS - PROPERTY, PLANT AND EQUIPMENT	555,480	7,879	12,690	(73)	(10,444)	565,531

Note: The Revaluation Movement is the revaluation surplus from the revaluation of infrastructure assets (as at the 01 July 2008) and transfers within classes.

NOTES

TO THE FINANCIAL ACCOUNTS

2009	Carrying Amount 1 July \$000	Revaluation Movement \$000	Additions \$000	Transfer of property classification \$000	Current Year Depreciation \$000	Disposals \$000	Carrying Amount 30 June \$000
Council							
Operational assets							
Land	3,978	1,154	200	0	0		5,332
Buildings	4,826	736	880	0	(159)		6,282
Library books	937	0	166	0	(170)		933
Plant and equipment	21	0	21	0	(4)		38
Office Equipment and Furniture	257	17	277	(266)	(108)	266	443
Motor vehicles	472	(1)	274	(237)	(143)	167	532
Total operational assets	10,491	1,906	1,818	(503)	(584)	433	13,560
Infrastructural assets							
Land	5,900	(547)	0	0	0		5,353
Waste	24,295	6,157	1,362	0	(655)		31,159
Water	47,108	4,984	968	0	(1,370)		51,690
Road network	316,751	16,278	7,043	0	(5,784)		334,289
Land under roads	68,170	0	0	0	0		68,170
Work in progress	2,006	2	1,348	0	0		3,356
Total infrastructural assets	464,230	26,874	10,721	0	(7,809)	0	494,017
Restricted assets							
Land	17,799	(491)	434	(4)	0		17,738
Buildings	13,884	1,403	692	(69)	(659)		15,251
Plant and equipment	752	0	67	0	(63)		756
Work in progress	155	0	(155)	0	0		0
Total restricted assets	32,590	912	1,038	(73)	(722)	0	33,745
TOTAL COUNCIL	507,311	29,692	13,577	(576)	(9,115)	433	541,322

NOTES

TO THE FINANCIAL ACCOUNTS

2009	Carrying Amount 1 July \$000	Revaluation Movement \$000	Additions \$000	Transfer of property classification \$000	Current Year Depreciation \$000	Disposals \$000	Carrying Amount 30 June \$000
Other Group Assets							
Housing for the Elderly - Land	3,829	(109)	6	0	0		3,726
Housing for the Elderly - Buildings	10,392	109	0	0	(353)		10,148
Manawatu Housing Trust - Plant and Equipment	0	0	1	0	0		1
Feilding Civic Centre Trust - Furniture, Equipment and Leasehold Improvements	328	0	13	0	(57)		284
Total	14,549	0	20	0	(410)	0	14,159
GROUP ASSETS - PROPERTY, PLANT AND EQUIPMENT	521,860	29,692	13,597	(576)	(9,525)	433	555,481

17. INTANGIBLE ASSETS

	COUNCIL & GROUP	
	Actual 2010 \$000	Actual 2009 \$000
Balance at 1 July		
Cost	873	506
Accumulated amortisation and impairment	(435)	(394)
Opening carrying amount	438	112
Additions	919	367
Disposals		0
Amortisation charge	(159)	(41)
CLOSING CARRYING AMOUNT	1,198	438
Balance at 30 June		
Cost	1,792	873
Accumulated amortisation and impairment	(594)	(435)
CLOSING CARRYING AMOUNT	1,198	438

There are no restrictions over the title of MDC's intangible assets, nor are any intangible assets pledged as security for liabilities. All intangible assets are software

NOTES

TO THE FINANCIAL ACCOUNTS

18. FORESTRY ASSETS

	COUNCIL & GROUP	
	Actual 2010 \$000	Actual 2009 \$000
Balance at 1 July	393	465
Increases due to purchases	0	0
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	192	(13)
Decreases due to sales	0	0
Decreases due to harvest	(50)	(59)
BALANCE AT 30 JUNE	535	393

The Gordon Kear Forest is a jointly controlled asset with the Palmerston North City Council (PNCC). MDC owns 23.3% of the first rotation of this forest.

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 first harvest of the forest and will receive 23.3% of all income.

Joint Assets

The Gordon Kear Forest crop is valued at \$2.3m at 30 June 2010 (2009: \$1.7m). MDC's portion is detailed above. At 30 June 2010 the remaining 263.6 hectares of pinus radiata forest were in varying stages of maturity ranging from 16 to 33 years. Harvesting commenced during the 2006/07 financial year and is expected to continue over the next eight years. During the 2010 year, 31.5 hectares were harvested. PNCC owns 100% of the Gordon Kear forest land and site improvements.

Independent registered valuer, Alan Bell has valued forestry assets as at 30 June 2010. A pre-tax discount rate of 10% (2009: 10%) has been used in discounting the present value of expected cash flows. Valuation is based on a going concern basis and only includes the value of the current crop.

Joint liabilities

The Joint Venture forestry encouragement loans totalling \$1.36m as at 30 June 2010 have been drawn down by PNCC. MDC recognises its share of this loan (\$164,901 at 30 June 2010) as a term liability owing to PNCC. The loan is to be repaid from harvest proceeds.

Joint venture commitments and contingencies

There are no commitments or contingent liabilities arising from Council's involvement in the joint venture.

NOTES

TO THE FINANCIAL ACCOUNTS

MDC's share of operations during the year

	Actual 2010 \$000	Actual 2009 \$000
Income from harvesting	90	76
Expenses paid	(33)	(24)
Interest capitalised to loan	(15)	(19)
Cost of bush harvested	(50)	(59)
Increase/(decrease) in asset value	192	(13)
	184	(39)

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.

19. CREDITORS AND OTHER PAYABLES

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Trade payables	3,562	3,426	3,617	3,465
Deposits and bonds	698	719	698	720
Accrued expenses	633	541	633	541
Amounts due to related parties (note 27)	1	0	1	15
Revenue in advance	759	589	759	611
TOTAL CREDITORS AND OTHER PAYABLES	5,653	5,275	5,708	5,352

Creditors 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.

NOTES

TO THE FINANCIAL ACCOUNTS

20. PROVISIONS

	COUNCIL & GROUP	
	Actual 2010 \$000	Actual 2009 \$000
Current Provisions are represented by:		
Landfill aftercare provision	66	63
TOTAL CURRENT PROVISIONS	66	63
Non-Current Provisions are represented by:		
Financial guarantees	0	0
Landfill aftercare provision	622	623
TOTAL NON-CURRENT PROVISIONS	622	623

	COUNCIL & GROUP	
	Actual 2010 \$000	Actual 2009 \$000
Opening balance	686	686
Additional provisions made during the year	0	0
Amounts used during the year	(6)	(43)
Unused amounts reversed during the year	0	0
Discount unwinding (note 9)	8	43
CLOSING BALANCE	688	686

Provision for Financial Guarantees

MDC has given a guarantee to the Manfeild Park Trust. There is no indication that the guarantee will be called upon and therefore no liability has been recognised. These are accounted for as contingent liabilities and detailed in note 26.

Provision for landfill aftercare costs

MDC has recognised a provision for the aftercare costs of the Feilding Landfill and two smaller landfills (located at Kimbolton and Tangimoana) which are no longer operational.

Feilding Landfill

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

NOTES

TO THE FINANCIAL ACCOUNTS

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 2.5%
- » An annual discount rate of 6.5%
- » Aftercare period of 29 Years

Other Landfills

Provision has been made for the ongoing aftercare of the Kimbolton and Tangimoana landfills that are no longer in use. Ongoing monitoring and maintenance expenditure has been allowed for these sites.

21. EMPLOYEE ENTITLEMENT LIABILITIES

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Accrued pay	74	225	75	225
Annual leave	487	455	491	457
TOTAL EMPLOYEE ENTITLEMENT LIABILITIES	561	680	566	682
Comprising:				
Current	561	680	566	680
Non-current	0	0	0	0
TOTAL EMPLOYEE ENTITLEMENT LIABILITIES	561	680	566	680

NOTES

TO THE FINANCIAL ACCOUNTS

22. BORROWINGS

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Opening Balance of Term Borrowings	10,816	11,402	10,816	11,402
Loans raised during the year	9,500	1,500	9,500	1,500
Loans repaid during the year	(5,635)	(2,105)	(5,635)	(2,105)
Loans recognised during the year ^{Note 1}	15	19	15	19
Closing Balance of Term Borrowings	14,696	10,816	14,696	10,816

Note 1 | As at 30 June 2010, the Gordon Kear Forestry Encouragement loans of \$165,000, interest expense of \$15,000 and repayments of \$90,000 for the year, have been recognised (Note: forestry loans are repayable to Palmerston North City Council from harvest proceeds)

Current				
Secured loans	3,157	2,045	3,157	2,045
TOTAL CURRENT BORROWINGS	3,157	2,045	3,157	2,045
Non-current				
Secured loans	11,539	8,771	11,539	8,771
TOTAL NON-CURRENT BORROWINGS	11,539	8,771	11,539	8,771

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 \$1,415,458. 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 the rating revenue 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.

NOTES

TO THE FINANCIAL ACCOUNTS

23. EQUITY

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Retained Earnings				
As at 1 July	471,789	479,710	482,138	480,129
Transfers to:				
Restricted reserves	1,698	(560)	1,698	(560)
Transfers from:				
Restricted reserves	(383)	864	(384)	863
Surplus/(deficit) for the year	1,548	(8,225)	1,632	1,707
As at 30 June	474,652	471,789	485,084	482,139
Restricted Reserves				
As at 1 July	4,845	5,149	4,845	5,149
Transfers to:				
Retained earnings	383	(864)	383	(864)
Transfers from:				
Retained earnings	(1,698)	560	(1,698)	560
As at 30 June	3,530	4,845	3,530	4,845
Asset Revaluation Reserves (ARR)				
As at 1 July	65,609	35,825	68,997	35,825
Revaluation gains/(losses)	7,879	29,784	7,879	33,172
As at 30 June	73,488	65,609	76,876	68,997
Total Reserves	77,018	70,454	80,406	73,842
Total Equity	551,670	542,243	565,490	555,981

NOTES

TO THE FINANCIAL ACCOUNTS

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Restricted Reserves consist of:				
Trust Funds				
Hook Bequest	12	12	12	12
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	5	5	5
Historical Trust	3	3	3	3
Childrens Welfare Trust	0	0	0	0
Robert Dickson Educational Trust	32	37	32	37
Museum Trust	1	1	1	1
Feilding and District Relief Trust	127	129	127	129
	185	192	185	192
Special Funds				
Land Subdivision	543	722	543	722
General Purpose	1,962	2,734	1,962	2,734
Vehicle Replacement	0	47	0	47
Emergency	840	805	840	805
Council Community Loans	0	271	0	271
Heritage Incentive	0	31	0	31
Community Funding General Grants	0	36	0	36
Rongotea Committee	0	7	0	7
	3,345	4,653	3,345	4,653
TOTAL TRUST AND SPECIAL FUNDS	3,530	4,845	3,530	4,845

Asset Revaluation Reserves consist of:

Operational assets

Land	2,695	2,695	2,695	2,695
Buildings	1,515	1,515	1,515	1,515

Infrastructural assets

Land	1,741	1,741	1,741	1,741
Utilities (Water, Stormwater, Wastewater & Solid Waste)	10,979	11,146	10,979	11,146

NOTES

TO THE FINANCIAL ACCOUNTS

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Roading network	46,371	38,325	46,371	38,325
<i>Restricted assets</i>				
Land	6,411	6,411	7,463	7,463
Buildings	3,776	3,776	6,112	6,112
Total	73,488	65,609	76,876	68,997

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.

NOTES

TO THE FINANCIAL ACCOUNTS

24. RECONCILIATION OF NET SURPLUS/(DEFICIT) AFTER TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Surplus/(deficit) after Tax	1,548	(8,225)	1,631	1,707
Add/(less) Non-Cash items:				
Depreciation and amortisation	10,180	9,155	10,600	9,565
Loans recognised during the year (refer note 21)	15	0	15	0
Interest capitalised to loan	(127)	19	(127)	19
Asset write-offs		10,229	0	10,229
Vested assets	(1,250)	(115)	(1,250)	(10,260)
(Gains)/losses in fair value of forestry assets	(192)	14	(192)	14
Add/(less) items classified as Investing or Financing Activities:				
(Gains)/losses on disposal of property, plant and equipment	(65)	0	(65)	0
(Gains)/losses on disposal of investments classified as fair value through equity	0	0	0	0
Add/(less) movements in Working Capital items:				
(Increase)/Decrease in Accounts Receivable	890	565	915	527
Increase (Decrease) in Accounts Payable	196	713	174	796
Increase (Decrease) in Provisions	912	0	912	0
Increase (Decrease) in Employee Benefits	(119)	212	(119)	212
Net GST	(196)	288	(198)	288
NET CASH FROM OPERATING ACTIVITIES	11,791	12,855	12,295	13,097

NOTES

TO THE FINANCIAL ACCOUNTS

25. CAPITAL COMMITMENTS AND OPERATING LEASES

	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Capital Commitments				
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment	1,691	1,295	1,691	1,295

Operating Leases as lessee

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

	COUNCIL		GROUP	
Property and Equipment	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Non-Cancellable Operating Leases as lessee				
Not later than one year	84	72	85	72
Later than one year and not later than two years	50	68	53	68
Later than two years and not later than five years	0	41	0	41
Later than five years	0	0	0	0
TOTAL NON-CANCELLABLE OPERATING LEASES	134	181	138	181

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TO THE FINANCIAL ACCOUNTS

26. CONTINGENCIES

	COUNCIL		GROUP	
CONTINGENT LIABILITIES	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Building Act claims	0	0	0	0
Guarantees	1,525	1,525	1,525	1,525
Other legal proceedings	0	0	0	0
TOTAL CONTINGENT LIABILITIES	1,525	1,525	1,525	1,525

Risk Pool Insurance

In prior years Manawatu District Council obtained public liability and professional indemnity insurance cover from New Zealand Mutual Liability RiskPool. This operates as a mutual fund where each member makes an annual contribution to obtain cover. However should claims exceed contributions then calls can be made on the members of that fund year for the shortfall amount. RiskPool have advised that calls may be required for past pool periods. As the amount and timing is uncertain no provision has been made for any future calls.

Building Act Claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect to the issue of building consents and building inspection work done. At the date of this report one matter under that Act has been brought to MDC's attention, but this matter has not progressed sufficiently to be recognised as a contingent liability or quantified.

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 guarantee is likely to be called upon.

Other legal proceedings - 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 ceases 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 \$1.9m (2009 \$1.9m)

NOTES

TO THE FINANCIAL ACCOUNTS

27. 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 Trust.

The following transactions were carried out with related parties:

	Actual 2010	Actual 2009
	\$000	\$000
Heartland Contractors Limited (Non Trading)	No transactions	No transactions
The Mayor, Deputy Mayor and Chief Executive are Directors of this company.		
Feilding Civic Centre Trust		
Grant provided by MDC	72	70
Services provided by MDC	11	6
Amounts payable to MDC	0	0
Manawatu Community Trust		
Grant provided by MDC	25	0
Services provided by MDC	47	52
Services provided by MDC (Rates)	295	290
Interest paid to MDC	50	56
Assets gifted by MDC	0	10,144
Amounts payable to MDC	13	15
Loans provided by MDC	0	800
Loans repaid to the MDC	60	100
Loan owing to MDC (as at balance date)	640	700

MDC is also a related party in a joint venture forestry asset with Palmerston North City Council. Related party transactions within the joint venture asset have been disclosed in Note 18 - Forestry Assets.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2009 \$nil).

NOTES

TO THE FINANCIAL ACCOUNTS

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 and purchase of rubbish bags etc).

During the year Council had transactions with Ulverscroft Large Print Books Ltd, a company in which Councillor Gregory is an agent. The value of purchases totalled \$17,741 (2009 \$19,085) of which \$5,660 (2009 nil) were outstanding at balance date. These transactions occurred on normal commercial terms.

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 \$995 (2009 \$158). There was \$300 outstanding at balance date. These transactions occurred on normal commercial terms.

During the year Council had transactions with Fleetwise Holdings Limited, a company in which the Mayor, Ian McKelvie is a Director. The value of purchases totalled \$6,919, of which \$1,240 was outstanding at balance date. These transactions occurred on normal commercial terms.

During the year Council had transactions with Manawatu-Wanganui LASS Limited, a company in which the Chief Executive, Lorraine Vincent is Council's appointed Director. Council purchased shares to the value of \$1,000 and paid \$50,964 for services. No amounts outstanding at balance date.

The Chief Executive, Lorraine Vincent and Shayne Harris are Trustees of Sport Manawatu. During the year Council gave grants to Sport Manawatu amounting to \$77,615, of which \$36,787 was owing at balance date.

The Assets Group Manager, Richard Kirby is the President of Feilding Brass. During the year Council gave grants to Feilding Brass amounting to \$6,000. None was outstanding at balance date.

There is no provision recognised for the impairment of receivable for any loans or other receivable to related parties (2009 \$nil).

Key Management Personnel Compensations

(includes senior management, the Mayor and Councillors)

	Actual 2010	Actual 2009
	\$000	\$000
Salaries and other short term employee benefits	917	962
Past-employment benefits	-	-
Other long term benefits	25	31
Termination benefits	-	-
	942	993

NOTES

TO THE FINANCIAL ACCOUNTS

28. REMUNERATION

Elected Members

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

	Actual 2010	Actual 2009
	\$000	\$000
Current Elected members		
Mayor Ian McKelvie	72,715	71,610
Councillor John Baxter	24,807	24,117
Councillor Matt Bell	33,767	35,923
Councillor John Gregory	26,394	27,917
Councillor Prue McBeth	26,054	26,064
Councillor John Salmon	24,535	23,964
Councillor Barbara Cameron	23,821	25,409
Councillor Steve Gibson	23,685	23,692
Councillor Margaret Giles	23,685	23,692
Councillor Alison Short	23,685	23,692
Councillor Howard Voss	24,263	25,919
	327,411	331,999

Chief Executive

For the year ended 30 June 2010, the total cost of remuneration paid to the Chief Executive was \$193,400 (2009 \$182,692).

29. SEVERANCE PAYMENTS

For the year ended 30 June 2010 there was one severance pay totalling \$17,668.65 made (2009 Nil)

30. EVENTS AFTER THE BALANCE SHEET DATE

There are no events, that have occurred between balance date and the date when the financial statements have been authorised, that are known to Council that require disclosure.

NOTES

TO THE FINANCIAL ACCOUNTS

31. FINANCIAL INSTRUMENTS

Financial instrument categories

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

		COUNCIL		GROUP	
	Note	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
FINANCIAL ASSETS					
Loans and receivables					
Cash and cash equivalents	12	8,886	5,052	9,320	5,382
Debtors & other receivables	13	3,694	3,993	3,744	4,023
Other financial assets:					
- Term deposits	14	0	0	0	0
- Community loans	14	2,960	4,451	2,320	3,751
- Rural Housing Loan Mortgages	14		1		1
TOTAL LOANS AND RECEIVABLES		15,540	13,497	15,384	13,157
Total held to maturity					
Other financial assets:					
- Other investments	14	3,627	600	3,688	600
- Local authority stock	14	750	3,388	750	3,388
TOTAL HELD TO MATURITY		4,377	3,988	4,438	3,988
Available for sale					
Other financial assets:					
Shares in subsidiary (Heartland Contractors Ltd)	14	0	0	0	0
NZ Local Government Insurance Corp Ltd	14	63	62	63	62
TOTAL AVAILABLE FOR SALE		63	62	63	62
TOTAL FINANCIAL ASSETS		19,980	17,547	19,885	17,207
FINANCIAL LIABILITIES					
Financial liabilities at amortised cost					
Creditors & other payables	19	5,653	4,686	5,708	4,741
Borrowings:					
- Bank overdraft	22	0	0	0	0
- Secured loans	22	14,696	10,816	14,696	10,816
TOTAL FINANCIAL LIABILITIES AT AMORTISED COST		20,349	15,502	20,404	15,557

NOTES

TO THE FINANCIAL ACCOUNTS

Fair Value Hierarchy Disclosures

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

	VALUATION TECHNIQUE			
	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$000	\$000	\$000	\$000
30 June 2010 - Council				
Financial assets				
Community Loan	1,375		1375	
30 June 2010 -Group				
Financial assets				
Community Loan	1,375		1375	
30 June 2009 - Council				
Financial assets				
Community Loan	0		0	
30 June 2009 -Group				
Financial assets				
Community Loan	0		0	

All other financial instruments are recorded in the Balance Sheet at cost.

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 available for sale. 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.

NOTES

TO THE FINANCIAL ACCOUNTS

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 exposes the MDC to fair value interest rate risk. MDC's Liability Management policy outlines the type of borrowing allowed.

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:

	Balance as at 30 June			
	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
Cash at bank and term deposits	8,886	5,052	9,320	5,382
Debtors & other receivables	3,694	3,993	3,744	4,023
Community and Rural Housing Mortgagees	2,960	4,452	2,320	3,752
Local authority stock and other investments	4,440	4,050	4,501	4,050
Financial guarantees	1,525	1,525	1,525	1,525
TOTAL CREDIT RISK	21,505	19,072	21,410	18,732

NOTES

TO THE FINANCIAL ACCOUNTS

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:

	Balance as at 30 June			
	COUNCIL		GROUP	
	Actual 2010 \$000	Actual 2009 \$000	Actual 2010 \$000	Actual 2009 \$000
COUNTERPARTIES WITH CREDIT RATINGS				
Cash at bank and term deposits:				
AA Rating	8,886	5,052	9,320	5,382
Total cash at bank and term deposits	8,886	5,052	9,320	5,382
<i>Other investments</i>				
AA rating	3,627	600	3,688	600
Total other investments	3,627	600	3,688	600
COUNTERPARTIES WITHOUT CREDIT RATINGS				
Local authority stock, community and rural housing loans:				
Existing counterparty with no defaults in the past	3,773	7,902	3,133	7,202
Existing counterparty with defaults in the past	0	0	0	0
TOTAL LOCAL AUTHORITY STOCK, COMMUNITY AND RURAL HOUSING LOANS	3,773	7,902	3,133	7,202

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.

NOTES

TO THE FINANCIAL ACCOUNTS

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 include 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 table below 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 are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

NOTES

TO THE FINANCIAL ACCOUNTS

FINANCIAL LIABILITIES	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
Council 2010					
Creditors & other payables	5,653	5,653	5,653	0	0
Secured loans	14,696	17,511	4,045	13,466	0
Financial guarantees	0	0	0	0	0
TOTAL	20,349	23,164	9,698	13,466	0

Group 2010					
Creditors & other payables	5,708	5,708	5,708	0	0
Secured loans	14,696	17,511	4,045	13,466	0
Financial guarantees	0	0	0	0	0
TOTAL	20,404	23,219	9,753	13,466	0

Council 2009					
Creditors & other payables	4,686	4,686	4,686	0	0
Secured loans	10,816	12,256	2,685	9,571	0
Financial guarantees	0	0	0	0	0
TOTAL	15,502	16,942	7,371	9,571	0

Group 2009					
Creditors & other payables	4,741	4,741	4,741	0	0
Secured loans	10,816	12,256	2,685	9,571	0
Financial guarantees	0	0	0	0	0
TOTAL	15,557	16,997	7,426	9,571	0

Contractual maturity analysis of financial assets

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

NOTES

TO THE FINANCIAL ACCOUNTS

FINANCIAL LIABILITIES	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
Council 2010					
Cash and cash equivalents	8,886	8,886	8,886	0	0
Debtors & other receivables	3,694	3,694	3,694	0	0
Other financial assets:					
- Term deposits	0	0	0	0	0
- Community loans	2,960	7,407	56	550	6,801
- Rural Housing Loan Mortgages	0	0	0	0	0
- Other investments	3,627	3,927	3,112	172	643
- Local authority stock	750	803	0	803	0
TOTAL	19,917	24,717	15,748	1,525	7,444
Group 2010					
Cash and cash equivalents	9,320	9,320	9,320	0	0
Debtors & other receivables	3,744	3,744	3,744	0	0
Other financial assets:					
- Term deposits	0		0	0	0
- Community loans	2,320	7,407	56	550	6,801
- Rural Housing Loan Mortgages	0	0	0	0	0
- Other investments	3,688	3,927	3,112	172	643
- Local authority stock	750	803	0	803	0
TOTAL	19,822	25,201	16,232	1,525	7,444
Council 2009					
Cash and cash equivalents	5,052	5,052	5,052	0	0
Debtors & other receivables	3,993	3,993	3,993	0	0
Other financial assets:					
- Term deposits	0	0	0	0	0
- Community loans	4,451	7,509	424	2,816	4,269
- Rural Housing Loan Mortgages	1	1	1	0	0
- Other investments	600	953	43	172	738
- Local authority stock	3,388	3,706	2,825	881	0
TOTAL	17,485	21,214	12,338	3,869	5,007

NOTES

TO THE FINANCIAL ACCOUNTS

FINANCIAL LIABILITIES	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
Group 2009					
Cash and cash equivalents	5,382	5,382	5,382	0	0
Debtors & other receivables	4,023	4,023	4,023	0	0
Other financial assets:					
- Term deposits	0	0	0	0	0
- Community loans	3,751	6,637	347	2,021	4,269
- Rural Housing Loan Mortgages	1	1	1	0	0
- Other investments	600	953	43	172	738
- Local authority stock	3,388	3,706	2,825	881	0
TOTAL	17,145	20,702	12,621	3,074	5,007

Sensitivity analysis

The tables over the page 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.

NOTES

TO THE FINANCIAL ACCOUNTS

COUNCIL									
		2010				2009			
		-100bps		+100bps		-100bps		+100bps	
Note	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	(89)	0	89	0	(51)	0	51	0
Other financial assets:									
Community loans	2	(30)	0	30	0	(45)	0	45	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		(119)	0	119	0	(96)	0	96	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

NOTES

TO THE FINANCIAL ACCOUNTS

EXPLANATION OF SENSITIVITY ANALYSIS - COUNCIL

Financial Assets

1 Cash and cash equivalents

Cash and cash equivalents include deposits at call totalling \$8,886,000 (2009 \$5,052,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$88,860 (2009 \$50,520).

2 Community and rural housing loans

Council has floating rate community advances and a housing mortgage with a principal amount totalling \$2,960,000 (2009 \$4,452,000). A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$29,600 (2009 \$44,520).

3 Local authority stock and other investments

Council has fixed rate term bonds and deposits totalling \$4,377,000 (2009 \$3,988,000) 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 \$14,696,000 (2009 \$10,816,000). 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.

NOTES

TO THE FINANCIAL ACCOUNTS

GROUP									
		2010				2009			
		-100bps		+100bps		-100bps		+100bps	
Note	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	(93)	0	93	0	(54)	0	54	0
Other financial assets:									
Term deposits	3	0	0	0	0	0	0	0	0
Community loans	2	(23)	0	23	0	(38)	0	38	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		(116)	0	116	0	(92)	0	92	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

NOTES

TO THE FINANCIAL ACCOUNTS

EXPLANATION OF SENSITIVITY ANALYSIS - GROUP

Financial Assets

1 Cash and cash equivalents

Cash and cash equivalents include deposits at call totalling \$9,320,000 (2009 \$5,382,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$93,320 (2009 \$50,520).

2 Community and rural housing loans

The group has floating rate community advances and a housing mortgage with a principal amount totalling \$2,320,000 (2009 \$4,452,000). A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$23,200 (2009 \$44,520).

3 Local authority stock and other investments

The group has fixed rate term bonds and deposits totalling \$4,438,000 (2009 \$3,988,000) 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

Council has fixed rate debt with a principal amount totalling \$14,696,000 (2009 \$10,816,000). 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.

NOTES

TO THE FINANCIAL ACCOUNTS

32. CAPITAL MANAGEMENT

The Council's capital is its equity (or ratepayers' funds), which comprises 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. Ratepayers funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. 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. And the Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the Revenue and Financing Policy in the Council's LTCCP.

MDC has the following Council created reserves:

- Trust and Bequest Funds
- Special Funds

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 23).

Special Funds have been set aside by Council for specific purposes (see note 23).

33. EXPLANATION OF MAJOR VARIANCE AGAINST BUDGET

Detailed below are explanations for major variations from the estimated figures in the 2009/10 Long Term Council Community Plan.

INCOME STATEMENT

The net surplus for the year is \$1.5m against a budgeted surplus of \$7.6m. The following are a the most significant variances.

- » External interest expense is \$393,000 lower than budgeted. Council has elected to fund a portion of its capital work through internal borrowing instead of using external sources.
- » Costs associated with the ABC Project initial review (investigating amalgamation, boundy change or cross boundary services) totalled \$171,000 were not budgeted for. These are recorded in the Democracy activity.

NOTES

TO THE FINANCIAL ACCOUNTS

- » In the budget the CBD Development work for the Manfeild Park Entrance had been included in capital. This has been expensed as no Council owned asset was created. This work totalled \$330,000.
- » Council has budgeted a grant to the Bunnythorpe Hall Committee for \$225,000. This grant has not yet been uplifted and has been carried forward to the 2010/11 year.
- » During the year Council amended the loan agreement with the Manfeild Park Trust. No interest and principal is repayable for the next five years. As a result the fair value of the \$2.5m loan has been assessed at \$1.4m resulting in a \$1.1 write down.
- » Budget revenue includes roading subsidies of \$8m for capital expenditure. The capital work surrounding the strategic roading network has been deferred to the 2010/11 year. Consequently the associated subsidy of \$5million has not been received
- » Revenue from Development Contributions is \$613,000 below budget. This is as a result of fewer subdivision applications being received or approved subdivision consents have not yet been actioned.

BALANCE SHEET

The most significant movements are:

- » Not all capital work budgeted for was completed during the year, resulting in both property, plant and equipment and the associated borrowing being lower than budget. Individual variations are documented within the individual activity reports.
- » Council revalued its infrastructural assets on 1 July 2009. This resulting in an increase in the asset valuation and corresponding revaluation reserve of \$7.8m. The revaluation increase included in the budget was \$25m. When budgeting for revaluation we use the planned inflation rate. The actual revaluation is based on actual contract rates and technology changes.
- » External debt is \$2.3m lower than budgeted for. A number of capital works planned has not been completed as mentioned above.
- » Cash and cash equivalents (bank account and short term deposits) are higher than anticipated. This is a result of a number of factors. Creditors are higher than expected as a result of the timing of capital works. Loans are due for repayment in October and December and funds are held on short term deposit to repay these loans.

STATEMENT OF CASH FLOWS

The variances in the cash flow are a direct result of the items mentioned above.

REPORT

ON LIABILITY MANAGEMENT AND INVESTMENT POLICIES

LIABILITY MANAGEMENT POLICY

Commentary

During the course of the financial year, Council repaid \$5.6 million of debt, raised \$9.5 million of debt and recognised \$15k of additional borrowings on the Gordon Kear Forestry loan, resulting in an increase of debt from \$10.8 million at the start of the financial year to \$14.7 million at 30 June 2010.

KEY STATISTICS			
Actual 2009		Actual 2010	Budget 2010
2.7%	Gross Interest Expense compared to Revenue not to exceed 10%	2.1%	2.7%
4.2%	Gross Interest Expense compared to Rates Revenue not to exceed 20%	3.2%	4.9%
14.1	Net Cash flows from operating activities to exceed Gross Interest Expense by 1.5 times	15.4	15.1
2	Net Working Capital Ratio is greater than 1 (Current assets compared to current liabilities excluding current portion of debt and Properties for Sale)	2.7	0.0
1.9%	Total Debt compared to Total Assets	2.6%	2.8%

Council has complied with all aspects of its Liability Management policy. For further information refer to Note 22.

INVESTMENT POLICY

Council is a prudent and conservative investor. 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. With the exception of loans to community organisations, Council's long-term investments are predominantly in nil risk assets such as government or local authority stock and bank bonds.

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

Interest Received

Interest received on investments at \$664k was down on last year's \$899k due to a fall in market interest rates.

Other Equity Investments

Council has maintained its joint forestry with Palmerston North City Council along with its historical investment in LGIC. During the year, Council invested \$1,000 in the Manawatu-Wanganui LASS Limited.

Council complied with its Investment Management policy during the year. For further information, refer to note 14.

REPORT

ON REVENUE AND FINANCING POLICY

INTRODUCTION

Council's current Revenue and Financing Policy was adopted as part of the 2006/2016 LTCCP. The Funding Policy sets out who will pay and how for Council's functions

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

This report summarises progress against the policy for the year ended 30 June 2010 and includes:

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

OVERALL PERFORMANCE

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

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

REPORT

ON REVENUE AND FINANCING POLICY

SUMMARY TABLE

Significant Activity	ACTUAL		Function	FUNDING POLICY	
	Public	Private		Public	Private
Community	100%	0%	Public Conveniences	100%	0%
Facilities	76%	24%	Cemeteries	60%	40%
Democracy	100%	0%	Democracy and Policy Development	100%	0%
District	85%	15%	Community Funding and Development	100%	0%
Development	100%	0%	Economic Development	100%	0%
	59%	41%	Feilding CBD Redevelopment	65%	35%
Emergency	96%	4%	Civil Defence	100%	0%
Management	100%	0%	Rural Fire	100%	0%
Environmental	20%	80%	Animal Control	20%	80%
& Regulatory	18%	82%	Building Consents	20%	80%
Management	100%	0%	Building Policy, Monitoring and Compliance	100%	0%
	4%	96%	Environmental Health Consents	20%	80%
	100%	0%	Environmental Health Policy, Monitoring and Compliance	100%	0%
	0%	100%	Liquor Licensing Consents	20%	80%
	100%	0%	Liquor Policy, Monitoring and Compliance	100%	0%
	100%	0%	District Planning Policy, Monitoring and Enforcement	100%	0%
	25%	75%	District Planning Consents	20%	80%
Leisure	94%	6%	Libraries and Archives	95%	5%
Resources	100%	0%	Local Halls and Recreation Complexes	100%	0%
	94%	6%	Parks, Reserves and Sportsground	90%	5%
	69%	31%	Makino Aquatic Centre	65%	35%
Roading	44%	56%	Roading	55%	45%
Waste	75%	25%	Wastewater	0%	100%
	45%	55%	Solid Waste Collection	30%	70%
	100%	0%	Solid Waste Disposal	50%	50%
	100%	0%	Recycling System and Centre	100%	0%
	0%	100%	Recycling Feilding Kerbside	0%	100%
Water Supply	0%	100%	Rural Land Drainage	5%	95%
	0%	100%	Urban Stormwater	20%	80%
	0%	100%	Water Supply	0%	100%

REPORT

ON COUNCIL CONTROLLED ORGANISATIONS

HEARTLAND CONTRACTORS LIMITED

Council has exempted this from being a CCO

FEILDING CIVIC CENTRE

Council has exempted this from being a CCO

WANGANUI-MANAWATU LASS LIMITED

This company has been set up in 2008 by seven Local Councils to investigate the possibilities of economies of scales by joint procurement. Council has exempted this from being a CCO - effective 1 July 2010

THE MANAWATU COMMUNITY TRUST

The Manawatu Community Trust was formed on 23 June 2008. The purpose of the Trust is the provision of housing for the elderly and disabled of the Manawatu district and the promotion of health and wellbeing services for the residents of the Manawatu district. Following is the income statement for the year ended 30 June 2010.

MANAWATU COMMUNITY TRUST		
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2010		
	2010	2009
	\$ 000	\$ 000
INCOME		
Rents Received	1,008	897
Interest	8	9
Donations	71	30
TOTAL INCOME	1,087	936
EXPENDITURE		
Employee benefit expenses	46	34
Depreciation	354	353
Other expenses	681	673
Finance costs	50	56
TOTAL OPERATING EXPENDITURE	1,131	1,116
OPERATING SURPLUS/(DEFICIT)	(44)	(180)
Gifted Assets		13,441
NET SURPLUS/(DEFICIT)	(44)	13,261

REPORT

ON COUNCIL CONTROLLED ORGANISATIONS

STATEMENT OF INTENT – OUTCOME STATEMENT

MANAWATU COMMUNITY TRUST 2009/10

Performance targets and other measures by which the performance of the Trust may be judged in relation to its objectives

The Trust has met the following outcomes:

Housing

- **Net capital and operational expenditure within budget.**

The budgeted net operating deficit was \$170,902. The net operating deficit was \$56,565. The trust operated within its budget guidelines.

- **A return on investment in line with the nature and condition of the housing portfolio.**

It is not possible to report accurately on this target due to the lack of figures on what is considered a reasonable return on investment in line with the nature and condition of the housing portfolio. The current return on investment is -0.4%, and 2.3% after excluding depreciation.

- **Provide affordable housing to residents who meet the criteria set. Criteria have been determined and will be reviewed annually.**

Current rentals remain in the lower half of market rentals for similar accommodation ensuring the affordability of the flats for people on a low income.

- **Rental rates to be reviewed annually and to be set at a level commensurate with the condition of the housing and a rate below current market rentals, currently in the lowest quartile.**

Rents were initially reviewed in September 2008 and an increase has been phased in over a two year period for existing tenants. The second increase took effect on 1 July 2010. Rents were also reviewed on 13 April 2010

- **Develop key operating policies and procedures outlining provision of housing services for the elderly and disabled residents of the Manawatu district by March 2010.**

Key policies which the trust hold relating to the operation and procedures relating to the provision of housing for the elderly and disabled residents are: Eligibility Criteria, Suitability Criteria, Review of Rents, Rental payments default, Rental rates, Tenants Complaint, Major damage to Flats. This were adopted prior to March 2010.

- **Complete an Asset Register and assessment of the condition of the housing portfolio by the end of March.**

Six monthly inspections were carried out in July 2009 and again during October/November 2009.

- **Develop a management plan so that the budget for the following year can be set.**

This was presented to the trusts' monthly meeting on 11 May 2010 and the budget for 2010/2011 set.

- **Raise and maintain the occupancy rate for the housing at 96%**

The overall average occupancy rate for the year was 93%.

- **Upgrade the condition of the housing over the next five years to resolve problems as a consequence of deferred maintenance.**

The amount spent on major maintenance was \$107,556. The insulation of all flats has been completed and has been funded under the Government Retrofit Programme through EECA and donations from the Central Energy Trust.

Health

- **Develop a strategy for addressing the development of a Health Centre in Feilding.**

The strategy was to meet with all stakeholders which included Feilding GP's, Local Iwi, Feilding pharmacists, MCDHB, MPH, Broadway Radiology and Medlab Central to establish the level of support for the development of a Health Centre in Feilding. The trust found there was 100% support for the establishment of a Health Centre for Feilding.

- **Meet with all of the relevant stakeholders by the end of June 2009.**

Following the early completion of the consultation process with all stakeholders the first meeting of the Interim Development Entity was held on the 5 May 2009. The purpose of the IDE was to investigate a possible site for the FIFHC and investigate whether a IFHC was a viable proposition. Over the next 13 months 15 meetings of the IDE were held. A decision was taken on 29 June 2010 that an Integrated Family Health Centre should be located at Clevely. The Trust has agreed to be the major owner of the development.

- **Determine if the proposed centre is commercially viable, backed by the community and has buy-in from all stakeholders before taking the proposal further.**

On 29 June 2010 a draft business plan was tabled at the IDE meeting. Further work will be carried out on this business plan by the trust to determine the commercial viability and the commitment of stakeholders to be a lessee of space in the FIFHC

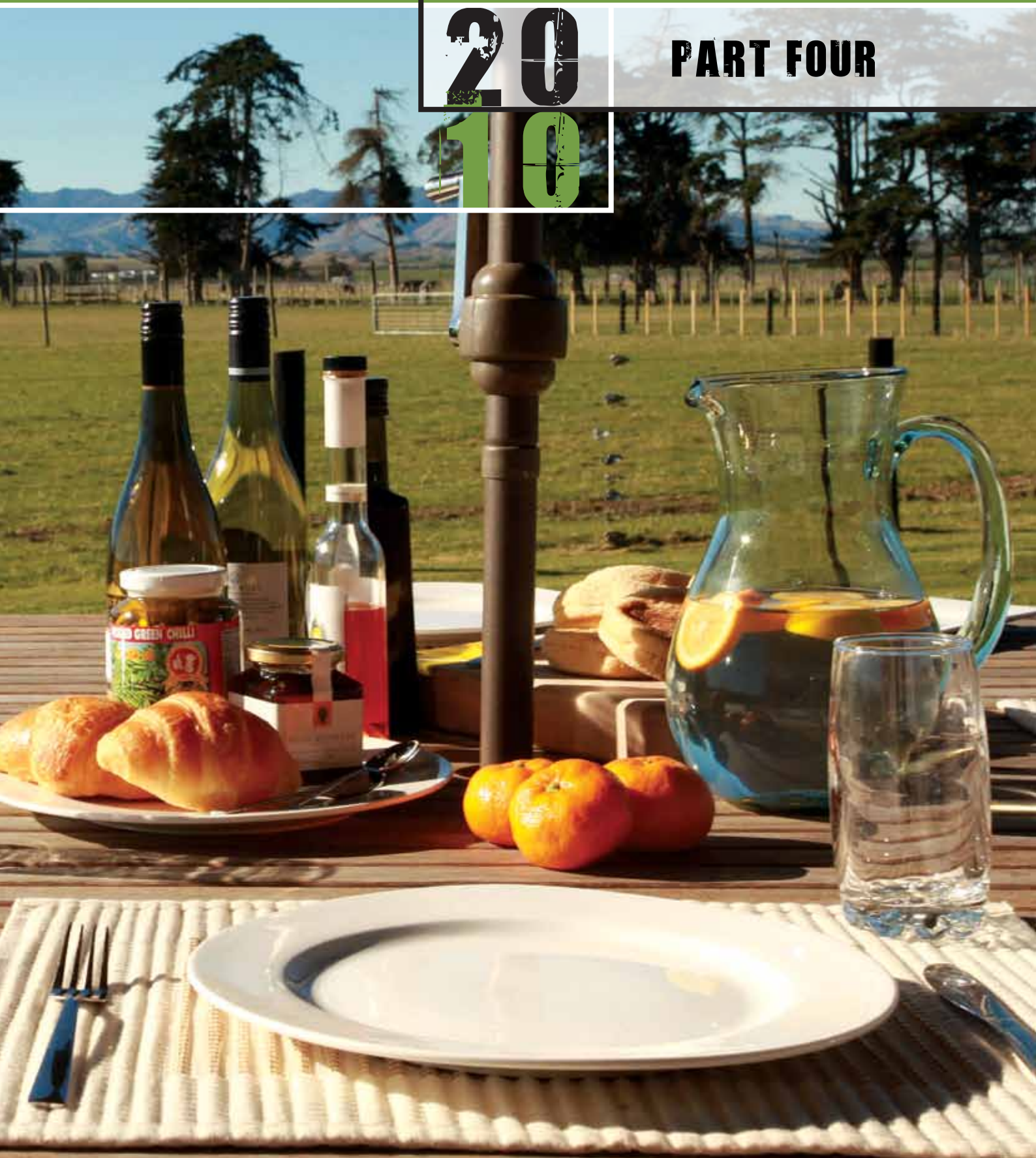
- **Clarify the differences between and the effects of community ownership versus private ownership and level of acceptability to MidCentral District Health Board.**

Community ownership has been determined as a priority and negotiations are in progress with the MidCentral District Health Board for the lease of Clevely and the purchase of buildings.

OTHER INFORMATION

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10

PART FOUR





2010

GUIDE

TO 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 2009/10**
- » **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.



Manawatu District Council

Council Office:	135 Manchester Street, Feilding
Postal Address:	Private Bag 10-001, Feilding 4743
Telephone:	(06) 323 0000
Fax:	(06) 323 0822
E-mail:	public@mdc.govt.nz
Web:	www.mdc.govt.nz
Auditors:	Audit New Zealand, 45 Pipitea Street, Wellington (on behalf of the Office of the Controller and Auditor General)

MANAWATU DISTRICT COUNCIL

MAYOR AND COUNCILLORS AS AT 30 JUNE 2010

MAYOR



IAN MCKELVIE
PH: 323 0000 (CL)
PH: 324 8446 (HM)

FEILDING WARD



CR MATT BELL
PH: 323 3147
(DEPUTY MAYOR)



CR BARBARA CAMERON
PH: 323 5333



CR JOHN GREGORY
PH: 323 6531



CR ALISON SHORT
PH: 328 8768



CR STEVE GIBSON
PH: 323 5533

KAIRANGA WARD



CR MARGARET GILES
PH: 324 8987



CR JOHN SALMON
PH: 357 6910



CR HOWARD VOSS
PH: 356 9779

KIWITEA - POHANGINA WARD



CR JOHN BAXTER
PH: 328 7019



CR PRUE MCBETH
PH: 328 5839

MANAWATU DISTRICT COUNCIL

EXECUTIVE TEAM

CHIEF EXECUTIVE



LORRAINE VINCENT

MANAGEMENT TEAM



Assets Group Manager
RICHARD KIRBY



Community Services
Group Manager
BRENT LIMMER



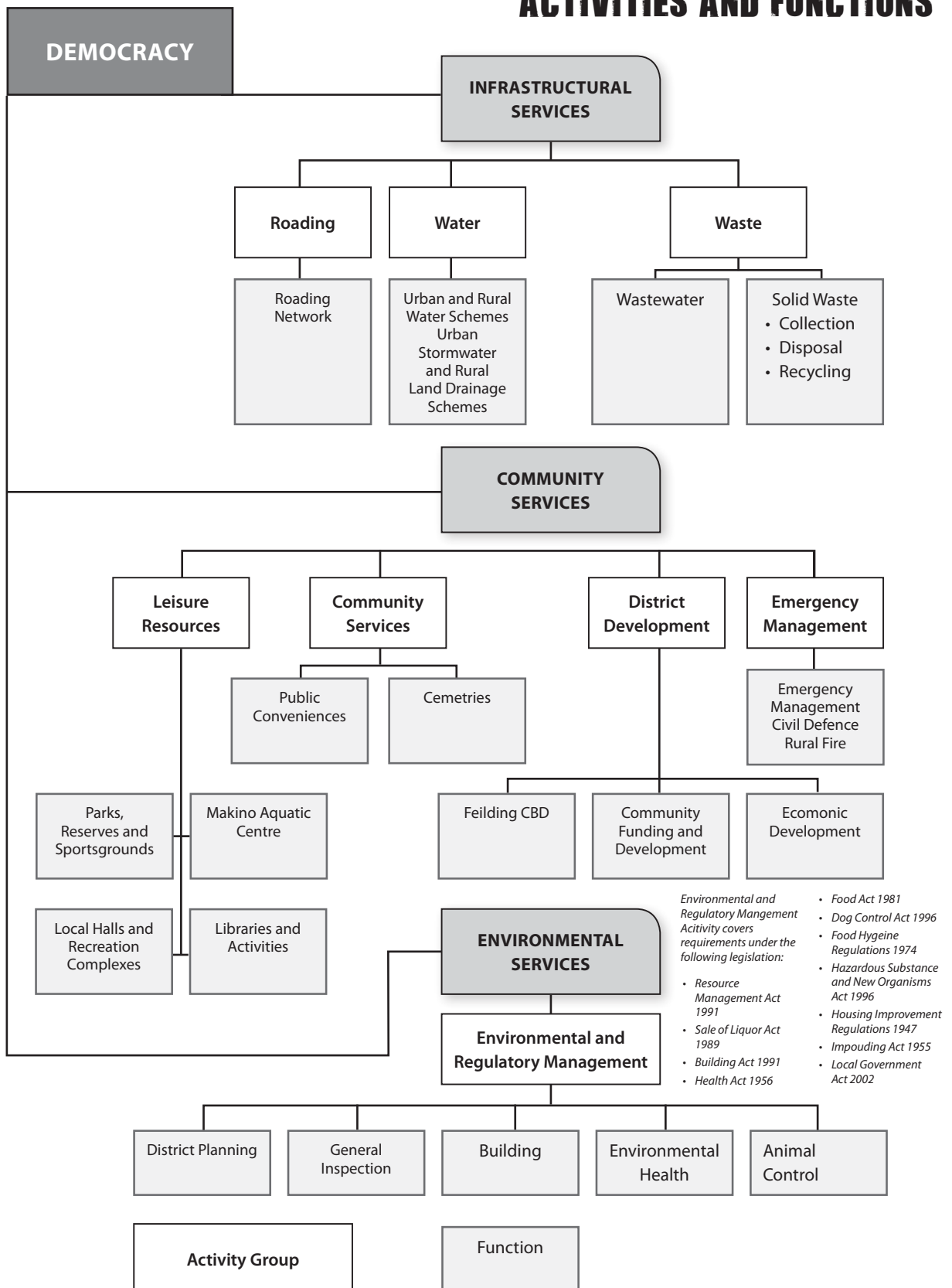
Human Resources
Manager
LINDA GORDON



Support Services
Group Manager
SHAYNE HARRIS

MANAWATU DISTRICT COUNCIL

ACTIVITIES AND FUNCTIONS



MEMBERS'

RESPONSIBILITIES

STANDING COMMITTEE MEMBERSHIP AT 30 JUNE 2010

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)	✓	
Cr Bell	✓	✓ (DC)	✓ (C)		✓
Cr Cameron	✓	✓	✓		✓
Cr Gibson	✓	✓			
Cr Giles	✓	✓			
Cr Gregory	✓	✓	✓		✓
Cr McBeth	✓	✓			
Cr Salmon	✓	✓	✓		
Cr Short	✓	✓		✓	
Cr Voss	✓	✓	✓		✓

SUBCOMMITTEE MEMBERSHIP

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

MANAWATU DISTRICT COUNCIL

STATEMENT OF RESOURCES

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

		30 June 2009	30 June 2010
Community Services			
Cemeteries			
Feilding, Halcombe, Kimbolton, Pohangina, Rangiwahia, Rongotea, Sandon, Waituna West		8	8
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		65,760	65,000
Total issues		381,470	391,107
Local Halls and Recreation Complexes			
Local Halls ^{Note 1}		19	19
Recreation complexes (Civic Centre and Te Kawai 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		914.3	914.3
unsealed		374.2	374.2
Urban - sealed		133.1	133.5
unsealed		11.1	11.1
		1,432.7	1,433.1

MANAWATU DISTRICT COUNCIL

STATEMENT OF RESOURCES

	30 June 2009	30 June 2010
Bridges (new underpass added)	290	290
Length of footpaths (km)	135.6	135.6
Street lighting – lights	1,589	1,589
Street lighting – poles	831	831
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	100	100
Sanson	5.4	4.5
Rongotea	9.1	6.8
Halcombe	6.8	6.0
Longburn	5.0	4.3
Bunnythorpe	12.8	12.6
Kimbolton	6.5	6.5
Cheltenham	2.6	2.6
Himatangi	0.7	0.7
Awahuri	0.6	0.6
	149.5	144.6
Sewage Treatment Schemes (No)	9	9
Water Supply		
Length of mains (km):		
Feilding	142.5	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
	388.5	388.5

MANAWATU DISTRICT COUNCIL

STATEMENT OF RESOURCES

	30 June 2009	30 June 2010
Water Supply Schemes (No)		
Urban	5	5
Rural	4	4
Employees (Full-time equivalent (FTE) positions) Note 2		
Chief Executive's Department	4.6	4.6
Support Services	23.2	24.9
Environmental	7.8	7.8
Assets*	40.7	42.4
Community Services	26.9	23.4
<i>*Please note that shared services arrangements have influenced the staff numbers in the Assets Group</i>	103.2	103.1
Vehicles and Plant		
Cars and station wagons	27	31
Utilities	5	5
Construction plant and tractors	0	0
	32	36
Buildings		
Housing - staff and others	7	7
Administration offices	1	1
Camping grounds (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 nine halls that are owned and run by their communities.
2. Employee numbers shown at 30 June 2010 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 2010, excluding elected members, is detailed in note 7 of the financial statements. In addition to employed Council staff, there are numerous volunteers throughout the district who assist with 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 2009/10 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 that liaises with Council and the Marae of the district – were given the opportunity to opt for a Maori ward.

They 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, ie 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 that is of relevance to them.

No further action on this has been taken during the 2009/10 financial year.

GRANTS

2009/2010

During 2009/10, Council approved a number of grants from its General Grants Fund. The following schedule is provided for ratepayers' information. These include the following types of grants:

- **DISTRICT GRANTS** - for Manawatu based non-profit organisations demonstrating community benefit. A large portion of this covers rates.
- **REPRESENTATIVE GRANTS** - for people participating and representing the Manawatu District in national or international events.
- **COMMUNITY PROMOTIONS GRANTS** - for Manawatu based non-profit organisations towards events located in the Manawatu District Council area.

All figures shown below are GST exclusive

Rates Grants

Grants specially for the purpose of paying rates, made to Manawatu based non-profit organisations demonstrating community benefit.

Apostolic Church Trust Board - 65 Stafford Street	2,250.98
Apostolic Church Trust Board - 67 Stafford Street	2,095.85
Apostolic Church Trust Board - 90 Aorangi Street	673.92
Associated Churches of Christ - 116 Derby Street Feilding	3,536.89
Baha'i Faith Centre - 45 East Street, Feilding	673.92
Brethren Thames Street Chapel - Rongotea	216.67
Bunnythorpe Gospel Hall Trust Board	736.06
Central Districts Play Centre Association – Te Kawau Play Centre, Rongotea	216.67
Church Wardens Parish of Feilding/St John Anglican Church 16 Camden Street Feilding	284.39
Feilding & Districts SPCA Inc - 4 Awa Street	1,046.13
Feilding and District Steam Rail Society Inc.	1,841.39
Feilding Caledonian Society, Weld Street	1,095.80
Feilding Congregation of Jehovah's Witness - 99 Beattie Street Feilding	630.90
Feilding Golf Club Inc	2,038.19
Feilding Gospel Trust	3,054.15
Feilding Kindergarten - Montgomery Street	958.31
Feilding Lawn Tennis Club	667.41
Feilding Methodist Church Trustees - 11 Grey Street, Feilding	2,399.35
Feilding Municipal Band, Manchester Street	595.46
Feilding New Life Centre - 68 Denbigh Street Feilding	630.90
Feilding Play Centre - 254A Kimbolton Road	1,242.69
Feilding Rugby Executive	375.17
Feilding Scout and Guide Hall Committee	3,549.80
Feilding Senior Citizens Association	2,499.30
Halcombe Play Centre - Willoughby Street	924.85

GRANTS

2009/2010

Hapaitia Te Kohanga Reo - 23 Owen Street Feilding	958.31
Kimbolton Play Centre - Lind Street	697.82
Lutheran Church 45 West Street Feilding	630.90
Manawatu Historic Vehicle Collection Trust	2,254.35
Manawatu Outdoor leisure Club Inc	424.57
Manchester House Social Service Society	7,974.65
Masonic Hall (Feilding Ltd)	1,519.55
Methodist Church of NZ Ashhurst-Bunnythorpe-Pohangina	736.06
Methodist Church Trustees - 33 Koputara Road, Himatangi	284.39
Oroua Women's Club Inc	1,907.35
Parish of Rangitikei - 12 A'Court Street, Sanson	176.05
Presbyterian Church Property Feilding/Oroua Presbyterian Parish North Street Feilding	630.90
Presbyterian Church St Pauls Aorangi Street Feilding	630.90
Riding for the Disabled, 248 Awahuri Road	873.47
Rongotea RSA - 3 Avon Street, Rongotea	431.06
Rongotea Uniting Parish	216.67
Royal NZ Plunket Society (Feilding) Inc - 15 Makoura Road	538.18
Royal NZ Plunket Society (Feilding) Inc - 32-34 Stafford Street	2,582.49
Royal NZ Plunket Society (Feilding) Inc - Douglas Square, Rongotea	538.18
Ruahine Kindergarten Association - Lethbridge Street	958.31
Sanson Play Centre	439.72
Street John Ambulance Association - Feilding	9,206.35
Steam Traction Society Inc - 76 Maewa Road and Maewa Road	675.95
Stewards Trust of New Zealand Inc. (Warwick Street Gospel Chapel)	2,337.22
Taumata Ote Ra Marae Committee (10 sewerage charges) 50% of services	2,088.68
Te Kawau Bowling Club Inc	446.35
Te Manawa Services Charitable Trust - CLC, 117 Fergusson Street	673.92
Teen Challenge (NZ) Int Trust - 1650 Kimbolton Road	1,494.81
The Church at Feilding -170 North Street Feilding	630.90
Wellington Diocesan Trust Board - Anglican Parishes of the Oroua, Rongotea	216.67
TOTAL	77,409.88

School Pan Grants

Council funds sewerage costs for some district schools and other organisations. Most of these grants are funded through the specific sewerage accounts.

Bunnythorpe School	5,868
Cheltenham School	2,952
Feilding High School	16,065

GRANTS

2009/2010

Feilding Intermediate School	7,497
Feilding Kindergarten School	1,071
Halcombe School	3,896
Kimbolton School	1,314
Longburn Adventist School	13,260
Longburn School	3,400
Lytton Street School	9,639
Makino Kindergarten School	357
Manchester Street School	7,497
North Street School	7,854
Rongotea School	816
Sanson School	1,547
St Josephs School	4,641
TOTAL	87,674

Urupa/Private Cemetery Fund

Council has a fund to assist with the maintenance of urupa and private cemeteries throughout the district. This is currently funded to the level of \$2,500 per year.

Aorangi Urupa Management Committee	500.00
Kiwitea Churchyard Trust	316.00
St Michaels and All Angels	184.00
Te Tikanga Marae Committee	1,000.00
Rongopai Cemetery Committee	500.00
TOTAL	\$2,500.00

Partnership Fund

Funds to provide financial assistance to community organisations that undertake programmes that enhance community well-being and improve community outcomes.

Feilding & District Steam Rail Inc	4,000
Feilding & District Art Society	18,000
Feilding & District Pipe Band	3,500
Feilding Brass Inc	6,000
Feilding Youth Board	7,000
Manawatu Historic Vehicle Collection Trust	10,000
Manawatu Rural Support Service	10,000
Manchester House Social Services	30,000
Palmerston North Surf Life Saving	10,000
Safer Manawatu - Neighbourhood Support	10,000

GRANTS

2009/2010

Social Issues Network Council of	1,200
Te Manawa Services	10,000
TOTAL	119,700

Community Funds

Funds to provide financial assistance to community organisations that undertake projects that enhance community well-being and improve community outcomes.

Little Ark Christian Enviro ECE Centre	250.00
Soul Survivor New Zealand	1,000
Supergrans Manawatu Charitable Trust	129.80
TOTAL	1,379.80

Swimming Pool Grants

Grants to schools where there is a community use component to the school's pool facility.

Awahou School	200
Cheltenham School	200
Glen Oroua School	200
Hiwinui School	200
Oroua Downs	200
Rongotea School	200
Waituna West School	200
TOTAL	1,400

Representative Grants

Representative grants are made to people representing the Manawatu district in national and international events.

Blair Argyle	300
Brogan Hancock	300
Dave Ballard	250
Gordon Johnson	500
Grady Jackson	300
Lynda West	150
Lytton Street School	700
Mark Anthony Long	500
Peter West	150
TOTAL	3,150

GRANTS

2009/2010

Community Promotions Grants

Contribution to Manawatu based non-profit organisations that organise and run events that raise the profile of the Manawatu district.

Community Action Advisory Group	1,000.05
Dressage New Zealand	500.00
Feilding and Districts Historical Society	500.00
Feilding Civic Centre Trust	888.89
Feilding Industrial Agricultural and Pastoral Association	1,000.00
Feilding New Life Church Skate Foundation	132.75
Feilding Rotary Club (Carols by Candlelight)	290.50
Feilding RSA	225.00
Feilding Skateboarders Competition (Liz Perawiti)	663.99
Lions Club of Fitzherbert	900.00
Manawatu Archery Club	300.00
Manawatu Hunt Incorporated	900.00
Manawatu Masters Cycling Club	1,475.25
Manawatu Striders	488.43
New Zealand Freestyle Martial Arts	500.00
New Zealand Kennel Club	4,444.44
Reel Earth	1,000.00
Righteous Famz Krump Krew (Liz Perawiti)	270.22
Special Olympics	1,000.00
TOTAL	16,479.55

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 the 2009/10 years were:

Robert Dickson Trust Fund	6,036.28
Hook Bequest Trust	1,681.07
TOTAL	7,744.35

Creative NZ Grants

Grants provided by Creative NZ, that Council allocates on its behalf, to arts and cultural activities occurring within the Manawatu district.

Ephraim Russell	1,000.00
Feilding & District Arts Group	380.87
Feilding & Districts Art Society Inc	2,500.00
Feilding Bible Chapel	1,000.00

GRANTS

2009/2010

Feilding Brass Inc	2,749.00
Full James Stewart - Pottery workshop	706.50
Haisman Janet Mary	1,250.00
Halcombe Community Development Group	477.00
Manawatu Pottery Society	1,686.00
Manawatu Rural Support Service Inc	994.00
Manchester Street School	4,400.00
McCall Catherine	575.30
Rewa Community Arts Group	380.87
Sanson Community Committee	1,800.00
Sanson School	2,000.00
Returned grants from previous years	-1,153.32
TOTAL	\$20,746.22

GLOSSARY

Activity – a good or service provided by or on behalf of a local authority.

Annual Plan – a document adopted by a local authority which sets out the budget for the year, and the sources of funding for the year.

Annual Report – a document that a local authority prepares each year, which provides the public with information on the performance of the local authority during the year (both in financial and non-financial terms).

Asset – assets are land, buildings and facilities owned by Council.

Asset Management Plan – plans that detail the future development and maintenance of Council's infrastructural assets to a specified level of service.

Baby Boomer – this is a term used to describe a person who was born during the demographic Post-World War II baby boom.

Community – a network of people and organisations linked together by common factors. This might refer to a network of people linked by place (that is, a geographic community), common interest or identify (for example, a hapu, a voluntary organisation or society), an administrative community (such as a district).

Code of Conduct – a document that sets out members' expectations of their roles and conduct when acting as an elected member.

Communitrak Survey – survey which 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 a national survey of 1,006 interviews conducted in January 2007.

Community Outcomes – a set of desired states of affairs that the community identified through a process. These outcomes are meant to inform the development of local authority planning, and co-ordinate the activities and planning of all sectors of the community.

Council Organisation (CO) – any organisation in which one or more local authorities own or control any proportion of the voting rights or has the right to appoint one or more of the directors, trustees, etc.

Council-Controlled Organisation (CCO) – any organisation in which one or more local authorities own or

control 50% or more of the voting rights or have the right to appoint 50% or more of the directors of the organisation. The following organisations are specifically excluded from being CCOs: Local Government New Zealand; Civic Assurance; Infrastructure Auckland; Watercare Services; and port, energy or electricity companies.

Decision – a resolution or agreement to follow a particular course of action, including an agreement not to take any action in respect of a particular matter.

Funding Impact Statement (FIS) – written information that sets out the funding mechanisms that a local authority will use, their level, and the reason for their selection in terms of the principles of financial management. Funding impact statements must be included in a long term council community plan and in an annual plan.

Generally Accepted Accounting Practice (GAAP) – approved financial reporting standards (as defined by section 2(1) of the Financial Reporting Act 1993) in so far as they apply to local authorities or CCOs, or statements that are not approved but which are appropriate to the local authority or CCO and have the authoritative support of the accounting profession in New Zealand.

Group of Activities – two or more related activities.

Long Term Council Community Plan (LTCCP) – a plan, covering at least 10 years, adopted under section 93 of the Local Government Act 2002, that describes the activities the local authority will engage in over the life of the plan, why the local authority plans to engage in those activities and how those activities will be funded.

Local Authority – a territorial authority or regional council as defined by the Local Government Act 2002.

Local Governance Statement – a collection of information prepared under section 40 of the Local Government Act 2002 that includes information about the ways in which a local authority engages with its community and makes decisions, and the ways in which citizens can influence those processes.

Pavement – in the context of roads, pavement refers to the sealed part of the road that vehicles drive on. This is not to be confused with footpaths which some people refer to as pavements.

Service Levels – the defined service parameters or requirements for a particular activity or service areas against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.