

Manawatu District Council  
for the year ended 30 June 2011

# 20 Annual Report

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# Manawatu District Council

## for the year ended 30 June 2011

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Credits

Photography - Peter McDermott





Introduction

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Part One

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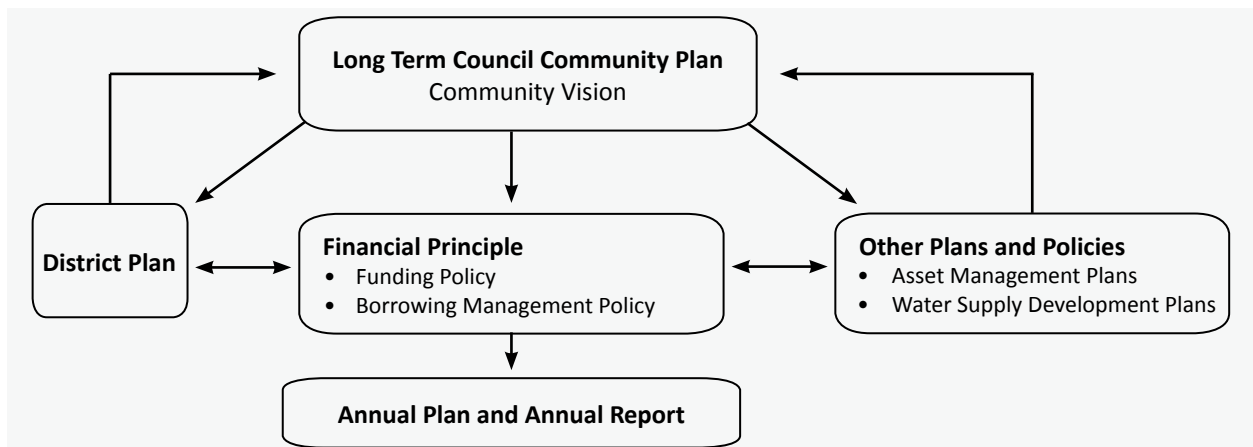
# Role of the Annual Report

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 2010/11 financial year in the 2009-2019 Long Term Council Community Plan (LTCCP).

## The Annual Report:

- reports against the Manawatu District Council's key activities, performance indicators and budgets outlined in the 2009-2019 LTCCP – we are reporting against what we said we would do in the 2010/11 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 2010/11 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

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**Welcome to the 2010/11 Annual Report. Please take time to read what Council has achieved in the last financial year.**

Council has met the majority of its performance targets. Where this is not the case, we have provided full explanations.

As a Council, we always look for ways to improve our performance, and how we measure that performance. As we work on the Long Term Plan (LTP), we will develop levels of service and key performance indicators that make sense and can be measured. This will allow you, district ratepayers and residents, to better assess your Council's performance.

During the year staff worked with Councillors to develop a draft Vision for the district. The draft Vision includes supporting statements for the rural areas, Feilding and the district villages.

We believe the Vision, when finalised, will provide a clear statement of how we want Manawatu district to be in 2040.

In the coming months we will test the Vision with public and stakeholders.

We have continued to work with Palmerston North City Council (PNCC) on issues created by the growth pressures on the PNCC/MDC boundary. Informal consultation earlier this year showed approval for a boundary change, and both councils agreed to move forward with this proposal. The councils set up a Joint Boundary Committee, which will make the decisions from here on, including whether to proceed with the boundary change. For more information visit [www.boundarychange.co.nz](http://www.boundarychange.co.nz).

Other highlights from the year include:

### **Community Committee Project Fund**

Council initiated the Community Committee Project Fund (CCPF). The CCPF provides community committees within Manawatu district \$2,700 each year. This funding allows committees to undertake small-scale, discrete projects within their communities that are not currently included in Council's work plans.

### **Sanson Facility Development**

Council decided to put the Sanson facility development on hold, given the large capital cost and Council's desire to minimise any rates rise. Council will explore options for collaboration with other parties in order to share costs and realise possible benefits of co-location, whether at the site or nearby. Council is exploring short-term revenue opportunities for the former hotel building.

### **Feilding Integrated Family Health Centre**

During Draft Annual Plan hearings, Council decided to assist the Manawatu Community Trust with a loan of \$2.5m towards development of the Feilding Integrated Family Health Centre. Half the loan - \$1.25m - will be interest free while the other half will be subject to market interest rates.

Council expects to make loan funds available to the Trust over the next two financial years - 2011/12 and 2012/13. However, the Trust is still to finalise the building designs and go through the resource consent process. This is likely to take several months so it will not require loan funding from Council until at least December 2011/January 2012.

The Trust is also seeking funding and support from other sources, including Mid Central Health, for the remaining cost of the project. Council will only support this project if other funding sources are available and the business case is favourable.

### **Himatangi Beach Sewerage and Rongotea Water Schemes**

Council decided in April to proceed with the Himatangi Beach Wastewater Scheme. Work will begin in 2011/12. Council also approved the Rongotea Water Scheme, subject to confirmation of Ministry of Health funding.

### **Manawatu River Accord**

In 2010, following community concerns about the state of the Manawatu River, a Manawatu

River Leaders' forum was established to find ways to improve the river. Because of these discussions, the Manawatu River Accord was



# Introduction

## from Mayor and Chief Executive

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drafted. Manawatu District Council has become a signatory to this Accord. As a Council we are determined to ensure all works undertaken are environmentally sustainable and affordable to the community.



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

Ian McKelvie  
Mayor



A handwritten signature in black ink, appearing to read 'Lorraine Vincent'.

Lorraine Vincent  
Chief Executive

# 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 the needs of future generations into account.

- Tourism development: taking advantage of the potential for tourism in this district.

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

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

## 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.

# Community Outcomes

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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 InterAgency 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 saleyards. It has a thriving central business district, with significant national retailers. Smaller communities around the district act as local service centres. With tourism and visitor industries increasingly prominent, for example, B&Bs, cafes and rural homestays

- Manawatu district is centrally located with 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 1,428 km of roads, of which 1,033 km is sealed and 395 km is unsealed
- There are 272 bridges within the district
- State Highways 1 and 3 run through the south western point of the district
- There are nine waste water treatment plants and nine water supply schemes – five urban and four 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 three urban parks, six playground reserves, 31 open spaces, 10 sportsgrounds, five bush reserves and six 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 Kawanui Centre in Rongotea and the Feilding Civic Centre

# District Profile

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## **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%

## **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, have 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% (6,800)

## **However, we are an ageing population**

- The bulk of this growth will occur within the over 65s
- 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

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## Compliance

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

## Responsibility

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

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

In the opinion of the Council and management of Manawatu District Council, the annual Financial Statements for the year ended 30 June 2011 fairly reflect the financial position and operations of Manawatu District Council.

DATE: 25 October 2011



Ian McKelvie  
Mayor



Lorraine Vincent  
Chief Executive



## To the readers of Manawatu District Council and Group's Annual Report for the year ended 30 June 2011

The Auditor-General is the auditor of Manawatu District Council (the District Council) and group. The Auditor-General has appointed me, Phil Kennerley, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements, non-financial performance information and compliance with the other requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council and group on her behalf.

We have audited:

- the financial statements of the District Council and group on pages 21 to 155, that comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the group activities statements of the District Council and group on pages 21 to 91; and 153 to 155
- the District Council's compliance with the other requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report (other schedule 10 information).

### Opinion on the financial statements, non-financial performance information and other schedule 10 information

In our opinion:

- The financial statements of the District Council and group on pages 21 to 155:
  - » comply with generally accepted accounting practice in New Zealand; and
  - » fairly reflect:
    - \* the District Council and group's financial position as at 30 June 2011; and

- \* the financial performance and cash flows for the year ended on that date.

- The group activities statements of the District Council and group on pages 21 to 91; and 153 to 155:

- » comply with generally accepted accounting practice in New Zealand; and
- » fairly reflect the District Council and group's levels of service for the year ended 30 June 2011, including:

- \* the levels of service as measured against the intended levels of service adopted in the long-term council community plan; and

- \* the reasons for any significant variances between the actual service and the expected service.

- The District Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

Our audit was completed on 25th October 2011. This 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 our responsibilities, and explain our independence.

### Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements, non-financial performance information and other schedule 10 information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the

# Audit Report

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financial statements, non-financial performance information and other schedule 10 information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements, non-financial performance information and other schedule 10 information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, non-financial performance information and other schedule 10 information whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the District Council and group's financial statements, non-financial performance information and other schedule 10 information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the financial statements and non-financial performance information;
- determining the appropriateness of the reported non-financial performance information within the Council's framework for reporting performance; and
- the overall presentation of the financial statements, non-financial performance information and other schedule 10 information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, non-financial performance

information and other schedule 10 information. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

## Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and non financial performance information that:
  - » comply with generally accepted accounting practice in New Zealand;
  - » fairly reflect the District Council's financial position, financial performance and cash flows;
  - » fairly reflect its service performance, including achievements compared to its forecast; and
- other information required by schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to enable the preparation of financial statements, non financial performance information and other schedule 10 information that are free from material misstatement, whether due to fraud or error.

The Council's responsibilities arise from the Local Government Act 2002.

## Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements, non financial performance information and compliance with the other schedule 10 information and reporting that opinion to you based on our audit. Our 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.

# Audit Report

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Other than the audit, and the audit of the District Council's 2012-22 Long Term 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

## **Matters relating to the electronic presentation of the audited financial statements, non-financial performance information and the other requirements**

This audit report relates to the financial statements, non-financial performance information and the other requirements of Manawatu District Council for the year ended 30 June 2011 included on Manawatu District Council's website. The Council is responsible for the maintenance and integrity of Manawatu District Council's website. We have not been engaged to report on the integrity of Manawatu District Council's website. We accept no responsibility for any changes that may have occurred to the financial statements, non-financial performance information and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements, non-financial performance information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, non-financial performance information and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, non-financial performance information and the other requirements as well as the related audit report dated 25th of October to confirm the information included in the audited financial statements, non-financial performance information and the other requirements presented on this website.

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







## Groups of Activities

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Part Two

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# Guide

## to Part Two

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This section summarises results from the 2010/11 financial year for Council's Groups of Activities.

### Groups of Activities

In 2010/11, Council provided various services organised into nine Groups of Activities. These are:

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

Each Group Activity summary includes the following information:

#### Overall Goal(s)

Explains the overall aims for each activity.

Description

The nature and scope of the activity.

#### Why is Council involved?

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

#### Links to Community Outcomes

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

The effects Council's activities have had on community wellbeing.

Describes the effects Council's activities have had on community wellbeing during the 2010/11 financial year. According to the Local Government Act 2002, local authorities are expected to

promote the current and future social, economic, environmental and cultural wellbeing of their communities. Local authorities are therefore required to take account of all four aspects of wellbeing when making decisions.

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

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

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

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

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

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

#### What Council has achieved in 2010/11

Summarises key work programmes, capital developments and special projects during the 2010/11 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.

# Guide

## to Part Two

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### **Financial Summary**

Presents the actual costs and sources of funding for the 2010/11 financial year for each activity. For comparison purposes, the first column contains actual data for 2010/11 and the last column contains budget information for 2010/11.

# 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 2010/2011?

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 relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.
A quality Cemetery service that meets visitor needs	90% visitor (user) satisfaction with cemeteries as measured in Communitrak Survey	Target not relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.
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	Council received seven complaints relating to cemeteries during the year. The complaints mainly related to overgrown bushes and weeds, long grass and sunken burial plots. In all cases, Council's contractors attended to the problems in a timely manner.

### Operating and Capital Work Programme for 2010/2011

Not applicable

# 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 2010/2011?

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 not relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.
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	Council received seven complaints about non-availability for the year ended 30 June 2011.
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 35 complaints about the unclean/untidy state of public conveniences. 17 of these relate to Feilding public conveniences in Manchester Square. In addition, Council received 10 calls from members of the public concerning vandalism. 7 of these relate to Feilding. Given that many of the complaints relate to Feilding, Council added \$60,000 to the 2011/12 Annual Plan for upgrading the Feilding public conveniences.

# Community Facilities

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## Operating and Capital Work Programme for 2010/2011

Project	Actual	Budget	Variance Explanation
Ongoing maintenance and cleaning of public conveniences	141,249	145,000	
TOTAL	141,249	145,000	

# Community Facilities

## Funding Summary for the year ended 30 June 2011

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>Operating Costs (by Activity)</b>			
Cemeteries	281	283	321
Public Conveniences	234	260	126
Total Operating Costs (by Activity)	515	543	447
<b>Operating Revenue (by Activity)</b>			
Cemeteries	277	283	278
Public Conveniences	212	216	153
Total Operating Revenue (by Activity)	489	499	431
<b>Net Operating Cost of Service</b>	<b>26</b>	<b>44</b>	<b>17</b>
Operating Costs			
Operating Costs	497	528	431
Interest	-	-	-
Depreciation and amortisation	19	15	17
Total Operating Costs	515	543	447
<b>Operating Revenue</b>			
General Rates	-	-	-
Targeted Rates	392	400	353
Subsidies and Grants	1	1	-
User Fees and Charges	93	98	78
Sundry Revenue	3	-	-
Interest Received	-	-	-
Vested Assets	-	-	-
Development Contributions	-	-	-
Total Operating Revenue	489	499	431
<b>Net Operating Cost of Service</b>	<b>26</b>	<b>44</b>	<b>17</b>
Transfers to/(from) Reserves and Special Funds	(44)	(44)	-
To Fund Capital Expenditure	-	-	-
<b>NET OPERATING COSTS</b>	<b>(17)</b>	<b>-</b>	<b>17</b>
<b>Capital Expenditure</b>			
New Work	-	-	2
Renewal Work	5	-	-
Loan Repayments	-	-	-
Total Capital Expenditure	5	-	2



# Community Facilities

## Funding Summary for the year ended 30 June 2011

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>Capital Funding Sources</b>			
Loans Raised	-	-	-
Transfers (to)/from Reserves and Special Funds	-	-	-
Funded from Operational Revenue	-	-	-
Current years Depreciation Expense	19	15	17
Total Capital Funding Sources	19	15	17
<b>NET CAPITAL COSTS</b>	<b>(14)</b>	<b>(15)</b>	<b>(15)</b>

# Democracy

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## Democracy

*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 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 2010/2011?

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 relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.
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 not relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.

## Operating and Capital Work Programme for 2010/2011

Project	Actual	Budget	Variance Explanation
Community Outcomes Facilitation	2,013	10,633	Due to changes to the Local Government Act community outcomes are no longer compulsory. Council has carried this funding over to 2011/12, to be used for Long Term Plan consultation.
Local Government Election	91,392	107,000	Council received recoveries from MidCentral Health and Horizons Regional Council, totalling \$59,525. Actual total costs were \$91,392. Council's share in the election expense was therefore \$31,867. We are not expecting any further expenditure this year.
<b>TOTAL</b>	<b>93,405</b>	<b>117,633</b>	

# Democracy

## Funding Summary for the year ended 30 June 2011

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>Operating Costs</b>			
Operating Costs	1,263	1,412	1,473
Interest	-	-	-
Depreciation and amortisation	-	-	-
<b>Total Operating Costs</b>	<b>1,263</b>	<b>1,412</b>	<b>1,473</b>
<b>Operating Revenue</b>			
General Rates	-	-	-
Targeted Rates	1,295	1,306	1,211
Subsidies and Grants	-	-	-
User Fees and Charges	-	-	-
Sundry Revenue	60	53	-
Interest Received	-	-	-
Vested Assets	-	-	-
Development Contributions	-	-	-
<b>Total Operating Revenue</b>	<b>1,355</b>	<b>1,359</b>	<b>1,211</b>
<b>Net Operating Cost of Service</b>	<b>(92)</b>	<b>53</b>	<b>262</b>
Transfers to/(from) Reserves and Special Funds	(43)	(53)	-
To Fund Capital Expenditure	-	-	-
<b>NET OPERATING COSTS</b>	<b>(134)</b>	<b>-</b>	<b>17</b>

# District Development

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## Community Funding and Development

*The Community has asked for:*

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

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

*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 2010/2011?

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	\$211,000 committed, for details please refer to page 170.

# District Development

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Provision of community forums	Number of forums held per annum - 2 (Council records)	Target met	Youth forums were held in March and June. The forum in March involved presentations by local school children on various ideas they had for Feilding in relation to the rugby world cup festival.
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 relevant	Survey not undertaken as feedback about the operation of the policy was obtained from stakeholders and taken into consideration as part of a review of the Community Funding and Development Policy content and operation undertaken by Council in August 2010. Changes to the policy and its funding processes were adopted by Council at its 24 August Strategic Planning and Policy meeting.
Advocate to Ministry of Justice for funding that supports community safety projects	\$50,000 obtained per annum (Council records)	Target met	Funding of \$50,000 has been secured from the Ministry of Justice for this financial year. There are no guarantees regarding future funding.

## Operating and Capital Work Programme for 2010/2011

Project	Actual	Budget	Variance Explanation
Community Development Funding	211,000	228,325	All community development funds paid.
Sanson Facility - Capital Development	0	213,761	No capital development has been undertaken. Given the \$2.6m capital cost, and Council's desire to minimise the rates rise, Council has put the project on hold. Council will explore options for collaboration with others in order to share costs and realise possible benefits of co-location, either at the site or nearby. Council intends to explore short-term revenue opportunities for the former hotel building.



# District Development

Project	Actual	Budget	Variance Explanation
Sanson Facility - Ongoing Concept Development	92,380	75,000	Work on project feasibility and business case has progressed, as has work on design options. Some additional expenditure has been incurred as a result of feedback on design and from investigations of commercial opportunities at the site. This additional expenditure is offset by savings made in the Economic Development activity area.

Project	Actual	Budget	Variance Explanation
Sport Manawatu: Annual Grant	68,403	68,403	Grant paid
Events Coordinator	11,757	11,757	Grant paid
Te Manawa Museums Trust	20,000	21,376	Grant paid
New Zealand Rugby Museum	10,000	10,349	Grant paid
Rugby World Cup	15,000	15,523	Grant paid
Manawatu Neighbourhood Support Group	0	20,000	This funding is no longer required due to securing Ministry of Justice funding
TOTAL	428,540	664,494	

# 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 2010/2011?

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 relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.
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 no longer relevant	The contract with Vision Manawatu has changed. This KPI can no longer be measured due to changes to central government funding criteria. New performance measures will be developed once the Regional Development Strategy (RDS) is endorsed by Council and Vision Manawatu's work programme is aligned with the RDS.

# District Development

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
An accessible Economic Development service where Manawatu businesses have access to BIZ programmes (via contract with Vision Manawatu)	20% of businesses involved are located in Manawatu District (Council records)	Target no longer relevant	The contract with Vision Manawatu has changed. This KPI can no longer be measured due to changes to central government funding criteria. New performance measures will be developed once the Regional Development Strategy (RDS) is endorsed by Council and Vision Manawatu's work programme is aligned with the RDS.
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 no longer relevant	The contract with Vision Manawatu has changed and this KPI can no longer be measured. New performance measures will be developed once the Regional Development Strategy (RDS) is endorsed by Council and Vision Manawatu's work programme is aligned with the RDS. However, as at 30 June Feilding Promotion has organised the following events: <ul style="list-style-type: none"> <li>• 'Our Community Cares' service for the recent tragedies</li> <li>• Small Town Big Heart Concert</li> <li>• Welcome Home Cycle medal Winners</li> <li>• Ray Avery – New Zealander of the year function</li> <li>• Father's day - Motorsport promo</li> </ul>
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 no longer relevant	The contract with Destination Manawatu has recently been changed. Destination Manawatu no longer deliver marketing campaigns. Rather they undertake marketing strategies to achieve key outcomes, for example, the Country Road initiative. As with Vision Manawatu, performance measures for Destination Manawatu will be revisited once the Regional Development Strategy (RDS) is endorsed by Council and Destination Manawatu's work programme is aligned with the RDS.

# District Development

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
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, 9-5pm; Saturday 9-1pm (Council records)	Target met	Feilding and Districts Information Centre has been open as advertised during the 2010/11 financial year.

## Operating and Capital Work Programme for 2010/2011

Project	Actual	Budget	Variance Explanation
Broadband Project Whatunga	0	41,395	Council will await developments arising from central government decisions around broadband rollout before taking action.
Contribution towards signs for Feilding	18,151	20,486	Funding has been uplifted.
Vision Manawatu: provision of economic development services via a contractual arrangement	168,437	168,437	Grant paid. Services provided in line with partnership agreement.
Destination Manawatu: provision of tourism services via a contractual arrangement	246,749	246,749	Grant paid. Services provided in line with partnership agreement.
Feilding Promotion: provision of tourism services to the district, promotion and event management and support to the business and retail sector	157,768	157,768	Grant paid. Services provided in line with partnership agreement.
Bio Commerce Centre: provision of operational grant	20,000	21,376	Grant paid.
Manfeild Park Trust: community investment	250,000	267,201	Grant paid.
Purchase of Coach House	650,000	750,000	Coach House purchased for \$650,000.
<b>TOTAL</b>	<b>1,511,105</b>	<b>1,673,412</b>	

# District Development

## Feilding CBD Development

*The Community has asked for:*

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

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

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

*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 2010/2011?

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	Pavers have been kept clean and tidy. The six monthly comprehensive washing undertaken in March 2011.
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	Streets have been kept clear of dirt and litter. Daily inspections are undertaken.
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	Street furniture has been kept safe and functional.

# District Development

## Operating and Capital Work Programme for 2010/2011

Project	Actual	Budget	Variance Explanation
CBD street cleaning	0	20,000	CBD cleaning has been charged to street maintenance and costs will be transferred to this account.
Inspection of street furniture within the CBD	0	32,550	Inspection of street furniture has been charged to street maintenance and costs will be transferred to this account.
TOTAL	0	52,550	

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Kimbolton Road (Manchester Square to Weld Street)	0	641,282	Council has decided to carry this funding over to 2011/12, in light of development work in Kimbolton Road.
Fergusson Street (Manchester Street to South Street): part of CBD redevelopment projects	231,000	231,811	Construction complete.
TOTAL	231,000	873,093	

# District Development

## Funding Summary for the year ended 30 June 2011

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>Operating Costs (by Activity)</b>			
Community Funding and Development	1,113	1,165	1,030
Economic Development	930	1,035	876
Feilding CBD	195	224	493
Total Operating Costs (by Activity)	2,239	2,424	2,400
<b>Operating Revenue (by Activity)</b>			
Community Funding and Development	1,060	1,009	1,089
Economic Development	916	914	941
Feilding CBD	267	267	243
Total Operating Revenue (by Activity)	2,243	2,190	2,273
<b>Net Operating Cost of Service</b>	<b>(4)</b>	<b>234</b>	<b>127</b>
<b>Operating Costs</b>			
Operating Costs	1,930	2,078	2,104
Interest	308	346	281
Depreciation and amortisation	-	-	14
Total Operating Costs	2,239	2,424	2,400
<b>Operating Revenue</b>			
General Rates	1,804	1,799	1,878
Targeted Rates	267	267	243
Subsidies and Grants	41	-	22
User Fees and Charges	-	-	-
Sundry Revenue	63	62	-
Interest Received	68	62	129
Vested Assets	-	-	-
Development Contributions	-	-	-
Total Operating Revenue	2,243	2,190	2,273
<b>NET OPERATING COST OF SERVICE</b>	<b>(4)</b>	<b>234</b>	<b>127</b>
Transfers to/(from) Reserves and Special Funds	(266)	(303)	(13)
To Fund Capital Expenditure	48	109	103
<b>NET OPERATING COSTS</b>	<b>(223)</b>	<b>40</b>	<b>217</b>
<b>Capital Expenditure</b>			
New Work	1,248	1,815	398
Renewal Work	-	-	-

# District Development

## Funding Summary for the year ended 30 June 2011

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
Loan Repayments	95	109	103
Total Capital Expenditure	1,343	1,924	501
<b>Capital Funding Sources</b>			
Loans Raised	851	1,835	201
Transfers (to)/from Reserves and Special Funds	-	-	150
Funded from Operational Revenue	48	109	103
Current years Depreciation Expense	-	-	-14
Total Capital Funding Sources	899	1,944	440
<b>NET CAPITAL COSTS</b>	<b>444</b>	<b>(20)</b>	<b>61</b>



# Emergency Management

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## Civil Defence

*The community has asked for:*

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

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

*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 2010/2011?

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 relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.

# 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	Activity on track and in line with contract expectations. The 22 February Christchurch earthquake dominated much activity during the latter part of the year. The Manawatu-Wanganui CDEM Group was activated as part of the National Declaration of a State of Emergency.
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	MDC Emergency Management Officer (EMO) made 16 presentations during the year. Most of these were to community and voluntary emergency groups. The EMO also arranged 10 static displays in various places such as supermarkets, the Central Districts Field Days and Manchester Square. Two Civil Defence exercises were also organised: Exercise Tangaroa – national tsunami exercise and Operation Awahou – an evacuation exercise.

## Operating and Capital Work Programme for 2010/2011

Project	Actual	Budget	Variance Explanation
Provision of service by Horizons Regional Council	168,304	160,320	Expenditure tracking as expected and in line with contract.
TOTAL	168,304	160,320	

# 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 2010/2011?

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	Service was provided in line with contract.
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 not met	There were 26 unpermitted fires during the unrestricted fire season: 26 December 2010 to 11 February 2011. Many of these were accidental fires.

## Operating and Capital Work Programme for 2010/2011

Project	Actual	Budget	Variance Explanation
Provision of service by Horizons Regional Council	92,055	106,880	Expenditure tracking as expected and in line with contract.
TOTAL	92,055	106,880	

# Emergency Management

## Funding Summary for the year ended 30 June 2011

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>Operating Costs (by Activity)</b>			
Civil Defence	89	205	202
Rural Fire	195	131	212
Total Operating Costs (by Activity)	284	336	414
<b>Operating Revenue (by Activity)</b>			
Civil Defence	196	205	173
Rural Fire	135	131	126
Total Operating Revenue (by Activity)	331	336	298
<b>Net Operating Cost of Service</b>	<b>(47)</b>	<b>-</b>	<b>116</b>
<b>Operating Costs</b>			
Operating Costs	282	334	412
Interest	-	-	-
Depreciation and amortisation	2	2	2
Total Operating Costs	284	336	414
<b>Operating Revenue</b>			
General Rates	131	131	126
Targeted Rates	196	196	165
Subsidies and Grants	-	9	8
User Fees and Charges	-	-	-
Sundry Revenue	3	-	-
Interest Received	-	-	-
Vested Assets	-	-	-
Development Contributions	-	-	-
Total Operating Revenue	331	336	298
<b>NET OPERATING COST OF SERVICE</b>	<b>(47)</b>	<b>-</b>	<b>116</b>
Transfers to/(from) Reserves and Special Funds	-	-	-
To Fund Capital Expenditure	-	-	-
<b>NET OPERATING COSTS</b>	<b>(47)</b>	<b>-</b>	<b>116</b>
<b>Capital Expenditure</b>			
New Work	-	-	-
Renewal Work	-	-	-
Loan Repayments	-	-	-
Total Capital Expenditure	-	-	-

# Emergency Management

## Funding Summary for the year ended 30 June 2011

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>Capital Funding Sources</b>			
Loans Raised	-	-	-
Transfers (to)/from Reserves and Special Funds	-	-	-
Funded from Operational Revenue	-	-	-
Current years Depreciation Expense	2	-	-
Total Capital Funding Sources	2	-	-
<b>NET CAPITAL COSTS</b>	<b>(2)</b>	-	-

# 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 2010/2011?

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 not relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.
A quality Animal Control service	80% user satisfaction with the service (Customer Survey)	Target met	The Customer Survey recorded 99% satisfaction with afterhours service and 89% satisfaction with daytime service. The overall satisfaction rating was 93%.
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	There were 63 dog attacks during 2010/11. All were responded to within 15 minutes. 178 wandering stock complaints during 2010/11. All were responded to within 15 minutes.

# Environmental and Regulatory Management

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
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	Six Schools, 24 classes and one animal lovers group visited during 2010/11. 552 children attended and were awarded certificates and given take home booklets.

## Operating and Capital Work Programme for 2010/2011

Not applicable

# 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**

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

*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 2010/2011?

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	Updated public information brochures were uploaded on the website on 5 July 2011.
	Produce industry education information/ news bulletins on a quarterly basis (Council records)	Target met	Public Information pamphlets have been published and made available at the Council office and on the website on a quarterly basis.
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% issued within timeframes over the year. 4% did not meet target due to one member of the team acting as head of building services at PNCC due to resignation.
	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	98% of code of compliance certificates have been issued within the statutory timeframe for the year. The target was not met due to officer errors. The team leader has addressed these issues.



# Environmental and Regulatory Management

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
	100% of PIMs are issued within statutory time frame of 20 working days from receipt of application (Council records)	Target not relevant	No PIMs have been requested or issued during 2010/11 as they were made voluntary under a change in the legislation in December 2010. The information required for PIMs is now covered under the building consent process.
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 met	100% of inspections carried out within 3 working days.
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)	Target met	Two dangerous building notices were issued during the year. One has been resolved and lifted. The other building has been secured by Council.
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 not relevant for 2010/11. Next accreditation audit due Oct 2011.	All actions on the BCA Quality Management system monitoring programme have been achieved.

## Operating and Capital Work Programme for 2010/2011

Project	Actual	Budget	Variance Explanation
Provision of service by Palmerston North City Council	748,190	775,500	Services provided in line with contract.
Building Consent Authority Audit	1,668	20,000	Next audit due 2011/12 financial year.
Earthquake Prone Building Project	20,250	36,000	Council carried the remainder of this funding over to 2011/12. We expect to complete the project by August/September 2011.
<b>TOTAL</b>	<b>770,108</b>	<b>831,500</b>	

# 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 2010/2011?

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 not relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.
An effective Environmental Health Service where regulations are effective in protecting the community	Inspect all low risk premises annually (Council records)	Target not met.	97.5% (121 of 124) low risk premises inspected during the 1 July 2010 to 30 June 2011 period.
	High risk premises are inspected at least twice yearly (Council records)	Target met.	100% (39 of 39) inspected twice a year. One premise closed before second inspection, 6 premises changed over to Food Control Plans and were audited under that regime.
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 not measurable for 2010/11	The implementation of the new computer system will allow reporting on responses.

# Environmental and Regulatory Management

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
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 met	93% (157 of 168) of applications were issued with in the 20 working day timeframe during 2010/11.
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 met.	100% satisfaction with removal of abandoned vehicles and environmental health. 89% satisfaction with fly tipping. 88% satisfaction with noise control.
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 not met	93% (738 of 793) noise complaints responded to within one hour. Issues with communication between call centre and contractor resulted in late or non-attendance. These issues have since been resolved.

## Operating and Capital Work Programme for 2010/2011

Project	Actual	Budget	Variance Explanation
Domestic food review accreditation	573	37,000	This funding is not currently required as the Food Bill has not yet been passed.
TOTAL	573	37,000	

# Environmental and Regulatory Management

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## District Planning

*The community has asked for:*

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

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

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

*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 2010/2011?

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% for non-notified and 90% for notified (Council records)	Target met	196 resource consents were processed during 2010/11. Under the Resource Management the /time frames are as follows: Non-notified - 20 workings days, limited notified and notified consents- with a hearing 70 working days and without a hearing 50 working days. 182 non-notified consents were processed within the statutory timeframes. Three consents were processed outside the timeframes. Nine limited notified consents were processed within the statutory timeframes. Two notified consents were processed within the statutory timeframes. One was processed outside the timeframe. Due to the complexity of some of the subdivision consents time delays were experienced.

# Environmental and Regulatory Management

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
			However, all consents were processed within the Resource Management Act 1991 prescribed timeframes.
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	Council received eighteen complaints during 2010/11. Four complaints concerned non-compliance with resource consent conditions and fourteen complaints concerned non-compliance with District Plan rules. All complaints were addressed within three months of being received.
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	All planning staff have attended at least one professional development course, for example, the New Zealand Planning Institute Conference.
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)	Ongoing	Next State of Environment Report due around 2013.
	Review environmental policy, regulations and District Plan to ensure protection of natural environment - action is taken when required (Council records)	Target met	District Plan review underway. Feedback on Discussion Document has been received (feedback closed on 17 September 2010). Feedback is being collated and will be reported to Council.
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 not met	The web page is kept up to date. The website is updated on an as needed basis. There are not always enough changes to update on a quarterly basis.

# Environmental and Regulatory Management

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
	That brochures and forms produced by the planning section are updated when necessary: updated on a quarterly basis (Council records)	Target met	The content of planning brochures and forms has been revised and updated on a quarterly basis.
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 not relevant	No plan changes or notified consents submitted for the period ending 30 June 2011.

## Operating and Capital Work Programme for 2010/2011

Project	Actual	Budget	Variance Explanation
Future land use: proposed rezoning that will include industrial, residential areas and Manfeild Park	98,759	100,000	Expenditure to date has been on Manfeild Park rezoning.
District Plan Review	82,000	106,000	Expenditure has been towards drawing up options, developing a discussion document and initial consultation. Council has carried remaining funding over to 2011/12.
<b>TOTAL</b>	<b>180,759</b>	<b>206,000</b>	

# Environmental and Regulatory Management

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## 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 2010/2011?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
An effective Liquor License service where regulations protect the community	All premises are inspected at least on an annual basis (Council records)	Target not met	During the year 31 of the district's 54 liquor premises where inspected (57%). The target was not met due to resourcing issues. Systems are now in place for health visits to include liquor inspections.
A responsive Liquor License 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	102 Licence applications and 77 Managers applications were issued during 2010/11. All applications were issued within the required timeframes.

## Operating and Capital Work Programme for 2010/2011

Not applicable

# Environmental and Regulatory Management

## Funding Summary for the year ended 30 June 2011

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>Operating Costs (by Activity)</b>			
Animal Control	374	391	456
Building Control	1,474	1,549	1,322
Environmental Health	523	737	470
Liquor Licensing	77	87	73
District Planning	720	849	756
Total Operating Costs (by Activity)	3,168	3,613	3,077
<b>Operating Revenue (by Activity)</b>			
Animal Control	402	391	434
Building Control	1,641	1,513	1,406
Environmental Health	692	700	592
Liquor Licensing	84	87	71
District Planning	671	733	649
Total Operating Revenue (by Activity)	3,490	3,424	3,153
<b>Net Operating Cost of Service</b>	<b>(322)</b>	<b>189</b>	<b>(75)</b>
<b>Operating Costs</b>			
Operating Costs	3,163	3,608	3,072
Interest	-	-	-
Depreciation and amortisation	5	5	5
Total Operating Costs	3,168	3,613	3,077
<b>Operating Revenue</b>			
General Rates	433	431	458
Targeted Rates	1,530	1,544	1,476
Subsidies and Grants	-	-	-
User Fees and Charges	1,514	1,414	1,197
Sundry Revenue	12	1	8
Interest Received	-	-	-
Vested Assets	-	-	-
Development Contributions	1	34	14
Total Operating Revenue	3,490	3,425	3,153
<b>NET OPERATING COST OF SERVICE</b>	<b>(322)</b>	<b>188</b>	<b>(75)</b>
Transfers to/(from) Reserves and Special Funds	(29)	(16)	(18)
To Fund Capital Expenditure	-	-	-
<b>NET OPERATING COSTS</b>	<b>(351)</b>	<b>172</b>	<b>(93)</b>



# Environmental and Regulatory Management

## Funding Summary for the year ended 30 June 2011

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>Capital Expenditure</b>			
New Work	-	-	10
Renewal Work	-	-	-
Loan Repayments	-	-	-
Total Capital Expenditure	-	-	10
<b>Capital Funding Sources</b>			
Loans Raised	-	-	-
Transfers (to)/from Reserves and Special Funds	-	-	-
Funded from Operational Revenue	-	-	-
Current years Depreciation Expense	5	6	5
Total Capital Funding Sources	5	6	5
<b>NET CAPITAL COSTS</b>	<b>(5)</b>	<b>(6)</b>	<b>5</b>

# Leisure Resources

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## 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 2010/2011?

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 not relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.

# 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	Six holiday programmes held. This includes programmes held in July and September 2010 and April 2011. Winter Warmers reading programme held July/August 2010. Maths is Fun programme run September 2010. Big Bush Read Summer Reading Programme runs December/January for 310 children. 290 children completed the programme.
Provide a children's library services	Children's librarian to visit district primary schools to read to junior classes: nine times per year (Council records)	Target met	23 classes visited during the year (16 reading to class and general promotion, seven visits to classes participating in Winter Warmers reading programme).
Library staff offer a customer friendly and effective service	90% user satisfaction with library staff (Biennial Library Survey)	Target met	Survey completed. 98% satisfaction rate. Many respondents added comments on staff performance e.g. "always make you feel welcome", "always professional", "superb".

## Operating and Capital Work Programme for 2010/2011

Project	Actual	Budget	Variance Explanation
Processing and cataloguing archive photographs	4,153	6,000	Salvation Army collection digitised and catalogued 09/10 First album of Mandahl collection digitised, cataloguing proceeding.
TOTAL	4,153	6,000	

Renewal Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Library book purchases	179,820	179,665	Purchases completed.
TOTAL	179,820	179,665	

## Local Halls and Recreation Complexes

*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 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 2010/2011?

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 relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.
	85% user satisfaction as measured in Communitrak survey	Target not relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.
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 met	Annual Halls meeting held in August 2010. The meeting provided Council officers with important information, such as the need for building assessments for forward planning purposes.
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	73% of the annual renewal programme has been completed. Three projects have been carried over to 2011/12 as a result of the Draft Annual Plan process. For details see comments against projects below.

# Leisure Resources

## Operating and Capital Work Programme for 2010/2011

Project	Actual	Budget	Variance Explanation
Bunnythorpe Community Centre: Council contribution towards new community centre	0	240,000	Funds yet to be uplifted. As a result of Draft Annual Plan submissions Council has carried this funding over to 2011/12.
Colyton Hall - floor upgrades	11,000	11,033	Floors sanded and finished.
Kairanga Hall - floor sanding and sealing	0	7,200	Council has carried this funding over to 2011/12. The Hall Committee will use this funding, along with an additional \$23,000, to replace the old heating system and moisture-damaged roof.
Kiwitea Hall - repile hall	0	6,840	Funding for this project was not uplifted during the financial year.
Mt. Biggs Hall - painting and maintenance	1,056	1,175	Work complete.
Newbury Hall - re-roof lean-to	2,000	5,344	As a result of Draft Annual Plan submissions Council has carried this funding over to 2011/12.
Ohakea - paint windows	0	2,405	Work complete. Waiting on invoice.
Oroua Downs Hall - sprouting and exterior painting	0	14,500	Yet to be completed. Hall Committee was to apply via the Draft Annual Plan process to carry funding over but Council did not receive a submission.
Rangiwahia Hall - kitchen vinyl	2,015	2,138	Work complete.
Rangiotu Hall - paint exterior	1,609	9,616	Work complete - invoices yet to be received.
Te Arakua/Taonui Hall - interior paint and supper room paint	4,360	4,810	Painting completed of interior of main hall. Funding for painting of supper room received from Eastern and Central.
<b>TOTAL</b>	<b>9,025</b>	<b>305,061</b>	

## Makino Aquatic Centre

*The community has asked for:*

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

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

*In response to this Council aims to:*

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

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

### What has Council achieved in 2010/2011?

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	Customer satisfaction continues to track at 90% and meets our customer service rating.
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	The MAC has not received any written complaints for the period ending 30 June 2011.
Safe swimming facilities are provided	85% customer satisfaction with the safety supervision provided by lifeguards (MAC customer satisfaction survey)	Target met	Customer satisfaction continues to track at 90% and meets our customer service rating.
	Meet New Zealand water quality standard NZ5826/2000 (MAC records)	Target not relevant	Daily testing (every 3 hours) and specialist testing continues to show that we are meeting our new NZ5826/2010 standard. This has replaced the previous NZ5826/2000 standard.

# Leisure Resources

## Operating and Capital Work Programme for 2010/2011

Project	Actual	Budget	Variance Explanation
Stage 1 Planning for MAC Developments	11,450	66,000	The expenditure is for the consultant's report. Project focus group was setup in December. Council has carried this funding over to 2011/12.
New outdoor pool covers	5,000	10,688	Pool cover has been replaced.
TOTAL	16,450	76,688	

# Leisure Resources

## Parks, Reserves and Sports Grounds

*The community has asked for:*

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

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

*In response to this Council aims to:*

**Provide parks, reserves and sports grounds for active and passive leisure pursuits with the aim of enhancing community wellbeing and overall pleasantness of the district by:**

- Managing Parks and Reserves with future generations in view
- Managing leisure opportunities in fragile areas (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 2010/2011?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Good quality parks, reserves and sportsgrounds are provided which are managed with future generations in view	Development and implementation of strategic management plans for parks, reserves and sportsgrounds, on time and within budget (Council records)	Target met	Management plans are up to date. We are currently implementing recommendations from the recent Reserve Management Plan review on time and within budget. Council is working with community groups on the recommendations.
	95% user/visitor satisfaction with parks and reserves as measured in Communitrak survey	Target not relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.
	90% overall satisfaction with parks and reserves as measured in Communitrak Survey	Target not relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.
	95% user/visitor satisfaction with sportsgrounds and playgrounds as measured in Communitrak Survey	Target not relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.



# Leisure Resources

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
	82% overall satisfaction with sportsgrounds and playgrounds as measured in Communitrak Survey	Target not relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.
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	Signs and information on the different parks being developed. Work started on information signs for Kowhai Park. Work was completed on time and within budget.

## Operating and Capital Work Programme for 2010/2011

Project	Actual	Budget	Variance Explanation
Council's commitment to maintenance and development of Totara Reserve Regional Park	43,550	70,000	Council's expenditure at Totara Reserve Regional Park tends to fluctuate. The budget is for expenditure of up to \$70,000. During the year, contractors undertook maintenance of the camping and picnic grounds. This includes all mowing, spraying, gardening, playground inspections and maintenance, toilet / shower cleaning and maintenance, plumbing and building maintenance, roadway maintenance and rubbish collection.
TOTAL	43,550	70,000	

Renewal Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Replacement of play equipment	130,265	158,806	Play equipment has been replaced at Himatangi, Halcombe, Kimbolton, Rongotea and Kowhai Park in Feilding.
TOTAL	130,265	158,806	

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Himatangi Beach skateboard park	0	15,000	As a result of Draft Annual Plan submissions Council has carried this funding over to 2011/12.
TOTAL	0	15,000	

# Leisure Resources

## Funding Summary for the year ended 30 June 2011

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>Operating Costs (by Activity)</b>			
Libraries and Archives	1,207	1,253	1,156
Local Halls and Recreation Complexes	438	721	454
Makino Aquatic Centre	1,297	1,372	1,268
Parks, Reserves and Sportsgrounds	2,044	3,245	2,267
Total Operating Costs (by Activity)	4,986	6,591	5,144
<b>Operating Revenue (by Activity)</b>			
Libraries and Archives	1,258	1,253	1,135
Local Halls and Recreation Complexes	4	147	178
Makino Aquatic Centre	1,341	1,666	1,361
Parks, Reserves and Sportsgrounds	1,940	2,022	1,974
Total Operating Revenue (by Activity)	4,543	5,088	4,648
<b>Net Operating Cost of Service</b>	<b>443</b>	<b>1,502</b>	<b>497</b>
<b>Operating Costs</b>			
Operating Costs	3,929	5,543	4,123
Interest	-	58	1
Depreciation and amortisation	1,057	990	1,020
Total Operating Costs	4,986	6,591	5,144
<b>Operating Revenue</b>			
General Rates	-	-	-
Targeted Rates	4,003	4,007	3,910
Subsidies and Grants	-	-	77
User Fees and Charges	541	481	477
Sundry Revenue	(132)	394	50
Interest Received	-	-	-
Vested Assets	-	-	-
Development Contributions	130	206	134
Total Operating Revenue	4,543	5,088	4,648
<b>NET OPERATING COST OF SERVICE</b>	<b>443</b>	<b>1,503</b>	<b>497</b>
Transfers to/(from) Reserves and Special Funds	130	(34)	-
To Fund Capital Expenditure	-	666	-
<b>NET OPERATING COSTS</b>	<b>574</b>	<b>2,135</b>	<b>497</b>

# Leisure Resources

## Funding Summary for the year ended 30 June 2011

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>Capital Expenditure</b>			
New Work	287	361	127
Renewal Work	489	832	791
Loan Repayments	-	-	-
Total Capital Expenditure	776	1,193	918
<b>Capital Funding Sources</b>			
Loans Raised	-	-	-
Transfers (to)/from Reserves and Special Funds	281	344	(171)
Funded from Operational Revenue	-	666	-
Current years Depreciation Expense	548	504	695
Total Capital Funding Sources	829	1,514	525
<b>NET CAPITAL COSTS</b>	<b>(53)</b>	<b>(321)</b>	<b>393</b>

# Roading

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*The community has asked for:*

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

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

*In response to this Council aims to:*

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

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

*\* Definitions*

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

The 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)

**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

# Roading

- separation of pedestrians from main flow of traffic (i.e. footpaths)

## What has Council achieved in 2010/2011?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Roading 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 relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12. In 2009/10 of those who expressed an opinion 71% were satisfied and 29% were not satisfied. 10% did not express an opinion.
A responsive Roading Network where enquiries are responded to in a timely manner	Acknowledgment of written requests within three working days of receipt (Council records)	Target not met	Ongoing commitment to ensure written requests acknowledged within three working days. Please note: currently we have no systems to measure this*. This KPI is to be removed in new LTP.
	Substantive response to written requests within fifteen days of receipt (Council records)	Target not met	Ongoing commitment to ensure substantive response to written requests within 15 working days. Please note: currently we have no systems to measure this*. This KPI is to be removed in new LTP.
	Confirmation of when work has been completed within two hours, by telephone (Council records)	Target not met	We communicate with customers when required. Please note: currently we have no systems to measure this. This KPI is to be removed in new LTP. *While this is the case Council has systems in place to ensure that roading related enquiries are dealt with in a timely manner. Enquiries are logged with Council's Customer Service System in the first instance. From there each enquiry/complaint is sent to the appropriate Council staff member or relevant contractor. The report then outlines what steps were taken to rectify the issue. The date the request is resolved is noted.

# Roading

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Roding 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 unsealed road straight at 60km per hour without loss of control (Council records - monthly road inspection audits)	Target met	Unsealed roads currently in good condition in preparation for winter. Regular auditing of unsealed roads undertaken. The audits are undertaken every month in terms of contractor performance monitoring. Faults are recorded and financial penalties applied where required. The driving comfort is a general test for unsealed roads. Summer programme of restorative work has reduced customer dissatisfaction and number of complaints received.
	Level of comfort while driving on a sealed road: sealed roads to achieve a smooth travel index (sti) measure of 95	Target met	Current smooth travel index result of 98, indicating that the pavement condition is very good.
A quality Roding 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 not relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.
A safe Roding 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	Regular nighttime monitoring undertaken. Faults responded to immediately. All new light installations are designed to comply with New Zealand Industry Standards.

## Operating and Capital Work Programme for 2010/2011

Project	Actual	Budget	Variance Explanation
Sealed pavement maintenance	1,049,758	1,286,913	Routine maintenance activities completed. Customer enquiries and programmed works actioned and completed.
Unsealed pavement maintenance	318,775	476,000	Surface, shape grading and re-metalling programme in place.
Routine Drainage and Structures Maintenance	587,074	600,864	Programme of bridgework maintenance and repairs completed.
Environmental maintenance	545,743	494,844	Activity ongoing. Higher frequency of vegetation control over summer period explains slight over spend.

# Roading

Project	Actual	Budget	Variance Explanation
Traffic services and level crossing maintenance	507,662	464,650	Programmed activities completed and in line with contract expectations
Network and Asset Management	690,402	992,778	Network and asset management completed by in-house and external professional services.
Traffic Services and level crossing maintenance	0	50,000	Contained within Traffic Services and level crossing maintenance above
Minor Improvements (Safety)	0	350,000	No works in this category were identified this year
<b>TOTAL</b>	<b>3,699,414</b>	<b>4,716,049</b>	

Renewal Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Sealed road resurfacing	2,519,870	2,427,994	Programmed activities completed and in line with contract expectations.
Drainage and Structure Renewals	554,774	463,760	Programme completed based on identified renewals.
Pavement rehabilitation	2,413,305	3,656,197	Programmed rehabilitation sites completed. Work has been completed in the following areas: Main Drain Road, Kaimatarau Road, Taikorea Road, Himatangi Beach Road, Makino Road, Aorangi Street and South Street East. Less road sections than anticipated were identified for rebuilding during the year.
Traffic Services and Associated improvements	161,505	221,000	Programmed activities completed.
Preventative Maintenance	109,543	180,000	Programme activities completed. Fern Walk river protection site commencing early 2011/12.
District Footpath Renewals	189,309	191,587	Halcombe township and Denbigh Street Stage 1 footpaths have been completed.
<b>TOTAL</b>	<b>5,948,306</b>	<b>7,140,538</b>	

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Minor Improvements	509,122	700,000	Programmed activities completed.
Road Reconstruction (non-subsidised) - Denbigh Street Stage 1	172,788	230,000	Denbigh Street Stage 1 completed.
Cycle facilities	0	244,106	No works undertaken in 2010/11.

# Roading

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Road Reconstruction - Strategic Roding Network	0	6,463,619	No physical works proposed. Project feasibility reports on the Bunnythorpe bypass options commencing. In the meantime, Council is looking to consider this project as part of the LTP process.
New Footpaths	71,450	65,000	Hedges Street, Sanson, completed.
Kopane Bridge	500,000	524,580	Horizons Regional Council commenced construction in December 2010. Construction of the bridge is nearing completion.
Ngaire Street, Longburn - roading upgrade	1,789	280,000	Project awarded and construction work commencing July 2011.
Seal extension of a 1km portion of Main South Road	191,000	250,000	Tender awarded. Works to be completed July 2011.
Road studies	0	50,000	Traffic assessments were to be undertaken in conjunction with Palmerston North City Council and the 2011 Census. The Census has been cancelled due to Canterbury earthquake and data collection deferred as a result.
<b>TOTAL</b>	<b>1,446,149</b>	<b>8,457,305</b>	



# Roading

## Funding Summary for the year ended 30 June 2011

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>Operating Costs</b>			
Operating Costs	7,118	4,675	4,407
Interest	86	302	107
Depreciation and amortisation	6,562	6,078	6,367
<b>Total Operating Costs</b>	<b>13,766</b>	<b>11,055</b>	<b>10,881</b>
<b>Operating Revenue</b>			
General Rates	-	-	-
Targeted Rates	5,849	5,840	6,516
Subsidies and Grants	8,078	10,946	4,896
User Fees and Charges	7	-	4
Sundry Revenue	86	65	-
Interest Received	-	-	-
Vested Assets	-	-	531
Development Contributions	292	425	249
<b>Total Operating Revenue</b>	<b>14,312</b>	<b>17,276</b>	<b>12,196</b>
<b>Net Operating Cost of Service</b>	<b>(546)</b>	<b>(6,221)</b>	<b>(1,315)</b>
Transfers to/(from) Reserves and Special Funds	292	(80)	-
To Fund Capital Expenditure	3,916	8,420	3,859
<b>NET OPERATING COSTS</b>	<b>3,662</b>	<b>2,119</b>	<b>2,544</b>
<b>Capital Expenditure</b>			
New Work	449	8,361	126
Renewal Work	7,852	10,078	5,433
Loan Repayments	77	65	105
<b>Total Capital Expenditure</b>	<b>8,378</b>	<b>18,504</b>	<b>5,664</b>
<b>Capital Funding Sources</b>			
Loans Raised	-	4,648	-
Transfers (to)/from Reserves and Special Funds	2,908	688	-
Funded from Operational Revenue	3,916	8,420	3,859
Current years Depreciation Expense	3,105	2,876	3,046
<b>Total Capital Funding Sources</b>	<b>9,929</b>	<b>16,632</b>	<b>6,905</b>
<b>NET CAPITAL COSTS</b>	<b>(1,551)</b>	<b>1,872</b>	<b>(1,242)</b>

# Waste

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## Solid Waste

*The community has asked for:*

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

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

*In response to this Council aims to provide:*

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

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

**These objectives will be met by:**

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

**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.

## What has Council achieved in 2010/2011?

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	There were 31 complaints relating to rubbish collection. The complaints related to missed/late bags, people using unofficial bags and leaving bags on a route where there is no collection. The collection contractor is working to improve performance in this area.

# Waste

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
	80% user satisfaction with rubbish collection as measured in Communitrak Survey	Target not relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.
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 relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.
	There is an increased tonnage of recyclables collected each year: 1,800 tonnes for 2010/11 (Council records)	Target met	Council recycled 2,166 tonnes of material: 98% of target recyclables. This is an increase from 23% recycled material in 2009/10 to 32% recycling in 2010/11. Council has prepared a Waste Education Strategy that outlines ways by which it will educate the public on waste management and recycling.
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 relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.
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	Council is on track to meet this target by adopting a Waste Management and Minimisation Plan (WMMP). The WMMP makes provision for waste minimisation activities, details of which will be put on Council's website. Council waste services are advertised on the Council website and in the weekly Bulletin.

## Operating and Capital Work Programme for 2010/2011

Project	Actual	Budget	Variance Explanation
Refuse collection contract	460,000	444,000	Council has spent approximately \$460,000 on refuse collection and disposal contract.
Feilding Kerbside recycling	255,000	270,000	Council has spent approximately \$255,000 in providing this service. This is likely under budget due to residents taking their recycling material to the Recycling Centre instead of leaving it on kerbside for collection.

# Waste

Project	Actual	Budget	Variance Explanation
Transfer Station operation, including rural transfer stations and recycling centres	482,000	356,000	Council has spent approximately \$482,000 in providing this service.
Waste Minimisation Programme	0	20,688	As part of the Draft Annual Plan process Council has carried this funding over to 2011/12.
<b>TOTAL</b>	<b>1,197,000</b>	<b>1,090,688</b>	

## Waste Water

*The community has asked for:*

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

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

*In response to this Council aims to provide:*

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

- Collection, treatment and disposal of sewage (including trade wastes) through wastewater schemes within the district
- Meeting requirements of the Resource Management Act 1991 and Regional Plans for discharge of treated effluent to waterways and land
- Ensuring wastewater operations meet good practice and are effective in protecting the health and well-being of people and the environment
- Consulting with Maori/local Iwi on matters which concern them
- Upgrading the Feilding, Kimbolton and Longburn Wastewater Treatment Plant to meet requirements of the Manawatu Catchment Water Quality Regional Plan by 2009
- Encouraging trade waste industries to have waste minimisation and management programme
- Ensuring that customer service is responsive and the service remains reliable

## What has Council achieved in 2010/2011?

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	Properties are being connected to the sewerage network within 10 days of Council receiving payment. There were 29 new sewerage connections during the year.
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 not met	66% high priority faults were responded to within one hour. Please note: data for June is not available.
	Written complaints are responded to within 10 working days (Council records)	Target met	Council did not receive any written complaints about sewerage services in 2010/11.

# Waste

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
	Reporting system is available 24 hours a day, seven days a week for 99% of the time (Council records)	Target met	Council has a 24 hour telephone system for the public to report faults.
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 met	Council did not receive any complaints about wastewater odour in 2010/11.
	Wastewater treatment and release complies with resource consent conditions. No prosecutions are taken against wastewater treatment facilities for non-compliance (Council records)	Target not met	Generally, wastewater treatment plants are operating within resource consent limits. However, there have been non-compliance issues but these are being addressed with the upgrade of some of the treatment plants. There have been no prosecutions.
A reliable wastewater service is provided	95% user satisfaction with sewage disposal services as measured in Communitrak Survey	Target not relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.
Wastewater is managed without risk to public health	Number of overflows per year - no more than one per year	Target not met	There were two sewer overflows in 2010/11.
	Overflows are cleaned up within three hours of being reported	Target met	Both overflows were cleaned up within three hours of being reported.

## Operating and Capital Work Programme for 2010/2011

Project	Actual	Budget	Variance Explanation
CCTV and grouting at Longburn	2,500	10,000	Part of the grouting work is completed within the allocated budget. Remaining work is scheduled for next year.
Cheltenham: installation of flow meter	41,778	30,000	This project is complete. Extra work was undertaken by way of installing new pipes and work on the pond outlet, leading to additional cost.
Emptying of septic tanks at Kimbolton and Cheltenham	4,000	4,000	Council has surveyed the septic tanks and drawn up a programme to empty them. The 2010/11 batch of septic tanks has been emptied. Work completed within budget.

# Waste

Project	Actual	Budget	Variance Explanation
CCTV of Feilding reticulation	0	67,204	As a result of Draft Annual Plan submissions Council has carried this funding over to 2011/12.
TOTAL	45,778	111,204	

Renewal Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Emptying sludge reticulation ponds	0	205,000	As a result of Draft Annual Plan submissions Council has carried this funding over to 2011/12.
Wastewater asset replacement	0	554,000	Part of this project is the Denbigh Street Upgrade. The contract for this project has been let. There are two other renewal projects currently under design. The unspent budget has been carried over to 2011/12.
Upgrade pump station at Kairanga-Bunnythorpe Road	46,000	50,000	This work was completed.
Rongotea renewal works	47,641	75,000	The design has been completed and construction is underway. We intend completing this project in the first quarter of the 2011/12 financial year.
TOTAL	93,641	884,000	

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Continued upgrade of Feilding Wastewater Treatment Plant	512,502	1,867,341	The project is on hold until Council can confirm outcome of resource consent application. This is expected to happen this year. In the meantime, Council has carried funding for this project over to 2011/12.
Feilding WWTP sludge processing and disposal	0	1,588,150	As a result of Draft Annual Plan submissions Council has carried funding for this project over to 2011/12.
Himatangi Beach Wastewater Scheme	29,421	5,823,218	Council decided to proceed with this project in April 2011. Council carried funding for the project over to 2011/12 during the Draft Annual Plan process.
Feilding asset growth	376,026	1,529,306	Construction is in progress and cost is well within budget. Work to continue once the Feilding Growth Plan has been confirmed.
Wastewater Asset Replacement Feilding	152,685	390,000	Construction is in progress and cost is well within budget. Design of other renewal works is in progress. Remaining funding has been carried over.

# Waste

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Pipe connection from Longburn to Palmerston North Wastewater Treatment Plant	24,459	280,000	Design for this pipework has been completed. The contractor has been engaged for the physical works. Construction is on hold awaiting agreement with Palmerston North City Council (PNCC) and other parties. Council has also undertaken a joint consultative procedure with PNCC regarding takeover of the Longburn Industrial Area Wastewater system and the pipeline connection. Council has carried remaining funding over to 2011/12.
Kimbolton Wastewater Treatment Plant resource consent and upgrade	282,754	298,000	The project is approximately 98% completed and is currently in a trial period.
<b>TOTAL</b>	<b>1,377,847</b>	<b>11,776,015</b>	



# Waste

## Funding Summary for the year ended 30 June 2011

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>Operating Costs (by Activity)</b>			
Solid Waste	1,544	1,598	1,440
Wastewater	3,522	3,714	3,237
Total Operating Costs (by Activity)	5,066	5,312	4,678
<b>Operating Revenue (by Activity)</b>			
Solid Waste	1,800	1,673	1,498
Wastewater	3,873	6,706	3,708
Total Operating Revenue (by Activity)	5,674	8,379	5,206
<b>NET OPERATING COST OF SERVICE</b>	<b>(608)</b>	<b>(3,067)</b>	<b>(528)</b>
<b>Operating Costs</b>			
Operating Costs	3,798	3,817	3,436
Interest	519	716	516
Depreciation and amortisation	749	779	726
Total Operating Costs	5,066	5,312	4,678
<b>Operating Revenue</b>			
General Rates	-	-	-
Targeted Rates	4,232	4,191	3,746
Subsidies and Grants	111	2,997	44
User Fees and Charges	1,267	991	967
Sundry Revenue	9	-	3
Interest Received	-	-	-
Vested Assets	-	-	359
Development Contributions	55	200	88
Total Operating Revenue	5,674	8,378	5,206
<b>Net Operating Cost of Service</b>	<b>(608)</b>	<b>(3,066)</b>	<b>(528)</b>
Transfers to/(from) Reserves and Special Funds	6	141	-
To Fund Capital Expenditure	70	2,969	-
<b>NET OPERATING COSTS</b>	<b>(532)</b>	<b>44</b>	<b>(528)</b>
<b>Capital Expenditure</b>			
New Work	2,078	12,521	525
Renewal Work	274	1,282	1,503
Loan Repayments	105	239	201
Total Capital Expenditure	2,457	14,042	2,229

# Waste

## Funding Summary for the year ended 30 June 2011

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>Capital Funding Sources</b>			
Loans Raised	2,401	8,071	(3,197)
Transfers (to)/from Reserves and Special Funds	398	1,539	-
Funded from Operational Revenue	70	2,969	-
Current years Depreciation Expense	749	779	726
Total Capital Funding Sources	3,618	13,358	(2,471)
<b>NET CAPITAL COSTS</b>	<b>(1,161)</b>	<b>682</b>	<b>4,700</b>

# Water

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## Urban Stormwater/Rural Land Drainage

*The community has asked for:*

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

*In response to this Council aims to:*

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

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

These objectives will be achieved by:

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

**The following effects on community 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 2010/2011?

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 connection applications have been processed within the 10 working day period. There were 18 new stormwater connections during the year.
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 reported flooded in an annual storm event.

# Water

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
	No urban roads are closed by flooding during any annual storm event (Council records)	Target met	No urban roads have been closed due to flooding by an annual storm event.
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	No health nuisances reported from Council stormwater facilities.
	No injury incidents reported which can be attributed to poorly-maintained drains (Council records)	Target met	No injury attributed to poorly-maintained drains has 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	Stormwater systems have remained reliable with no interruptions to service.

## Operating and Capital Work Programme for 2010/2011

Project	Actual	Budget	Variance Explanation
Operation and maintenance of the stormwater network	723,536	909,000	Operation expenditure for the year \$723,536.
Renewal of aged assets	9,245	94,000	Several stormwater renewal works are on hold pending the completion of preliminary works. \$88,565 transferred to the 2011/2012 financial year.
Feilding - improvements to Stormwater Asset Management Plan	8,585	20,000	Expenditure for the year less than the approved \$20,000 budget. Work continues through the 2011/2012 financial year.
Tangimoana - stormwater pump at Aru Street	66,000	60,000	Joint project with Horizons Regional Council. Project expenditure for the year \$66,000. Expenditure exceeded the budget with Council approval.
Ngaire Street, Longburn - stormwater upgrade	0	160,000	The project was late starting. Physical work is now underway. \$160,000 budget carried over to the 2011/2012.
Rongotea Stormwater capital work	51,571	60,000	Expenditure for the year less than the approved \$60,000 budget. Site tidy up required to complete project when ground conditions allow.

# Water

Project	Actual	Budget	Variance Explanation
Feilding Stormwater growth	5,833	2,500,000	Physical work has been delayed this financial year pending outcomes from the Feilding Growth Structure Plan. \$2,530,000 carried over to the 2011/2012.
TOTAL	864,770	3,803,000	

## 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 2010/2011?**

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	Water connection applications have been processed within the 10 working day period. There were 20 new water connections during the year.
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 not relevant for 2010/11	The Communitrak Survey takes place every two years. The next survey is due in 2011/12.
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 not met	Compliance with New Zealand Drinking Water Standards 2000 was achieved for all schemes except Waituna West Rural Water Supply. This scheme has a boiled water notice in place following the 2004 floods. A new groundwater bore water source is under construction.
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	No unexpected disruptions to service occurred without 24 hours prior notice to affected customers. There were 27 scheduled shutdowns during the year.

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
	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 domestic customer has been without water for more than eight hours in one event or 24 hours within a 12 month period. There were 27 scheduled shutdowns during the year.
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 not met	28% urgent responses have been responded to within a one hour time period. Please note: data for June is not available.

## Operating and Capital Work Programme for 2010/2011

Project	Actual	Budget	Variance Explanation
Operation and maintenance activities	3,270,209	3,452,000	Operations and maintenance costs are within the budget.
TOTAL	3,270,209	3,452,000	

Renewal Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Asset Renewal	556,224	673,000	Feilding renewal expenditure for the year was \$556,224. Less renewal work than anticipated was undertaken.
Bunnythorpe Water renewals	1,500	35,000	Renewal work has been delayed Investigation looking at new pump requirements will determine work programme. Unspent funds carried over to 2011/2012 financial year.
TOTAL	557,724	708,000	

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Feilding Water Scheme – metering and backflow protection	7,416	31,500	Expenditure for the year \$7,416.
Himatangi Beach Water Scheme – pump upgrade for increased demand	950	106,887	\$105,000 has been carried over to 2011/2012, and an additional \$45,000 approved to complete work.
Longburn water scheme - water quality projects	0	21,175	No expenditure for the year. Work priorities being reassessed for the 2011/2012 financial year.
Almadale WTP - protective coating for filters	10,248	60,000	Work programmed for September 2011. \$50,000 carried forward to 2011/2012 financial year to complete work.

# Water

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Feilding water supply growth	103,772	300,000	Project expenditure for the year \$103,733. Expenditure is within the \$300,000 annual budget. Further commitment waiting on Growth Study outcomes. Unspent \$190,000 budget carried forward to 2011/2012 financial year.
Himatangi Beach Water Supply - new works	11,425	40,000	Project expenditure for the year \$11,426. \$40,000 carried forward to 2011/2012 financial year. Completion of this project will follow the installation of the new water storage reservoir.
Waituna West RWS intake structure	511,075	400,000	Construction of the new production bore is complete. Council approved an increase to the budget to \$750,000. \$200,000 carried forward to 2011/2012 financial year to complete site tidy up and final contract payments.
Rongotea Water Supply new works	2,804	2,910,750	Council has approved the installation of the Rongotea water supply scheme. \$2,900,000 budget carried forward to 2011/2012 financial year for installation commencement.
<b>TOTAL</b>	<b>647,690</b>	<b>3,870,312</b>	



# Water

## Funding Summary for the year ended 30 June 2011

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>Operating Costs (by Activity)</b>			
Stormwater and Drainage	717	735	663
Water Supply	3,213	3,482	3,121
Total Operating Costs (by Activity)	3,930	4,217	3,785
<b>Operating Revenue (by Activity)</b>			
Stormwater and Drainage	763	927	1,052
Water Supply	3,747	6,013	3,610
Total Operating Revenue (by Activity)	4,510	6,939	4,662
<b>NET OPERATING COST OF SERVICE</b>	<b>(580)</b>	<b>(2,722)</b>	<b>(877)</b>
<b>Operating Costs</b>			
Operating Costs	2,106	2,330	1,965
Interest	361	428	393
Depreciation and amortisation	1,463	1,460	1,428
Total Operating Costs	3,930	4,217	3,785
<b>Operating Revenue</b>			
General Rates	151	150	162
Targeted Rates	3,858	3,803	3,657
Subsidies and Grants	-	2,329	-
User Fees and Charges	400	220	306
Sundry Revenue	-	-	10
Interest Received	-	-	-
Vested Assets	-	-	361
Development Contributions	101	436	166
Total Operating Revenue	4,510	6,938	4,662
<b>Net Operating Cost of Service</b>	<b>(580)</b>	<b>(2,722)</b>	<b>(877)</b>
Transfers to/(from) Reserves and Special Funds	40	397	-
To Fund Capital Expenditure	69	2,329	-
<b>NET OPERATING COSTS</b>	<b>(471)</b>	<b>4</b>	<b>(877)</b>
<b>Capital Expenditure</b>			
New Work	389	6,351	601
Renewal Work	1,279	1,404	793
Loan Repayments	176	198	217
Total Capital Expenditure	1,844	7,953	1,611

# Water

## Funding Summary for the year ended 30 June 2011

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>Capital Funding Sources</b>			
Loans Raised	439	1,333	-439
Transfers (to)/from Reserves and Special Funds	301	2,928	-
Funded from Operational Revenue	69	2,329	-
Current years Depreciation Expense	1,463	1,460	1,428
Total Capital Funding Sources	2,272	8,050	989
<b>NET CAPITAL COSTS</b>	<b>(428)</b>	<b>(97)</b>	<b>622</b>

# Overall Funding Summary

For the year ended 30 June 2011

	Council		
	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>Operating Costs</b>			
Operating Costs	27,062	26,682	24,847
Interest	959	2,052	767
Depreciation and amortisation	10,698	10,023	10,180
Total Operating Costs	38,718	38,757	35,793
<b>Operating Revenue</b>			
General Rates	3,041	2,689	3,052
Targeted Rates	21,537	21,466	21,277
Subsidies and Grants	8,232	16,282	5,047
User Fees and Charges	3,983	3,380	3,197
Sundry Revenue	2,730	2,732	2,198
Interest Received	579	816	669
Vested Assets	-	-	1,251
Development Contributions	579	1,301	650
Total Operating Revenue	40,680	48,666	37,341
<b>Net Operating Cost of Service</b>	<b>(1,962)</b>	<b>(9,909)</b>	<b>(1,548)</b>
Transfers to/(from) Reserves and Special Funds	129	226	(31)
To Fund Capital Expenditure	4,103	2,693	3,962
<b>NET OPERATING COSTS</b>	<b>2,270</b>	<b>(6,990)</b>	<b>2,383</b>
<b>Capital Expenditure</b>			
New Work	5,132	30,351	2,716
Renewal Work	10,132	14,014	9,741
Loan Repayment by Activities	686	714	5,620
Total Capital Expenditure	15,950	45,079	18,077
<b>Capital Funding Sources</b>			
Loans Raised by Activities	3,924	16,731	9,500
Transfers (to)/from Reserves and Special Funds	4,121	5,804	(1,245)
Funded from Operational Revenue	4,103	2,693	3,962
Current years Depreciation Expense	5,887	6,336	6,503
Total Capital Funding Sources	18,035	31,564	18,720
<b>NET CAPITAL COSTS</b>	<b>(2,085)</b>	<b>13,515</b>	<b>(643)</b>





## Financial Information

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Part Three

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# Financial Information

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**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 2011

		Council			Group	
	Note	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
<b>Revenue</b>						
Rates revenue	3	24,578	24,155	24,329	24,255	23,973
Financial income	4	579	816	669	551	630
Other revenue	5	15,613	23,674	12,115	16,853	13,371
Other gains/(losses)	6	(90)	21	228	(90)	228
<b>Total revenue</b>	<b>2</b>	<b>40,680</b>	<b>48,666</b>	<b>37,341</b>	<b>41,569</b>	<b>38,202</b>
<b>Expenditure</b>						
Personnel costs	7	6,805	7,244	6,605	6,891	7,021
Depreciation and amortisation	8	10,697	10,023	10,180	11,129	10,599
Finance costs	9	959	2,052	766	959	766
Other operating expenses	10	20,257	19,438	18,242	20,545	18,184
<b>Total operating expenditure</b>	<b>2</b>	<b>38,718</b>	<b>38,757</b>	<b>35,793</b>	<b>39,524</b>	<b>36,570</b>
Operating surplus/(deficit) before tax		1,962	9,909	1,548	2,045	1,631
Income tax expense	11	-	-	-	-	-
Net surplus/(deficit) before tax		1,962	9,909	1,548	2,045	1,631
<b>Other comprehensive income</b>						
Gains on the revaluation of infrastructure assets		7,962	19,821	7,879	7,962	7,879
Losses on the revaluation of land and buildings		(2,376)			(3,606)	
Total other comprehensive Income		5,586	19,821	7,879	4,356	7,879
<b>Total comprehensive income for the year</b>		<b>7,548</b>	<b>29,730</b>	<b>9,427</b>	<b>6,401</b>	<b>9,510</b>

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

An explanation of the surplus before tax is also provided in Note 33.

The accompanying notes form part of these financial statements.



# Balance Sheet

As at 30 June 2011

		Council			Group	
	Note	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	12	5,760	2,563	8,886	6,292	9,320
Debtors and other receivables	13	5,535	3,303	3,694	5,566	3,744
Other financial assets	14	120	100	3,142	28	3,113
Non-current assets held for sale	15	-	-	-	-	-
<b>Total current assets</b>		<b>11,415</b>	<b>5,966</b>	<b>15,722</b>	<b>11,886</b>	<b>16,177</b>
<b>Non-current assets</b>						
Property, plant and equipment	16	561,193	618,783	551,555	573,984	565,531
Intangible assets	17	1,551	1,503	1,198	1,551	1,198
Forestry assets	18	408	272	535	408	535
Other financial assets	14	4,504	7,785	4,258	4,079	3,709
<b>Total non-current assets</b>		<b>567,656</b>	<b>628,343</b>	<b>557,546</b>	<b>580,022</b>	<b>570,972</b>
<b>Total assets</b>		<b>579,071</b>	<b>634,309</b>	<b>573,269</b>	<b>591,908</b>	<b>587,149</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Creditors and other payables	19	6,376	4,570	5,653	6,531	5,708
Provisions	20	74	44	66	74	66
Employee entitlements	21	654	323	561	662	566
Borrowings	22	5,698	793	3,157	5,698	3,157
<b>Total current liabilities</b>		<b>12,802</b>	<b>5,730</b>	<b>9,437</b>	<b>12,964</b>	<b>9,497</b>
<b>Non-current liabilities</b>						
Provisions	20	724	621	622	724	622
Borrowings	22	6,326	28,347	11,539	6,326	11,538
<b>Total non-current liabilities</b>		<b>7,050</b>	<b>28,968</b>	<b>12,161</b>	<b>7,050</b>	<b>12,160</b>
<b>Total liabilities</b>		<b>19,852</b>	<b>34,698</b>	<b>21,598</b>	<b>20,013</b>	<b>21,657</b>
<b>Equity</b>						
Retained earnings	23	477,169	485,878	474,651	487,684	485,084
Other reserves	23	82,050	113,733	77,020	84,208	80,408
<b>Total equity</b>		<b>559,219</b>	<b>599,611</b>	<b>551,671</b>	<b>571,892</b>	<b>565,492</b>
<b>Total Liabilities and Equity</b>		<b>579,071</b>	<b>634,309</b>	<b>573,269</b>	<b>591,906</b>	<b>587,149</b>

The accompanying notes form part of these financial statements.

# Statement of Changes in Equity

For the year ended 30 June 2011

	Council			Group		
	Note	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
<b>Balance at 1 July</b>		<b>551,670</b>	<b>569,881</b>	<b>542,243</b>	<b>565,491</b>	<b>555,981</b>
Total comprehensive income/ (expense) for the year ended 30 June		7,548	29,730	9,427	6,401	9,510
<b>Balance as at 30 June</b>	<b>23</b>	<b>559,218</b>	<b>599,611</b>	<b>551,670</b>	<b>571,892</b>	<b>565,491</b>

The accompanying notes form part of these financial statements.

# Statement of Cash Flows

For the year ended 30 June 2011

		Council			Group	
	Note	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
<b>Cash flows from operating activities</b>						
Receipts from rates revenue		24,523	24,155	24,094	24,230	23,801
Interest received		546	816	535	511	496
Dividends received		2	-	5	2	5
Receipts from other revenue		13,347	25,569	12,085	14,597	13,235
Payments to suppliers and employees		(26,542)	(27,260)	(23,972)	(26,820)	(24,338)
Interest paid		(972)	(2,052)	(760)	(979)	(710)
Goods and services tax (net)		(138)	(647)	(197)	(162)	(237)
<b>Net cash from operating activities</b>	<b>24</b>	<b>10,766</b>	<b>20,581</b>	<b>11,790</b>	<b>11,379</b>	<b>12,252</b>
<b>Cash flows from investing activities</b>						
Proceeds from sale of property, plant and equipment		240	21	216	240	216
Proceeds from sale of forestry assets		67	-	-	67	-
Purchase of intangibles assets		(353)	-	(760)	(353)	(760)
Purchase of property, plant and equipment		(14,226)	(44,365)	(11,474)	(14,224)	(11,474)
Net acquisition of investments		2,887	40	106	2,374	(128)
<b>Net cash from investing activities</b>		<b>(11,385)</b>	<b>(44,304)</b>	<b>(11,911)</b>	<b>(11,898)</b>	<b>(12,146)</b>
<b>Cash flows from financing activities</b>						
Proceeds from borrowings		660	16,730	9,500	660	9,500
Repayment of borrowings		(3,167)	(714)	(5,545)	(3,167)	(5,545)
<b>Net cash from financing activities</b>		<b>(2,507)</b>	<b>16,016</b>	<b>3,955</b>	<b>(2,507)</b>	<b>3,955</b>
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(3,126)	(7,707)	3,834	(3,069)	4,000
Cash, cash equivalents and bank overdrafts at the beginning of the year		8,886	10,270	5,052	9,320	5,320
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>12</b>	<b>5,760</b>	<b>2,563</b>	<b>8,886</b>	<b>6,292</b>	<b>9,320</b>

The accompanying notes form part of these financial statements.

# Notes to the 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 CCOs are incorporated and domiciled in New Zealand.

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 25 October 2011.

### 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. All available reporting exemptions allowed under the framework for PBEs have been adopted.

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

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

The financial statements are presented in New Zealand dollars and all values are rounded to the

nearest thousand dollars (\$'000). The functional currency of the Council is New Zealand dollars.

### Subsidiaries

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

The Council's investment in its subsidiaries 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 financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant inter-entity balances, transactions, income and expenses are eliminated on consolidation.

### Joint Ventures

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

### Budget Figures

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

### Revenue

Revenue is measured at the fair value of consideration received.

# Notes to the Accounts

- 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 Statement of Comprehensive Income.

## **Income Tax**

Income tax expense is charged in the Statement of Comprehensive Income 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.

# Notes to the Accounts

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 Statement of Comprehensive Income.

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

## Cash and cash equivalents

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

## Trade and Other Receivables

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

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

## Financial Assets

Financial assets are categorised into the following four categories: financial assets at fair value through profit or loss; held-to-maturity investments; loans and receivables; and financial assets at fair value through equity. The classification depends on the purpose for which each investment was acquired. Management

determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

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

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows are used to determine fair value for the remaining financial instruments.

### • *Financial Assets at Fair Value through Profit or Loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading. After initial recognition they are measured at their fair values. Gains or losses due to change in fair value are recognised in the Statement of Comprehensive Income.

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

### • *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 Statement of Comprehensive Income.

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

# Notes to the Accounts

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 "Accounts 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. eg 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 Statement of Comprehensive Income.

- ***Financial Assets at Fair Value Through Equity***

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

This category encompasses:

- Investments that the Council intends to hold long-term, but may be realised before maturity; and
- Shareholdings held for strategic purposes (other than Council's investments in its subsidiary).

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

## **Non-Current Assets Held for Sale**

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

Any impairment losses for write-downs of non-current assets held for sale are recognised in the Statement of Comprehensive Income. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

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

## **Property, Plant and Equipment**

Property, plant and equipment consists of:

- Operational assets: include land, buildings, library books, plant and equipment, and motor vehicles.
- Restricted assets: include parks, reserves and associated assets owned by the Council which provide a benefit or service to the community and cannot be disposed of because of legal or other Council restrictions.
- Infrastructure assets: are the fixed utility systems that provide a continuing service to the community and are generally regarded as non-tradeable. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

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

## **Additions**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that the asset will provide future economic benefits or service potential to the

# Notes to the Accounts

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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 Statement of Comprehensive Income. 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 Accounts

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

<b>Buildings</b>	40 to 80 years	(1%-2.5%)
<b>Plant and equipment</b>	4 to 10 years	(10-20%)
<b>Motor vehicles</b>	3 to 5 years	(20 to 33%)
<b>Library books</b>	10 years	(10%)
<b>Infrastructural assets</b>		
<b>Roading network</b>		
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%)
<b>Water system</b>		
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%)
<b>Sewerage system</b>		
Pipes	60 to 100 years	(1 to 1.66%)
Manholes	60 to 100 years	(1 to 1.66%)
Treatment plant	50 years	(2%)
<b>Drainage network</b>		
Pipes	60 to 100 years	(1 to 1.66%)
Manholes, cesspits	60 to 100 years	(1 to 1.66%)

# Notes to the 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 2011. 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 2010.

All infrastructural asset classes carried at valuation were valued. Council's policy is to revalue these assets every three years.

- Infrastructural Asset Classes: Roads

These assets are revalued annually to fair value on a depreciated replacement cost basis as determined by an independent valuer. The valuation was performed Sara Dennis of GHD Limited as at 1 July 2010.

- Land Under Roads

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

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

- Library Collections

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

## Accounting for Revaluations

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

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

## Intangible Assets

### Software Acquisition and Development

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

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

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

# Notes to the Accounts

## Easements

Easements are not valued.

## Forestry Assets

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

The forestry crop is independently revalued to fair value by Alan Bell 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 statement of comprehensive income.

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

## 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 statement of comprehensive income.

## 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 statement of comprehensive income 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

# Notes to the Accounts

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.

## 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

# Notes to the Accounts

- 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.

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.

## **Standards, Amendments and Interpretation issued but not yet effective and have not been early adopted**

### **NZ IAS 24**

Related Party Disclosure (revised 2010). This change is effective for reporting periods beginning on or after 1 January 2011.

The Council intends to adopt this standard for the year ending 30 June 2012.

### **NZ IFRS 7**

Financial Instruments Disclosures (revised 2009). This change is effective for reporting periods beginning on or after 1 July 2011.

The Council intends to adopt this standard for the year ending 30 June 2012.

### **NZ IFRS 9**

Financial Instruments (revised 2009). This

change is effective for reporting periods beginning on or after 1 January 2013.

The Council intends to adopt this standard for the year ending 30 June 2012.

### **FRS 44**

New Zealand Additional Disclosures (revised 2010). This change is effective for reporting periods beginning on or after 1 July 2011.

The Council intends to adopt this standard for the year ending 30 June 2012.

# Notes to the Accounts

## 2 Summary Cost of Services

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
<b>Revenue</b>			
Community Facilities	490	499	431
Democracy	1,355	1,359	1,211
District Development	2,243	2,190	2,273
Emergency Management	331	336	298
Environmental and Regulatory	3,490	3,424	3,153
Leisure Resources	4,543	5,088	4,648
Roading	14,312	17,276	12,196
Waste	5,674	8,379	5,206
Water	4,510	6,940	4,663
<b>Total activity revenue</b>	<b>36,948</b>	<b>45,491</b>	<b>34,079</b>
Other income	3,732	3,175	3,262
<b>Total operating revenue</b>	<b>40,680</b>	<b>48,666</b>	<b>37,341</b>
<b>Expenditure</b>			
Community Facilities	515	543	447
Democracy	1,263	1,412	1,473
District Development	2,238	2,424	2,398
Emergency Management	284	336	414
Environmental And Regulatory	3,168	3,613	3,077
Leisure Resources	4,986	6,591	5,144
Roading	13,766	11,055	10,881
Waste	5,066	5,312	4,678
Water	3,930	4,217	3,785
<b>Total activity expenditure</b>	<b>35,216</b>	<b>35,503</b>	<b>32,299</b>
Other expenditure	3,502	3,254	3,494
<b>Total operating expenditure</b>	<b>38,718</b>	<b>38,757</b>	<b>35,793</b>

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 Accounts

## 3 Rates Revenue

	Council and Group	
	Actual 2011 \$000	Actual 2010 \$000
General Rates attributable to Activities:		
District development	1,674	1,878
Emergency management	131	126
Environmental and regulatory	564	458
Water	149	162
Other	178	173
<b>Total General Rates</b>	<b>2,696</b>	<b>2,797</b>
<b>Uniform Targeted Rates (UTR) and Targeted Rates attributable to Activities:</b>		
Community facilities	392	353
Democracy	1,295	1,211
District development	267	243
Emergency management	196	165
Environmental and regulatory	1,532	1,477
Leisure resources	4,003	3,910
Roading	5,849	6,516
Waste	4,146	3,746
Water	3,858	3,657
Total Uniform Targeted Rates and Targeted Rates	21,538	21,278
<i>plus</i> Rates Penalties	344	254
<b>Total Revenue from Rates</b>	<b>24,578</b>	<b>24,329</b>

### 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 2011 \$000	Actual 2010 \$000
Total Rates Revenue	24,677	24,470
less Rates Remissions	(99)	(141)
<b>Rates Revenue Net of Remissions</b>	<b>24,578</b>	<b>24,329</b>

In accordance with the Local Government (Rating) Act 2002 certain properties are not 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. These and other non profit organisations are not subject to rates, see schedule of grants made to such entities.

# Notes to the Accounts

## 4 Financial Income

	Council		Group	
	Actual 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
Interest income for financial assets not at fair value through profit and loss	577	664	549	625
Dividend income	2	5	2	5
<b>Total Financial Income</b>	<b>579</b>	<b>669</b>	<b>551</b>	<b>630</b>

## 5 Other Revenue

	Council		Group	
	Actual 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
User fees and charges	4,061	3,197	4,025	3,197
New Zealand Transport Agency subsidies	8,078	4,896	8,078	4,896
Other subsidies	153	150	121	150
Petrol tax	208	218	208	218
Vested assets	-	1,250	-	1,250
Development contributions	579	650	579	650
Other income	2,534	1,754	3,842	3,011
<b>Total Other Revenue</b>	<b>15,613</b>	<b>12,115</b>	<b>16,853</b>	<b>13,372</b>

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

## 6 Other Gains/Losses

	Council		Group	
	Actual 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
Gain/(loss) on changes in fair value of forestry assets (note 18)	30	192	30	192
Gain/(loss) on disposal of property, plant and equipment and Insurance	(120)	36	(120)	36
<b>Total Gains/(losses)</b>	<b>(90)</b>	<b>228</b>	<b>(90)</b>	<b>228</b>



# Notes to the Accounts

## 7 Personnel Costs

	Council		Group	
	Actual 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
Salaries and wages	6,495	6,525	6,605	6,939
Employer contributions to defined contribution plans	215	199	216	199
Increase/(decrease) in employee entitlement liabilities	95	(119)	70	(117)
<b>Total Personnel Costs</b>	<b>6,805</b>	<b>6,605</b>	<b>6,891</b>	<b>7,021</b>

## 8 Depreciation and Amortisation

	Council		Group	
	Actual 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
Depreciation (note 16)	10,361	10,022	10,793	10,441
Amortisation (note 17)	336	158	336	158
<b>Total Depreciation and Amortisation</b>	<b>10,697</b>	<b>10,180</b>	<b>11,129</b>	<b>10,599</b>

## 9 Finance Costs

	Council		Group	
	Actual 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
<b>Interest Expense</b>				
Interest on bank borrowings	937	758	937	758
Provisions: discount unwinding (note 20)	22	8	22	8
<b>Total Finance Costs</b>	<b>959</b>	<b>766</b>	<b>959</b>	<b>766</b>

# Notes to the Accounts

## 10 Other Expenses

	Council		Group	
	Actual 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
Fees to principal auditor				
Audit fees for financial statement audit MDC	100	102	100	107
Audit fees for LTCCP and amendments	-	5	-	5
Audit fees for Feilding Civic Centre Trust	-	-	3	1
Audit fees for Manawatu Community Trust	-	-	6	8
Impairment of Investment	(60)	1,578	(60)	1,578
Impairment of Accounts Receivable	65	77	65	77
Assets written off	-	-	-	-
Minimum lease payments under operating leases	88	75	88	75
Other operating expenses:				
Chemicals	606	554	606	554
Consultants and Consultant Costs	719	680	730	680
Contract Payments	3,555	3,461	3,555	3,461
Energy - Electricity and Gas	800	708	799	716
Grants made to other organisations	1,634	1,578	1,634	1,578
Insurance	259	237	259	283
Maintenance and Materials	1,803	1,616	1,848	1,731
Projects	7,269	4,801	7,269	4,801
Rates Paid	299	327	317	636
Refuse Disposal Costs	159	159	159	159
Other Expenses	2,961	2,284	2,870	1,734
<b>Total Other Expenses <sup>(note 1)</sup></b>	<b>20,257</b>	<b>18,242</b>	<b>20,545</b>	<b>18,184</b>

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

# Notes to the Accounts

## 11 Income Tax

Relationship between Tax Expense and Accounting Surplus/(Deficit)				
	Council		Group	
	Actual 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
Surplus/(deficit) before tax	1,962	1,548	2,045	1,631
Tax at 30%	589	464	614	489
Non-deductible expenditure	-	-	-	-
Non-taxable income	(589)	(464)	(614)	(489)
Prior year adjustment	-	-	-	-
Tax Losses Utilised	-	-	-	-
<b>Tax Expense</b>	-	-	-	-

Components of Tax Expense				
	Council		Group	
	Actual 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
Current tax expense	-	-	-	-
Adjustments to current tax in prior years	-	-	-	-
Deferred tax expense	-	-	-	-
<b>Income Tax Expense</b>	-	-	-	-

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 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
Cash at bank and in hand	1,236	2,084	1,537	2,518
Short term deposits with a term of three months or less	4,524	6,802	4,755	6,802
<b>Total Cash and Cash Equivalents</b>	<b>5,760</b>	<b>8,886</b>	<b>6,292</b>	<b>9,320</b>

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

The total value of cash and cash equivalents that can only be used for a specified purpose as outlined in the relevant trust funds is \$177,000 (2010 \$185,900). Refer to note 23 for detail of trust funds.

# Notes to the Accounts

## 13 Debtors and other receivables

	Council		Group	
	Actual 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
Rates receivables	1,424	1,333	1,424	1,333
New Zealand Transport Agency Subsidy	1,746	538	1,746	538
Other receivables	1,323	805	1,335	845
Related party receivables	-	13	-	13
Accrued Revenue	385	58	398	68
GST Receivable	588	568	594	569
Prepayments	211	456	211	456
Less provision for impairment of receivables	(142)	(77)	(142)	(78)
<b>Total</b>	<b>5,535</b>	<b>3,694</b>	<b>5,566</b>	<b>3,744</b>

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 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
As at 1 July	77	31	78	32
Additional provisions made during the year	65	146	67	148
Receivables written off during period	-	(100)	(1)	(101)
<b>As at 30 June</b>	<b>142</b>	<b>77</b>	<b>144</b>	<b>79</b>

# Notes to the Accounts

As at 30 June 2011, all overdue debtors and other receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

## Council - Rates receivables

2011	Gross \$000	Impairment \$000	Net 2011 \$000	Net 2010 \$000
Not past due - current year - 2011	1,040	0	1,040	959
Past due by 1 year - 2010	300	0	300	213
Past due by 2 years - prior to 2009	84	0	84	161
<b>Total</b>	<b>1,424</b>	<b>0</b>	<b>1,424</b>	<b>1,333</b>

## Council - Other receivables

2011	Gross \$000	Impairment \$000	Net 2011 \$000	Net 2010 \$000
Not past due	613	0	613	321
Past due 31-60 days	308	0	308	60
Past due 60-90 days	193	0	193	234
Past due > 91 days	188	(142)	46	113
<b>Total</b>	<b>1,302</b>	<b>(142)</b>	<b>1,160</b>	<b>728</b>

# Notes to the Accounts

## 14 Other Financial Assets

	Council		Group	
	Actual 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
<b>Current Portion</b>				
Loans and Receivables				
Community loans - Other	5	25	5	25
Community loan - Manawatu Community Trust	115	90	-	-
Community loan - Manfeild Park Trust	-	-	-	-
<i>Held to Maturity</i>				
Other Investments	-	3,027	23	3,088
Local authority stock	-	-	-	-
<b>Total Current Portion</b>	<b>120</b>	<b>3,142</b>	<b>28</b>	<b>3,113</b>
<b>Non-Current Portion</b>				
Loans and Receivables				
Community loans - Other	15	20	15	20
Community loan - Manawatu Community Trust	425	550	-	-
Community loan - Manfeild Park Trust	2,385	2,275	2,385	2,276
<i>Held to Maturity</i>				
Other Investments	600	600	600	600
Local authority stock	750	750	750	750
<i>Available for Sale</i>				
Shares in subsidiary (Heartland Contractors Ltd)	-	-	-	-
Shares in NZ Local Government Insurance Corp Ltd	62	62	62	62
Shares in Manawatu-Wanganui LASS Limited	1	1	1	1
Shares in Fonterra	266	-	266	-
<b>Total Non-Current Portion</b>	<b>4,504</b>	<b>4,259</b>	<b>4,079</b>	<b>3,709</b>
<b>Total Other Financial Assets</b>	<b>4,624</b>	<b>7,400</b>	<b>4,107</b>	<b>6,822</b>

### Community Loans

The fair value of community loans is \$2,944,744 (2010 \$2,960,000). The face value of community loans is \$6,362,703 (2010 \$6,438,139). Some of these community loans are only repayable, should the entity concerned cease to operate for the purpose that the loan was given for. Detail of these loans is provided below.

### Community Loans at nil fair value

On 30th 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

# Notes to the Accounts

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 \$200,000 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, that 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 and District Steam Rail Society Inc, that 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. In 2010 Council 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 \$1,484,744.

## Local Authority Stock

The fair value of local authority stock is \$775,127 (2010 \$803,016). The face value of the local authority stock is \$750,000 (2010 \$750,000). Detail of these loans is provided below.

	Actual 2011		Actual 2010	
	Face Value	Fair Value	Face Value	Fair Value
<b>Total Current</b>	-	-	-	-
Horowhenua District Council bond	750,000	775,127	750,000	803,016
<b>Total Term</b>	<b>750,000</b>	<b>775,127</b>	<b>750,000</b>	<b>803,016</b>
<b>Total</b>	<b>750,000</b>	<b>775,127</b>	<b>750,000</b>	<b>803,016</b>

## Impairment

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

## 15 Non-Current Assets Held for Sale

	Council		Group	
	Actual 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
Non-Current Assets held for sale are:				
Other Buildings	-	-	-	-
Other Land	-	-	-	-
Total Non-Current Asset Held for Sale	-	-	-	-
Current Portion	-	-	-	-
Term Portion	-	-	-	-
Total	-	-	-	-

# Notes to the Accounts

## 16 Property, Plant and Equipment

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

2011	Cost/ Revaluation \$000	Accumulated Depreciation and Impairment Charges \$000	Carrying Amount \$000
<b>Council</b>			
<b>Operational assets</b>			
Land	6,372		6,372
Buildings	6,711		6,711
Library books	2,229	(1,326)	903
Plant , Equipment and Furniture	1,625	(1,197)	428
Motor vehicles	911	(352)	559
Work in progress	22		22
<b>Total operational assets</b>	<b>17,871</b>	<b>(2,875)</b>	<b>14,996</b>
<b>Infrastructural assets</b>			
Land	5,026		5,026
Waste	29,452	(742)	28,710
Water	55,099	(1,456)	53,644
Roading network	357,755	(6,562)	351,193
Land under roads	68,357		68,357
Work in progress	7,789		7,789
<b>Total infrastructural assets</b>	<b>523,478</b>	<b>(8,760)</b>	<b>514,718</b>
<b>Restricted assets</b>			
Land	15,455		15,455
Buildings	15,157		15,157
Plant and equipment	1,384	(715)	669
Work in progress	198		198
<b>Total restricted assets</b>	<b>32,194</b>	<b>(715)</b>	<b>31,479</b>
<b>Total Council</b>	<b>573,543</b>	<b>(12,350)</b>	<b>561,193</b>
<b>Other Group Assets</b>			
Manawatu Community Trust - Land	3,122		3,122
Manawatu Community Trust - Buildings	9,153		9,153
Manawatu Community Trust - Equipment	13	(4)	9
Feilding Civic Centre Trust - Furniture, Equipment and Leasehold Improvements	876	(369)	507
<b>Total</b>	<b>13,164</b>	<b>(373)</b>	<b>12,791</b>
<b>Group Assets - property, plant and equipment</b>	<b>586,707</b>	<b>(12,723)</b>	<b>573,984</b>

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



# Notes to the Accounts

2010	Cost/ Revaluation \$000	Accumulated Depreciation and Impairment Charges \$000	Carrying Amount \$000
<b>Council</b>			
<b>Operational assets</b>			
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
<b>Total operational assets</b>	<b>17,064</b>	<b>(2,748)</b>	<b>14,317</b>
<b>Infrastructural assets</b>			
Land	5,353		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		68,357
Work in progress	4,720		4,720
<b>Total infrastructural assets</b>	<b>512,175</b>	<b>(8,588)</b>	<b>503,588</b>
<b>Restricted assets</b>			
Land	17,823		17,823
Buildings	16,577	(1,484)	15,092
Plant and equipment	1,385	(664)	720
Work in progress	15		15
<b>Total restricted assets</b>	<b>35,800</b>	<b>(2,148)</b>	<b>33,650</b>
<b>Total Council</b>	<b>565,039</b>	<b>(13,484)</b>	<b>551,555</b>
<b>Other Group Assets</b>			
Manawatu Community Trust - Land	3,726		3,726
Manawatu Community Trust - Buildings	10,537	(706)	9,831
Manawatu Community Trust - Equipment	7	(2)	5
Feilding Civic Centre Trust - Furniture, Equipment and Leasehold Improvements	708	(294)	414
<b>Total</b>	<b>14,978</b>	<b>(1,002)</b>	<b>13,976</b>
<b>Group Assets - property, plant and equipment</b>	<b>580,017</b>	<b>(14,486)</b>	<b>565,531</b>

# Notes to the Accounts

2011	Carrying Amount 1 July	Revaluation Movement	Additions	Disposals	Current Year Depreciation	Carrying Amount 30 June
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Council</b>						
<b>Operational assets</b>						
Land	5,332	(310)	1,350			6,372
Buildings	6,930	(520)	500		(199)	6,711
Library books	930		180		(207)	903
Plant, Equipment and Furniture	492		154		(218)	428
Motor vehicles	632		138	(77)	(132)	559
Work in progress			22			22
<b>Total operational assets</b>	<b>14,317</b>	<b>(830)</b>	<b>2,344</b>	<b>(77)</b>	<b>(756)</b>	<b>14,996</b>
<b>Infrastructural assets</b>						
Land	5,353	(327)	-		-	5,026
Waste	29,260	192	-		(742)	28,710
Water	53,980	1,119	-		(1,456)	53,644
Roading network	341,918	6,978	8,859		(6,562)	351,193
Land under roads	68,357	-	-		-	68,357
Work in progress	4,720		3,069			7,789
<b>Total infrastructural assets</b>	<b>503,588</b>	<b>7,962</b>	<b>11,928</b>	<b>-</b>	<b>(8,760)</b>	<b>514,718</b>
<b>Restricted assets</b>						
Land	17,823	(2,368)	-			15,455
Buildings	15,092	822	192	(155)	(794)	15,157
Plant and equipment	720		-		(51)	669
Work in progress	15		183		-	198
<b>Total restricted assets</b>	<b>33,650</b>	<b>(1,546)</b>	<b>375</b>	<b>(155)</b>	<b>(845)</b>	<b>31,479</b>
<b>Total Council</b>	<b>551,555</b>	<b>5,586</b>	<b>14,645</b>	<b>(232)</b>	<b>(10,361)</b>	<b>561,193</b>
<b>Other Group Assets</b>						
Manawatu Community Trust - Land	3,726	(604)				3,122
Manawatu Community Trust - Buildings	9,829	(626)	304		(354)	9,153
Manawatu Community Trust - Equipment	5		6		(2)	9
Feilding Civic Centre Trust - Furniture, Equipment and Leasehold Improvements	416		166		(75)	507
<b>Total</b>	<b>13,976</b>	<b>(1,230)</b>	<b>476</b>	<b>-</b>	<b>(431)</b>	<b>12,791</b>
<b>Group Assets - property, plant and equipment</b>	<b>565,531</b>	<b>4,356</b>	<b>15,121</b>	<b>(232)</b>	<b>(10,792)</b>	<b>573,984</b>

# Notes to the Accounts

2010	Carrying Amount 1 July	Revaluation Movement	Additions	Disposals	Current Year Depreciation	Carrying Amount 30 June
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Council</b>						
<b>Operational assets</b>						
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
<b>Total operational assets</b>	<b>13,560</b>	<b>-</b>	<b>1,507</b>	<b>(73)</b>	<b>(677)</b>	<b>14,317</b>
<b>Infrastructural assets</b>						
Land	5,353					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			68,357
Work in progress	3,356		1,364			4,720
<b>Total infrastructural assets</b>	<b>494,017</b>	<b>7,879</b>	<b>10,213</b>	<b>-</b>	<b>(8,520)</b>	<b>503,588</b>
<b>Restricted assets</b>						
Land	17,738		85			17,823
Buildings	15,251		616		(775)	15,092
Plant and equipment	756		14		(51)	720
Work in progress	-		15			15
<b>Total restricted assets</b>	<b>33,745</b>	<b>-</b>	<b>730</b>	<b>-</b>	<b>(825)</b>	<b>33,650</b>
<b>Total Council</b>	<b>541,322</b>	<b>7,879</b>	<b>12,450</b>	<b>(73)</b>	<b>(10,022)</b>	<b>551,555</b>
<b>Other Group Assets</b>						
Manawatu Community Trust - Land	3,726					3,726
Manawatu Community Trust - Buildings	10,148		35		(354)	9,829
Manawatu Community Trust - Equipment	1		6		(2)	5
Feilding Civic Centre Trust - Furniture, Equip and Leasehold Improvements	283		199		(66)	416
<b>Total</b>	<b>14,158</b>	<b>-</b>	<b>240</b>	<b>-</b>	<b>(422)</b>	<b>13,976</b>
<b>Group Assets - property, plant and equipment</b>	<b>555,480</b>	<b>7,879</b>	<b>12,690</b>	<b>(73)</b>	<b>(10,444)</b>	<b>565,531</b>

# Notes to the Accounts

## 17 Intangible Assets

	Council and Group	
	Actual 2011 \$000	Actual 2010 \$000
<b>Balance at 1 July</b>		
Cost	1,792	873
Accumulated amortisation and impairment	(594)	(435)
<b>Opening carrying amount</b>	<b>1,198</b>	<b>438</b>
Additions	689	919
Disposals	-	-
Amortisation charge	(336)	(159)
<b>Closing carrying amount</b>	<b>1,551</b>	<b>1,198</b>
<b>Balance at 30 June</b>		
Cost	2,481	1,792
Accumulated amortisation and impairment	(930)	(594)
<b>Closing carrying amount</b>	<b>1,551</b>	<b>1,198</b>

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.

## 18 Forestry Assets

	Council and Group	
	Actual 2011 \$000	Actual 2010 \$000
<b>Balance at 1 July</b>	535	393
Increases due to purchases	-	-
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	30	192
Decreases due to harvest	(157)	(50)
<b>Balance at 30 June</b>	<b>408</b>	<b>535</b>

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 \$1.8m at 30 June 2011 (2010: \$2.3m). MDC's portion is

# Notes to the Accounts

detailed above. At 30 June 2011 the remaining 190.7 hectares of pinus radiata forest were in varying stages of maturity ranging from 17 to 34 years. Harvesting commenced during the 2006/07 financial year and is expected to continue over the next seven years. During the 2011 year 57.4 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 2011. A pre-tax discount rate of 10% (2010: 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 \$0.45m as at 30 June 2011 have been drawn down by PNCC). MDC has repaid their share of this loan (2010 \$164,901 was recognised a term liability owing to PNCC. The loan has been 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.

## MDC's share of operations during the year

	Council and Group	
	Actual 2011 \$000	Actual 2010 \$000
Income from harvesting	242	90
Expenses paid	(42)	(33)
Interest capitalised to loan	(10)	(15)
Cost of bush harvested	(157)	(50)
Increase/(decrease) in asset value	30	192
	<b>63</b>	<b>184</b>

## 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.

# Notes to the Accounts

## 19 Creditors and other payables

	Council		Group	
	Actual 2011	Actual 2010	Actual 2011	Actual 2010
	\$000	\$000	\$000	\$000
Trade payables	4,046	3,562	4,198	3,617
Deposits and bonds	916	698	916	698
Accrued expenses	843	633	846	633
Amounts due to related parties (note 27)	4	1	4	1
Revenue in advance	567	759	567	759
<b>Total creditors and other payables</b>	<b>6,376</b>	<b>5,653</b>	<b>6,531</b>	<b>5,708</b>

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.

## 20 Provisions

	Council and Group	
	Actual 2011	Actual 2010
	\$000	\$000
<b>Current Provisions are represented by:</b>		
Landfill aftercare provision	74	66
<b>Total Current Provisions</b>	<b>74</b>	<b>66</b>
<b>Non-Current Provisions are represented by:</b>		
Financial guarantees	-	-
Landfill aftercare provision	724	622
<b>Total Non-Current provisions</b>	<b>724</b>	<b>622</b>

	Council and Group	
	Actual 2011	Actual 2010
	\$000	\$000
Opening balance	688	686
Additional provisions made during the year	133	-
Amounts used during the year	(45)	(6)
Unused amounts reversed during the year	-	-
Discount unwinding (note 9)	22	8
<b>Closing Balance</b>	<b>798</b>	<b>688</b>

### 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

# Notes to the Accounts

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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.

#### *Closure responsibilities include providing for:*

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

#### *Post Closure costs include providing for*

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

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

The 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.

# Notes to the Accounts

## 21 Employee Entitlement Liabilities

	Actual 2011	Council Actual 2010	Actual 2011	Group Actual 2010
	\$000	\$000	\$000	\$000
Accrued pay	102	74	102	75
Annual leave	552	487	560	491
<b>Total Employee Entitlement Liabilities</b>	<b>654</b>	<b>561</b>	<b>652</b>	<b>566</b>
<b>Comprising:</b>				
Current	654	561	662	566
Non-current	-	-	-	-
<b>Total Employee Entitlement Liabilities</b>	<b>654</b>	<b>561</b>	<b>662</b>	<b>566</b>

## 22 Borrowings

	Actual 2011	Council Actual 2010	Actual 2011	Group Actual 2010
	\$000	\$000	\$000	\$000
Opening Balance of Term Borrowings	14,696	10,816	14,696	10,816
Loans raised during the year	650	9,500	650	9,500
Loans repaid during the year	(3,332)	(5,635)	(3,332)	(5,635)
Loans recognised during the year <sup>Note 1</sup>	10	15	10	15
Closing Balance of Term Borrowings	12,024	14,696	12,024	14,696

*Note 1 As at 30 June 2011 the Gordon Kear Forestry Encouragement loans had been repaid, interest expense of \$10k and repayments of \$175k for the year, have been recognised (note: forestry loans are repayable to Palmerston North City Council from harvest proceeds)*

### Current

Secured loans	5,698	3,157	5,698	3,157
<b>Total current borrowings</b>	<b>5,698</b>	<b>3,157</b>	<b>5,698</b>	<b>3,157</b>

### Non-current

Secured loans	6,326	11,539	6,326	11,539
<b>Total non-current borrowings</b>	<b>6,326</b>	<b>11,539</b>	<b>6,326</b>	<b>11,539</b>

### 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 \$107,828 (2010: \$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.



# Notes to the Accounts

## 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.

## 23 Equity

	Council		Group	
	Actual 2011	Actual 2010	Actual 2011	Actual 2010
	\$000	\$000	\$000	\$000
<b>Retained Earnings</b>				
<b>As at 1 July</b>	<b>474,651</b>	<b>471,789</b>	<b>485,084</b>	<b>482,138</b>
Transfers to:				
From Restricted reserves	712	1,697	712	1,698
Transfers from:				
To Restricted reserves	(157)	(383)	(157)	(383)
Surplus/(deficit) for the year	1,962	1,548	2,045	1,631
<b>As at 30 June</b>	<b>477,168</b>	<b>474,651</b>	<b>487,684</b>	<b>485,084</b>
<b>Restricted Reserves</b>				
<b>As at 1 July</b>	<b>3,530</b>	<b>4,845</b>	<b>3,530</b>	<b>4,845</b>
Transfers to:				
From Retained earnings	157	383	157	383
Transfers from:				
To Retained earnings	(667)	(1,698)	(667)	(1,698)
<b>As at 30 June</b>	<b>3,020</b>	<b>3,530</b>	<b>3,020</b>	<b>3,530</b>
<b>Asset Revaluation Reserves (ARR)</b>				
<b>As at 1 July</b>	<b>73,488</b>	<b>65,609</b>	<b>76,876</b>	<b>68,997</b>
Revaluation gains/(losses)	5,586	7,879	4,356	7,879
Revaluation portion on asset disposed of	(45)	-	(45)	-
<b>As at 30 June</b>	<b>79,029</b>	<b>73,488</b>	<b>81,187</b>	<b>76,876</b>
<b>Total Reserves</b>	<b>82,050</b>	<b>77,020</b>	<b>84,208</b>	<b>80,406</b>
<b>Total Equity</b>	<b>559,219</b>	<b>551,671</b>	<b>571,891</b>	<b>565,490</b>

# Notes to the Accounts

	Council		Group	
	Actual 2011	Actual 2010	Actual 2011	Actual 2010
	\$000	\$000	\$000	\$000
<b>Restricted Reserves consist of:</b>				
<b>Trust Funds</b>				
Hook Bequest	11	12	11	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	6	5	6	5
Historical Trust	3	3	3	3
Childrens Welfare Trust	-	-	-	-
Robert Dickson Educational Trust	28	32	28	32
Museum Trust	2	1	2	1
Feilding and District Relief Trust	122	127	122	127
	<b>177</b>	<b>185</b>	<b>177</b>	<b>185</b>
<b>Special Funds</b>				
Land Subdivision	571	543	571	543
General Purpose	1,393	1,962	1,393	1,962
Emergency	880	840	880	840
	<b>2,844</b>	<b>3,345</b>	<b>2,844</b>	<b>3,345</b>
<b>Total Trust and Special Funds</b>	<b>3,021</b>	<b>3,530</b>	<b>3,021</b>	<b>3,530</b>
<b>Asset Revaluation Reserves consist of:</b>				
<i>Operational assets</i>				
Land	2,385	2,695	2,385	2,695
Buildings	996	1,515	996	1,515
<i>Infrastructural assets</i>				
Land	1,414	1,741	1,414	1,741
Utilities (Water, Stormwater, Wastewater and Solid Waste)	12,290	10,979	12,290	10,979
Roading network	53,349	46,371	53,349	46,371
<i>Restricted assets</i>				
Land	4,043	6,411	5,827	7,463
Buildings	4,552	3,776	4,926	6,112
<b>Total</b>	<b>79,029</b>	<b>73,488</b>	<b>81,187</b>	<b>76,876</b>

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 Accounts

## 24 Reconciliation of Net Surplus/(deficit) after Tax to Net Cash Flow from Operating Activities

	Actual 2011 \$000	Council Actual 2010 \$000	Actual 2011 \$000	Group Actual 2010 \$000
<b>Surplus/(deficit) after Tax</b>	<b>1,962</b>	<b>1,548</b>	<b>2,045</b>	<b>1,631</b>
<b>Add/(less) Non-Cash items:</b>				
Depreciation and amortisation	10,697	10,180	11,129	10,600
Loans recognised during the year (refer note 21)	10	15	10	15
Interest capitalised to loan	-	(127)	-	(127)
Vested assets	-	(1,250)	-	(1,250)
Impairment of investment	(110)	-	(110)	-
(Gains)/losses in fair value of forestry assets	(115)	(192)	(115)	(192)
<b>Add/(less) items classified as Investing or Financing Activities:</b>				
(Gains)/losses on disposal of property, plant and equipment	(22)	(65)	(22)	(65)
(Gains)/losses on disposal of investments classified as fair value through equity	-	-	-	-
<b>Add/(less) movements in Working Capital items:</b>				
(Increase)/Decrease in Accounts Receivable	(1,625)	890	(1,587)	915
Increase (Decrease) in Accounts Payable	(95)	196	(32)	174
Increase (Decrease) in Provisions	109	912	109	912
Increase (Decrease) in Employee Benefits	93	(119)	95	(119)
Net GST	(138)	(198)	(143)	(198)
<b>Net cash from Operating Activities</b>	<b>10,766</b>	<b>11,790</b>	<b>11,379</b>	<b>12,296</b>

# Notes to the Accounts

## 25 Capital Commitments and Operating Leases

	Council		Group	
	Actual 2011	Actual 2010	Actual 2011	Actual 2010
	\$000	\$000	\$000	\$000

### Capital Commitments

Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment	2,127	1,295	2,320	1,295
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### Operating Leases as lessee

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

Property and Equipment	Council		Group	
	Actual 2011	Actual 2010	Actual 2011	Actual 2010
	\$000	\$000	\$000	\$000

### Non-Cancellable Operating Leases as lessee

Not later than one year	78	84	78	85
Later than one year and not later than two years	150	50	150	53
Later than two years and not later than five years	105	-	105	-
Later than five years	-	-	-	-
<b>Total non-cancellable operating leases</b>	<b>333</b>	<b>134</b>	<b>333</b>	<b>138</b>

# Notes to the Accounts

## 26 Contingencies

Contingent Liabilities	Council		Group	
	Actual 2011	Actual 2010	Actual 2011	Actual 2010
	\$000	\$000	\$000	\$000
Building Act claims	-	-	-	-
Guarantees	1,525	1,525	1,525	1,525
Other legal proceedings	-	-	-	-
<b>Total Contingent Liabilities</b>	<b>1,525</b>	<b>1,525</b>	<b>1,525</b>	<b>1,525</b>

### *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 inspections work done. At the date of this report there were no matters under that Act has been brought to MDC's attention, but this matter has not progressed sufficiently to be recognised as contingent liabilities 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 (2010: nil).

## 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 \$1.95m (2010 \$1.9m).

# Notes to the 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 2011 \$000	Actual 2010 \$000
<b>Heartland Contractors Limited (Non Trading)</b>	<b>No transactions</b>	<b>No transactions</b>
The Mayor, Deputy Mayor and Chief Executive are directors of this company.		
<b>Feilding Civic Centre Trust</b>		
Grant provided by MDC	70	72
Services provided by MDC	11	11
<b>Manawatu Community Trust</b>		
Grant provided by MDC	-	25
Services provided by MDC	46	47
Services provided by MDC (Rates)	312	295
Interest paid to MDC	45	50
Amounts payable to MDC	11	13
Loans repaid to the MDC	100	60
Loan owing to MDC (as at balance date)	540	640
<b>Manawatu-Wanganui LASS Limited</b>		
The Chief Executive is a director of this company.		
Services provided to MDC	46	51
Shares purchased during the year	-	1

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 (2010 \$nil).

### Elected members and key management personnel

Elected members and key management personnel, as part of a normal customer relationship, were involved in minor transactions with MDC (such as; payment of rates and purchase of rubbish bags etc).

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 \$179,845 (2010: \$138,368), of which \$17,611 (2010: \$15,100) was outstanding at balance date. These transactions occurred on normal commercial terms.

The Mayor, Ian McKelvie is a trustee of the LAPP Fund. During the year payments to LAPP totalled \$62,528 (2010: \$50,964).

# Notes to the Accounts

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 \$2,396 (2010: \$995). There was \$nil (2010: \$300) outstanding at balance date. Revenue received from the company during the year totalled \$87. These transactions occurred on normal commercial terms.

Councillor Jensen is an executive member of the Johnston Park Bowls Club. During the year Council received revenue of \$226 of which all is outstanding at balance date.

During the year Council had transactions with Poppies Bookshop (ProEd Services Limited), a company in which Councillor Kouvelis is a shareholder and director. The value of purchases totalled \$346 of which all was outstanding at balance date. These transactions occurred on normal commercial terms.

During the year Council had transactions with Ulverscroft Large Print Books Ltd, a company in which Councillor Gregory is an agent. Councillor Gregory retired from Council in October 2010. The value of purchases until October totalled \$3,704 (2010: \$17,741). These transactions occurred on normal commercial terms. There is nil outstanding at balance date (2010: \$5,660).

The Chief Executive (Lorraine Vincent) and Support Services Group Manager (Shayne Harris) are trustees of Sport Manawatu. During the year Council gave grants to Sport Manawatu amounting to \$80,160 (2010: \$77,615), of which \$nil (2010: \$36,787) was owing at balance date. Revenue received from Sport Manawatu during the year totalled \$1,560 of which \$7 was owing at balance date.

The Assets Group Manager, Richard Kirby (resigned in March 2010) is the president of Feilding Brass. During the year Council gave grants to Feilding Brass amounting to \$6,630 (2010: \$6,000). None was outstanding at balance date (2010: \$nil).

There is no provision recognised for the impairment of receivable for any loans or other receivable to related parties (2010: \$nil).

## Key Management Personnel Compensations

(includes senior management, the Mayor and Councillors)

	Actual 2011 \$000	Actual 2010 \$000
Salaries and other short term employee benefits	1,074	917
Past-employment benefits	-	-
Other long term benefits	26	25
Termination benefits	-	-
	<b>1,100</b>	<b>942</b>

# Notes to the 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 2011 \$000	Actual 2010 \$000
<b>Current Elected members</b>		
Mayor Ian McKelvie	76,627	72,715
Councillor John Baxter	25,436	24,807
Councillor Matt Bell	32,965	33,767
Councillor John Salmon	24,112	24,535
Councillor Barbara Cameron	23,727	23,821
Councillor Steve Gibson	23,727	23,685
Councillor Margaret Giles	23,727	23,685
Councillor Alison Short	25,253	23,685
Councillor Howard Voss	23,965	24,263
Councillor Tony Jensen (since October 2010)	16,622	-
Councillor Margaret Kouvelis (since October 2010)	16,622	-
Councillor John Gregory (until October 2010)	7,817	26,394
Councillor Prue McBeth (until October 2010)	7,817	26,054
	328,417	327,411

### Chief Executive

For the year ended 30 June 2011, the total cost of remuneration paid to the Chief Executive was \$199,505 (2010: \$193,400).

## 29 Severance Payments

For the year ended 30 June 2011 there were no severance payments made (2010: \$17,668).

## 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 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 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
<b>FINANCIAL ASSETS</b>					
<b>Loans and receivables</b>					
Cash and cash equivalents	12	5,760	8,886	6,292	9,320
Debtors and other receivables	13	5,535	3,694	5,566	3,744
Other financial assets:					
- Term deposits	14	-	-	-	-
- Community loans	14	2,945	2,960	2,405	2,320
- Rural Housing Loan Mortgages	14	-	-	-	-
<b>Total loans and receivables</b>		<b>14,240</b>	<b>15,540</b>	<b>14,263</b>	<b>15,384</b>
<b>Total held to maturity</b>					
Other financial assets:					
- Other investments	14	600	3,627	600	3,688
- Local authority stock	14	750	750	750	750
<b>Total held to maturity</b>		<b>1,350</b>	<b>4,377</b>	<b>1,350</b>	<b>4,438</b>
<b>Available for sale</b>					
Other financial assets:					
Shares in subsidiary (Heartland Contractors Ltd)	14	-	-	-	-
NZ Local Government Insurance Corp Ltd	14	63	63	63	63
<b>Total available for sale</b>		<b>63</b>	<b>63</b>	<b>63</b>	<b>63</b>
<b>Total financial assets</b>		<b>15,653</b>	<b>19,980</b>	<b>15,676</b>	<b>19,885</b>
<b>FINANCIAL LIABILITIES</b>					
<b>Financial liabilities at amortised cost</b>					
Creditors and other payables	19	6,376	5,653	6,531	5,708
Borrowings:					
- Bank overdraft	22	-	-	-	-
- Secured loans	22	12,024	14,696	12,024	14,696
<b>Total financial liabilities at amortised cost</b>		<b>18,400</b>	<b>20,349</b>	<b>18,555</b>	<b>20,404</b>

# Notes to the 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
<b>30 June 2011 - Council</b>				
<b>Financial assets</b>				
Community Loan	1,485		1,485	
<b>30 June 2011 -Group</b>				
<b>Financial assets</b>				
Community Loan	1,485		1,485	
<b>30 June 2010 - Council</b>				
<b>Financial assets</b>				
Community Loan	1,375		1,375	
<b>30 June 2010 -Group</b>				
<b>Financial assets</b>				
Community Loan	1,375		1,375	

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 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 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
Cash at bank and term deposits	5,760	8,886	6,292	9,320
Debtors and other receivables	5,535	3,694	5,566	3,744
Community and Rural Housing Mortgagees	2,945	2,960	2,405	2,320
Local authority stock and other investments	1,413	4,440	1,413	4,501
Financial guarantees	1,525	1,525	1,525	1,525
<b>Total credit risk</b>	<b>17,178</b>	<b>21,505</b>	<b>17,201</b>	<b>21,410</b>

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.

# Notes to the Accounts

## 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 2011 \$000	Actual 2010 \$000	Actual 2011 \$000	Actual 2010 \$000
<b>COUNTERPARTIES WITH CREDIT RATINGS</b>				
Cash at bank and term deposits:				
AA Rating	5,260	8,886	6,291	9,320
AA- Rating	500			
<b>Total cash at bank and term deposits</b>	<b>5,760</b>	<b>8,886</b>	<b>6,291</b>	<b>9,320</b>
<i>Other investments</i>				
AA rating	600	3,627	600	3,688
<b>Total other investments</b>	<b>600</b>	<b>3,627</b>	<b>600</b>	<b>3,688</b>
<b>COUNTERPARTIES WITHOUT CREDIT RATINGS</b>				
Local authority stock, community and rural housing loans:				
Existing counterparty with no defaults in the past	3,758	3,773	3,218	3,133
Existing counterparty with defaults in the past	-	-	-	-
<b>Total local authority stock, community and rural housing loans</b>	<b>3,758</b>	<b>3,773</b>	<b>3,218</b>	<b>3,133</b>

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

## Liquidity risk

### Management of liquidity risk

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

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

# Notes to the Accounts

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.

Financial Liabilities	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
<b>Council 2011</b>					
Creditors and other payables	6,376	6,376	6,376	-	-
Secured loans	12,024	14,839	4,045	10,794	-
Financial guarantees	-	-	-	-	-
<b>Total</b>	<b>18,400</b>	<b>21,215</b>	<b>10,421</b>	<b>10,794</b>	<b>-</b>
<b>Group 2011</b>					
Creditors and other payables	6,531	6,531	6,531	-	-
Secured loans	12,024	14,839	4,045	10,794	-
Financial guarantees	-	-	-	-	-
<b>Total</b>	<b>18,555</b>	<b>21,370</b>	<b>10,576</b>	<b>13,466</b>	<b>-</b>
<b>Council 2010</b>					
Creditors and other payables	5,653	5,653	5,653	-	-
Secured loans	14,696	17,511	4,045	13,466	-
Financial guarantees	-	-	-	-	-
<b>Total</b>	<b>20,309</b>	<b>23,164</b>	<b>9,698</b>	<b>13,466</b>	<b>-</b>
<b>Group 2010</b>					
Creditors and other payables	5,708	5,708	5,708	-	-
Secured loans	14,696	17,511	4,045	13,466	-
Financial guarantees	-	-	-	-	-
<b>Total</b>	<b>20,404</b>	<b>23,219</b>	<b>9,753</b>	<b>13,466</b>	<b>-</b>

## Contractual maturity analysis of financial assets

The table below 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 Accounts

Financial Assets	Carrying Amount	Contractual Cash Flows	Less than 1 year	1-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000
<b>Council 2011</b>					
Cash and cash equivalents	5,760	5,760	5,760	-	-
Debtors and other receivables	5,535	5,535	5,535	-	-
Other financial assets:					
- Term deposits	-	-	-	-	-
- Community loans	2,945	7,407	56	550	6,801
- Rural Housing Loan Mortgages	-	-	-	-	-
- Other investments	600	3,927	3,112	172	643
- Local authority stock	750	803	-	803	-
<b>Total</b>	<b>15,590</b>	<b>23,432</b>	<b>14,463</b>	<b>1,525</b>	<b>7,444</b>
<b>Group 2011</b>					
Cash and cash equivalents	6,292	6,292	6,292	-	-
Debtors and other receivables	5,566	5,566	5,566	-	-
Other financial assets:					
- Term deposits	-	-	-	-	-
- Community loans	2,405	7,407	56	550	6,801
- Rural Housing Loan Mortgages	-	-	-	-	-
- Other investments	600	3,927	3,112	172	643
- Local authority stock	750	803	-	803	-
<b>Total</b>	<b>15,613</b>	<b>23,995</b>	<b>15,026</b>	<b>1,525</b>	<b>7,444</b>
<b>Council 2010</b>					
Cash and cash equivalents	8,886	8,886	8,886	-	-
Debtors and other receivables	3,694	3,694	3,694	-	-
Other financial assets:					
- Term deposits	-	-	-	-	-
- Community loans	2,960	7,407	56	550	6,801
- Rural Housing Loan Mortgages	-	-	1	-	-
- Other investments	3,627	3,927	3,112	172	643
- Local authority stock	750	803	0	803	-
<b>Total</b>	<b>19,917</b>	<b>24,717</b>	<b>15,748</b>	<b>1,525</b>	<b>7,444</b>
<b>Group 2010</b>					
Cash and cash equivalents	9,320	9,320	9,320	-	-
Debtors and other receivables	3,744	3,744	3,744	-	-
Other financial assets:					
- Term deposits	-	-	-	-	-
- Community loans	2,320	7,407	56	550	6,801

# Notes to the Accounts

Financial Assets	Carrying Amount	Contractual Cash Flows	Less than 1 year	1-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000
- Rural Housing Loan Mortgages	-	-	-	-	-
- Other investments	3,688	3,927	3,112	172	643
- Local authority stock	750	803	-	803	-
<b>Total</b>	<b>19,822</b>	<b>25,201</b>	<b>16,232</b>	<b>1,525</b>	<b>7,444</b>

## Sensitivity analysis

The tables below 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 Accounts

									Council
	Note	-100bps		2011 +100bps		-100bps		2009 +100bps	
		Profit	Other	Profit	Other	Profit	Other	Profit	Other
		\$000	Equity \$000	\$000	Equity \$000	\$000	Equity \$000	\$000	Equity \$000
<b>INTEREST RATE RISK</b>									
<b>Financial assets</b>									
Cash and cash equivalents	1	(58)	-	58	-	(89)	-	89	-
Other financial assets:									
Community loans	2	(29)	-	29	-	(30)	-	30	-
Rural Housing Loan Mortgages	2	-	-	-	-	-	-	-	-
Other investments	3	-	-	-	-	-	-	-	-
Local authority stock	3	-	-	-	-	-	-	-	-
<b>Financial liabilities</b>									
Secured loans	4	-	-	-	-	-	-	-	-
<b>Total sensitivity to interest rate risk</b>		<b>(87)</b>	<b>-</b>	<b>87</b>	<b>-</b>	<b>(119)</b>	<b>-</b>	<b>119</b>	<b>-</b>
<b>EQUITY PRICE RISK</b>									
<b>Financial assets</b>									
Other financial assets:									
NZ Local Government Insurance Corp Ltd	5	-	-	-	-	-	-	-	-
<b>Total sensitivity to equity price risk</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Explanation of sensitivity analysis - Council

### Financial Assets

#### 1 Cash and cash equivalents

Cash and cash equivalents include deposits at call totalling \$3,259,571 (2010: \$8,886,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$32,595 (2010: \$88,860).

#### 2 Community and rural housing loans

Council has floating rate community advances and a housing mortgage with a principal amount totalling \$2,944,744 (2010: \$2,960,000). A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$29,447 (2010: \$29,600).

#### 3 Local authority stock and other investments

Council has fixed rate term bonds and deposits totalling \$3,850,000 (2010: \$4,377,000) 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.



# Notes to the Accounts

## Financial Liabilities

### 4 Secured loans

Council has fixed rate debt with a principal amount totalling \$12,024,000 (2010: \$14,696,000). A movement in market interest rates on fixed rate debt does not have any impact because these secured loans are accounted for at amortised cost using the effective interest method.

## Equity

### 5 Unlisted shares

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

Group									
Note	2011				2009				
	-100bps		+100bps		-100bps		+100bps		
	Profit \$000	Other Equity \$000	Profit \$000	Other Equity \$000	Profit \$000	Other Equity \$000	Profit \$000	Other Equity \$000	
INTEREST RATE RISK									
Financial assets									
Cash and cash equivalents	1	(63)	-	63	-	(93)	-	93	-
Other financial assets:									
Term deposits	3	-	-	-	-	-	-	-	-
Community loans	2	(24)	-	24	-	(23)	-	23	-
Rural Housing Loan Mortgages	2	-	-	-	-	-	-	-	-
Other investments	3	-	-	-	-	-	-	-	-
Local authority stock	3	-	-	-	-	-	-	-	-
Financial liabilities									
Secured loans	4	-	-	-	-	-	-	-	-
Total sensitivity to interest rate risk		(87)	-	87	-	(116)	-	116	-
EQUITY PRICE RISK									
Financial assets									
Other financial assets:									
NZ Local Government Insurance Corp Ltd	5	-	-	-	-	-	-	-	-
Total sensitivity to equity price risk		-	-	-	-	-	-	-	-

# Notes to the Accounts

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## Explanation of sensitivity analysis - Group

### Financial Assets

#### *1 Cash and cash equivalents*

Cash and cash equivalents include deposits at call totalling \$3,793,000 (2010: \$9,320,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$37,930 (2010: \$93,320).

#### *2 Community and rural housing loans*

The group has floating rate community advances and a housing mortgage with a principal amount totalling \$2,405,000 (2010: \$2,320,000). A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$24,050 (2010: \$23,200).

#### *3 Local authority stock and other investments*

The group has fixed rate term bonds and deposits totalling \$4,478,000 (2010: \$4,438,000) 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 \$12,024,000 (2010: \$14,696,000). 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 Accounts

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## 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. 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 Variances against Budget

Detailed below are explanations for major variations from the estimated figures in the 2010/11 Annual Plan.

### Income Statement

The net surplus for the year is \$1.96m against a budgeted surplus of \$9.9m. The following are the most significant variances.

- » External interest expense is \$1,093,000 lower than budgeted. Council has elected to fund a portion of its capital work through internal borrowing instead of using external sources.
- » Subsidies for the Himatangi Wastewater Scheme (\$2.9m) and the Rongotea Water Supply Scheme (\$2.3m) were budgeted for. Work on these schemes has been delayed and consequently the subsidy has yet to be received.
- » The budget included donations and grants of \$361,000 for the Makino Pool upgrade. This project

# Notes to the Accounts

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has been deferred.

- » Council has budgeted a grant to the Bunnythorpe Hall Committee for \$240,000. This grant has not yet been uplifted and has been carried forward to the 2010/11 year.
- » There was a significant flooding event in September 2010. This resulted in \$3m of expenditure in the roading activity. A subsidy of \$2.7m was received from the New Zealand Transport Agency to cover this expenditure.
- » The Parks and Reserves budget included the asset write off of \$1,250,000 for the transfer of Totara Reserve to Horizons Regional Council. This transfer has not taken place yet.
- » Budget revenue includes roading subsidies of \$8.4m for capital expenditure which included \$2.9m for the work surrounding the strategic roading network. This work was not carried out and consequently the subsidy was not received.
- » Revenue from Development Contributions is \$722,000 below budget. This is a result of fewer subdivision applications being received or approved subdivision consents not yet being 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 2010 and its land and buildings at 30 June 2011. This resulted in an increase in the asset valuation and corresponding revaluation reserve of \$5.6m. The revaluation increase included in the budget was \$19m. When budgeting for revaluation we use the planned inflation rate. The actual revaluation is based on actual contract rates, technology changes and changes in the property market.
- » External debt is \$17m lower than budgeted for. This is because the planned debt at 1 July 2010 was not as high as anticipated, together with the deferment of a number of significant capital projects, as mentioned above.
- » Creditors are higher than expected as a result of the timing of capital works.

## 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 \$3.1 million of debt, raised \$660k of debt, resulting in a decrease of debt from \$14.7 million at the start of the financial year to \$12.0 million at 30th June 2011.

### Key Statistics

Actual 2010		Actual 2011	Budget 2011
2.1%	Gross Interest Expense compared to Revenue not to exceed 10%	2.4%	4.2%
3.2%	Gross Interest Expense compared to Rates Revenue not to exceed 20%	3.9%	8.5%
15.4	Net Cash flows from operating activities to exceed Gross Interest Expense by 1.5 times	11.2	10.0
2.7	Net Working Capital Ratio is greater than 1 (Current assets compared to current liabilities excluding current portion of debt and Properties for Sale)	1.61	1.21
2.6%	Total Debt compared to Total Assets	2.1%	4.6%
	No more than 35% of net term debt planned to be refinanced in any financial period without pre-arranged facility being in place		

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 and while seeking to maximise the return from its investments, it realises that its level of short-term investments is comparatively small and not of great significance in the corporate money market. 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 \$577k was down on last year's \$664k 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 Fonterra shares totalling \$266k were also purchased.

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

# Report on Revenue and Financing Policy

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## Introduction

Council's current Revenue and Financing Policy was adopted as part of the 2006/2019 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 2011 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
<b>Community Facilities</b>	100%	0%	Public Conveniences	100%	0%
	66%	34%	Cemeteries	60%	40%
<b>Democracy</b>	100%	0%	Democracy and Policy Development	100%	0%
<b>District Development</b>	84%	16%	Community Funding and Development	100%	0%
	100%	0%	Economic Development	100%	0%
	100%	0%	Feilding CBD Redevelopment	65%	35%
<b>Emergency</b>	100%	0%	Civil Defence	100%	0%
<b>Management</b>	100%	0%	Rural Fire	100%	0%
<b>Environmental and Regulatory</b>	14%	86%	Animal Control	20%	80%
	10%	90%	Building Consents	20%	80%
<b>Management</b>	100%	0%	Building Policy, Monitoring and Compliance	100%	0%
	22%	78%	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	40%	60%
<b>Leisure Resources</b>	94%	6%	Libraries and Archives	95%	5%
	100%	0%	Local Halls and Recreation Complexes	100%	0%
	90%	10%	Parks, Reserves and Sportsground	90%	10%
	57%	43%	Makino Aquatic Centre	65%	35%
<b>Roading</b>	41%	59%	Roading	55%	45%
<b>Waste</b>	0%	100%	Wastewater	0%	100%
	71%	29%	Solid Waste Collection	30%	70%
	60%	40%	Solid Waste Disposal	50%	50%
	100%	0%	Recycling System and Centre	100%	0%
	0%	100%	Recycling Feilding Kerbside	0%	100%
<b>Water Supply</b>	5%	95%	Rural Land Drainage	5%	95%
	20%	80%	Urban Stormwater	20%	80%
	0%	100%	Water Supply	0%	100%

# Report on Council Controlled Organisations

## 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 2011.

### Manawatu Community Trust Income Statement for the Year ended 30 June 2010

	2011 \$000	2010 \$000
<b>INCOME</b>		
Rents Received	1,108	1,008
Interest	15	8
Donations	47	71
<b>Total Income</b>	<b>1,170</b>	<b>1,087</b>
<b>EXPENDITURE</b>		
Employee benefit expenses	57	46
Depreciation	357	354
Other expenses	668	681
Finance costs	44	50
<b>Total Operating Expenditure</b>	<b>1,126</b>	<b>1,131</b>
Operating Surplus/(Deficit)	44	(44)
Losses on the revaluation of property, plant and equipment	1,230	-
<b>Net Surplus/(Deficit)</b>	<b>(1,186)</b>	<b>(44)</b>

## 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.



# Report on Council Controlled Organisations

## Statement of Intent - Outcome Statement

### Manawatu Community Trust 2010/2011

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

- **Review eligibility for housing criteria annually.**

*Outcome: That the Housing eligibility criteria is reviewed and confirmed no later than 30 March of each year.*

Management comment: No change has been made to the eligibility criteria for housing.

- **Provide affordable and sustainable housing to residents who meet the eligibility criteria set.**

*Outcomes: That rental rates are reviewed for all housing units and set no later than 30 March of each year.*

Management comment: A full rent review was completed at the trust meeting 29 March 2011. The result of this review was:

- a. For those flats which have not been refurbished remain the same for the 2011/2012 rent year except for Flat 21 Woodlark.
- b. For those flats which have been refurbished, the base rate be \$120 with existing tenants to be \$115.
- c. That for those flats which are to be refurbished in the future the tenants are advised prior to refurbishment that the new rate be based on the level of refurbished flats.

*That the rental rates set are at a level commensurate with the condition of the housing and a rate below current market rentals, currently in the lower half of comparable market rates.*

Management comment: As part of the rent review a comparison was made with flats advertised in the private sector and the following assumptions were made:

1. It is difficult to get a clear line on due to the very small number of 1 bedroom rentals available in Feilding.
2. A Feilding property manager agrees that the movement of rentals for 1 bedroom accommodation has been small where as the movement in 2 plus bedroom accommodation has moved considerably over the last twelve months.
3. Maintain key operating policies and procedures outlining provision of housing services for the

elderly and disabled residents of the Manawatu district and review regularly in line with current government legislation.

*Outcome: That all of the Trust's Policies and Procedures are reviewed and if required updated / changed / altered no later than 30 June of each year.*

Management comment: A full review of the following policies was initiated on 10 May 2011:

1. Board Systems and Processes - evaluation sheet checklist.
2. Functions and Responsibilities - Trustees and Manager.
3. Systematic review and annual quality audit.
4. MCT - terms of reference.
5. Trust Community meeting policy / conflict of interest.
6. Financial management.
7. Financial record keeping - payment of wages, honoraria and expenses.
8. Financial management and delegations.
9. Credit Card use policy.

The policy review was concluded on 28 June 2011.

- **Maintain an Asset Register.**

*Outcomes: That the Trust's Asset Register is updated on an ongoing basis and reported on a six monthly basis to the Trust.*

Management comment: Full inspections of all flats were carried out in November and December 2010. Following which the asset register was updated. A further inspection on selected flats was carried out again in April and May 2011.

- **Maintain a timeline of major tasks so that all deadlines can be met and completed in a timely manner.**

*Outcome: That a major task timeline is developed by 31 March annually.*

Management comment: A draft budget was presented at the trust meeting on 24 May 2011 for the 2011/2012 budget preparation. Timelines for the FIFHC are reviewed monthly.

- **Maintain a high occupancy level.**

*Outcome: That an occupancy level of 93% is maintained through out the year. This is measured at the first of each month.*

Management comment: During the 2010/2011 year occupancy levels were reported to the trust as at the end of each month. The overall occupancy rate for the

# Report on Council Controlled Organisations

year was 96%.

The average occupancy at Alexandra flats was 85%. Alexandra flats complex have 4 flats which were considered unsuitable for tenanting due to the condition of the insides. It was decided not to upgrade these on an individual basis but incorporate them with the planned upgrade of the entire complex.

Sanson and Rongotea flats continue to be a challenge to tenant due to demand for pensioner accommodation being low in those two areas.

- **Develop a criteria to assess units to a standard appropriate for housing the elderly and disabled.**

*Outcomes: Complete the ranking of 50% (102) of the flats according to the established criteria / standard.*

*Identify and prioritise any health and safety issues for residents.*

Management comment: 96% (197) of the Manawatu Community Trust flats have been assessed against the Standard criteria established by the trust. This assessment has highlighted some health and safety issues around access to flats positioning of electrical fittings, moisture removal, kitchen design and bathroom layout.

Correction of these issues will be incorporated in the planned upgrade of these flats.

- **Ensure that all assets and operations are fully insured.**

*Outcome: That all the Trust's portfolio of assets and liabilities are insured each financial year following appropriate professional advice and set at the appropriate level.*

Management comment: The trust's building assets are insured for full replacement in association with Manawatu District Council through New Zealand Local Government Insurance Corporation Ltd trading as Civic Assurance. Renewal took place in June 2011. The trust holds public Liability Insurance with Rosser Underwriting. This insurance was renewed in September 2010. The trusts vehicle is ensured with AMI.

- **To identify the housing stock which require major upgrades and consider funding options:**

*Outcomes: That a major upgrade report is prepared by the Housing Manager and submitted to the Trustees no later than 31 March of each year.*

*Trust to identify external funding sources and apply for appropriate funding throughout the year.*

Management comment: At the trust meeting 10 May 2011 a report was presented for the major upgrade of 33 flats in the Alexandra Complex. It was agreed to call tenders for this work.

## Health

- **To continue to lead and facilitate the development of an Integrated Family Health Centre in Feilding.**

*Outcomes: Keep key stakeholders advised on progress and maintain ongoing communication.*

Throughout the year regular meetings and discussions were held with all Stakeholders to progress this project. On 30 June 2011 an update to all stakeholders was sent out setting out the position of the project as at that date.

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

Management comment: Work towards determining the commercial viability of the proposed centre was delayed by work which individual service groups needed to undertake before they could commit to the project.

*Clarify the differences between and the effects of community ownership versus private ownership and level of acceptability to stakeholders.*

Management comment: All stakeholders have expressed their preference for the proposed centre to be community owned.

## Finance

- **The Trust will comply with current accounting policies – see Appendix 1.**

*Outcome: All standards are met.*

Management comment: The trust believes they have complied with current accounting policies.

- **To ensure that a positive financial return on investment in line with the nature and condition of the housing portfolio is achieved for re-investment in housing and repayment of Capital Loan.**

*Outcomes: That 10% of rental income to be used for capital improvements and major maintenance.*

Management comment: 20.8% of rental income for the year ending 2011 was spent on capital improvements and major maintenance.

*Capital Loan reduction of \$125,000 by 30 June 2011.*

Management comment: The trust has repaid principal of \$100 436 during the year.

- **That the Trust provide Financial Reporting to the Manawatu District Council as per the requirements of the Statement of Intent.**

*Outcomes: The Trust will present the following documents to the Manawatu District Council on a six monthly basis:*

- » *Current Financial Balance Sheet to 31 December 2010*

# Report on Council Controlled Organisations

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» *An Income Statement to 31 December 2010*

» *A current Cash flow Statement*

» *Accounting Policies statements*

*All above reports are to be submitted no later than 30 March 2011 with the Annual Audited Financial Report by 30 September 2011.*

Management comment: The trust reported to the Manawatu District Council on Thursday 11 November 2010 and 17 March 2011.

- **The Trust has established the ratio of consolidated shareholders' funds to total assets to be no less than 70:30.**

*Outcome: This is defined as Total Equity/Total Liabilities and Equity. At 30 June 2011, this ratio was 95:1.*

Management comment: Refer Final Accounts.



## Other Information

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Part Four

11





# Guide

## to other information

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This section of the Annual Report contains the following information:

- » **Manawatu District Council: Directory**
- » **Manawatu District Council: Mayor and Councillors**
- » **Manawatu District Council : Organisation Structure**
- » **Manawatu District Council: Activities and Functions**
- » **Member's Responsibilities**
- » **Manawatu District Council: Statement of Resources**
- » **Equal Employment Opportunities Statement**
- » **Maori Capacity to Contribute to Decision-Making**
- » **Grants 2010/11**
- » **Glossary**

# Manawatu District Council

## Directory

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

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



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Council Office: **135 Manchester Street  
Feilding**

Postal Address: **Private Bag 10-001  
Feilding 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)

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# Manawatu District Council

## Mayor and Councillors as at 30 June 2011

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### Mayor



**Ian McKelvie**  
Ph: 323 0000 (Cl)  
Ph: 324 8776 (Hm)

### Feilding Ward



**Cr Matt Bell**  
Ph: 323 3147  
(Deputy Mayor)



**Cr Barbara Cameron**  
Ph: 323 5332



**Cr Steve Gibson**  
Ph: 323 5533



**Cr Tony Jensen**  
Ph: 323 7569



**Cr Margaret Kouvelis**  
Ph: 323 0550

### Kairanga Ward



**Cr Margaret Giles**  
Ph: 324 8987



**Cr John Salmon**  
Ph: 357 6910



**Cr Howard Voss**  
Ph: 356 9779

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### Kiwitea-Pohangina Ward



**Cr John Baxter**  
Ph: 328 7019



**Cr Alison Short**  
Ph: 328 9768

# Manawatu District Council

## Executive Team

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### Chief Executive



**Lorraine Vincent**

### Executive Team



Community Services  
Group Manager  
**Brent Limmer**



Human Resources  
Manager  
**Linda Gordon**



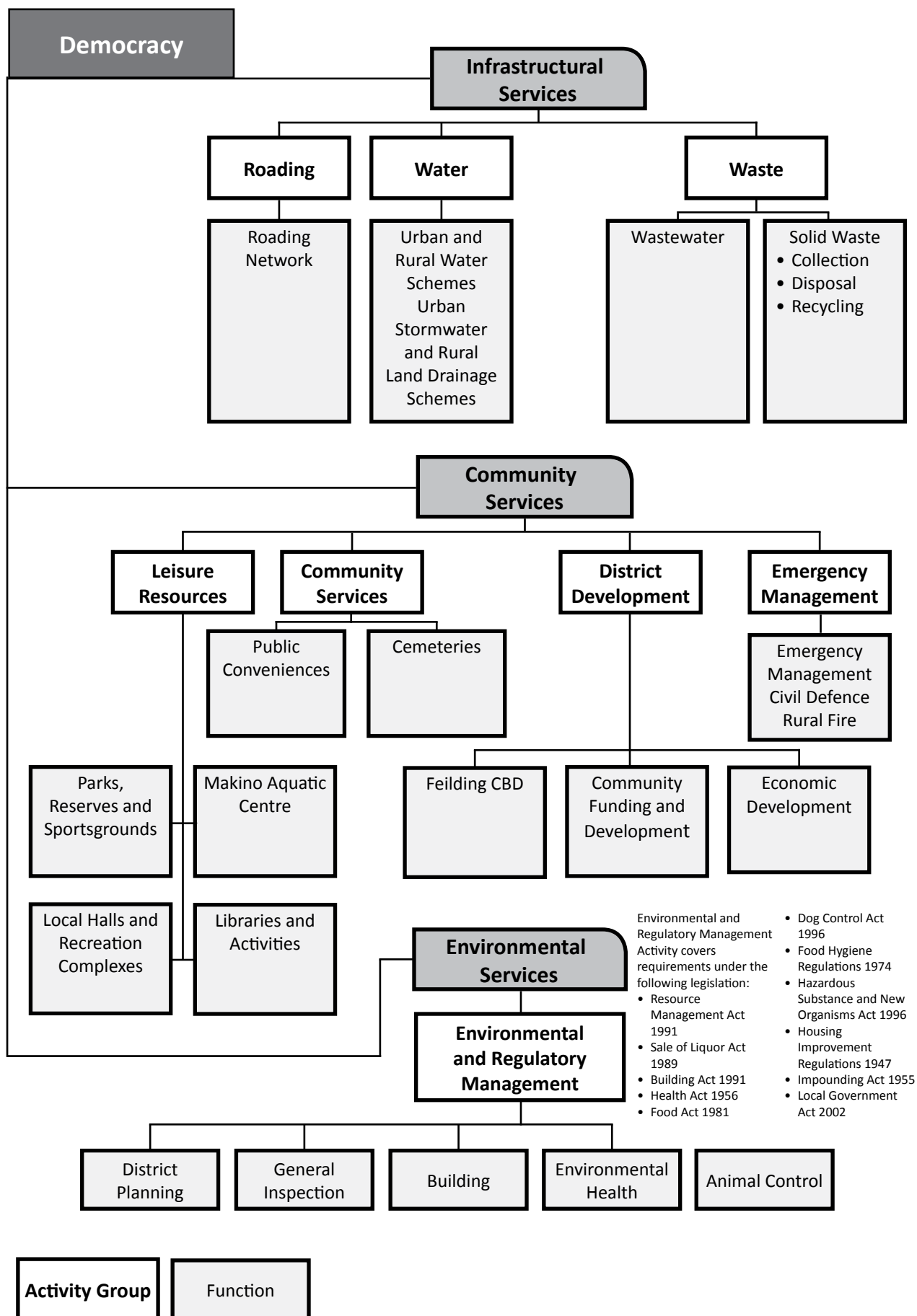
Infrastructure Group  
Manager  
**Hamish Waugh**



Support Services and  
Environmental Group  
Manager  
**Shayne Harris**

# Manawatu District Council

## Activities and Functions



# Members' Responsibilities

## Standing Committee Membership at 30 June 2011

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

## Subcommittee Membership

Elected Member	Community Wellbeing	Chief Executive's Employment
Mayor		✓ (C)
Cr Baxter		✓
Cr Bell		✓
Cr Cameron		✓
Cr Gibson	✓	✓
Cr Giles	✓ (DC)	✓
Cr Kouvelis	✓	✓
Cr Jensen	✓	✓
Cr Salmon		✓
Cr Short	✓ (C)	✓
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 monetary value of these resources is detailed in the financial statements. Non-financial quantitative information relating to these resources is detailed below:

	30 June 2010	30 June 2011
<b>Community Services</b>		
Cemeteries:		
Feilding, Halcombe, Kimbolton, Pohangina, Rangiwahia, Rongotea, Sandon, Waituna West	8	8
<b>Drainage</b>		
Length of Stormwater Mains (kms) - Feilding	66.7	66.7
Bunnythorpe	2.2	2.2
Rongotea	1.7	1.7
Sanson	1.7	1.7
	<b>72.3</b>	<b>72.3</b>
<b>Leisure Resources</b>		
Libraries and Archives		
Feilding Public Library (also services 7 volunteer community libraries)	1	1
Other library buildings	1	1
Total book stocks	65,000	68,305
Total issues	391,107	392,857
<b>Local Halls and Recreation Complexes</b>		
Local Halls <sup>Note 1</sup>	19	19
Recreation complexes (Civic Centre and Te Kawau Memorial Recreation Centre)	2	2
<b>Parks and Reserves</b>		
Total reserves for District (ha)	538.4	538.4
<b>Swimming Pools</b>		
Makino Aquatic Centre	1	1
Pohangina old school grounds	1	1
Pakihikura old school grounds	1	1
Rewa old school grounds	1	1
<b>Roading and Footpaths</b>		
Length of Roads (km):		
Rural - sealed	914.3	915.3
unsealed	374.2	373.2
Urban: - sealed	133.1	133.1
unsealed	11.1	11.1
	<b>1,432.7</b>	<b>1,434.5</b>

# Manawatu District Council

## Statement of Resources

	30 June 2010	30 June 2011
Bridges	290	290
Length of footpaths (km)	135.6	136.5
Street lighting – lights	1,589	1,595
Street lighting – poles	831	836
Feilding stormwater leads (considered part of the roading asset)	12km	12km
<b>Waste</b>		
Solid Waste		
Operating landfills	-	-
Transfer stations	4	4
Recycling centres	8	8
Closed landfill sites	3	3
<b>Wastewater</b>		
Length of mains (km):		
Feilding	100	100
Sanson	4.5	4.5
Rongotea	6.8	6.8
Halcombe	6.0	6.0
Longburn	4.3	4.3
Bunnythorpe	12.6	12.6
Kimbolton	6.5	6.5
Cheltenham	2.6	2.6
Himatangi	0.7	0.7
Awahuri	0.6	0.6
Sewage Treatment Schemes (no.)	9	9
<b>Water Supply</b>		
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	
Stanway/Halcombe Rural Water Supply	106.5	106.5
Oroua No 1 Rural Water Supply	17.3	17.3

# Manawatu District Council

## Statement of Resources

30 June 2010 30 June 2011

### 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	24.9	24.9
Environmental	7.8	9.8
Infrastructure	42.4	43
Community Services	23.4	23.6
	<b>103.1</b>	<b>106</b>

### Buildings

Housing - staff and others	7	7
Administration offices	1	1
Camping grounds (both leased out)	2	2
Commercial property (leased out)	-	-
Depots	2	2
Other commercial property	6	6

### Notes:

1. Council also helps administer nine halls that are owned and run by their communities.
2. Employee numbers shown at 30 June 2011 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 activities provided by the Council. Their support is highly valued and contributes towards the effective provision of services.

# Equal Employment Opportunities Statement

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**The Local Government Act 2002 requires the Council to publish its plans for ensuring equal employment opportunity, and to report on its performance.**

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

A 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

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

## **Summary of the 2010/11 Equal Employment Opportunities Programme**

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



# Development of Maori

## Capacity to Contribute to Decision-Making

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**In late 2005 members of the Marae Consultative Committee – a standing committee of Council which liaises between Council and the Marae of the district – were given the opportunity to opt for a Maori ward.**

It was decided that such a ward was not necessary. However, this decision highlighted the need to address wider Maori representation. At the moment, the Marae Consultative Committee represents the interests of Tangata Whenua – the people of the land. Tangata Whenua are those Maori who belong to the Iwi and Hapu of the Manawatu District. However, they do not represent all Maori, i.e. those who come from elsewhere or simply are unable to trace their whakapapa.

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

No further action on this has been taken during the 2010/11 financial year.

# Grants 2010/2011

During 2010/11, 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 St	2,196
Apostolic Church Trust Board - 67 Stafford Street	2,216
Apostolic Church Trust Board - 90 Aorangi St	697
Baha'i Faith Centre - 45 East Street, Feilding	697
Bunnythorpe Gospel Hall Trust Board	654
Central Districts Playcentre - Northend Playcentre, 42 North Street, Feilding	1,001
Central Districts Playcentre Association – Te Kawau Playcentre, Rongotea	222
Feilding and Districts Art Society	2,492
Feilding and Districts SPCA Inc - 4 Awa St	974
Feilding and District Steam Rail Society Inc.	1,657
Feilding Brass - Manchester Street	561
Feilding Caledonian Society, Weld Street	1,041
Feilding Congregation of Jehovah's Witness - 99 Beattie St Fdg	654
Feilding Golf Club Inc	1,811
Feilding Gospel Trust	6,341
Feilding Kindergarten - Montgomery Street	1,001
Feilding Methodist Church Trustees - 11 Grey Street, Feilding	2,523
Feilding New Life Centre Charitable Trust - 6 Fergusson St Fdg	1,001
Feilding Playcentre - 254A Kimbolton Road	1,304
Feilding Rugby Executive	360
Feilding Scout and Guide Hall Committee	3,505
Feilding Seventh Day Adventist - 2 Fergusson St Fdg	654
Feilding Squash Rackets Club Inc	1,814
Halcombe Playcentre - Willoughby Street	870
Halcombe Rugby Club	455
Hapaitia Te Kohanga Reo - 23 Owen St Fdg	1,001

# Grants 2010/2011

Hub Church - 6 Manchester Square Fdg	697
Kimbolton Playcentre - Lind Street	608
Manawatu Outdoor Leisure Club Inc	458
Manawatu Historic Vehicle Collection Trust	2,168
Manchester House Social Service Society	9,692
Manfeild Park Trust	652
Masonic Hall (Feilding Ltd)	1,152
Methodist Church of NZ Ashhurst-Bunnythorpe-Pohangina - 1 Baring St Pohangina	654
Methodist Church Trustees - 33 Koputara Road, Himatangi	291
Oroua Womens Club Inc	1,771
Parish of Rangitikei - 12 A'Court St, Sanson	191
Presbyterian Church Property Fdg/Oroua Presbyterian Parish North St Fdg	654
Presbyterian Church St Pauls Aorangi St Fdg	654
Riding for the Disabled, 248 Awahuri Road	1,024
Rongotea Bible Chapel	222
Rongotea RSA - 3 Avon Street, Rongotea	444
Rongotea Uniting Parish	222
Royal NZ Plunket Society (Feilding) Inc - 32-34 Stafford St	2,510
Royal NZ Plunket Society (Feilding) Inc - Douglas Sq, Rongotea	797
Royal NZ Plunket Society Kimbolton/Kiwitea Branch - 2877 Kimbolton Rd	560
Ruahine Kindergarten Association - Lethbridge St	1,001
Sanson Playcentre	662
St Brigids Church - 4 Monmouth St Fdg	1,869
St John Ambulance Association - Feilding	8,238
Steam Traction Society Inc - 76 Maewa Road and Maewa Road	653
Stewards Trust of New Zealand Inc. (Warwick Street Gospel Chapel)	2,477
Taumata Ote Ra Marae Committee (10 sewerage charges) 50% of services	1,650
Te Kawau Bowling Club Inc	457
Te Manawa Services Charitable Trust - CLC, 117 Fergusson Street	2,941
The Church at Feilding -170 North St Fdg	654
Trinity Lutheran Church 45 West St Fdg	654
<b>Total</b>	<b>84,375</b>

## School Pan Grants

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

Bunnythorpe School	4,308
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# Grants 2010/2011

Cheltenham School	2,630
Eden Christian Kindergarten	913
Feilding High School	15,438
Feilding Intermediate School	7,598
Feilding Kindergarten School	1,034
Halcombe Playcentre	172
Halcombe School	3,084
Kimbolton Playcentre	258
Kimbolton School	1,120
Longburn Adventist School	13,198
Longburn School	3,438
Lytton Street School	10,596
Makino Kindergarten School	517
Manchester Street School	6,013
North Street School	8,787
Rongotea School	948
Sanson Playcentre	517
Sanson School	2,480
St Josephs School	4,135
<b>Total</b>	<b>87,184</b>

## 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	1,000
St Agnes Church/Kiwitea Churchyard Trust	360
<b>Total</b>	<b>1,360</b>

## Partnership Fund

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

Feilding and District Art Society	18,000
Feilding and District Pipe Band	3,500
Fdg and District Steam Rail Inc	4,000
Feilding and Districts Youth Board	7,000
Feilding Brass Inc	6,000
Manawatu Access Charitable Trust	435

# Grants 2010/2011

Manawatu Historic Vehicle Collec Trst	10,000
Manawatu Rural Support Service	10,000
Manchester House Social Services	30,000
Neighbourhood Support - Safer Community	10,000
PN Surf Life Saving Club Inc	10,000
Social Issues Network Council of Social Services	1,200
Te Manawa Services	10,000
<b>Total</b>	<b>\$120,135</b>

## Community Funds

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

Central Festival Trust - Rugby World Cup	15,000
Rangitikei Kiwi Can	139
<b>Total</b>	<b>15,139</b>

## Swimming Pool Grants

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

Apiti School	200
Awahou School	200
Mt Biggs School	196
<b>Total</b>	<b>\$596</b>

## Representative Grants

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

Aaron Kibblewhite	178
Angus Findlay	500
Ann Stronge	500
Anna Larsen	200
Ben Anderson	250
Feilding Volunteer Fire Brigade	2,800
Jessica McLean	300
Liana Mikarea	300
Lytton Street School - Jump Jam Team	639
Mark Findlay	500

# Grants 2010/2011

Matthew Ball	500
Matthew Waghorn	500
Michael Ireland	300
Vanessa Story	500
<b>Total</b>	<b>7,967</b>

## Community Promotions Grants

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

Air Training Corps No. 32 Squadron	1,000
Bike Manawatu Inc	1,000
Community Action Advisory Group	491
Destination Manawatu	1,739
Employment Plus - Youth Development Programme	348
Feilding High School PTA	2,500
Feilding RSA	207
Lions Club of Fitzherbert Charitable Trust	500
Manawatu Striders	566
Rotary Club of Feilding	301
Step n Thyme Leisure Marching	205
<b>Total</b>	<b>8,857</b>

## Trust Funds

*Council administers trust funds that have been vested to Council over the years and are available for specific purposes. The total grants allocated from these funds during the 2010/11 years were;*

Hook Bequest Trust	1,943
Robert Dickson Trust Fund	4,168
<b>Total</b>	<b>\$6,111</b>

## Community Access Grant

*Grant made to the Manfeild Park Trust for the community access to the park.*

Manfeild Park Trust	168,100
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# Grants 2010/2011

## Creative New Zealand Grants

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

Ephraim Russell	1,000
Feilding and District Arts Group	381
Feilding and Districts Art Society Inc	2,500
Feilding Bible Chapel	1,000
Feilding Brass Inc	2,749
Fulljames Stewart - Pottery workshop	707
Haisman Janet Mary	1,250
Halcombe Community Development Group	477
Manawatu Pottery Society	1,686
Manawatu Rural Support Service Inc	994
Manchester Street School	4,400
McCall Catherine	575
Returned grants from previous years	-1,153
Rewa Community Arts Group	381
Sanson Community Committee	1,800
Sanson School	2,000
<b>Total</b>	<b>20,746</b>

# Glossary

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**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 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 per cent or more of the voting rights or have the right to appoint 50 per cent 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.

**Exacerbator Costs** – additional or unplanned costs incurred by Council through deliberate acts of vandalism and other forms of damage.

**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



# Glossary

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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.

**Private Public Partnership (PPP)** – any arrangement or agreement entered into between one or more local authorities and one or more other persons or organisations engaged in business, not including arrangements or agreements where all of the parties are local authorities or council organisations, or a contract for the supply of goods and services by or on behalf of a local authority.

**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.

**Significance** – (in relation to any issue, proposal, decision or other matter that concerns or is before a local authority) means the degree of importance of the issue, proposal, decision or matter, as assessed by the authority, in terms of its likely impact on, and likely consequences for the future social, economic, cultural and environmental well-being of the district.