



Annual Report

2019/20

www.mdc.govt.nz

Role of the Annual Report

The Annual Report compares Manawatū District Council's (Council) actual performance against what was forecast for year two of the Long Term Plan (LTP), as amended by the 2019/20 Annual Plan. This report has been prepared under section 98 of the Local Government Act 2002 (and includes the provisions of schedule 10, section 3).

The Annual Report:

- reports against the Council's key activities, performance indicators, and budgets outlined in the 2018-2028 LTP – we are reporting against what we said we would do in the 2019/20 financial year (year two) of the LTP
- 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 report is broken into four sections:

Section One: Introduction & Audit

Provides an overview of the 2019/20 year including key highlights.

Section Two: Activity Summaries

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

Section Three: Financial Information

Provides a financial overview, including financial statements, notes to the accounts and reports against the Revenue and Financing Policy and the Liability Management and Investment Policies.

Section Four: Other Information

Provides other information, including summary information about the Council, elected representatives, staff and grants.

Kaimatarau Rd

GLEN OPOU
3KM

Banks Rd

TO STATE HIGHWAY 1

RONGOTEA 2km

45

Contents

Role of the annual report	3
SECTION 1 - INTRODUCTION & AUDIT	6
Our achievements - A message from Mayor Helen Worboys	6
Our Performance - Report from the Chief Executive	8
The Manawatū District at a glance	10
Your Council - who are we?	11
Council vision and outcomes	12
Where did Council get money? How did Council spend money?	14
Performance overview	15
Statement of compliance and responsibility	16
Audit report	17
SECTION 2 - ACTIVITY SUMMARIES	21
Community facilities	24
District development	30
Emergency management	34
Governance and strategy	37
Regulatory	40
Roading	45
Solid waste	49
Stormwater	51
Wastewater	53
Water supply	56
SECTION 3 - FINANCIAL INFORMATION	61
Financial statements	61
Notes to financial statements	65
Summary of significant accounting policies	66
SECTION 4 - OTHER INFORMATION	129
Manawatū District Council Executive Team	129
Elected members responsibilities	130
Diversity, inclusion, equal employment opportunity statement	131
Grants 2019/20	135
Glossary	142

Section One: Introduction & audit

Our achievements — A message from Mayor Helen Worboys

Hello, as Mayor of the Manawatū District and reflecting on the last year's progress, I am proud of what our Council has achieved. I am cautiously optimistic for what next year will bring, given the impact of the coronavirus (COVID-19) outbreak and drought conditions on our people, businesses and communities.

It has been a busy year for Council. Some of the exciting things that have happened during the year have been:

- The Manawatū District economy has been going from strength to strength. The District's impressive GDP growth rate of 3.1% for the year ended March 2020 was driven by population growth, good trade conditions, high employment, house price growth, strong consumer and tourism spending and high levels of investment flowing into the District.
- The local government elections had an excellent outcome for our Council, with all of the sitting elected members voted back plus two new Councillors to replace our retiring Councillors. I wish to thank Barbara Cameron and Howard Voss for their many years of service to our community and wish them all the best in their future endeavors.
- The Community Development Strategy is the result of good engagement between Council and community, outlining what we want for a strong and resilient community along with the actions we will take to get there.
- The outdoor 50m pool at the Makino Aquatic Centre received some much-needed upgrade work. It was retiled, repainted and had a new pipe network installed, all of which will improve safety, energy costs and water consumption.
- We began irrigating our treated wastewater to land near the Feilding wastewater treatment plant, resulting in no wastewater discharging into the Ōroua river. This has continued over the dry summer and will continue until the rain arrives.
- Council signed off Precinct 4, rezoning 187 hectares of rural zoned land to residential zoned land, in the north west of Feilding. This allows space for an extra 1,700 homes to be built. Major infrastructure works have started to support this new residential growth area.



- PFAS contamination of the water supply has been a major ongoing concern to the Ohakea community and the surrounding farmers. After an extended period of negotiation, the Government announced a contribution of \$10.8m towards a new, uncontaminated water supply for the Ohakea community and surrounding farms.
- A new water reservoir at MacDonald Heights in Feilding has been commissioned. The reservoir holds 6.8 million litres of water to provide for the growing demand and replacement of the ageing water storage infrastructure at the Almadale Water Treatment Plant.
- Construction is well underway for the new Mangakino Flow Park where the Makino overflow chlorine detention pond (affectionately known as the duck pond) used to be. This will be a great central place for our youth to perfect their skills and it is the next step in completing the Makino Precinct Plan. Also completed was the sealed walkway linking Warwick Street to Manchester Street through to Aorangi Street.
- Progress continues on the wastewater centralisation project which began in 2018. Once completed in 2026, 5 rural villages will be linked to the Feilding wastewater plant allowing for greater efficiencies, reduced costs and positive environmental outcomes, by removing the current villages plants discharge out of about 78kms of waterways. Sanson, Rongotea and Halcombe will be the first villages to be connected.
- The future of our earthquake prone buildings is an important issue for the future of Feilding's Town Centre. Council's EQPB Taskforce, along with neighbouring district councils, has worked with central government to get support for the additional challenges that provincial NZ communities face, with lower returns on investment making the viability of retaining our heritage buildings even harder. Some minor changes have since been made to the Building Alteration rules. Our Council is leading a pilot project with owners of key heritage buildings (identified through the new Town Centre Vision process) and with government's Heritage Equip to find an affordable solution to retaining our heritage.

I look forward to what the next year has to bring.

Hubsloags
Mayor Helen



Our Performance – Report from the Chief Executive

The values of Manawatū District Council are **Professionalism, Care, Support & Fun**. I was very proud of the way Team MDC, Councillors & Staff, demonstrated these values during the COVID-19 lockdown.

We displayed **professionalism** in the way our operations teams kept core public safety services going. We continued to supply safe, clean drinking water, to deal with waste – in all its forms - and ensure the roads were safe and drivable. We achieve this by splitting our operations team into two parts who only met virtually. This ensured that a single positive COVID-19 case would not have stopped these essential services. Thankfully we had none.

Care for the community was delivered by our Emergency Operations Centre. This was activated immediately prior to lockdown and as above, we operated two independent teams, each led by a Council General Manager (Brent Limmer & Hamish Waugh). Over 100 of our staff were involved in the response which saw the Council become the nexus for dealing with community needs. With the lockdown closure of our pool and library, staff were redeployed to deliver groceries and prescriptions from orders collected by our call centre. During the course of lockdown, Council staff delivered 4,350 prescriptions and 749 grocery orders.

Council also worked with community partners Manchester House and the Salvation Army to support the delivery of 691 food parcels. Council provided pro-active financial support to enable this, which was subsequently reimbursed by central government.

Our close relationship with Iwi, especially Ngāti Kauwhata, enabled Council to support the creation of a whānau-based and iwi led response network across the Manawatū. This was an initiative co-created by Council and Iwi, and led by our Principal Adviser Māori, Rārite Mātaki. The initiative, known as the Integrated Whānau Approach (IWA) Network, delivered 2,900 kai packs to Māori and Pasifika families. We are incredibly grateful to the whānau, hapū, iwi and Māori from within the community who partnered with Council to make this happen. Aroha mai, aroha atu.





Despite the COVID-19 lockdown Council staff continued to **support** our community. While our operational staff worked in the field, the rest of Council worked from home. Our IT team performed miracles allowing up to 150 staff to work from home during lockdown. This allowed Council to continue to process building and resource consents without delays – both of which were submitted in record numbers.

Council meetings shifted to video conference via Zoom. During lockdown Council revised the 2020/21 Annual Plan and budget to allow a zero average rates rise. This required all parts of Council to work together to determine how this could be delivered. A combination of a salary & wage freeze for all staff plus utilising Council's emergency resilience reserve made it possible. This means Council can continue to deliver the same levels of service and capital programme without increasing average rates.

2020 has been a challenging year, possibly the most in my lifetime, so it has been great that there have still been moments of **fun**. One example of this was one of our grocery delivery teams, who learned from a family member that one of our grocery delivery recipients, was celebrating his birthday that day. Due to lockdown the family could not visit. So our two drivers dropped off the groceries, including a cake, and sang 'Happy Birthday' to the delighted resident. Two professionals, supporting and caring for the community with a sense of fun.

As our community and our Council face challenges in the coming years due to the uncertainties of COVID-19 I am confident that Team MDC, Councillors & staff, will be able to meet and overcome them.

Kia Kaha

Richard

The Manawatū District at a glance

Stretching from the rugged and picturesque Ruahine Ranges in the north to the sands of Himatangi Beach in the south, and most of the area between the Rangitikei River in the west and Manawatū River in the east, the Manawatū District is called home by approximately 31,700 people.

At its heart is Feilding, which is the centre of this highly productive farming district. Feilding has been named New Zealand's most beautiful town 16 times, is home to iconic attractions including the sale yards in the centre of town, the Coach House Museum, Manfeild Park and arguably the best farmer's market in New Zealand.

Established on 1 November 1989, today's Manawatū District is an amalgamation of the five former authorities of Ōroua, KIWITEA, Pohangina, Manawatū and Feilding.

2020 has brought with it the challenges of a global pandemic and substantial restrictions on economic activity, both here and abroad. Data to the year ended June 2020 reflects these challenges, estimating that Gross Domestic Product (GDP) in the district fell by 0.5% from the previous year. This result is positive relative to the estimated national impact where GDP is estimated to have contracted by 2.1% over the same period.

The relative strength of the Manawatū District economy is driven by our dominance in primary production and value added manufacturing, galvanised by the continuation of strong global demand and solid commodity prices. Our strong defence force sector is also supporting household incomes and driving demand for local goods and services, while population growth and elevated levels of Central Government investment in the region are further bolstering local economic activity. These factors, alongside a lack of reliance on international spending, supports the outlook for the district economy relative to much of New Zealand.

Looking forward, our industry strengths are expected to continue to support local economic performance over the coming year. Substantial Central Government investment including the expansion of Ohakea Air Force base and Local Government investment in infrastructure to support population and economic growth will provide additional stimulus to the local economy throughout the 2020/2021 financial year.



Your Council - who are we?

Feilding Ward

5 Elected Members



Hilary Humphrey



Michael Ford



Grant Hadfield



Shane Casey

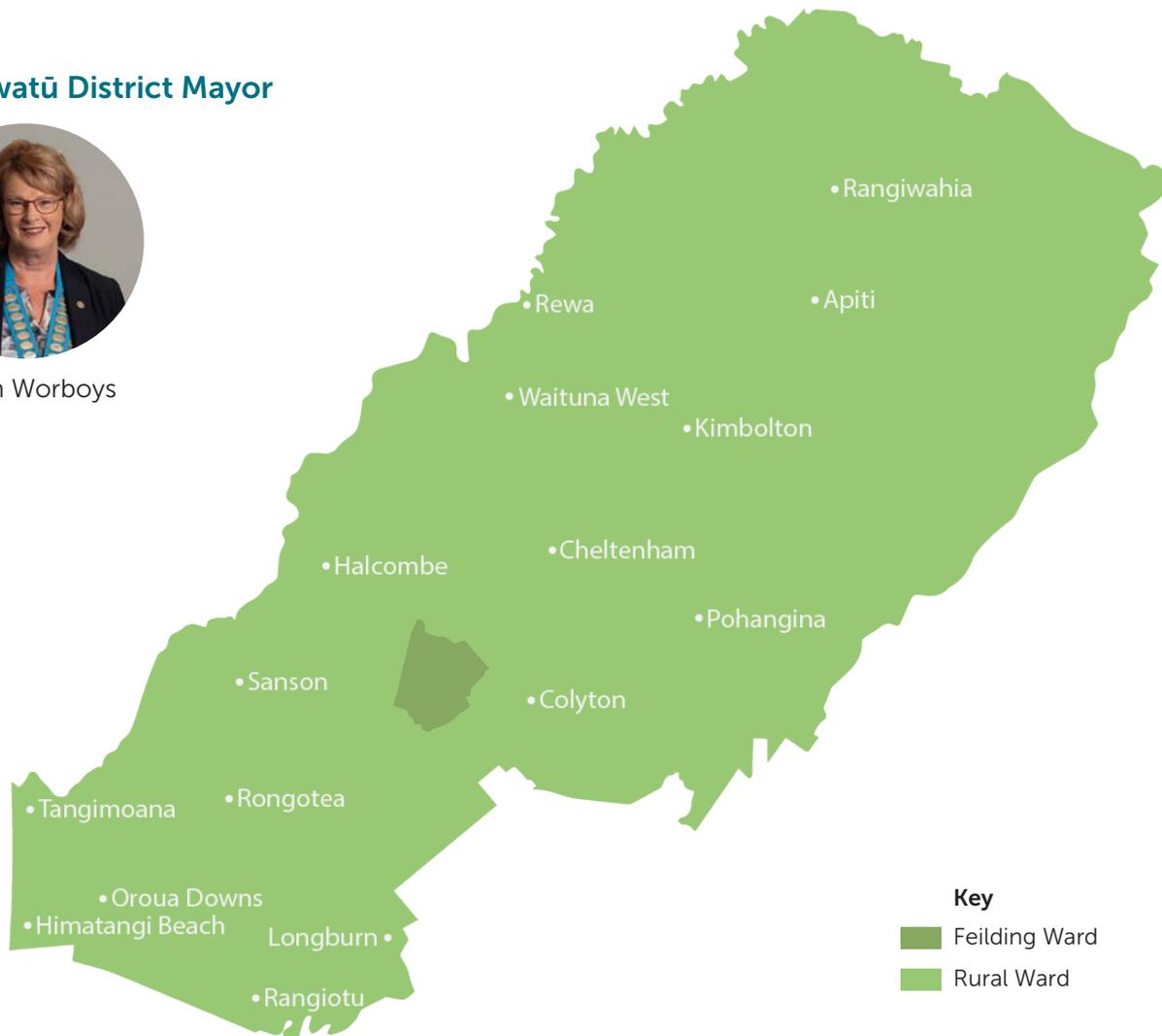


Stuart Campbell

Manawatū District Mayor



Helen Worboys



Key

- Feilding Ward
- Rural Ward

Manawatū Rural ward

5 Elected Members



Phil Marsh



Andrew Quarrie



Heather Gee-Taylor



Alison Short



Steve Bielski

Council Vision and Outcomes

The Local Government Act (2002) requires each local authority to describe the outcomes it aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions. Council has reviewed the Vision and Outcomes as part of the 2018-28 Long Term Plan process.

Connected, vibrant and thriving Manawatū District - the best lifestyle in New Zealand.

The following three vision statements have been confirmed for villages, rural community and Feilding urban township.

Villages vision statement:

Attractive and prosperous communities that offer lifestyle choices and business opportunities within a unique environment.

Rural area vision statement:

Providing world-leading food, products and services within a beautiful sustainable rural landscape that offers outstanding recreational opportunities.

Feilding urban vision statement:

An attractive, progressive and inclusive country town that offers lifestyle choices, and is the agri-business hub of the Region.

Community outcomes we are working towards:



Manawatū District protects the natural environment through stewardship of the District's natural and physical resources.



Manawatū District attracts and retains residents and businesses.



Manawatū District develops a broad economic base from its solid foundation in the primary sector.



Manawatū District is connected via quality infrastructure, services and technology.

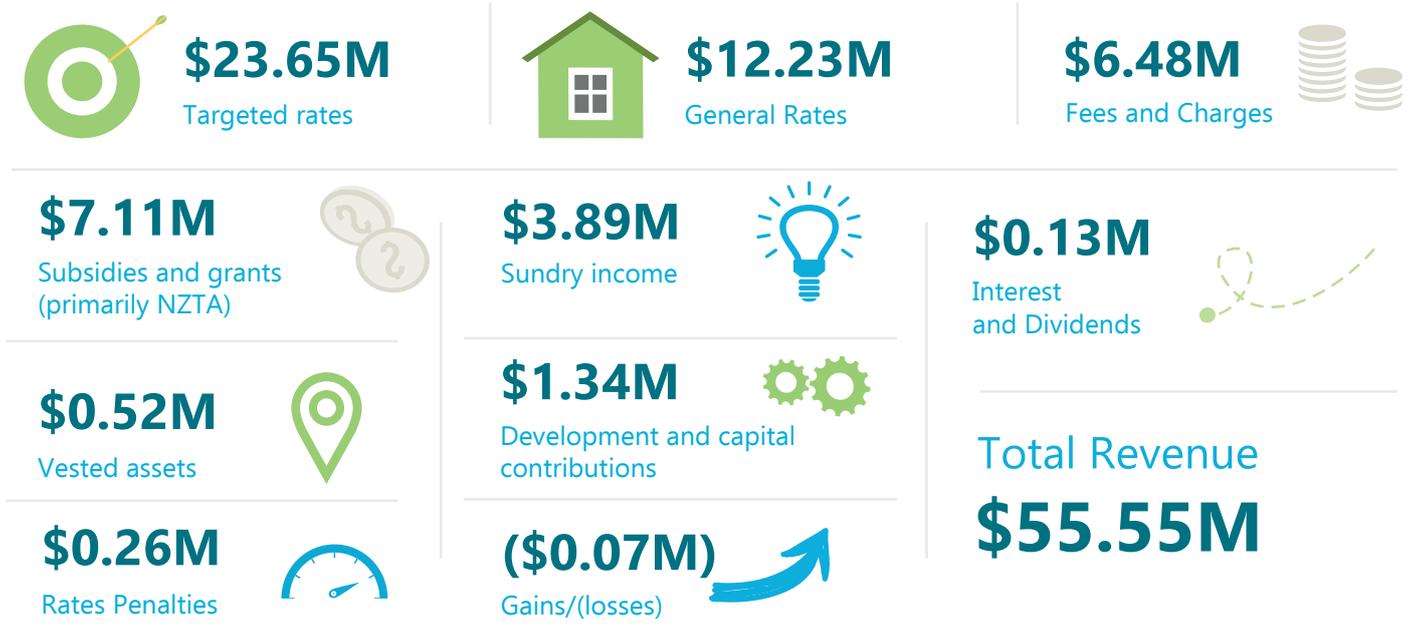


Manawatū District's built environment is safe, resilient and attractive.

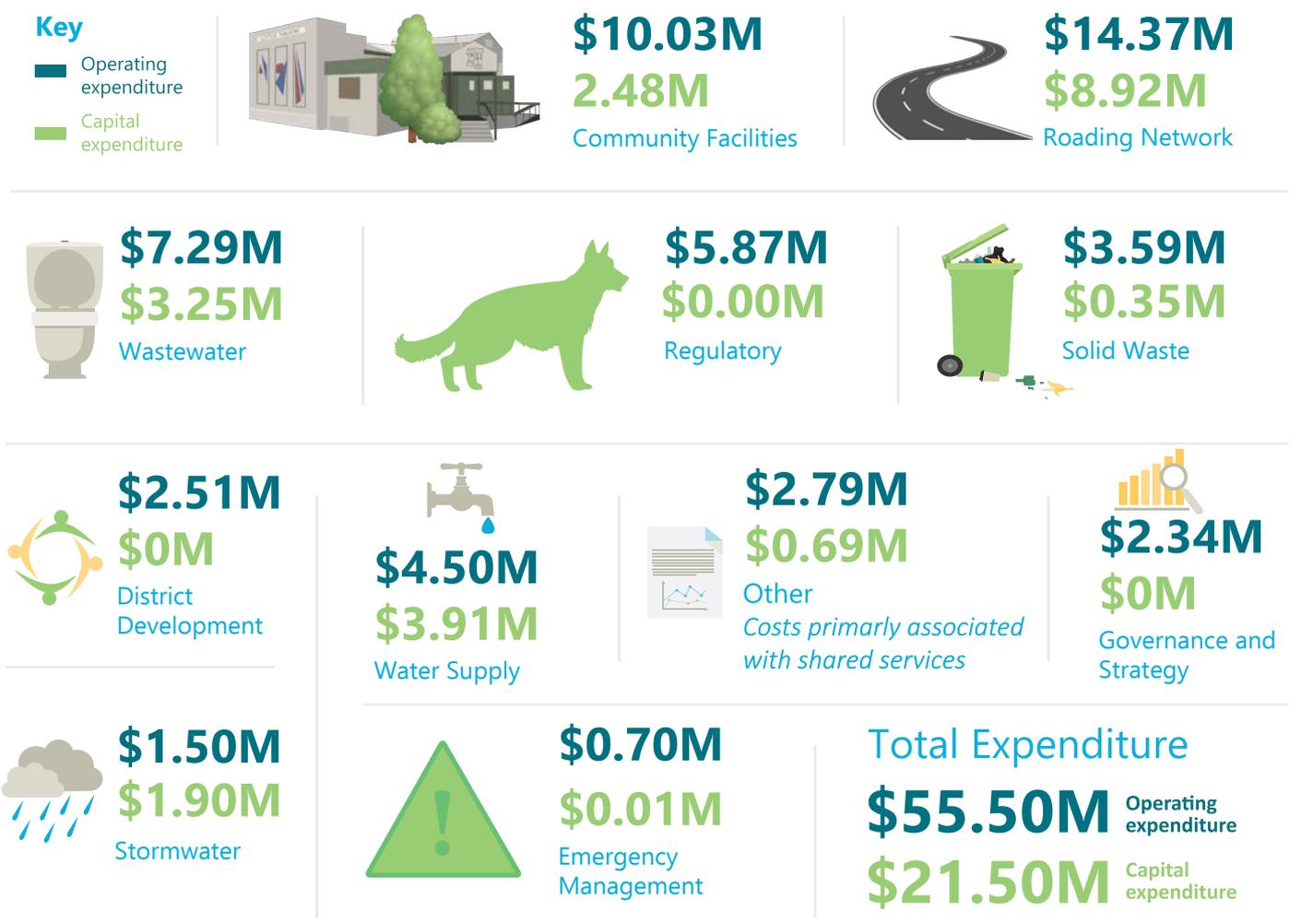


Manawatū District Council is a customer-focussed and efficient organisation.

WHERE DID COUNCIL GET MONEY?



HOW DID COUNCIL SPEND MONEY?



Performance overview

To assess how well Council is delivering services to the community, Key Performance Indicators (KPIs) are included in Long Term and Annual Plans. For the 2019/20 year, Council is reporting against 76 KPIs, which are detailed in Section Two of this report.

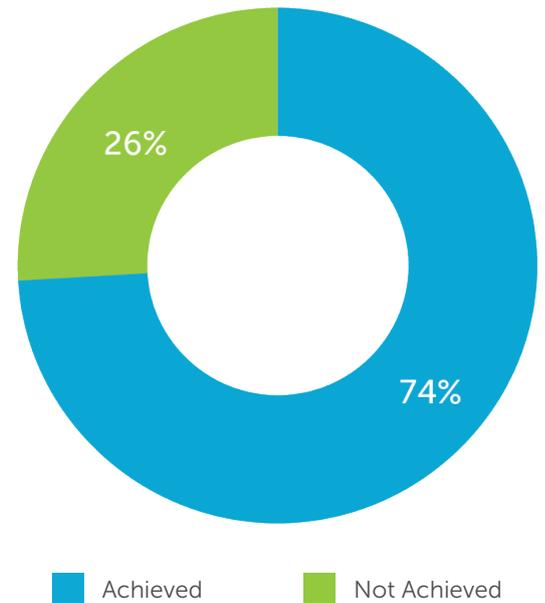
Council has achieved 73.7% of its KPIs. In the previous years, it was 82% (2018/19) and 74% in (2017/18) which shows a drop in percentage reflecting the time when organisation's focus moved temporarily to meeting the community's immediate needs due to COVID-19, rather than achieving the set work programmes.

While the current results show that there is still a shortfall in performance due to the national event, the previous two year trend confirms that Council is working to address these and achieve our desired performance.

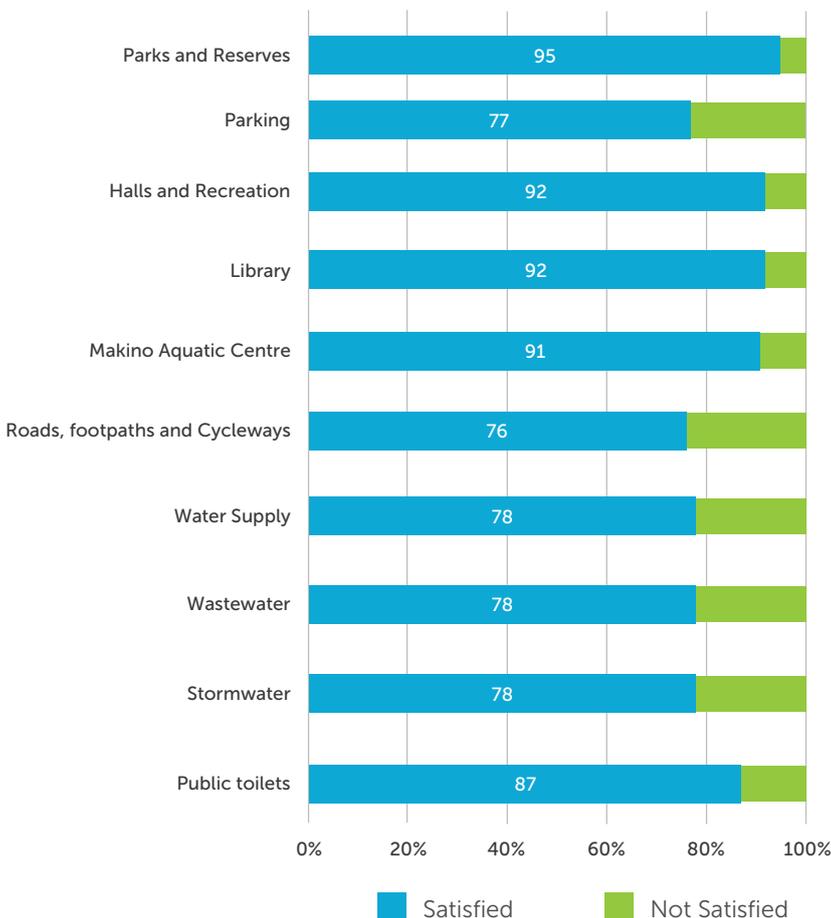
We acknowledge that there were 20 instances where we did not achieve the target (13 instances in 2018/19). Seven of these were as a result of Covid-19. Nine were in the regulatory area where timeframes have not been met due to very high consenting and inspection (including re-inspections) that have exceeded the capacity volumes of the staff to process.

All KPIs are reviewed as part of the Long Term Plan process to ensure Council is providing the level of service the community wants.

KPI Target Achievement



Community Satisfaction



Community survey

Council uses a community perception survey to measure satisfaction for a number of KPIs. The survey is conducted quarterly and aims to achieve a representative view across gender, age, ethnicity and location across Manawatū District residents.

The survey is based on the responses of 448 residents which meets the number required for statistical reliability.

The surveys looked at the satisfaction levels of Council services. All surveyed services received community satisfaction levels between 64% (Overall Value for Money) and 95% (Overall satisfaction with Parks and Reserves).

Statement of Compliance and Responsibility

Compliance

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

Responsibility

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

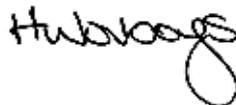
The Council and management of Manawatū District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

The Council and management of Manawatū District Council accept responsibility for the delivered levels of service for the activity groups described in Section Two.

In the opinion of the Council and management of Manawatū District Council, the Annual Financial Statements for the year ended 30 June 2020 fairly reflect the financial position and operations of Manawatū District Council.



Dr Richard Templer Chief Executive



Executive Helen Worboys Mayor



To the readers of Manawatu District Council's annual report for the year ended 30 June 2020

The Auditor-General is the auditor of Manawatu District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 17 December 2020. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 61 to 118:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2020;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 59, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statement of service provision on pages 23 to 57:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2020, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 28 to 58, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 28 to 58, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 125 to 128, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

Emphasis of matter – Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the District Council as set out in Note 36 to the financial statements and pages 24, 25, 41 and 42 of the performance information.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 3 to 143, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

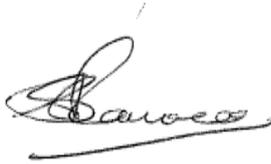
Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and

Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out engagement we have performed a limited assurance engagement related to the District Council's debenture trust deed, which is compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.

A handwritten signature in black ink, appearing to read 'Clint Ramoo', with a horizontal line underneath.

*Clint Ramoo
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand*

SECTION 2 – ACTIVITY SUMMARIES

The following pages provide details about what we have been doing in the Manawatū District and how we have performed for the 2019/20 year. We have continued to deliver 22 different services and facilities across the District, including:



Drinking Water

taking away **stormwater sewerage**



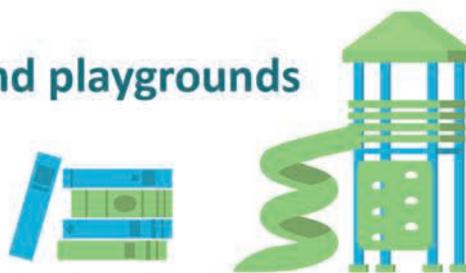
Animal Control

Public Toilets



Enabling leisure your

parks, reserves and playgrounds
swimming pool
library



District Development

Community Committees,
Grants, Economic Development



Cemeteries



Building Services



Emergency Management

Providing

kerbside rubbish and recycling

street lighting and footpaths



Getting you places
your roads



Guide to Section Two: Groups of Activities

This section summarises results from the 2019/20 financial year for Council's Groups of Activities. In 2019/20, Council provided various services organised into ten Groups of Activities.

The groups are:

Community Facilities	Page 24	Roading	Page 45
District Development	Page 30	Solid Waste	Page 49
Emergency Management	Page 34	Stormwater	Page 51
Governance and Strategy	Page 37	Wastewater	Page 53
Regulatory	Page 40	Water Supply	Page 56

Contribution to Council outcomes

Community outcomes represent the long term goals Council is working towards. The community outcomes associated with each group of Activities are denoted by symbols. The outcomes are:



Environment – Manawatū District protects the natural environment through stewardship of the District's natural and physical resources.



Attract and retain residents – Manawatū District attracts and retains residents and businesses.



Broad economic base – Manawatū District develops a broad economic base from its solid foundation in the primary sector.



Quality infrastructure – Manawatū District is connected via quality infrastructure, services and technology.



Safe built environment – Manawatū District's built environment is safe, resilient and attractive.



Focussed and efficient organisation – Manawatū District Council is a customer-focussed and efficient organisation.

Contribution to community well-being

Our groups of activities impact the four well-beings set out in the Local Government Act 2002 as follows:

The Four Well-beings

Group of Activities	Social	Cultural	Economic	Environmental
Community Facilities	✓	✓	✓	✓
District Development	✓	✓	✓	✓
Emergency Management	✓	✓	✓	✓
Governance and Strategy	✓	✓	✓	✓
Regulatory	✓		✓	✓
Roading	✓	✓	✓	✓
Solid Waste	✓	✓	✓	✓
Stormwater	✓		✓	✓
Wastewater	✓	✓	✓	✓
Water supply	✓	✓	✓	✓

For each group activity summary provided in this section of this report, you will find the following information:

What has Council achieved in 2019/20?

Summaries of performance within each activity are provided, which show what is being measured, including community opinion, response times, deadlines and compliance with regional standards. Key projects are also summarised.

Funding Impact Statement

A Funding Impact Statement for each group of activity is shown and presents the actual costs and sources of funding for the 2019/20 financial year. For comparison purposes, the first column contains actual data for 2019/20, the second column is year two of the Long Term Plan 2018-28 and the last column contains information from the Long Term Plan for the 2018/19 financial year.

The Overall Funding Impact Statement on page 58 presents the actual financial results for the 2018/19 and 2019/20 financial years, compared against the Annual Plan budgets for those years.

Performance Targets

For this section, the results are indicated by:



Target met



Target not met



Not met due to COVID-19

A number of performance indicators refer to the public perception survey. This survey was independently carried out every three months and the full year results are collated.

Residents were asked to rate our services on a scale from 1-10. Responses in the 1-5 range are considered to be "dissatisfied" and those in the 6-10 range are considered "satisfied". Throughout this section we have provided a more detailed breakdown of the responses:

- Very dissatisfied / poor 1 - 4
- Somewhat dissatisfied / poor 5
- Somewhat satisfied / good 6
- Satisfied / good 7 - 8
- Very satisfied / excellent 9 - 10



Community Facilities

Cemeteries

During 2019/20 Council has been developing a draft Cemeteries Management Strategy. This sets out Council's vision, goals and objectives for the eight Council-owned cemeteries within the district for the next 50 years. This strategy is expected to be adopted by Council prior to the end of 2020.

Level of Service: Satisfaction with the maintenance of our cemeteries				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Percentage of customers are satisfied with the maintenance of cemeteries.	90%	96%	96%	

Level of Service: Professional and timely interment services				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
No complaints about late or inadequate interment services.	0	0	0	

District Libraries

Prior to COVID-19, Manawatū District Libraries were on track to meet the targets set. Unfortunately, the pandemic and the resulting lockdown meant that not all were able to be met. Our e-resource use spiked over the COVID-19 pandemic when people were unable to physically access the library. We were proud to be able to continue services digitally to engage with our community. Pressreader (online magazines and newspapers) in particular, doubled in use from 24,000 in 2019 to 49,000 in the 2020 financial year. We are proud of our programmes and events this year, especially achieving the participation goal before the end of Quarter 3 before COVID-19 hit. The connection with schools in our district has strengthened, and our digital learning programmes are growing.

We conducted Manawatū District Libraries' second stocktake. Due to COVID-19, we had to delay this (originally planned for March, conducted in May). We are still awaiting the final report from Kōtui, our library management system, as they have their own post COVID-19 delays.

Level of Service: Access to a range of information				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Number of library books issued (includes physical and digital issues).	8	8	7.6	 We were on track to meet our target of 8 issues per capita by year end (6.2 by the end of the 3rd quarter). However, due to the COVID-19 lockdown (23 March to 18 May 2020), we did not meet the end of year target. Final data puts us at 7.6 issues per capita for the year, very close to the target, thankfully in most part to the library e-Resources that spiked in use over April – June 2020.

Number of digital users (ie. the number of online transactions and users of wi-fi at the library).	60,000	55,012	45,092		<p>We were on track to meet our target of 60,000 digital users by year end. However, due to the wi-fi being switched off during COVID-19 lockdown (23 March to 18 May 2020), we did not meet the end of year target. Final data puts us at 45,092 for the year.</p> <p>The drop in numbers over the COVID-19 closure highlights how much the community accesses library services to use digital technology and the internet.</p>
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Level of Service: A range of activities and learning opportunities

Success Measurement	Target	Result 2018/2019	Result 2019/2020		Comment
The number of events carried out and the number of participants.	950 events/ 14,250 participants	1,419 events/ 19,232 participants	1,006 events/ 14,568 participants		We had met our end of year target in quarter 3 (before lockdown).

Halls and recreational complexes

This year has seen a programme of works undertaken at the Feilding Civic Centre, with the primary focus on the roof and stormwater drainage system.

Detailed design has commenced with respect to the earthquake strengthening of the Feilding Little Theatre.

Property maintenance projects, including earthquake strengthening, have been completed at the Te Kawau Recreation centre in Rongotea.

Level of Service: Halls and recreational complexes to be well used

Success Measurement	Target	Result 2018/2019	Result 2019/2020		Comment
The average each rural and community hall is used.	28 times	Unable to report	Unable to report		No Annual Hall reports have been received at the time of completing this report. Officers are identifying a more meaningful measure for future Level of Services.

Makino Aquatic Centre

Prior to COVID-19, the Makino Aquatic Centre was on track to meet its targets. Unfortunately, the pandemic and the resulting lockdown meant that it did not meet one of its targets. We successfully achieved our annual 'Pool Safe' Accreditation from Recreation Aotearoa. This accreditation assesses our ability to run and maintain a high quality, safe aquatic facility, this is valid to 31 March 2021. As a result of the reputation we have built regarding the National Canoe Polo Championships which we have been successfully hosting for many years, we hosted the Regional Championships for the first time in March 2020.

Level of Service: Safe Pools

Success Measurement	Target	Result 2018/2019	Result 2019/2020		Comment
Pool Safe accreditation.	Pool Safe accreditation retained	Pool Safe accreditation retained	Pool Safe accreditation retained		

Level of Service: A variety of water activities				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Participants in water activities and learning to swim programmes.	>55,000	58,064	41,671 	The Makino Aquatic Centre was on track to meet its targets with 37,633 participants in water activities and programmes until March 2020 when COVID-19 lockdown started.

Level of Service: Quality experiences				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Percentage of customers are satisfied overall with their experience at the complex.	90%	95%	91% 	

Parks, Reserves and sportsgrounds

This year has seen the continued enhancement of the Makino precinct area with the construction of the new skate park on the banks of the Makino Stream, as well as the construction of a new path network. A number of planting areas have also been completed. Work on the Quail Ave walkway has been completed with the installation of the new crushed rock path and the planting of 15,000 plants to complement the walkway's natural features. Timona Park has seen continued enhancement along the Ōroua river banks with stage two of the "Windows to the River" project in conjunction with Horizons Regional Council and the Ōroua Catchment Care Group. Horizons stop bank works have continued in Johnson Park and have included the development of the walkway linking Waugh's Road to Timona Park. Due diligence is now being completed on the acquisition of land for a new 2.2ha park within Residential Growth Precinct Four.

Level of Service: Satisfaction with Council's parks, reserves and sports grounds				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Customers satisfaction with their overall experience of parks and sports grounds.	90%	97%	95% 	

Level of Service: The number of closures of parks, reserves and sports grounds				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Closures of parks, reserves and sports grounds.	<10	0	0 	

Level of Service: Safe parks, reserves and sports grounds				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Reported health and safety incidents or injuries due to inadequate or poor maintenance in our parks, reserves and sports grounds.	0	0	0 	

Property

The second tranche of condition assessments and site-specific testing has now been completed at a number of Council-administered buildings and will feed into the 2021 Asset Management Plans and Community Facilities Strategy.

This past year has seen the disposal of a portion of Council-owned land located in the Special Development Zone adjacent to Manfeild Park. The balance of this land is currently being marketed by a local real estate company.

Good progress has been made on the development of a Community Facilities Strategy. This is a key strategic document that will provide a clear vision and decision making framework for the future of all Council-owned community facilities. This strategy is expected to be finalised before the end of 2020.

Level of Service: Satisfaction with our property facilities				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Surveyed customers are satisfied with their overall experience of property facilities.	85%	95%	95%	

Public conveniences

This year has seen a new public toilet and playground in Cheltenham. This has been a collaborative project involving the Cheltenham Community Committee, Council and The Roman Catholic Bishop of the Diocese of Palmerston North.

Level of Service: Satisfaction with public toilets				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Number of complaints received about inadequate maintenance and poor cleaning of our toilets.	<8	5	1	



Manawatū District Council
 Funding Impact Statement for the year ended 30 June 2020
 Community Facilities

	Actual 2020 \$000	LTP 2020 \$000	LTP 2019 \$000
Sources of operating funding			
General rates, uniform annual general charge, rates	1,917	2,120	1,885
Targeted rates	6,415	6,523	5,954
Subsidies and grants for operating purposes	39	4	4
Fees and charges	976	1,227	1,183
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	44	29	30
Total operating funding	9,391	9,902	9,056
Applications of operating funding			
Payments to staff and suppliers	6,075	6,443	6,213
Finance costs	725	896	803
Internal charges and overheads applied	1,369	1,670	1,531
Other operating funding applications	-	-	-
Total applications of operating funding	8,169	9,009	8,547
Surplus (deficit) of operating funding	1,223	893	509
Sources of capital funding			
Subsidies and grants for capital expenditure	200	-	-
Development and financial contributions	182	329	319
Increase (decrease) in debt	1,031	2,744	2,180
Gross proceeds from sale of assets	291	1,100	1,800
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,704	4,173	4,300
Applications of capital funding			
Capital expenditure			
- to meet additional demand	440	1,393	1,944
- to improve the level of service	1,241	1,756	2,812
- to replace existing assets	800	624	821
Increase (decrease) in reserves	446	1,294	768
Increase (decrease) of investments	-	-	-
Total application of capital funding	2,927	5,067	4,809
Surplus (deficit) of operating funding	(1,223)	(893)	(509)
Funding Balance	-	-	-
Community Facilities Internal Borrowings			
Opening balance 1 July	12,837		
Internal loans raised during the year	1,214		
Internal loans repaid during the year	(182)		
Closing balance at 30 June	13,868		

Community Facilities External Borrowings

Opening balance 1 July	1,873
External loans raised directly by activity during the year	-
Internal loans raised directly by activity during the year	-
Closing balance at 30 June	1,873

All external borrowing is managed through Council's treasury function which borrows externally to maintain sufficient liquidity for the day-to-day operations. Community facilities group of activities has a mixture of internal and external loans to fund its capital projects. Internal loans are raised by the activity from Council's treasury.

The finance cost above includes \$639k interest expense in relation to loans raised internally from Council's treasury and \$86k interest expense charged on external loan raised directly by Community Facilities group of activities, for the year ended 30 June 2020.



District Development

Community Development

Council adopted the Community Development Strategy and Community Development Policy which modified the processes and criteria for Community Development service contracting, funding and reporting from 1 January 2020. One of the changes was the implementation of a full accountability reporting process for recipients of funding.

Accountability reports were received by the Community Development Committee in relation to the following funds:

- The Partnership Fund (12)
- The Event Fund (5)
- The Community Development Fund (1)
- The Representative Grant (1)

Funding provided:

- 35 Representative Fund applications were approved, however, 7 applicants had events cancelled due to COVID-19 and grants were returned. \$22,500 was distributed and \$3,000 has been returned
- 22 Event Fund applications were approved totalling \$62,860
- 13 Community Development Funding applications were approved totalling \$40,877
- 12 applications were approved by the Manawatū District Creative Communities Assessment Committee on behalf of Creative Communities NZ totalling \$35,250
- 3 Major Regional Events applications were approved totalling \$44,180
- 3 Post COVID-19 Community Social Gatherings were approved totalling \$3,000
- Council continued supporting 12 organisations through the Partnership Fund to deliver on specific services for Manawatū District residents

A full list of all funding recipients can be found in Section 4 of this report.

Council formally acknowledged 9 Representative Fund recipients who received top-three placings in their discipline at a combined function with the 2019 Community Honours in September.

Projects that were either started or completed through the Community Planning programme included:

- new *Welcome to Sanson* signage which includes the town's new branding
- the replacement of the Ōroua Valley Lookout platform just north of Kimbolton
- installation of new lighting for the Halcombe cenotaph
- new disabled access into the Kiwitea Hall
- the installation of playground equipment, fencing and new gate at the Cheltenham Memorial Park
- construction began on a new disabled shower and toilet block at the Rangiwahia Hall

A number of projects were funded through the Community Committee Project Fund which included:

- the purchase of a gazebo for events held in Apiti
- the purchase of defibrillators for the community's use in Hiwinui and Pohangina
- street flags and sculpture lighting in Kimbolton
- painting of a bus shelter and repairs to the community swimming pool in Pohangina
- repairing old and purchasing new Christmas lights and refurbishing public notice board in Rongotea
- purchasing 8 new folding tables as well as a storage container for the Waituna West Hall

Level of Service: All organisations and individuals who receive community development funding are delivering on the outcomes contained in the Community Development Strategy

Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Council is satisfied that the accountability reports received from those organisations and individuals who receive community development funding have delivered on the outcomes contained in the Community Development Strategy.	100%	100%	100%	

Level of Service: Satisfaction that Council funds and supports key community organisations in order to build district community capability

Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Resident satisfaction rating has increased a minimum of 2% on the previous year.	59%	57%	54%	 During the 2019/20 year a total of 439 residents were surveyed. Of the respondents: <ul style="list-style-type: none"> Satisfied - 54% Dissatisfied - 46% (Source: Public Perception Survey).

Economic Development

GDP for the Manawatū District is estimated to have grown by 3.1% to \$1.27 billion to year end March 2020. This is an estimated increase of \$38 million when compared with the year end March 2019. Economic growth at the regional and national levels was hit harder by the early impacts of COVID-19. Regional GDP grew by 1.9% over the year to March while national GDP growth is estimated at 1.7%.

The data for the June quarter (2020) is not available at this time, however, it will provide a clearer picture of the impacts of the level 3 and level 4 lockdown on the local and national economy.

The direct impact of the COVID-19 restrictions is estimated to contract the Manawatū District economy by 6.2% over 2020, 3.5% as a direct impact of the Level 3 and Level 4 lockdown and a further 2.7% from the impact on the economic activity of Level 1 and Level 2 restrictions over the remainder of 2020.

The largest impacts will come from a reduction in economic activity in the service sector, retail and wholesale trade, and the manufacturing and construction sectors. While the Manawatū District economy is relatively resilient to the downturn of international tourism, discretionary spending on business and household services are vulnerable to job losses and a fall in business and consumer confidence.

Level of Service: Relevant economic development services				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Achievement of activated initiatives in the Economic Development Strategy Action Plan scheduled for completion in that year.	100%	100%	100%	
Central Economic Development Agency (CEDA) achievement of the targets under the relevant Statement of Intent.	80%	72%	84%	

The Central Economic Development Agency [CEDA] is a Council Controlled Organisation jointly owned by Manawatū District Council and Palmerston North City Council. Its purpose is to grow the region’s prosperity. CEDA’s vision is “Manawatū 2025; New Zealand’s most progressive region”. CEDA has three key indicators of progress towards this vision:

1. Manawatū is recognised as one of the top three agrifood hubs in the world.
2. Manawatū is a leading distribution hub and leverages off its role in central New Zealand.
3. Manawatū is renowned for its exceptional lifestyle, competitive advantages, and is a magnet for investment, business and talent.

Both councils oversee the performance of CEDA through a Statement of Expectation, agreeing on a Statement of Intent from CEDA and reviewing and providing feedback on the 6 and 12 month reports of CEDA. The two councils have established a Joint Committee to oversee this process.

The Manawatū District Council has submitted applications to the Provincial Growth Fund (PGF) to enhance national and local economic development opportunities. In addition, it has supported PGF applications from other entities in the region such as CEDA and Food HQ.



Manawatū District Council
 Funding Impact Statement for the year ended 30 June 2020
 District Development

	Actual 2020 \$000	LTP 2020 \$000	LTP 2019 \$000
Sources of operating funding			
General rates, uniform annual general charge, rates	2,591	2,756	2,697
Targeted rates	106	104	103
Subsidies and grants for operating purposes	40	26	25
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	74	114	84
Total operating funding	2,812	3,001	2,909
Applications of operating funding			
Payments to staff and suppliers	1,988	2,173	2,687
Finance costs	199	302	275
Internal charges and overheads applied	326	383	367
Other operating funding applications	-	-	-
Total applications of operating funding	2,514	2,858	3,329
Surplus (deficit) of operating funding	298	143	(420)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(182)	(213)	1,051
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(182)	(213)	1,051
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	118	213	(134)
Increase (decrease) of investments	(2)	(283)	764
Total application of capital funding	116	(70)	630
Surplus (deficit) of operating funding	(298)	(143)	420
Funding Balance	-	-	-
District Development Internal Borrowings			
Opening balance 1 July	4,054		
Internal loans raised during the year	-		
Internal loans repaid during the year	(182)		
Closing balance at 30 June	3,871		

All external borrowing is managed through Council's treasury function which borrows externally to maintain sufficient liquidity for the day-to-day operations. Internal loans are raised by the activity from Council's treasury.

The interest charged on internal borrowings for the year ended 30 June 2020 is disclosed above under finance costs.

Emergency Management

The most significant event of the year was our response to the COVID-19 lockdown. The EOC was activated at Level 3 and it operated from 25 March 2020 to 13 May 2020 with approximately 107 MDC staff actively involved in the response. This includes response staff who were seconded from the Makino Aquatic Centre and Feilding Library due to their required closure. It was predominantly a Welfare focused response ensuring those most vulnerable to the effects of the disease and economic hardship were supported. The MDC response has been highly regarded for efficiently and successfully coordinating the following assistance to the Manawatū community:

- Requests for support: 472 (20.38% rural, 78.34% urban, 1.28% did not disclose)
- Prescription deliveries: 4,350
- Grocery shops and deliveries (paid back by individuals): 749
- Integrated Whanau Approach (IWA) support: 226
- IWA deliveries by MDC: 45
- Food parcels from Salvation Army and Manchester House Social Services: 691
- Rapid Relief Team food parcel packs given out by police: 42
- Care packs given to vulnerable people for enablement: 400
- Approximate number of care calls to the vulnerable: 1,350
- Approximate number of vulnerable people supported: 1,164
- Total people supported in accommodation: 7 adults, 2 children
- Welfare associated claims to central government: \$98,080.25

Our COVID-19 response has shown the effectiveness of both the Integrated Training Framework and bespoke training. Training on a regular basis has enabled the Incident Management Team to respond efficiently and effectively.

Beyond COVID-19 Council has been represented at key Emergency Management meetings including the Coordinating Executive Group, Joint Standing Committee, Welfare Coordination Group, Rural Coordination Group, Regional Emergency Management Officers' meetings and attended Community Committee meetings throughout the year. We have facilitated local networks by hosting Manawatū Civil Defence specific meetings such as Local Welfare & Recovery Forum and Emergency Management Committee meetings. A table-top exercise was undertaken with the Emergency Management Committee to enable networking and coordination of emergency response agencies to a tsunami response.

Civil Defence preparedness has been promoted in the community through presentations at Feilding Library, Whanau Day, School visits, and Super Seniors Expo.

New procedures and plans were developed to assist with guidance through emergency events. The plans included Violent Offender Lockdown, Pandemic Plan, Local Recovery Guide, changes to procedures to suit CIMS 3rd edition, Emergency Finance Procedure, and implementation of the GNS Active Fault Mapping and Fault Avoidance Zones Report.

Level of Service: The community is informed about Civil Defence

Success Measurement	Target	Result 2018/2019	Result 2019/2020		Comment
Residents satisfaction rating has increased a minimum of 2% on the previous year.	79%	77%	75.5%		<p>Residents were asked about their satisfaction with the community preparedness for civil defence emergencies and the response to civil defence emergencies.</p> <p>439 residents were surveyed.</p> <p>The survey results for preparedness were:</p> <ul style="list-style-type: none"> • Satisfied - 72% • Dissatisfied - 28% <p>The survey results for responding to emergencies were:</p> <ul style="list-style-type: none"> • Satisfied - 79% • Dissatisfied - 21% <p>(Source: Public Perceptions Survey)</p> <p>The two surveys were averaged to give the overall result of 75.5%.</p>



Manawatū District Council
 Funding Impact Statement for the year ended 30 June 2020
 Emergency Management

	Actual 2020 \$000	LTP 2020 \$000	LTP 2019 \$000
Sources of operating funding			
General rates, uniform annual general charge, rates	273	265	258
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	182	-	-
Total operating funding	456	265	258
Applications of operating funding			
Payments to staff and suppliers	368	197	194
Finance costs	-	-	-
Internal charges and overheads applied	327	59	57
Other operating funding applications	-	-	-
Total applications of operating funding	694	255	251
Surplus (deficit) of operating funding	(239)	10	7
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	5	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	5	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	5	-	45
- to replace existing assets	1	28	7
Increase (decrease) in reserves	(240)	(19)	(45)
Increase (decrease) of investments	-	-	-
Total application of capital funding	(234)	10	7
Surplus (deficit) of operating funding	239	(10)	(7)
Funding Balance	-	-	-

All external borrowing is managed through Council's treasury function which borrows externally to maintain sufficient liquidity for the day-to-day operations. Internal loans are raised by the activity from Council's treasury.

Governance and Strategy

Council elections in October 2019 were based on the new two-ward arrangements that resulted from the previous year's review of representation. Five Councillors were elected from the new Feilding Ward, and five Councillors elected from the new Rural Ward. Two new members were elected to fill the positions of retiring Councillors, with all other previously elected members successfully returned.

Several of Council's bylaws were reviewed during the 2019/20 year with the Animal Bylaw, Cemeteries Bylaw and Dog Control Bylaw reviewed and adopted in October 2019 and the Freedom Camping and Public Places Bylaw reviewed in the first half of 2020 and adopted on 2 July 2020.

Other policies that have been reviewed were the Dog Control Policy and the Significance and Engagement Policy.

A key focus of the 2019/20 year has been the development and adoption of Annual Plan 2020/21 and the early phases of the 10 Year Plan 2021-31. The Annual Plan was adopted on 23 April 2020 – during the COVID-19 lockdown. There were no significant changes to year three of the Long Term Plan 2018-28 so no public consultation was necessary and Council was pleased to have been able to draw on its "rainy day" reserve fund and adopt a 0% average rates rise for 2020/21.

The 10 Year Plan project was progressing well by June 2020 with much of the supporting research done and a successful pre-engagement campaign well underway.

Council approved a District Plan change in Feilding which will allow for the development of 1,700 homes on the northern edge of the town, known as Precinct 4. Feilding is experiencing high population growth and Precinct 4 provides the space for that development to occur.

Level of Service: Responsible management of finance				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Breaches of rating or debt levels set in the Financial Strategy	0	1	0	
Level of Service: Provide opportunities for community involvement in decision-making				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Customer satisfaction with the opportunities Council provides for community involvement in decision-making.	80%	69%	63%	 During the 2019/20 year, a total of 439 residents were surveyed. Of the respondents: <ul style="list-style-type: none"> • Satisfied - 63% • Dissatisfied - 37% (Source: Public Perception Survey).

We made a large number of submissions to central and local government agencies, including:

July

- Zero Carbon Bill (Ministry for the Environment)

August

- Developing a new strategy to prepare for an ageing population Discussion Document (Ministry for Seniors)
- Local Government Funding and Financing Review (Productivity Commission)

October

- Infrastructure Funding and Financing: Development Contributions and Targeted Rates (Department of Internal Affairs)
- Product Stewardship (Priority Products) (Ministry for the Environment)
- NPS Highly productive land (Ministry for the Environment)
- NPS Urban Development (Ministry for the Environment)
- NPS Fresh Water Management (Ministry for the Environment)
- Plan Change 2 (Horizons)
- Public Finance (Wellbeing) Amendment Bill (Finance and Expenditure Committee)

November

- Support for Bioenergy Association of NZ (Interim Climate Change Committee)

December

- Further submission to Draft Plan Change 2 (Horizons)

January

- Localism discussion paper (Local Government NZ)
- RMA Reform Issues and Options Paper (Ministry for the Environment)

February

- Urban Development Bill (Environment Committee)
- Waste Disposal Levy increase (Ministry for the Environment)

March

- Taumata Arowai: Water Services Regulator Bill (Health Committee)
- National Policy Statement for Indigenous Biodiversity (Ministry for the Environment)

May

- Draft GPS Land Transport 2021 (Ministry of Transport)
- Plastic waste: Implementing Amendments to the Basel Convention (Ministry for the Environment)
- Annual Plan 2020/21 (Horizons)

Manawatū District Council
 Funding Impact Statement for the year ended 30 June 2020
 Governance and Strategy

	Actual 2020 \$000	LTP 2020 \$000	LTP 2019 \$000
Sources of operating funding			
General rates, uniform annual general charge, rates	2,193	2,228	2,060
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	76	69	-
Total operating funding	2,269	2,297	2,060
Applications of operating funding			
Payments to staff and suppliers	722	785	657
Finance costs	-	-	-
Internal charges and overheads applied	1,611	1,512	1,404
Other operating funding applications	-	-	-
Total applications of operating funding	2,333	2,297	2,060
Surplus (deficit) of operating funding	(64)	-	-
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	(64)	-	-
Increase (decrease) of investments	-	-	-
Total application of capital funding	(64)	-	-
Surplus (deficit) of operating funding	64	-	-
Funding Balance	-	-	-

There are no loans (internal or external) for this activity

Regulatory

Animal control

The total number of dogs registered in the district is 7,524. This is an increase of 119 dogs from the previous year. There were only 33 unregistered dogs as at 30 June. The district has 6 dogs classified as dangerous. Compared to the previous year there has been a decrease in the number of responses across priorities 1, 2 & 3.

Level of Service: Timely response to requests for service				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Urgent requests about dog attacks/wandering stock responded to or caller contacted within 15 minutes of Council receiving the request (Priority 1).	90%	99%	99%	
Notification of roaming dogs responded to or caller contacted the next working business day of Council receiving the request (Priority 2).	90%	99.6%	99.5%	
Routine animal control issues responded to or caller contacted the next working business day of Council receiving notification (Priority 3).	90%	98.8%	96%	

Building Control

There has been a slight increase in the number of dwelling consent applications from the previous year. The majority of building consent applications received were incomplete with 68% applications suspended pending further information, while approximately 45% of building inspections failed, requiring a re-inspection. This is a continuing trend on last year and puts additional pressure on resourcing, especially when application numbers are increasing.

The implementation of the earthquake prone building legislation is proceeding in accordance with the statutory timeframes. Priority buildings have been identified and building owners have been notified. Due to MDC's first-in-NZ online building consent application system, consents were able to be processed during the COVID-19 lockdown period.

Level of Service: A responsive building control service				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Responding to complaints relating to our building control service are responded to within ten working days.	90%	90.7%	95%	
Inspections can be booked within four days of the request.	90%	66.7%	8%	 Only 1 month out of twelve achieved a 4-day timeframe. This is due to high levels of inspections requested coinciding with extended sick leave and a resignation and 50% failed inspections requiring a re-inspection. The period following COVID-19 lockdown was particularly busy.

Building consent applications are processed and approved within the statutory 20 working days.	95%	98%	94%		This target was not met due to continued high volumes of applications and carrying a vacant building officer position and mentoring and coaching two new staff. This was exacerbated by COVID-19 lockdown.
95% of code compliance certificates are processed within 20 working days.	95%	95%	95%		
95% of fixed fee (small works) building consent applications are processed and approved within 10 working days.	95%	97.3%	88%		This target was not met due to continued high volumes of applications and carrying a vacant building officer position and mentoring and coaching two new staff. This was exacerbated by COVID-19 lockdown.
95% of code compliance certificates for fixed fee building consents are processed within 10 working days.	95%	90.4%	91%		290 CCCs were issued for fast track consents between 1 July 2019 - 30 June 2020. 27 were not issued within the specified timeframe. Competing priorities of workloads within the administration team due to additional functions such as swimming pool and BWoF administration. Increased numbers of inspections putting time pressure on building officers to sign off for code compliance certificates.

Level of Service: To monitor commercial and public buildings for compliance with the Building Warrant of Fitness

Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
5% District's commercial and public buildings that hold current compliance schedules are audited.	5%	6.95	12%	 There are 388 buildings with compliance schedules in the district. 5% is the equivalent of 20 buildings audited. Between 1 July 2019-30 June 2020 48 premises were audited.

Compliance Monitoring

There has been a 30% increase in the volume of work attended for the Palmerston North City Council through the litter investigation contract. This contract has been renewed for a two year period.

Level of Service: A high standard of hygiene is maintained in food premises and other registered premises

Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Food premises are inspected within stated timeframes.	100%	100%	86%	 Prior to lock down 41% of the food premises were verified. At the end of the financial year, 86% of premises were verified. The remaining premises will be verified in the next financial year as permitted under the Food Act Amendment extended timeframes.

Level of Service: A high standard of hygiene is maintained in food premises and other health registered premises				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Health registered premises are inspected annually.	100%	100%	97%	 COVID-19 Lockdown impacted on the ability to inspect some businesses during this period
Level of Service: Provide a timely response to requests for service				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Issues endangering public health are responded to within 24 hours of notification.	85%	93.3%	96%	
Urban noise complaints are responded to within one hour of notification.	85%	91%	96%	
Other issues that are not endangering public health are responded to within 48 hours of notification.	85%	96.7%	94%	
Level of Service: Monitoring of selected licensed premises selling alcohol for compliance with their license conditions				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Licensed premises are inspected annually.	95%	100%	94%	 COVID-19 lockdown impacted the ability to inspect some businesses due to their closing for the period. The five premises not inspected were rugby clubs closed due to COVID-19.

District Planning and Policy

There has been a 9% increase in the number of resource consent applications compared to the previous year. The volume of work has been increasing for 3 years. Applications are more complex and there are increased enquiries in relation to changes in the District Plan review process. This is putting additional pressure on resourcing and the ability to meet the statutory timeframes.

Consultants are utilised where possible. This is a challenge as consultants are also experiencing high workloads and are at or near maximum capacity.

An electronic resource consenting system was implemented and went live on 23 March 2020. This enabled customers to lodge applications during the COVID-19 lockdown period.

Level of Service: Provide a responsive district planning service				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Notified and limited notified consents completed within 70 working days.	90%	100%	100%	

Non-notified resource consents completed within 20 working days	90%	77%	80%		Between 1 July 2019 and 30 June 2020, 242 resource consents (not controlled activities) were processed by Council. 49 resource consents were over the statutory timeframes and did not have their timeframes doubled under Section 37 of the RMA.
Notified and limited notified resource consents (not requiring a hearing) completed within 50 working days	90%	0%	100%		
Controlled activities resource consents (excluding subdivisions) completed within 10 working days	90%	38%	0%		Between 1 July 2019 and 30 June 2020 Council received 47 applications for controlled activity resource consents. Of these 47, 8 were for standalone land use consents. All applications took longer than 10 working days to process. Current District Plan controlled activity rules do not enable a fast track consenting system. Also, vacancies within the planning team over this year have put increased time pressure on planning officers.



Manawatū District Council
 Funding Impact Statement for the year ended 30 June 2020
 Regulatory Group

	Actual 2020 \$000	LTP 2020 \$000	LTP 2019 \$000
Sources of operating funding			
General rates, uniform annual general charge, rates	3,218	3,002	2,909
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	2,648	2,105	2,063
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	79	113	111
Total operating funding	5,945	5,220	5,082
Applications of operating funding			
Payments to staff and suppliers	2,662	2,512	2,729
Finance costs	-	-	-
Internal charges and overheads applied	3,147	2,775	2,672
Other operating funding applications	-	-	-
Total applications of operating funding	5,808	5,286	5,401
Surplus (deficit) of operating funding	137	(67)	(319)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	10
- to replace existing assets	-	-	3
Increase (decrease) in reserves	137	(67)	(332)
Increase (decrease) of investments	-	-	-
Total application of capital funding	137	(67)	(319)
Surplus (deficit) of operating funding	(137)	67	319
Funding Balance	-	-	-

There are no loans (internal or external) for this activity.

Roading

The roading team manages 373 bridges and large culverts on 1,370km of roads in addition to footpaths and cycleways to provide multi-modal transport. The team also manages:

- Concrete kerb and channelling to aid urban street drainage
- Stormwater sumps and chambers to manage the removal of surface water
- Small diameter culverts as part of land drainage
- Rural roadside drains as part of land drainage
- Structural retaining walls to support road pavements
- Advisory and safety signage to provide awareness to road users
- Safety lighting for night time driving

Ongoing shared services continue with Rangitikei District Council in providing asset management and engineering services. Opportunities continue to be explored with neighbouring local authorities to advance collaboration of specialist work functions.

Routine maintenance works carried out at a cost of \$5.34 million. This year road renewals amounted to \$4.96 million. This included 55km of road resurfacing, 6.1km of road reconstruction. In addition bridges on Awahuri-Feilding Road, and Pohangina Valley East Road was strengthened and, two large culverts were replaced on Gillespies Line and Rongotea Road.

Road improvements totalling \$2.1 million in value were completed. The projects were:

- Green Road/Rongotea Road Right Turn Bay (RTB)
- Manchester Street School - Church Street/ Fitzroy Street Pedestrian Crossing & Kerb extension
- Mt Biggs School Kerb Extension & Active signage
- Mt Biggs Road – Signage and delineation
- Baines School - Active signage
- Taonui School - Active signage
- Mt Stewart-Halcombe Road - Signage and delineation
- Sandon Road - Signage and delineation
- Rongotea Road - Signage and delineation
- McKays Line - Signage and delineation
- Ulysses Road - Signage and delineation
- Rongotea/Aranui Intersection - Guard Rails
- Awahou South School - Signage Enhancement
- Waughs Rd - Taonui School RTB
- LED upgrade: 300 on high-use roads Feilding
- Church Street/Grey Street Crossing Point & RM: Design Phase
- CBD Lighting: Design Phase
- Baines School RTBs: Design Phase
- Feilding High School - Church Street Table Top/Crossing
- Feilding Schools - Active signage
- Kiwitea School - Active signage
- Colyton School - Active signage
- Mangaweka Bridge replacement: Design and Construction Tender Process

The Feilding to Palmerston North cycle way project has been designed and the construction contract documents are complete. We are currently awaiting funding approval from NZTA and consents from Horizons and KiwiRail.

Port St East Rural to Urban Upgrade. Physical works commenced in October 2019, and are expected to be complete by September 2020.

Land acquisition negotiations and design for Turners Road extension are ongoing.

Level of Service: To get to where they need to go safely using our road network

Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
The number of fatalities and serious injury crashes on the local road network is lower than the previous financial year, measured on a per capita basis.	<0.0007	0.00069	0.00057 	

Detailed information about the change from the previous financial year in the number of fatalities and serious injury crashes on the local road network (In terms of the DIA Non-financial performance measure rules)

Reporting Year	Financial Year	Fatalities	Serious Crashes	Year on Year Change	Crash Count per Capita	Estimated Population	Comment
2018-19	2017-18	6	15	-4	0.00056	30,300	In 2018-19 there were 3 fatalities and 14 serious crashes reported on MDC's local road network, resulting in a decrease of 3 fatalities and a decrease of 1 serious injury crash compared to the previous 2017-18 year (-4 events in total). The fatal and serious crash count per capita is 0.00056, based on the estimated population of 30,300 at time of reporting.
	2018-19	3	14				
	<i>Change</i>	<i>-3</i>	<i>-1</i>				
2019-20	2018-19	3	14	1	0.00057	31,700	In 2019-20 there was 1 fatality and 17 serious crashes reported on MDC's local road network, resulting in a decrease of 2 fatalities and an increase of 3 serious injury crashes compared to the previous 2018-19 year (+1 event in total). The fatal and serious crash count per capita is 0.00057, based on the estimated population of 31,700 at time of reporting.

Level of Service: The road to be in good condition

Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
The annual average index (as per the Smooth Travel Exposure (STE)) on sealed roads.	90%	98%	98% 	

Level of Service: The roading network to be well maintained

Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
The percentage of the sealed local road network is resurfaced each year.	5%	5%	5.5% 	

Level of Service: Well-maintained footpaths

Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
District's footpaths (by length) are within acceptable defect levels (condition rating 1-4) for example cracking, breaks, high lips, trip hazards etc.	95%	99.7%	99.7% 	

Level of Service: People can expect to easily get to where they want to go				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Residents are satisfied that the network is easy to navigate and there is adequate signage.	85%	91%	87%	
Level of Service: Provide timely response to requests for service				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Urgent requests will have service (Council or contractor) on sites within three hours of the request being made. If the problem cannot be remedied immediately the site will be made safe and remedial action carried out as soon as is reasonably practicable.	90%	93.9%	100%	
Non-urgent request for service will result in the contractor including the repairs within the three-month rolling programme, or as instructed by the Council's Roading Team.	90%	93.5%	94.6%	



Manawatū District Council
 Funding Impact Statement for the year ended 30 June 2020
 Roothing Network

	Actual 2020 \$000	LTP 2020 \$000	LTP 2019 \$000
Sources of operating funding			
General rates, uniform annual general charge, rates	26	26	26
Targeted rates	6,446	6,517	6,362
Subsidies and grants for operating purposes	2,776	2,861	2,833
Fees and charges	41	57	68
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	228	208	204
Total operating funding	9,517	9,669	9,493
Applications of operating funding			
Payments to staff and suppliers	5,461	5,638	5,579
Finance costs	240	261	197
Internal charges and overheads applied	(216)	(115)	(128)
Other operating funding applications	-	-	-
Total applications of operating funding	5,485	5,784	5,649
Surplus (deficit) of operating funding	4,032	3,885	3,844
Sources of capital funding			
Subsidies and grants for capital expenditure	3,945	5,960	4,550
Development and financial contributions	347	520	505
Increase (decrease) in debt	1,648	2,036	583
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	5,939	8,516	5,638
Applications of capital funding			
Capital expenditure			
- to meet additional demand	629	1,691	872
- to improve the level of service	2,283	937	1,560
- to replace existing assets	6,005	10,495	7,290
Increase (decrease) in reserves	1,054	(723)	(241)
Increase (decrease) of investments	-	-	-
Total application of capital funding	9,972	12,400	9,482
Surplus (deficit) of operating funding	(4,032)	(3,885)	(3,844)
Funding Balance	-	-	-
Roothing Network - Internal Borrowings			
Opening balance 1 July	4,853		
Internal loan raised during the year	1,797		
Internal loans repaid during the year	(149)		
Closing balance at 30 June	6,501		

All external borrowing is managed through Council's treasury function which borrows externally to maintain sufficient liquidity for the day-to-day operations. Internal loans are raised by the activity from Council's treasury.

The interest charged on internal borrowings for the year ended 30 June 2020 is disclosed above under finance costs.

Solid Waste

Total waste volumes have increased by 35% on the previous year (total waste to landfill 11,265 tonnes). The increase was due to population growth and changes in consumer behavior during COVID-19 including an increase in recyclables taken to landfill over the COVID-19 lockdown period.

Kerbside recycling tonnages collected were slightly up on the previous year (total collected 1,245 tonnes) and the total of recyclables collected were down by 36% over the previous year (total collected 1,647 tonnes). This was due to the effects of COVID-19 lockdown.

Council has eight mobile recycling centres that provide a low cost community recycling service for our rural communities (Tangimoana, Himatangi Beach, Halcombe, Rongotea, Sanson, Apiti, Kimbolton and Pohangina). Glass has been discontinued at Halcombe Mobile Recycling Centre.

The Enviro Schools programme continues to prove to be popular with two schools joining the program (Makino Kindergarten and Feilding Kindergarten) making a total of 13 participating schools out of a total of 26 schools in the Manawatū District. Waste Education NZ visited 12 schools. Currently in discussions with additional schools to extend this programme.

The design has been completed at the new Resource Recovery Centre at Kawakawa Road, Feilding. Physical works are scheduled to commence in July 2020.

Closed landfill management plans for Tangimoana, Kimbolton, Feilding (Ranfurlly Road) reviewed with a view to the 10 Year Plan 2021-31.

Level of Service: Access to waste management services				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Rural residents have convenient council refuse bag drop-off points less than 10kms from their homes.	90%	94%	94%	
Mobile recycling centres are conveniently located in identified villages.	100%	100%	100%	
Level of Service: Waste education programmes to encourage recycling				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Achievement of confirmed participants in the Council supported waste education programmes.	100%	100%	100%	
Level of Service: Satisfied with Solid Waste Services				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Complaints received per 100,000 annual collections.	< 100	32.3	49.69	

Manawatū District Council
 Funding Impact Statement for the year ended 30 June 2020
 Solid Waste

	Actual 2020 \$000	LTP 2020 \$000	LTP 2019 \$000
Sources of operating funding			
General rates, uniform annual general charge, rates	1,012	1,109	1,080
Targeted rates	736	704	691
Subsidies and grants for operating purposes	107	145	112
Fees and charges	1,329	2,937	1,351
Internal charges and overheads recovered	240	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	(6)	133	-
Total operating funding	3,418	5,028	3,234
Applications of operating funding			
Payments to staff and suppliers	3,164	4,142	2,872
Finance costs	86	90	63
Internal charges and overheads applied	585	374	352
Other operating funding applications	-	-	-
Total applications of operating funding	3,835	4,606	3,287
Surplus (deficit) of operating funding	(416)	423	(53)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	294	(483)	3,325
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	294	(483)	3,325
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	346	26	3,485
- to replace existing assets	-	-	-
Increase (decrease) in reserves	(468)	(87)	(214)
Increase (decrease) of investments	-	-	-
Total application of capital funding	(122)	(61)	3,271
Surplus (deficit) of operating funding	416	(423)	53
Funding Balance	-	-	-
Solid Waste - Internal Borrowings			
Opening balance 1 July	607		
Internal loan raised during the year	348		
Internal loans repaid during the year	(53)		
Closing balance at 30 June	902		

All external borrowing is managed through Council's treasury function which borrows externally to maintain sufficient liquidity for the day-to-day operations. Internal loans are raised by the activity from Council's treasury.

The interest charged on internal borrowings for the year ended 30 June 2020 is disclosed above under finance costs.

Stormwater

Growth works have continued in Precinct 4 with the installation of large diameter culvert from Port Street East to Roots Street East along Churcher Street. Additional stormwater works on Port Street East have been completed.

A comprehensive survey was completed of the stormwater system in Tangimoana, Sanson, Cheltenham, Rongotea and Himatangi Beach. Design works were largely completed for initial pipe systems in Sanson, Rongotea and Himatangi Beach and stormwater improvement works, roadside drains and culverts were completed in Tangimoana and Cheltenham.

New stormwater works/car parking was completed in Burt Street, Sanson in response to an increase in demand associated with the new playground. Similar improvement works were installed on Makino Road in Feilding.

New works on Awahuri Road/Satori Way to the new Makino Stream outlet were completed and upgraded systems were completed at West Street/Victoria Park and Norfolk Crescent.

Continued growth and development in Feilding is putting pressure on the existing stormwater systems.

Level of Service: Stormwater system adequacy				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Habitable floors per 1,000 properties affected by flooding per flooding event that occurred in the district.	< 10	0	0	
Level of Service: Comply with discharge consent conditions				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Abatement notices advising breaches of resource consent conditions per scheme.	< 2	0	0	
Infringement notices, enforcement orders or convictions received advising breaches of resource consent conditions per scheme.	0	0	0	
Level of Service: Respond to flooding events in a timely manner				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Median response times to attend flooding events is within two hours - from the time notification is received to the time the service personnel reach the site.	< 2 hours	0	0	
Level of Service: Satisfaction with stormwater service				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Complaints per 1,000 property connections per annum.	< 6 per	7.7	4.93	

Manawatū District Council
Funding Impact Statement for the year ended 30 June 2020
Stormwater and Drainage

	Actual 2020 \$000	LTP 2020 \$000	LTP 2019 \$000
Sources of operating funding			
General rates, uniform annual general charge, rates	185	186	177
Targeted rates	823	804	768
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	321	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	13	12
Total operating funding	1,329	1,005	957
Applications of operating funding			
Payments to staff and suppliers	184	252	246
Finance costs	349	512	440
Internal charges and overheads applied	641	184	179
Other operating funding applications	-	-	-
Total applications of operating funding	1,173	949	866
Surplus (deficit) of operating funding	156	56	91
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	237	923	902
Increase (decrease) in debt	1,341	1,472	1,466
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,579	2,395	2,367
Applications of capital funding			
Capital expenditure			
- to meet additional demand	891	1,094	1,069
- to improve the level of service	788	531	519
- to replace existing assets	220	52	400
Increase (decrease) in reserves	(166)	773	470
Increase (decrease) of investments	-	-	-
Total application of capital funding	1,733	2,451	2,458
Surplus (deficit) of operating funding	(155)	(56)	(91)
Funding Balance	-	-	-
Stormwater - Internal Borrowings			
Opening balance 1 July	7,027		
Internal loan raised during the year	1,480		
Internal loans repaid during the year	(138)		
Closing balance at 30 June	8,368		

All external borrowing is managed through Council's treasury function which borrows externally to maintain sufficient liquidity for the day-to-day operations. Internal loans are raised by the activity from Council's treasury.

The interest charged on internal borrowings for the year ended 30 June 2020 is disclosed above under finance costs.

Wastewater

Growth works in Precinct 4 have continued and have seen the completion of wastewater work on Churcher Street, (Port Street East to Roots Street East). The installation of this new sewer line will enable the next stage of development to occur in Precinct 4.

Feilding Wastewater Treatment Plant upgrade and consent works continued with the completion of a new digester unit and de-watering machine and the installation of additional irrigation systems for the infill irrigation buffer areas.

MDC was successful in achieving full discharge to land for the summer months (November 2019-April 2020) resulting in no river discharge, which significantly exceeded the resource consent requirements.

Variations to existing consents have been granted to enable the wastewater centralisation project to begin. This will enable all the satellite villages to be connected to the Manawatū Wastewater Treatment Plant at Feilding. Works have been tendered for the first stage (Mt Stewart to Feilding).

The New Irrigation Lands Consent adjoining the existing irrigation platform was applied for in November 2019, this is yet to be granted.

A new sewer main was installed from Mount Taylor in conjunction with the new walkway linkage along Quail Avenue. Investigations required the urgent replacement of the sewer in Homelands Avenue, which was completed in March 2020.

Level of Service: Adequate management of wastewater system				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Dry weather overflows per 1,000 connections.	< 6	0.71	0.50	
Level of Service: Discharge compliance				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Abatement notices advising breaches of resource consent conditions per scheme.	< 2	1	1	
Infringement notices, enforcement orders or convictions received advising breaches of resource consent conditions per scheme.	0	1	2	
Level of Service: Faults are responded to and resolved in a timely manner				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Median attendance time to sewage overflows resulting from blockage or other faults in the Council's sewerage system (urgent).	< 2 hours	0.23 hours	0.62 hours	

Median attendance time to sewage overflows resulting from blockage or other faults in the Council's sewerage system (non-urgent).	< 2 hours	16.21 hours	3.09 hours		The measures and targets set in the LTP were not differentiated as urgent and non-urgent. This was done in error. The requirement is therefore to report both urgent and non-urgent measures against the single target, thus for non-urgent attendance times, the target has not been met. The prior years results have been updated to meet the requirements
Median attendance time (combined)	< 2 hours	3.78 hours	1.36 hours		
Median resolution time to sewage overflows resulting from blockage or other faults in the Council's sewerage system (from the time Council received notification to the time service personnel confirm resolution of the blockage or other fault) (urgent).	< 5 hours	1.98 hours	1.55 hours		
Median resolution time to sewage overflows resulting from blockage or other fault in the Council's sewerage system (from the time Council received notification to the time service personnel confirm resolution of the blockage or other fault) (non-urgent).	< 5 hours	20.32 hours	23.80 hours		The measures and targets set in the LTP were not differentiated as urgent and non-urgent. This was done in error. The requirement is therefore to report both urgent and non-urgent measures against the single target, thus for non-urgent resolution times, the target has not been met. The prior years results have been updated to meet the requirements
Median resolution time (combined)	< 5 hours	19 hours	23.54 hours		

Level of Service: Satisfaction with wastewater service

Success Measurement	Target	Result 2018/2019	Result 2019/2020		Comment
Complaints in total per 1,000 connections per annum. Complaints relate to odour, system faults, system blockages and Council's response time to issues.	< 20	2.9	4.43		

Manawatū District Council
Funding Impact Statement for the year ended 30 June 2020

Wastewater

	Actual 2020 \$000	LTP 2020 \$000	LTP 2019 \$000
Sources of operating funding			
General rates, uniform annual general charge, rates	-	-	-
Targeted rates	5,393	5,580	5,291
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,468	1,806	1,764
Internal charges and overheads recovered	765	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	255	31	31
Total operating funding	7,880	7,417	7,086
Applications of operating funding			
Payments to staff and suppliers	2,555	2,850	2,797
Finance costs	1,530	1,826	1,798
Internal charges and overheads applied	1,794	860	826
Other operating funding applications	-	-	-
Total applications of operating funding	5,879	5,536	5,421
Surplus (deficit) of operating funding	2,001	1,881	1,665
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	313	616	596
Increase (decrease) in debt	141	(129)	1,069
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	455	487	1,665
Applications of capital funding			
Capital expenditure			
- to meet additional demand	400	261	458
- to improve the level of service	861	625	1,546
- to replace existing assets	1,984	4,003	4,267
Increase (decrease) in reserves	(790)	(2,521)	(2,941)
Increase (decrease) of investments	-	-	-
Total application of capital funding	2,455	2,368	3,331
Surplus (deficit) of operating funding	(2,001)	(1,881)	(1,665)
Funding Balance	-	-	-
Wastewater - Internal Borrowings			
Opening balance 1 July	30,947		
Internal loan raised during the year	1,056		
Internal loans repaid during the year	(914)		
Closing balance at 30 June	31,089		

All external borrowing is managed through Council's treasury function which borrows externally to maintain sufficient liquidity for the day-to-day operations. Internal loans are raised by the activity from Council's treasury.

The interest charged on internal borrowings for the year ended 30 June 2020 is disclosed above under finance costs.

Water Supply

As part of the continued growth works in Precinct 4, Stage 2 of Port Street (Pharazyn Street to Churcher Street) was completed. Churcher Street (Port Street East to Roots Street East) completion has been delayed due to COVID-19.

Sanson's new water source (bore), reservoir and water treatment plant (WTP) was commissioned. The section of water main from the new Sanson WTP on Fagan Street to the corner of Phillips Street and Wellington Road was completed.

Following the completion of Stage 1 of the Water Strategy, construction of the new MacDonald Heights Reservoir was completed. Seismic strengthening of the existing reservoir commenced in June 2020. The construction of additional pipework and a new pump station commenced in March 2020.

The Feilding Water Strategy investigations for an additional water source (bore) in Feilding and upgrade works for Campbell and Newbury bores are ongoing.

In December the Ministry for the Environment approved funding for the Ohakea Rural Water Scheme. Investigation works have commenced.

The Vinegar Hill Rural Water Scheme feasibility study commenced, supported by a grant from the Provincial Growth Fund and an in-kind Council contribution.

Level of Service: The potable water supply is safe to drink				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
No Public health risk with substantiated positive E-coli detected in the water supply.	100%	100%	100%	 A positive E-coli sample was detected at the Sanson Treatment Plant, three follow up samples indicated that the water was safe to consume and the initial sample testing deemed to be a false positive. The drinking water standards have an allowance for transgressions of this nature.
New Zealand Drinking Water Standard Compliance Criteria for protozoa are met (with the exception of the Stanway-Halcombe Rural Water Supply).	100%	Not met	100%	
Level of Service: Water reticulation network is well maintained				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Estimated real water loss per water supply scheme.	< 35%	24%	17%	 Effective renewals programmes have been an area of focus across our water schemes resulting in a decrease in water loss
Level of Service: Faults are responded to and resolved in a timely manner				
Success Measurement	Target	Result 2018/2019	Result 2019/2020	Comment
Median attendance time (urgent).	< 2 hours	0.6 hours	0.38 hours	
Median resolution time (urgent).	< 9 hours	1.3 hours	0.83 hours	

Median attendance time (non-urgent).	< 5 working days	3.6 hours	18.78 hours		
Median resolution time (non-urgent).	< 10 working days	6.6 hours	24 hours		

Level of Service: Satisfaction with the water supply service

Success Measurement	Target	Result 2018/2019	Result 2019/2020		Comment
Complaints received in total per 1,000 connections received per annum. Complaints relate to drinking water clarity, taste, odour, pressure or flow, continuity of supply and Council's response to issues.	< 20	14.8	17.1		

Level of Service: Manage the demand for domestic water

Success Measurement	Target	Result 2018/2019	Result 2019/2020		Comment
Average consumption of drinking water - litres per person, per day (domestic supply only).	< 250	230	249		



Manawatū District Council
Funding Impact Statement for the year ended 30 June 2020
Water Supply

	Actual 2020 \$000	LTP 2020 \$000	LTP 2019 \$000
Sources of operating funding			
General rates, uniform annual general charge, rates	-	-	-
Targeted rates	3,952	3,854	3,749
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	563	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	316	-	-
Total operating funding	4,831	3,854	3,749
Applications of operating funding			
Payments to staff and suppliers	1,189	1,436	1,413
Finance costs	232	339	334
Internal charges and overheads applied	1,874	839	810
Other operating funding applications	-	-	-
Total applications of operating funding	3,295	2,614	2,557
Surplus (deficit) of operating funding	1,536	1,240	1,192
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	214
Development and financial contributions	263	556	538
Increase (decrease) in debt	510	192	421
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	772	748	1,173
Applications of capital funding			
Capital expenditure			
- to meet additional demand	291	391	328
- to improve the level of service	556	26	833
- to replace existing assets	3,067	2,115	3,688
Increase (decrease) in reserves	(1,605)	(544)	(2,484)
Increase (decrease) of investments	-	-	-
Total application of capital funding	2,308	1,988	2,364
Surplus (deficit) of operating funding	(1,535)	(1,240)	(1,192)
Funding Balance	-	-	-
Water Supply - Internal Borrowings			
Opening balance 1 July	4,734		
Internal loan raised during the year	725		
Internal loans repaid during the year	(215)		
Closing balance at 30 June	5,244		

All external borrowing is managed through Council's treasury function which borrows externally to maintain sufficient liquidity for the day-to-day operations. Internal loans are raised by the activity from Council's treasury.

The interest charged on internal borrowings for the year ended 30 June 2020 is disclosed above under finance costs.

Manawatū District Council
Funding Impact Statement for the year ended 30 June 2020
Whole Council

	Actual 2020 \$000	Annual Plan 2020 \$000	Actual 2019 \$000	Annual Plan 2019 \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	12,496	12,489	11,636	11,576
Targeted rates	23,870	23,908	22,993	22,716
Subsidies and grants for operating purposes	2,963	2,969	4,001	2,974
Fees and charges	6,480	8,315	6,468	6,450
Interest and dividends from investments	133	226	331	242
Internal charges and overheads recovered	20,827	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	3,892	3,546	3,261	3,543
Total operating funding	70,660	51,454	48,690	47,500
Applications of operating funding				
Payments to staff and suppliers	37,164	38,510	37,739	36,563
Finance costs	2,124	2,926	2,437	3,491
Internal charges and overheads applied	18,420	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	57,708	41,436	40,176	40,054
Surplus (deficit) of operating funding	12,952	10,018	8,514	7,446
Sources of capital funding				
Subsidies and grants for capital expenditure	4,145	5,732	4,111	4,764
Development and financial contributions	1,342	2,940	1,541	2,860
Increase (decrease) in debt	9,045	4,443	7,044	13,906
Gross proceeds from sale of assets	371	2,900	195	1,800
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	14,903	16,015	12,890	23,330
Applications of capital funding				
Capital expenditure				
- to meet additional demand	2,651	4,829	2,878	4,671
- to improve the level of service	6,099	3,211	5,827	10,916
- to replace existing assets	12,749	17,804	10,440	17,049
Increase (decrease) in reserves	6,358	472	2,513	(2,624)
Increase (decrease) of investments	(2)	(283)	(254)	764
Total application of capital funding	27,855	26,034	21,404	30,776
Surplus (deficit) of operating funding	(12,952)	(10,018)	(8,514)	(7,446)
Funding Balance	-	-	-	-

All external borrowing is managed through Council's treasury function which borrows externally to maintain sufficient liquidity for the day-to-day operations. Internal loans are raised by the activity from Council's treasury.

The finance costs disclosed above are in relation to external loans only, as the internal interest received by Council's treasury for internal loans advanced to each group of activities is offset against interest expenses charged on internal loans raised by each group of activities. For the internal interest expense charged on internal loans advanced to each group of activities please refer to Funding Impact Statements for each group of activities.



SECTION 3 – FINANCIAL INFORMATION

Financial statements

Manawatū District Council

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2020

	Notes	Actual 2020 \$000	Council Budget 2020 \$000	Actual 2019 \$000	Group Actual 2020 \$000	Actual 2019 \$000
Revenue						
Rates revenue	3	36,145	36,398	34,426	36,033	34,294
Financial revenue	4	133	226	331	68	265
Subsidies and grants	5	7,108	8,701	8,111	7,160	8,131
Development and financial contributions		1,342	2,943	1,541	1,342	1,541
Other revenue	6	10,818	12,211	11,195	13,149	13,224
Total revenue	2	55,546	60,479	55,603	57,752	57,454
Expenses						
Personnel costs	7	12,735	13,348	12,043	12,958	12,344
Depreciation and amortisation	8	16,202	14,313	14,632	16,741	15,125
Finance costs	9	2,124	2,926	2,437	2,223	2,548
Other operating expenses	10	24,440	25,162	25,587	25,343	26,177
Total operating expenditure	2	55,502	55,749	54,699	57,265	56,194
Share of associate's surplus/deficit	15	-	-	-	(95)	(45)
Surplus/(deficit) before tax		44	4,729	905	392	1,216
Income tax expense	11	-	-	-	-	-
Surplus/(deficit) after tax		44	4,729	905	392	1,216
Other comprehensive revenue & expense						
Gains/(losses) on the revaluation of property, plant and equipment	25	76,183	16,318	13,024	76,183	17,305
Total other comprehensive revenue & expense	25	76,183	16,318	13,024	76,183	17,305
Total comprehensive revenue & expense		76,228	21,047	13,929	76,575	18,521

Explanations of major variances against budget are provided in note 35

The accompanying notes form part of these financial statements.

Manawatū District Council
Statement of Financial Position as at 30 June 2020

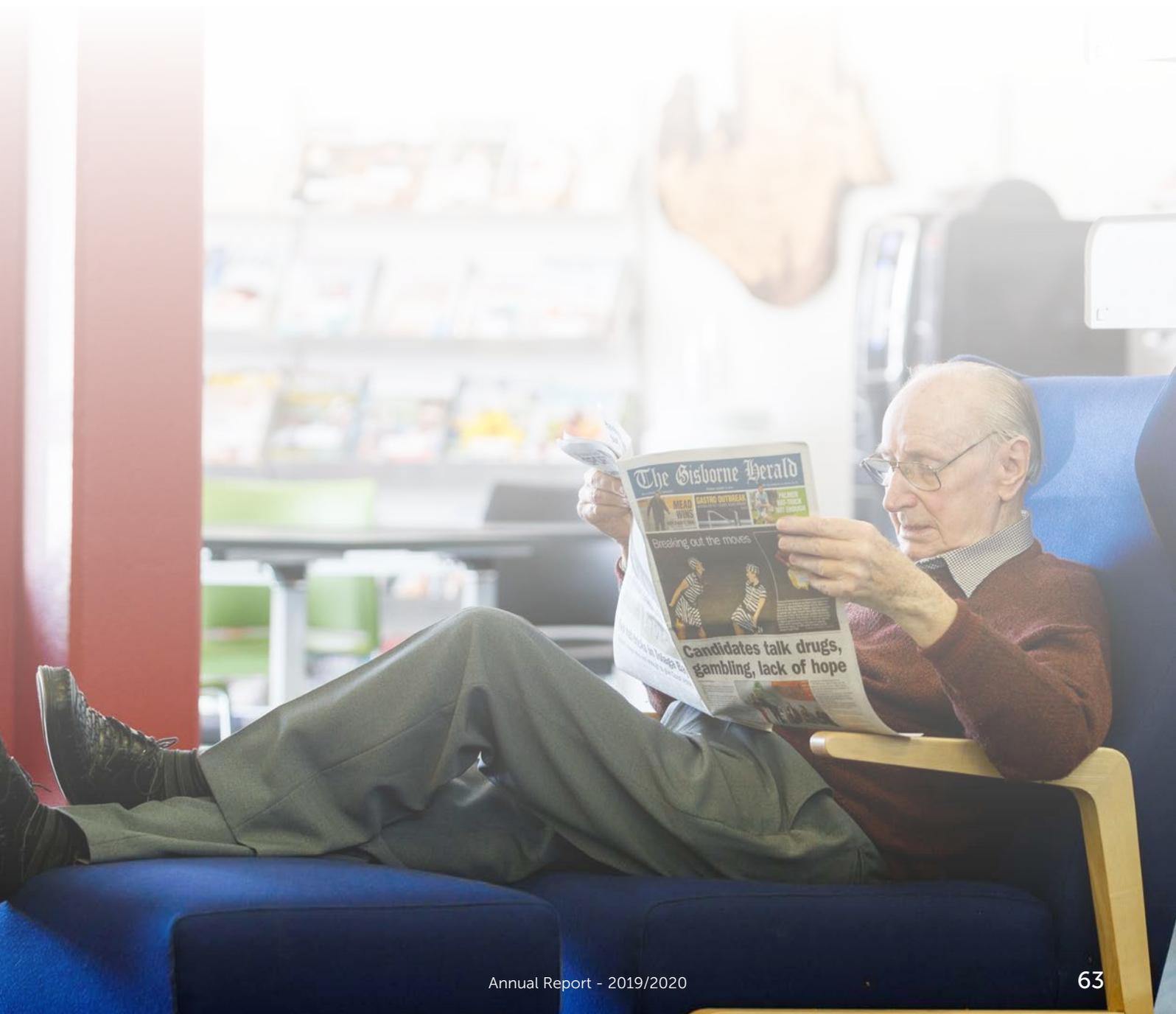
	Notes	Actual 2020 \$000	Council Budget 2020 \$000	Actual 2019 \$000	Group Actual 2020 \$000	Actual 2019 \$000
Assets						
Current assets						
Cash and cash equivalents	12	10,107	2,386	4,951	11,175	5,570
Debtors and other receivables	13	4,654	6,851	4,929	4,823	5,034
Investments in council organisations and similar entities	14	448	309	362	184	104
Inventory	16	275	-	237	275	237
Other financial assets	17	32	36	39	32	39
Non-current assets held for sale	18	2,653	-	-	2,653	-
Total current assets		18,169	9,581	10,518	19,142	10,984
Non-current assets						
Property, plant and equipment	19	769,257	728,136	692,086	798,287	721,161
Intangible assets	20	273	828	459	273	459
Investment in associate	15	1	1	1	371	466
Investments in council organisations and similar entities	14	4,341	4,835	3,673	1,127	1,139
Other financial assets	17	257	282	303	257	303
Total non-current assets		774,128	734,083	696,523	800,314	723,529
Total assets		792,297	743,664	707,041	819,456	734,513
Liabilities						
Current liabilities						
Creditors and other payables	21	7,530	7,823	7,705	7,740	7,944
Provisions	22	125	39	157	125	157
Employee entitlements	23	1,489	817	1,229	1,511	1,242
Borrowings	24	23,000	11,892	6,462	23,207	9,038
Total current liabilities		32,144	20,572	15,553	32,583	18,381
Non-current liabilities						
Provisions	22	793	502	862	793	862
Borrowings	24	55,707	69,544	63,200	57,718	63,482
Total non-current liabilities		56,500	70,046	64,062	58,511	64,344
Total liabilities		88,644	90,618	79,615	91,094	82,725
Equity						
Retained earnings	25	467,822	482,601	468,670	476,995	477,503
Other reserves	25	235,831	170,446	158,755	251,366	174,284
Total equity	25	703,653	653,047	627,426	728,361	651,787
Total Liabilities and Equity		792,297	743,664	707,041	819,456	734,513

The accompanying notes form part of these financial statements.

Statement of Changes in Net Assets/Equity - For the year ended 30 June 2020

	Notes	Actual 2020 \$000	Council Budget 2020 \$000	Actual 2019 \$000	Group Actual 2020 \$000	Actual 2019 \$000
Balance at 1 July		627,426	632,000	613,497	651,787	633,266
Total comprehensive revenue/(expense) for the year		76,228	21,047	13,929	76,574	18,521
Balance as at 30 June	25	703,653	653,047	627,426	728,361	651,787

The accompanying notes form part of these financial statements.



Manawatū District Council
Statement of Cash Flows for the year ended 30 June 2020

	Notes	Actual 2020 \$000	Council Budget 2020 \$000	Actual 2019 \$000	Group Actual 2020 \$000	Actual 2019 \$000
Cash flows from operating activities						
Receipts from rates revenue		36,387	36,398	34,504	36,272	34,372
Interest received		112	218	155	47	87
Dividends received		4	8	176	4	176
Receipts from other revenue		19,187	23,502	19,043	21,582	21,099
Payments to suppliers and employees		(35,580)	(38,510)	(37,347)	(36,725)	(37,989)
Interest paid		(2,156)	(2,926)	(2,219)	(2,327)	(2,404)
Goods and services tax (net)		(102)	-	(111)	(124)	(105)
Net cash from operating activities	26	17,851	18,689	14,201	18,728	15,236
Cash flows from investing activities						
Receipts from sale of property, plant and equipment		307	2,900	159	308	159
Receipts from sale of investments		367	334	327	1,209	78
Purchase of intangibles assets		0	(54)	(74)	0	(74)
Purchase of property, plant and equipment		(21,346)	(25,791)	(20,851)	(21,844)	(21,498)
Acquisitions of investments		(1,068)	0	(209)	(2,168)	(209)
Net cash from investing activities		(21,739)	(22,610)	(20,648)	(22,494)	(21,544)
Cash flows from financing activities						
Proceeds from borrowing		21,372	14,602	20,500	24,372	20,750
Repayment of borrowings		(12,327)	(10,159)	(13,457)	(14,999)	(13,743)
Net cash from financing activities		9,045	4,443	7,043	9,373	7,007
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		5,156	522	596	5,606	699
Cash, cash equivalents and bank overdrafts at the beginning of the year		4,951	1,863	4,355	5,570	4,871
Cash, cash equivalents and bank overdrafts at the end of the year	12	10,107	2,386	4,951	11,175	5,570

The accompanying notes form part of these financial statements.

Notes to financial statements

1. Statement of Accounting Policies

Reporting entity

Manawatū District Council (Council) is a territorial local authority governed by the Local Government Act 2002 and is domiciled and operates in New Zealand.

The financial statements presented are those of the Manawatu District Council (the Council) together with its Council Controlled Organisations (CCO's).

The Group consists of Manawatū District Council, which is the controlling entity and four controlled entities; The Feilding Civic Centre Trust, the Manawatū Community Trust, Awahuri Forest / Kitchener Park Trust and Heartland Contractors Ltd (100% owned), and are included in the consolidated accounts. The Group also includes Central Economic Development Agency Limited, (50% owned) and Manawatū Wanganui LASS (14.3%). All entities are incorporated and domiciled in New Zealand. The Council is not aware of any restrictions that may have been imposed upon the CCO's other than normal banking covenants, or any risks associated with them.

The primary objective of Council is to provide goods or services for the community and social benefits, rather than making a financial return. Accordingly, Council has designated itself and the Group as Public Benefit Entities (PBEs) as defined under the Public Benefit Entities International Public Sector Accounting Standards (PBE IPSAS).

The financial statements of Council and Group are for the year ended 30 June 2020. The financial statements were authorised for issue by Council on 17th December, 2020.

Basis of preparation

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of Council and Group have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The financial statements have been prepared to comply with PBE accounting standards for a Tier 1 entity.

These financial statements comply with the PBE Standards.

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.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and values are rounded to the nearest thousand dollars (\$000). Consequently, there may be rounding discrepancies in the financial statements.

The functional currency of Council and its controlled entities and associates are New Zealand dollars.

Summary of significant accounting policies

Basis of consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue and expenses of entities in the Group on a line-by-line basis. All intra-group balances, transactions, revenues and expenses are eliminated on consolidation.

Controlled entities

In the Group financial statements Council consolidates all entities where Council has the capacity to control its financing and operating policies, so as to obtain benefits from the activities of that entity. This power exists where Council controls the majority voting power on the governing body, or where such policies have been irreversibly predetermined by 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 controlled entity.

Council's investment in its controlled entities is carried at cost in Council's parent entity financial statements.

Associates

Council's associates are accounted for in the Group financial statements using the equity method. An associate is an entity over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount in the Group financial statements is increased or decreased to recognise the Group's share of the surplus or deficit of the associate after the date of acquisition.

Distributions received from an associate reduce the carrying amount of the investment. If the share of deficits of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further deficits. After the Group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the Group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the Group transacts with an associate, surpluses or deficits are eliminated to the extent of the Group's interest in the associate. Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

The investment in the associate is carried at cost in Council's parent entity financial statements.

Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations Council and Group 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 Council in the 2019/20 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those used for preparing these financial statements.

Exchange transactions

Exchange transactions are transactions where Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions

In a non-exchange transaction Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As Council satisfies a present obligation (recognised as a liability) in respect of an inflow of resources from a non-exchange transaction (recognised as an asset), it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Specific revenue policies

Specific accounting policies for major categories of revenue are outlined below:

- Rates are set annually by a resolution by Council and are recognised at the start of the financial year to which the resolution relates. All ratepayers are invoiced within the financial year to which the rates have been set.
- Rates arising from late payment penalties are recognised as revenue when penalties are applied on overdue rates as per Council's rates resolution.
- Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its rates remission policy.
- Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.
- Government grants and subsidies are recognised upon entitlement, which is when the conditions pertaining to eligible expenditure have been fulfilled. The most significant government grant is from New Zealand Transport Agency, which subsidises part of the costs in maintaining the local roading infrastructure network.
- Revenue from other services is recognised when the service has been rendered to a third party.
- Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.
- Sales of goods are recognised when the goods are delivered.
- Interest revenue is accrued on a time basis, by reference to the investment principal 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 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. Otherwise, development contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.

Borrowing costs

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

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 New Zealand dollars (the functional currency) using the spot exchange rate prevailing at the date 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 surplus or deficit.

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

Income tax

Income tax expense includes current tax and deferred tax.

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

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

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the economic entity expects to recover or settle the carrying amount of its assets and liabilities.

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

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

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

Goods and Service Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Financial instruments

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 statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the surplus or deficit.

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

Cash and cash equivalents

Cash and cash equivalents include cash on 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.

Debtors and other receivables

Debtors and other receivables are recorded at their face value, less any provision for impairment.

A provision for impairment is established when there is objective evidence that 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, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible it is written off against the allowance account for receivables.

Financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

Financial assets are categorised into the following four categories for the purpose of measurement: financial assets at fair value through surplus or deficit; held-to-maturity investments; loans and receivables; and financial assets at fair value through other comprehensive revenue and expense. The classification depends on the purpose for which each investment was acquired. Management determines the classification of its investments at initial recognition.

The fair value of financial instruments traded in active markets is based on the quoted market prices at the balance 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. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

Financial assets at fair value through surplus or deficit

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

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading. Gains or losses due to change in fair value are recognised in the surplus or deficit.

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return of a similar financial instrument. The difference between the face value and the present value of the expected future cash flows of the loan recognised in the surplus or deficit as grant expenditure. The loans are subsequently measured at amortised costs using the effective interest method.

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

Receivables are classified as "Accounts Receivables" in the statement of financial position.

Advances and loans are classified as "Other Financial Assets" in the statement of financial position.

Held-to-maturity investments

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

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense 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 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 controlled entity).

Gains and losses are recognised directly in other comprehensive revenue and expense except for impairment losses, which are recognised in the surplus or deficit. In the event of impairment, even though the asset has not been derecognised, any cumulative losses previously recognised in other comprehensive revenue and expense will be recognised in the surplus or deficit. On de-recognition of the asset the cumulative gain or loss previously recognised in other comprehensive revenue and expense is recognised in the surplus or deficit.

Impairment of financial assets

Financial assets are assessed for objective evidence of impairment at each balance date. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the surplus or deficit.

Non-current assets held for sale

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

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit. 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 economic entity) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal economic entity classified as held for sale continue to be recognised.

Property, plant and equipment

Property, plant and equipment consist of:

- Operational assets: includes land, buildings, library books, plant and equipment, and motor vehicles.
- Restricted assets: includes parks, reserves and associated assets owned by Council, which provide a benefit or service to the community and cannot be disposed of because of legal or other Council restrictions.
- Infrastructure assets: 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.

Cash and non-cash generating assets

Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Cash generating assets are those assets that are held with the primary objective of generating a commercial return. Council does not hold any cash-generating assets.

Depreciation

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

Buildings	40 - 80 Years	1.25 - 2.5%
Plant and equipment	4 - 10 Years	10 - 25%
Motor vehicles	3 - 5 Years	20 - 33%
Library books	10 Years	10%
Infrastructural assets		
Roading network		
Top surface (seal)	2 - 23 Years	4.3 - 33.3%
Pavement (base course)	69 Years	1.45%
Sealed	69 Years	1.45%
Unsealed	-	Not Depreciated
Formation	-	Not Depreciated
Culverts	50 - 100 Years	1 - 2%
Footpaths	25 - 70 Years	1.4 - 4%
Kerbs	50 - 67 Years	1 - 1.49%
Signs	15 Years	6.67%
Streetlights	25 - 70 Years	1.4 - 4%
Bridges	50 - 100 Years	1 - 2%
Water system		
Pipes	34 - 100 Years	1 - 2.9%
Valves, hydrants	50 Years	2%
Pump stations	25 Years	4%
Treatment, supply and storage	10 - 100 Years	1 - 10%
Wastewater system		
Pipes	50 - 100 Years	1 - 2%
Manholes	100 Years	1%
Pump stations	25 Years	4%
Treatment plant	10 - 50 Years	2 - 10%
Drainage network		
Pipes	40 - 100 Years	1 - 2.5%
Manholes, cesspits	100 Years	1%

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 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 surplus or deficit. 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. Work in progress is recognised at cost less impairment and it is not depreciated. Upon completion, these assets are transferred to their relevant asset class and depreciation commences.

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. If a material difference exists, a revaluation will be undertaken.

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 2020. Council's policy is to revalue land and buildings every three years.
- Manawatū Community Trust's land and buildings were revalued as at 30 June 2019, the valuation was prepared by independent valuer Morgan Property Advisors.

Infrastructural asset classes: water supply, wastewater, stormwater, drainage systems and roads

- These assets are revalued annually to fair value on a depreciated replacement cost basis. The valuation was performed internally by engineering staff and will be peer reviewed every three years. The most recent valuation was 1 July 2019. The 2019 valuation was peer reviewed by Brian Smith of WSP Opus.

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. 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 collections were 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 and is no longer revalued.

Accounting for revaluations

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

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

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.

Staff training costs are recognised in the surplus or deficit when incurred.

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

Software is amortised on a straight-line basis over the estimated useful life of the asset (usually 4 years). The amortisation charge for each period is recognised in the surplus or deficit.

Costs associated with development and maintenance of Council's website are recognised as an expense when incurred.

Easements

Easements that are an integral part of an infrastructure asset are included in the value of the asset. Other easements are not recognised.

Impairment of property, plant and equipment and intangible assets

Council's non-financial assets are split between cash generating assets and non-cash generating assets. Cash generating assets are assets held with the primary objective of generating a commercial return. Non-cash generating items are non-financial assets other than cash generating assets. The majority of Council non-financial assets are non-cash generating assets.

At each balance date, Council assesses whether there is any objective evidence that any non-financial asset has been impaired (unable to provide the intended level of service). Any impairment losses are recognised in the surplus or deficit.

If the carrying amount of a class of assets is increased as a result of a revaluation, the increase shall be credited directly to revaluation surplus. However, the increase shall be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same class of assets previously recognised in surplus or deficit.

If the carrying amount of a class of assets is decreased as a result of a revaluation, the decrease shall be recognised in surplus or deficit. However, the decrease shall be debited directly to revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that class of assets.

Financial liabilities

Trade payables

Trade payables, (also income in advance, bonds and deposits) are initially recognised at their face value.

Loans and borrowings

Loans/borrowings are initially recognised at their fair value.

Borrowings are classified as current liabilities unless Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Short-term employee entitlements

Employee benefits are expected to be settled within 12 months after the end of the period in which services are rendered for current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned, 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.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to Defined Contribution Superannuation Schemes are recognised as an expense in the surplus or deficit 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 previous operator of landfills, 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 Council and group to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a guarantee contract was issued in a stand-alone arm's-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 Council or economic entity will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, a liability is only recognised when it is probable there will be an outflow under the guarantee. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the higher of:

- The estimated amount determined if it is probable there will be an outflow to settle the guarantee; and
- The amount initially recognised less, when appropriate, cumulative amortisation as revenue.

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, Council recognises the leased asset and corresponding liability in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The asset is depreciated over the period 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 recognised as an expense on a straight line basis over the lease term.

Net assets/equity

Net assets or equity is the community's interest in 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 Council.

Restricted reserves are those subject to specific conditions accepted as binding by 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. Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

Asset revaluation reserves

This reserve relates to the revaluation of property, plant, and equipment to fair value.



Related parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include controlled entities and key management personnel, including the Mayor and elected members, the Chief Executive and members of the executive team.

Critical judgements in applying accounting policies, estimates and assumptions

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

Properties that receive rent

Properties that receive rent have been classified as Property Plant and Equipment rather than Investment Properties, as these are held for strategic purpose rather than to earn rentals or for capital appreciation.

Landfill aftercare provision

The exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision is based on discounted cash flows of estimated liability costs.

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, 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;
- The replacement cost of an asset is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth and location. If recent contract cost information is considered out of date, it is indexed using the Consumers Price Index for civil constructions to convert them to current dollar value at the valuation date.
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth.

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

To minimise this risk, 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 Economic Entity, and have been adjusted for local conditions based on experience.

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

Experienced valuers perform Council's infrastructural asset revaluations.

Comparatives

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred:

- where classifications have changed between periods;

- where Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- where there has been a change of accounting policy.

Standards recently adopted

Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34 - 38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6 - 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council has applied these standards in preparing the 30 June 2020 financial statements. This has not resulted in any significant changes.

Standards issued and not yet effective, and not early adopted

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 41 *Financial Instruments: Recognition and Measurement*. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised at cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

2018 Omnibus amendments to PBE Standards

The XRB have issued an omnibus of amendments to a number of PBE standards. The amendments are applicable for annual periods beginning on or after 1 January 2019, except for the amendments to PBE IPSAS 2, which are applicable for annual periods beginning on or after 1 January 2021. The changes most relevant to the Council and Group are:

PBE IPSAS 2 Cash Flow Statements: the amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021.

PBE IPSAS 37 Joint Arrangements: the amendment clarifies that when an entity obtains control of a business that is a joint operation, then it does not premeasure previously held interest in that business.

PBE IFRS 3 Business Combinations: the amendments clarify that when an entity obtains control of a business that is a joint operation, it premeasures previously held interests in that business.

Service performance reporting

The New Zealand Accounting Standards Board (NZASB) has issued PBE FRS 48 Service Performance Reporting effective for periods beginning on or after 1 January 2021, with early application permitted.

The Council plans to apply these standards in preparing its 30 June 2022 financial statements. The Council and group has not yet assessed the effects of the new standards.

2 Summary Cost of Services

	Council Only		
	Actual 2020 \$000	Council Budget 2020 \$000	Actual 2019 \$000
Revenue*			
Community Facilities	9,739	10,224	9,285
District Development	2,812	2,771	2,963
Emergency Management	456	273	257
Governance and Strategy	2,268	2,263	2,050
Regulatory	5,945	5,483	5,408
Roading	13,809	15,756	16,105
Solid Waste	3,178	5,138	3,269
Stormwater	1,466	1,944	1,164
Wastewater	7,548	7,712	7,325
Water Supply	4,666	4,555	4,412
Total activity revenue	51,887	56,119	52,237
Other revenue	3,659	4,360	3,366
Total operating revenue	55,546	60,479	55,603
Expenditure*			
Community Facilities	10,027	10,216	9,666
District Development	2,514	2,628	2,652
Emergency Management	702	300	253
Governance and Strategy	2,341	2,263	2,006
Regulatory	5,870	5,566	5,490
Roading	14,371	13,170	15,008
Solid Waste	3,591	4,766	3,629
Stormwater	1,499	1,480	1,350
Wastewater	7,292	7,311	7,655
Water Supply	4,503	4,225	4,031
Total activity expenditure	52,708	51,925	51,740
Other expenditure/ (overheads allocated)	2,794	3,824	2,959
Total operating expenditure	55,502	55,749	54,699

*** Note:**

The above summary cost of services includes non-cash items such as vested assets revenue, depreciation and amortisation expense which are not required to be included in the funding impact statements.

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 Statement of Comprehensive Revenue and Expense, these transactions are eliminated in the other revenue and other expenditure lines.

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Total revenue comprises of:				
Revenue from exchange transactions	2,393	2,709	4,600	4,560
Revenue from non-exchange transactions	53,152	52,894	53,152	52,894
Total operating revenue	55,546	55,603	57,752	57,454

3 Rates Revenue

	Council	
	Actual 2020 \$000	Actual 2019 \$000
General Rates attributable to Activities:		
Community Facilities	1,917	1,894
District Development	2,591	2,763
Emergency Management	273	257
Governance and Strategy	2,193	2,049
Regulatory	3,218	2,911
Roading	26	26
Solid Waste	1,012	1,074
Stormwater	185	181
Other Support Activities	815	204
Total General Rates	12,231	11,359
Uniform Targeted Rates (UTR) and Targeted Rates attributable to Activities:		
Community Facilities	6,415	5,984
District Development	106	102
Emergency Management	-	-
Governance and Strategy	-	-
Regulatory	-	-
Roading	6,446	6,450
Solid Waste	736	685
Stormwater	823	766
Wastewater	5,393	5,304
Water - Rates	2,748	2,583
Water By Meter	1,204	1,121
Total Uniform Targeted Rates and Targeted Rates	23,871	22,993
plus rates penalties	264	278
less internal rates charged	(221)	(204)
Total Revenue from Rates	36,145	34,426

Rates remissions

Rates revenue is shown net of rates remissions. Council's Rates Remission Policy (as detailed in the Long Term Plan) allows Council to remit rates under Section 85 of the Local Government (Rating) Act 2002. Remissions are available for non-contiguous properties, additional dwellings, penalties, serviceable wastewater targeted rate (half charge) and serviceable water targeted rate (half charges), school sewerage charges, public utilities owned by not-for-profit organisations, community, sporting and other organisations, small dwellings, land affected by natural calamity, and miscellaneous circumstances.

	Council	
	Actual 2020 \$000	Actual 2019 \$000
Rates and penalties levied	37,699	35,920
less Rates Remissions	(1,333)	(1,290)
less Internal Rates Charged	(221)	(204)
Rates Revenue Net of Remissions	36,145	34,426

Rates Revenue Net of Remissions

In accordance with the Local Government (Rating) Act 2002 certain properties are not rated for general rates. These include 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 Council's Rates Remission Policy. These and other not-for-profit organisations are not subject to rates.

Rating base information:

	The number of non-ratable units within the district	The number of ratable units within the district	The total capital value of rating units within the district	The total land value of rating units within the district
			\$000	\$000
At the end of the preceding financial year (i.e. 30 June 2019)	623	13,928	8,473,456	4,963,678

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other local authorities rate. The annual rates revenue of the Council for the year ended 30 June 2020 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	Council	
	Actual 2020 \$000	Actual 2019 \$000
Total Revenue from Rates	36,145	34,426
Add back Internal Rates Charged	221	204
Add Rangitikei District Council Shared Service Revenue	2,219	2,379
Add Palmerston North City Council Enforcement Contract Revenue	42	29
Total Annual Rates Income	38,627	37,038

4 Financial Revenue

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Interest revenue for financial assets not at fair value through surplus or (deficit)	129	155	64	89
Dividend revenue	4	176	4	176
Total Financial Revenue	133	331	68	265

5 Subsidies and Grants

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
New Zealand Transport Agency subsidies	6,721	7,839	6,721	7,839
Grants received	38	26	77	46
Other subsidies	349	246	362	246
Total Subsidies and Grants	7,108	8,111	7,160	8,131

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

6 Other Revenue

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
User fees and charges	6,480	6,468	6,480	6,468
Shared service revenue	2,261	2,378	2,261	2,378
Petrol tax	208	220	208	220
Vested assets	517	1,487	517	1,487
Other revenue	1,423	663	3,756	2,692
Gain/(loss) on disposal of property, plant and equipment	(71)	(21)	(72)	(21)
Total Other Revenue	10,818	11,195	13,149	13,224

7 Personnel Costs

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Salaries and wages	12,457	11,974	12,673	12,278
Employer contributions to defined contribution plans	430	434	430	434
Increase/(decrease) in employee entitlement liabilities	260	11	266	8
Total Personnel Costs	13,146	12,418	13,369	12,719
Less Salaries and Wage Capital work	(411)	(375)	(411)	(375)
Total Operational Personnel Costs	12,735	12,043	12,958	12,344

8 Depreciation and Amortisation

	Council	
	Actual 2020 \$000	Actual 2019 \$000
Depreciation and Amortisation Expense per Group of Activities		
Community Facilities	1,763	1,612
District Development	-	-
Emergency Management	8	2
Environmental and Regulatory	46	28
Governance and Strategy	8	8
Roading Network	8,885	7,966
Solid Waste	60	68
Stormwater and Drainage	646	529
Wastewater	2,178	2,126
Water Supply	1,770	1,567
Support Services	837	726
	16,202	14,632

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Depreciation (note 19)	16,016	14,465	16,555	14,958
Amortisation (note 20)	186	167	186	167
Total Depreciation & Amortisation	16,202	14,632	16,741	15,125

9 Finance Costs

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Interest Expense				
Interest on borrowings	2,067	2,310	2,166	2,421
Provisions: discount unwinding (note 22)	57	127	57	127
Total Finance Costs	2,124	2,437	2,223	2,548

10 Other Operating Expenses

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Fees to principal auditor				
- Audit fees for financial statement audit MDC	149	147	149	147
- Audit fees for Long Term Plan / Debenture Trust	5	25	5	25
- Audit fees for Manawatū Community Trust	-	-	27	18
Fees to other auditors				
Audit fees for Feilding Civic Centre Trust	-	-	3	3
Impairment of Community Investments	(52)	(43)	(52)	(43)
Impairment of Accounts Receivable	40	6	40	6
Loss on disposal of property, plant and equipment	89	3	89	3
Minimum lease payments under operating leases	162	34	162	34
Legal fees	240	142	240	142
Other operating expenses:				
Chemicals	729	915	729	915
Consultants and Consultant Costs	1,066	969	1,066	969
Contract Payments	4,947	4,369	4,947	4,369
Energy - Electricity and Gas	1,008	1,016	1,016	1,026
Grants Made to other Organisations	1,854	2,265	1,773	2,185
Insurance	652	526	810	669
Maintenance and Materials	2,019	2,414	2,353	2,643
Operational Projects	6,990	8,130	7,017	8,130
Rates Paid	299	271	257	242
Refuse Disposal Costs	630	757	643	768
Other expenses	3,614	3,641	4,070	3,926
Total Other Expenses ^(note 1)	24,440	25,587	25,343	26,177

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

11 Income tax

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Relationship between Tax Expense and Accounting Surplus/(Deficit)				
Surplus/(deficit) before tax	44	905	392	1,216
Tax at 28%	12	254	110	340
Plus/(less) tax effect of:				
Non-deductible expenditure	-	-	-	-
Non-taxable revenue	(12)	(262)	(110)	(348)
Taxation loss not recognised	-	8	-	8
Prior year adjustment	-	-	-	-
Tax losses utilised	-	-	-	-
Tax Expense	-	-	-	-

Income tax recognised directly in equity

The amount of current and deferred tax charged or credited to equity during the period was \$nil (Last year: \$nil).

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Components of Tax Expense				
Current tax expense	-	-	-	-
Adjustments to current tax in prior years	-	-	-	-
Deferred tax asset arisen from previously unrecognised tax loss	-	8	-	8
Deferred tax expense	-	(8)	-	(8)
Income Tax Expense	-	-	-	-
		Property Plant and Equipment	Unused tax losses	Total

Deferred tax assets/(liabilities)

Council and Group

Balance at 1 July 2018	(41)	41	-
Charged to surplus or deficit	(8)	8	-
Charged / credited to other comprehensive revenue and expense	-	-	-
Balance at 30 June 2019	(49)	49	-
Charged / credited to surplus or deficit	35	224	-
Charged to other comprehensive revenue and expense	-	-	-
Balance at 30 June 2020	(14)	273	-

Additional disclosure

Council has unrecognised tax losses of \$662,056 (Last year: \$664,000) with a tax effect of \$183,375 (Last year: \$186,000), 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 the unused tax losses of \$662,056, as it is unlikely that the Council will generate sufficient taxable profit in the foreseeable future against which the unused tax losses can be utilised.

Heartland Contractors Limited has unrecognised tax losses of \$501,000 (Last year: \$501,000), 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 the unused tax losses of \$501,000, as it is unlikely that the Company will generate sufficient taxable profit in the foreseeable future against which the unused tax losses can be utilised.

Under current income tax legislation the tax losses do not expire.

12 Cash and Cash Equivalents

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Cash at bank and in hand	6,107	4,951	7,114	5,440
Short term deposits with a term of three months or less	4,000	-	4,061	130
Total Cash and Cash Equivalents	10,107	4,951	11,175	5,570

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 \$98,015 (last year: \$98,000). Refer to note 25 for detail of trust funds.

13 Debtors and other receivables

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Rates receivables	1,084	1,300	1,084	1,300
New Zealand Transport Agency Subsidy	706	884	706	884
Other receivables	1,796	2,018	1,946	2,141
Related party receivables	42	41	-	-
Accrued revenue	408	135	408	135
GST receivable	465	358	496	381
Prepayments	282	295	312	295
Less provision for impairment of receivables	(130)	(104)	(130)	(104)
Total	4,654	4,929	4,823	5,034
Total receivables comprise:				
Receivables from non-exchange transactions <i>(includes amounts outstanding from rates, grants, infringements and fees and charges partly subsidised by rates)</i>	2,817	2,983	2,817	2,983
Receivables from exchange transactions <i>(includes amounts outstanding for fees and charges not subsidised by rates)</i>	1,837	1,946	2,007	2,051
Total	4,654	4,929	4,823	5,034

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.

Council does not provide for any impairment on rates receivable (except for rate penalties and uncollectable Māori land), 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 Council 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 Council 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. Council 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 Council's pool of debtors. Expected losses have been determined based on an analysis of Council's losses in previous periods, and review of specific debtors.

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

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
As at 1 July	104	145	104	145
Additional / (reductions) in provisions made during the year	26	(39)	26	(39)
Receivables written off during period	-	(2)	(2)	(2)
As at 30 June	130	104	128	104

As at 30 June 2020, all overdue debtors and other receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	Gross \$000	Impairment \$000	Net 2020 \$000	Net 2019 \$000
Council - Rates receivables				
Not past due - current year	1,324	(11)	1,313	1,040
Past due by 1 year	117	(15)	101	149
Past due by 2 years+	80	(44)	36	61
Total	1,520	(71)	1,450	1,250

	Gross \$000	Impairment \$000	Net 2020 \$000	Net 2019 \$000
Council - Other receivables and Related party receivables				
Not past due	1,424	-	1,424	1,481
Past due 1-30 days	16	-	16	59
Past due 31-61 days	32	-	32	71
Past due > 61 days	366	(14)	352	443
Total	1,838	(14)	1,824	2,054

All receivables greater than 30 days in age are considered to be past due.

14 Investments in Council Controlled Organisations and similar entities

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Investments in Council Controlled Organisations and similar entities classified as current				
Loans and receivables				
Community loans - Manawatū Community Trust	264	258	-	-
NZ Local Government Funding Agency borrower's notes	184	104	184	104
Total Current Portion	448	362	184	104
Investments in Council Organisation and similar entities classified as non-current				
Loans and receivables				
Community loans - Manawatū Community Trust	3,171	2,383	(43)	(151)
NZ Local Government Funding Agency borrower's notes	864	984	864	984
Fair value through other comprehensive revenue and expense				
Unlisted shares in Manawatū - Wanganui LASS Limited	16	16	16	16
Unlisted shares in Civic Financial Services Ltd	190	190	190	190
Unlisted shares in NZ Local Government Funding Agency	100	100	100	100
Investments in subsidiary (at cost)				
Heartland Contractors Ltd - shares	-	-	-	-
Total Non-Current Portion	4,341	3,673	1,127	1,139
Total Investments in Council Organisation and similar entities	4,789	4,035	1,311	1,243

Council has a 100% shareholding in Heartland Contractors Ltd, which comprises of 100 ordinary shares. Council has exempted Heartland Contractors Ltd from being a Council Controlled Organisation based on section 7(4) of Local Government Act 2002.

Council has a 100% control of Manawatū Community Trust. Manawatū Community Trust was established as a Council Controlled Organisation under requirements of section 6 of the Local Government Act 2002. The purpose of the Trust is the provision of housing for the elderly and disabled of the Manawatū district and promotion of health and wellbeing services for the residents of the Manawatū district.

Council has lent money to Manawatū Community Trusts. With the exception of the loan for the Feilding Integrated Family Health Centre (FIFHC) the interest rate for these loans is based on Council's weighted average cost of borrowing rate 3.40% (2019:3.75%). The amount of the loan borrowed represents fair value based on Council's external borrowing rate and other associated borrowing costs.

The interest rate for the \$2.5 million loan for the FIFHC is 50% at Council's external borrowing rate and 50% interest free. Council has impaired the carrying value of the loan to fair value, to recognise the impact of the interest free portion. The term of this loan is 15 years, of which 10 years remain.

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Face value of the loan	1,738	2,050	-	-
Opening balance of the loan	1,745	1,857	-	-
Loan Raised	-	-	-	-
Grant expenditure from low interest loans	52	42	-	-
Repaid this year	(158)	(154)	-	-
Fair value - loan to MCT for the FIFHC included above	1,639	1,745	-	-

Council has a 100% control of the Feilding Civic Centre Trust. The Feilding Civic Centre Trust is an exempt Council Controlled Organisation as defined by section 7(4) of the Local Government Act 2002. The purpose of the Trust is to provide services to the community.

Council has a 100% control of the Awahuri Forest / Kitchener Park Trust. The Awahuri Forest / Kitchener Park Trust is an exempt Council Controlled Organisation as defined by section 7(4) of the Local Government Act 2002. The purpose of the Trust is for the management and restoration of Kitchener Park.

Council has 14.29% interest in Manawatū Wanganui Local Authority Shared Service Limited, which comprises 7 shares, all held by local authorities. Council has exempted Manawatū Wanganui Local Authority Shared Service Limited from being a Council Controlled Organisation as per section 7(4) of the Local Government Act 2002.

Council has 203,964 shares in Civic Financial Services Ltd, whose shareholders are local government authorities. Civic Financial Services Ltd is exempt from being a Council Controlled Organisation by virtue of section 6(4)f of the Local Government Act 2002.

Council acquired 100,000 \$1.00 shares in NZ Local Government Funding Agency (NZLGFA) in December 2012 and is one of 31 shareholders. Refer to Note 28 for more information. NZLGFA is exempt from being a Council Controlled Organisation by section 6(4) of the Local Government Act 2002.

During the year, Council received NZLGFA borrower's notes with a face value of \$64,000 (Last year: \$112,000) at a fixed interest rates of between 1.51% and 2.12% per annum (Last year: between 2.26% and 2.82%). There were no NZLGFA borrower's notes received at floating rates (Last year: \$168,000 were received at floating rates between 1.94% and 2.43%). The NZLGFA borrower's notes are recognised at amortised cost. The face value of NZLGFA borrower's notes as at 30 June 2020 approximates their fair value.

Unlisted shares

Unlisted shares are recognised at cost, because they do not have a quoted market price in an active market and their fair value cannot be measured reliably.

15 Investment in Associate

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Non Current Portion				
Investment in Central Economic Development Agency Ltd (at cost)	1	1	1	1
Increase from share of associate's (surplus / deficit)	-	-	370	465
Total non current portion	1	1	371	466
MDC's 50% share of associate's summarised financial information				
Assets			564	862
Liabilities			194	396
Revenues			1,691	1,966
Surplus / (Deficit)			(95)	(45)
Group's interest			50%	50%
Share of contingent liabilities incurred jointly with other investors			-	-

16 Inventory

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Inventory on Hand - Plant Nursery	275	237	275	237
	275	237	275	237

Plants are held for provision of services by Council and are supplied to other Councils on a non-commercial basis. Inventories are measured at cost and are adjusted, when applicable, for any loss of service potential.

The write down of inventory during the year was \$47,000 (2019 \$nil). There have been no reversals of write downs (2019 \$nil). No inventory is pledged as security for liabilities (2019 \$nil).

17 Other financial assets

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Current Portion				
<i>Loans and receivables</i>				
Community loans - other	5	5	5	5
Himatangi Beach Sewerage Scheme Contributions	19	21	19	21
Rongotea Water Supply Scheme Contributions	7	13	7	13
<i>Held to maturity investments</i>				
Term deposits with maturity less than one year	-	-	-	-
Total Current Portion	32	39	32	39
Non-Current Portion				
<i>Loans and receivables</i>				
Community loans - other	65	71	65	71
Himatangi Beach Sewerage Scheme Contributions	138	170	138	170
Rongotea Water Supply Scheme Contributions	53	62	53	62
<i>Held to maturity investments</i>				
Term deposits with maturity of over one year	-	-	-	-
Total Non-Current Portion	257	303	257	303
Total Other Financial Assets	289	342	289	342

Fair values

Term deposits

The carrying amount of term deposits approximates their fair value.

Community Loans

The above community loans have been advanced at interest rates ranging from 0% to 3.40% (Last year: from 0% to 3.75%).

The fair value of community loans is \$70,656 (last year: \$75,426). The face value of community loans is \$4,994,358 (last year: \$4,999,129). 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

There was no movement in community loans at nil fair value during the year.

The Council has a \$2,500,000 community loan to the Manfeild Park Trust. Loan funds were used to finance the building of a stadium. Interest accrued against this loan until 2010 and the loan now stands at \$2,952,703. In 2010 Council suspended interest and principal repayments for a five year period which was extended for a further 18 months. In June 2016 converted the loan to a suspensory loan and the loan was impaired to \$nil.

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

The Council has a community loan with Manawatū Historical Vehicle Trust totalling \$200,000 but only repayable if the Trust ceases to operate a facility for the storage, display and restoration of appropriate historic and vintage vehicles.

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

Council has a \$71,000 community loan with the Feilding & District Steam Rail Society Inc., which is secured over buildings, but is only repayable if the society ceases to operate a facility for presentation and storage of steam engines in Feilding.

Himatangi Beach Sewerage Scheme and Rongotea Water Supply Scheme Contributions

Himatangi Beach and Rongotea residents were offered the option to pay the capital contribution for the new sewerage and water scheme over a 3, 5, 10 or 20 year period. The interest rate charged was 7%. The repayment of this debt is being processed through the rating system and therefore a charge against the relevant property.

Impairment

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

For more information on financial assets refer to note 33, financial instruments.

18 Non-Current Assets Held for Sale

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Non-Current Assets held for Sale are:				
Land held for sale	2,653	-	2,653	-
Buildings and improvements held for Sale	-	-	-	-
	2,653	-	2,653	-
Current Portion	2,653	-	2,653	-
Term Portion	-	-	-	-
Total	2,653	-	2,653	-
Opening balance assets for sale	-	-	-	-
Assets classified as held for sale during the period	2,964	-	2,964	-
Assets revalued or reclassified during the year	(19)	-	(19)	-
Less assets transferred or sold during the year	(292)	-	(292)	-
Closing balance assets held for sale	2,653	-	2,653	-

Council owned land on Kawakawa Road and South Street is currently being marketed for sale through a real estate agency.

The accumulated property revaluation reserve recognised in equity for the current assets held for sale is -\$874,340, (last year: Nil).

19 Property, Plant and Equipment

2020	Cost/ Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount
	\$000	\$000	\$000
Council			
Operational assets			
Land	17,276	-	17,276
Buildings and Improvements	9,201	-	9,201
Library Books	1,660	(680)	981
Plant , Equipment and Furniture	4,550	(3,116)	1,434
Motor Vehicles	1,651	(774)	878
Total operational assets	34,338	(4,569)	29,769
Infrastructural assets			
Land	6,529	-	6,529
Solid Waste	1,376	(455)	921
Wastewater	83,160	(2,465)	80,695
Stormwater and Drainage	43,887	(645)	43,242
Water Supply	70,230	(1,760)	68,470
Roads and Footpaths	428,133	(8,886)	419,247
Land Under Roads	65,322	-	65,322
Total infrastructural assets	698,637	(14,211)	684,426
Restricted assets			
Land	24,120	-	24,120
Buildings and Improvements	30,394	(150)	30,244
Plant and Equipment	2,084	(1,387)	696
Total restricted assets	56,597	(1,537)	55,060
Total Council	789,572	(20,318)	769,254
Other Group Assets			
Land	4,168	-	4,168
Buildings and Improvements	24,972	(510)	24,462
Furniture and equipment	221	(13)	209
Leasehold Improvements	208	(17)	191
Total	29,569	(540)	29,030
Group Assets	819,141	(20,858)	798,284

2019

	Cost/ Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount
	\$000	\$000	\$000
Council			
Operational assets			
Land	17,629	-	17,629
Buildings and Improvements	8,186	(897)	7,294
Library Books	1,461	(500)	961
Plant , Equipment and Furniture	4,152	(2,704)	1,448
Motor Vehicles	1,653	(813)	840
Total operational assets	33,081	(4,913)	28,173
Infrastructural assets			
Land	5,179	-	5,179
Solid Waste	1,029	(399)	630
Wastewater	79,405	(2,013)	77,392
Stormwater and Drainage	36,732	(529)	36,203
Water Supply	60,305	(1,788)	58,517
Roads and Footpaths	386,971	(7,966)	379,005
Land Under Roads	65,293	-	65,293
Total infrastructural assets	634,914	(12,696)	622,219
Restricted assets			
Land	16,421	-	16,421
Buildings and Improvements	26,544	(1,955)	24,549
Plant and Equipment	2,024	(1,299)	725
Total restricted assets	44,989	(3,254)	41,695
Total Council	712,984	(20,863)	692,086
Other Group Assets			
Land	4,168	-	4,168
Buildings and Improvements	24,996	(469)	24,527
Furniture and equipment	205	(6)	199
Leasehold Improvements	198	(18)	180
Total	29,567	(493)	29,074
Group Assets	742,551	(21,356)	721,161

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

2020	"Carrying Amount 1 July 2019"	Revaluation Movement	Additions	Reclassification	Disposals	Impairment of Assets	Current Year Depreciation	"Carrying Amount 30 June 2020"
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council								
Operational assets								
Land	17,629	2,601	12	(2,964)	(2)	-	-	17,276
Buildings and Improvements	7,294	2,439	17	-	-	-	(550)	9,201
Library Books	961	-	199	-	-	(31)	(149)	981
Plant , Equipment and Furniture	1,448	-	499	-	(23)	-	(490)	1,434
Motor Vehicles	840	-	424	-	(105)	-	(282)	878
Total operational assets	28,173	5,040	1,152	(2,964)	(130)	(31)	(1,471)	29,769
Infrastructural assets								
Land	5,179	1,350	-	-	-	-	-	6,529
Solid Waste	630	-	347	-	-	-	(56)	921
Wastewater	77,392	2,616	3,152	-	-	(430)	(2,035)	80,695
Stormwater and Drainage	36,203	5,783	1,901	-	-	-	(645)	43,242
Water Supply	58,517	7,837	3,875	-	-	-	(1,759)	68,470
Roads and Footpaths	379,005	41,348	7,780	-	-	-	(8,886)	419,247
Land Under Roads	65,293	-	28	-	-	-	-	65,322
Total infrastructural assets	622,219	58,934	17,084	-	-	(430)	(13,381)	684,425
Restricted assets								
Land	16,421	7,668	31	-	-	-	-	24,120
Buildings and Improvements	24,549	4,938	2,054	-	(71)	(150)	(1,076)	30,244
Plant and Equipment	725	-	60	-	-	-	(88)	696
Total restricted assets	41,695	12,606	2,145	-	(71)	(150)	(1,165)	55,060
Total Council	692,086	76,580	20,380	(2,964)	(201)	(610)	(16,016)	769,254
Other Group Assets								
Land	4,168	-	-	-	-	-	-	4,168
Buildings and Improvements	24,527	-	445	-	-	-	(510)	24,462
Furniture and equipment	199	-	24	-	(2)	-	(13)	209
Leasehold Improvements	180	-	28	-	-	-	(17)	191
Total	29,074	-	497	-	(2)	-	(540)	29,030
Group Assets	721,160	76,580	20,877	(2,964)	(203)	(610)	(16,556)	798,284

	Actual 2020 \$000
Included above is work in progress	
Operational Buildings and Improvements	17
Plant , Equipment and Furniture	-
Restricted land	15
Restricted Buildings and Improvements	1,369
Solid Waste	911
Wastewater	1,631
Stormwater and Drainage	994
Water Supply	1,073
Roading and Footpaths	1,887
Total Council	7,897
Manawatū Community Trust - Buildings	110
Group Assets	8,007

2019	"Carrying Amount 1 July 2018"	Revaluation Movement	Additions	Reclassification	Disposals	Impairment of Assets	Current Year Depreciation	"Carrying Amount 30 June 2019"
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council								
Operational assets								
Land	17,629	-	-	-	-	-	-	17,629
Buildings and Improvements	7,536	-	252	-	(37)	-	(456)	7,294
Library Books	874	-	215	-	-	-	(128)	961
Plant , Equipment and Furniture	1,618	-	315	-	(1)	-	(484)	1,448
Motor Vehicles	921	-	206	-	(65)	-	(222)	840
Total operational assets	28,578	-	989	-	(104)	-	(1,290)	28,173
Infrastructural assets								
Land	4,518	-	98	563	-	-	-	5,179
Solid Waste	292	-	402	-	-	-	(64)	630
Wastewater	76,067	(227)	4,129	(563)	-	-	(2,013)	77,392
Stormwater and Drainage	32,969	2,304	1,459	-	-	-	(529)	36,203
Water Supply	58,007	69	2,007	-	-	-	(1,566)	58,517
Roads and Footpaths	366,931	10,875	9,165	-	-	-	(7,966)	379,005
Land Under Roads	65,297	-	6	-	(9)	-	-	65,293
Total infrastructural assets	604,081	13,021	17,265	-	(9)	-	(12,138)	622,219
Restricted assets								
Land	16,380	-	41	-	-	-	-	16,421
Buildings and Improvements	23,271	-	2,229	-	-	-	(950)	24,549
Plant and Equipment	779	-	32	-	-	-	(86)	725
Total restricted assets	40,430	-	2,301	-	-	-	(1,037)	41,695
Total Council	673,089	13,021	20,555	-	(113)	-	(14,465)	692,086
Other Group Assets								
Land	4,168	-	-	-	-	-	-	4,168
Buildings and Improvements	19,955	4,282	760	-	(1)	-	(469)	24,527
Furniture and equipment	200	-	5	-	-	-	(6)	199
Leasehold Improvements	138	-	60	-	-	-	(18)	180
Total	24,461	4,282	825	-	(1)	-	(493)	29,074
Group Assets	697,550	17,303	21,380	-	(114)	-	(14,958)	721,161

	Actual 2019 \$000
Included above is work in progress	
Operational Buildings and Improvements	86
Plant , Equipment and Furniture	60
Restricted land	-
Restricted Buildings and Improvements	1,533
Solid Waste	574
Wastewater	2,705
Stormwater and Drainage	3,014
Water Supply	2,382
Roading and Footpaths	1,022
Total Council	11,376
Manawatū Community Trust - Buildings	166
Group Assets	11,542

Core Infrastructural Assets

Includes roads, water supplies, sewerage treatment infrastructure, stormwater, and drainage works. The table below reports on the core infrastructural assets as required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

2020	Assets Constructed by Council	Assets Transferred to Council	Carrying Amount 30 June 2020	Replacement Cost 30 June 2020
	\$000	\$000	\$000	\$000
Infrastructural Assets				
Wastewater				
Treatment Plant and Facilities	2,866	-	47,625	52,256
Other Assets (Reticulation Systems)	130	156	33,071	70,440
	2,996	156	80,695	122,696
Flood protection and control works				
	-	-	-	-
Stormwater drainage				
	1,680	220	43,241	70,194
Water Supply				
Treatment Plant and Facilities	1,342	-	23,424	23,424
Other Assets (Reticulation Systems)	2,397	136	45,046	100,470
	3,739	136	68,470	123,894
Roads and Footpaths				
	7,782	-	419,247	708,170
2019				
	Assets Constructed by Council	Assets Transferred to Council	Carrying Amount 30 June 2019	Replacement Cost 30 June 2019
	\$000	\$000	\$000	\$000
Infrastructural Assets				
Wastewater of which:				
Treatment Plant and Facilities	3,421	-	34,758	45,141
Other Assets (Reticulation Systems)	704	4	42,634	70,493
	4,125	4	77,392	115,634
Flood protection and control works				
	-	-	-	-
Stormwater drainage				
	1,454	5	36,203	58,687
Water Supply of which:				
Treatment Plant and Facilities	1,270	-	22,689	22,689
Other Assets (Reticulation Systems)	375	362	35,828	84,850
	1,645	362	58,517	107,539
Roads and Footpaths				
	8,049	1,116	379,005	638,032

Insurance Cover

2020

Insurance Deductible* \$	Replacement Cover Council \$000	Replacement Cover Group \$000
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Insurance Arrangements

At 30 June 2020 Council had the following insurance cover in place for the following assets:

Material damage cover - buildings (operational and restricted)	\$100,000	83,361	83,361
Material damage cover - plant and equipment	\$100,000	15,714	15,714
Motor vehicle cover	1% sum insured	1,585	1,585
Material damage cover - water and wastewater - treatment and supply	\$100,000	73,156	73,156
Underground assets (water / stormwater/ wastewater) for natural disaster	\$250,000	258,382	258,382

Assets not covered by insurance

Council does not insure its roading assets. In the event of a disaster it is expected that the repair and/or replacement of our roading assets will attract a high subsidy from the New Zealand Transport Agency. Council self insures the unsubsidised portion of roading.

Council does not insure land.

Council has no insurance in relation to intangible assets and financial assets.

Risk Sharing Arrangement

In the event of a disaster it is anticipated that the remaining 60% of reinstatement costs will be recovered from central government under the Civil Defence Emergency Management Plan.

* Loss or damage below the insurance deductible is covered by Council (either as an operating cost is funded from the Insurance Reserve - see note 25).

20 Intangible Assets

	Council and Group	
	Actual 2020 \$000	Actual 2019 \$000
Balance at 1 July		
Cost	3,030	2,957
Accumulated amortisation and impairment	(2,571)	(2,405)
Opening carrying amount	459	552
Additions	-	75
Less disposals at cost	-	(2)
Accumulated amortisation on disposals	-	1
Less amortisation charge	(186)	(167)
Closing carrying amount	273	459
Balance at 30 June		
Cost	3,030	3,030
Accumulated amortisation and impairment	(2,757)	(2,571)
Closing carrying amount	273	459

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

All intangible assets are software.

21 Creditors and Other Payables

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Trade payables	4,208	4,702	4,382	4,941
Deposits and bonds	955	1,170	955	1,170
Accrued expenses	1,091	891	1,091	891
Amounts due to related parties (note 29)	-	-	-	-
Revenue in advance	1,275	943	1,311	943
Total creditors and other payables	7,530	7,705	7,740	7,944
Total creditor and other payables comprise:				
Creditors / other payables from exchange transactions	6,255	6,656	6,429	7,002
Creditors / other payables from non-exchange transactions	1,275	1,050	1,311	943
Total creditors and other payables	7,530	7,705	7,740	7,944

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

22 Provisions

	Council and Group	
	Actual 2020 \$000	Actual 2019 \$000
Current Provisions are represented by:		
Financial guarantees	-	-
Landfill aftercare provision	125	157
Total Current Provisions	125	157
Non-Current Provisions are represented by:		
Financial guarantees	-	-
Landfill aftercare provision	793	862
Total Non-Current provisions	793	862
Council and Group		
	Actual 2020 \$000	Actual 2019 \$000
Opening balance	1,018	986
Additional provisions made during the year	(91)	(20)
Amounts used during the year	(65)	(76)
Unused amounts reversed during the year	-	-
Discount unwinding	57	127
Closing Balance	918	1,018

Provision for landfill aftercare costs

Council 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 expires on 1 July 2029. The Council has a responsibility under the conditions of the resource consent to rehabilitate and restore the landfill site 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 grass cover, drainage systems and fencing

The cash outflows for landfill post-closure are expected to occur from 2006 to 2036 (30 years). The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 1.26%. 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:

- The annual price index used is the Local Government Cost Index as detailed in the 2018-2028 Long Term Plan
- An annual discount rate of 1.26%
- Aftercare period of 30 years after closure

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.

23 Employee Entitlement Liabilities

	Council and Group		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Accrued pay	449	351	463	361
Annual leave	1,040	878	1,048	881
Total Employee Entitlement Liabilities	1,489	1,229	1,511	1,242
Comprising:				
Current	1,489	1,229	1,511	1,242
Non-current	-	-	-	-
Total Employee Entitlement Liabilities	1,489	1,229	1,511	1,242

24 Borrowings

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Opening Balance of Term Borrowings	69,662	62,619	72,521	65,382
Loans raised during the year	21,417	20,544	23,299	21,008
Loans repaid during the year	(12,373)	(13,500)	(14,895)	(13,869)
Closing Balance of Term Borrowings	78,707	69,662	80,925	72,521
Current				
Secured loans	23,000	6,462	23,207	9,038
Total current borrowings	23,000	6,462	23,207	9,038
Non-current				
Secured loans	55,707	63,200	57,718	63,482
Total non-current borrowings	55,707	63,200	57,718	63,482

As at 30 June 2020, there is a credit card facility in place with Bank of New Zealand for a limit of \$188k, which includes a purchase card facility (last year: \$188k). There is a "multi-option" facility - treasury solution of \$10 million of which \$1.9m (last year: \$1.9 million) is used as of balance date.

Fixed-rate debt

\$33 million of debt (last year \$32.9 million) has been issued at floating interest rate and the remainder is at fixed rates of interest. The borrowing rates range from 0.8% to 6.00% (last year: 2.20% to 6.00%).

When Council borrows on a fixed rate that differs from the current market rate offered, we receive a discount or pay a premium on the face value. This discount or premium is apportioned over the term of the loan and the amount repaid is equal to the face value of the loan received. The amounts disclosed above include the discount or premium of \$165k (last year \$210k). The face value of fixed rate debt is \$44m.

Security

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

Council's loans are secured over the rating revenue of the district by way of a debenture trust.

Loans to the Manawatū Community Trust from Council are secured by way of registered first mortgage over the land owned by the Trust at 100 Awahuri Road, Feilding. Council does not hold security for the loan made to the Trust for the construction of the Feilding Integrated Family Health Centre. ANZ Bank holds a General Security Agreement of the assets of the Trust for their loan for the Feilding Integrated Family Health Centre.

Management

Council 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 Council's Long Term Plan.

Internal borrowings

Information about internal borrowings are provided for each group of activities, as part of the funding impact statements for group of activities.



25 Equity

2020	Opening Balance	Net Surplus	Transfers In	Transfers Out	Revaluation Changes	Closing Balance
	\$000	\$000	\$000	\$000	\$000	\$000
Retained Earnings						
Accumulated General Funds	475,681	44	63,535	(63,484)	(64)	475,712
Separate Funds	(2,741)		45,072	(49,522)		(7,191)
Growth Funds	(3,468)		6,418	(3,046)		(97)
Depreciation Fund	(801)		14,414	(14,214)		(602)
	468,670	44	129,438	(130,266)	(64)	467,822
Other Reserves						
Trust Funds						
- Hook Bequest	12					12
- Trewin Bequest	1					1
- Wakerill Trust	1					1
- Robert Dickson Library Trust	4					4
- P A Broad Memorial Trust	7					7
- Historical Trust	4			(4)		0
- Robert Dickson Educational Trust	14					14
- Museum Trust	2			(2)		0
- Feilding and District Relief Trust	59		1			60
	104	-	1	(6)	-	98
Special Funds						
- General Purpose Special Fund	640		819			1,459
- Land Subdivision Reserve Special Fund	540		5			545
- Insurance Fund	939		10			949
	2,119	-	834	-	-	2,953
Revaluation Reserves						
- Operational Land	4,717			159	2,525	7,400
- Operational Buildings and Improvement	1,560				2,439	3,999
- Restricted Land	6,505				7,668	14,173
- Restricted Buildings and Improvement	5,659			(95)	5,016	10,579
- Infrastructural Land	919				1,350	2,269
- Utilities (water, stormwater and wastewater)	50,377				15,826	66,203
- Roading Network	86,798				41,359	128,157
	156,533	-	-	64	76,183	232,779
Total Other Reserves	158,755	-	835	58	76,183	235,831
Total Council Equity	627,426	44	130,272	(130,208)	76,119	703,653
Other Entities						
General Fund	11,750	349				12,098
Restricted Land	0					0
Restricted Buildings and Improvement	0					0
Revaluation Reserves	0					0
- Operational Land	2,216					2,216
- Operational Buildings and Improvement	10,396					10,396
Total Group Equity	651,786	393	130,272	(130,208)	76,119	728,361

2019

	Opening Balance	Net Surplus	Transfers In	Transfers Out	Revaluation Changes	Closing Balance
	\$000	\$000	\$000	\$000	\$000	\$000
Retained Earnings						
Accumulated General Funds	468,684	905	250	5,842		475,681
Separate Funds	(36)		167	(2,872)		(2,741)
Growth Funds	(1,883)		907	(2,492)		(3,468)
Depreciation Fund	1,239		10,389	(12,430)		(802)
	468,004	905	11,714	(11,952)	-	468,670
Other Reserves						
Trust Funds						
- Hook Bequest	12					12
- Trewin Bequest	1					1
- Wakerill Trust	1					1
- Robert Dickson Library Trust	4					4
- P A Broad Memorial Trust	7					7
- Historical Trust	4					4
- Robert Dickson Educational Trust	13		1			14
- Museum Trust	2					2
- Feilding and District Relief Trust	58		1			59
		-				
	102	-	2	-	-	104
Special Funds						
- General Purpose Special Fund	429		211			640
- Land Subdivision Reserve Special Fund	531		9			540
- Insurance Fund	924		15			939
	1,884	-	235	-	-	2,119
Revaluation Reserves						
- Operational Land	4,717					4,717
- Operational Buildings and Improvement	1,560					1,560
- Restricted Land	6,505					6,505
- Restricted Buildings and Improvement	5,659					5,659
- Infrastructural Land	919					919
- Utilities (water, stormwater and wastewater)	48,229				2,148	50,377
- Roading Network	75,920				10,878	86,798
	143,508	-	-	-	13,026	156,533
Total Other Reserves	145,494	-	237	-	13,026	158,756
Total Council Equity	613,497	905	11,951	(11,952)	13,026	627,426
Other Entities						
General Fund	11,649	101				11,750
Restricted Land	-					-
Restricted Buildings and Improvement	-					-
Revaluation Reserves						
- Operational Land	2,216					2,216
- Operational Buildings and Improvement	5,905		209		4,282	10,396
Total Group Equity	633,266	1,216	12,160	(11,952)	17,308	651,787

Seperate Funds

When Council has used targeted rates for a specified purpose, unspent funds are separately accounted for and are applied in subsequent years to the specified activity.

Growth funds

These funds are created from Development Contributions levied. They are used for growth related expenditure for the creation of community assets. These include roads, parks and reserves, stormwater, wastewater and water supply.

Depreciation fund

These funds are created from depreciation and amortisation funded through revenue sources. These funds are only applied to the renewal of existing assets and for principal repayments of loans.

Purpose of each Special Fund is detailed below:

General Purpose Special Fund	General expenditure
Land Subdivision Reserve Special Fund	Reserves contributions in accordance with the Local Government Act
Insurance Fund	Small claims and insurance excess not covered by external insurance policy

Special funds are restricted by Council resolution and may only be applied to the purpose that established the fund.

Purpose of each Trust Fund is detailed below:

Hook Bequest	Assist poor or needy/charitable purposes in Feilding
Trewin Bequest	Maintenance of the Trewin monument
Wakerill Trust	Maintenance of the Wackrill monument
Robert Dickson Library Trust	Children's books
P.A. Broad Memorial Trust	Books on NZ sport and wildlife
Historical Trust	To enhance the library's local research area
Robert Dickson Educational Trust	Advice/guidance/assistance to solo mothers and their children for education matters and advancement in life
Museum Trust	Council directs trust to enhance the library's local research area
Feilding And District Relief Trust	Donations from 2004 flood

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

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Surplus/(deficit) after tax	44	905	392	1,216
Add/(less) non-cash items:				
Depreciation and amortisation	16,202	14,632	16,741	15,125
Vested assets	(517)	(1,487)	(517)	(1,487)
Grant expenditure from low interest loans	-	-	-	-
Add/(less) items classified as investing or financing activities:				
Investment revenue direct to investment	-	-	-	325
(Gains)/losses on disposal of property, plant and equipment	160	1	160	1
Add/(less) movements in working capital items:				
(Increase)/decrease in accounts receivable	298	(601)	362	(849)
Increase (decrease) in accounts payable	1,607	820	1,515	972
Increase (decrease) in provisions	(100)	32	(100)	32
Increase (decrease) in employee benefits	260	11	269	15
Net GST	(102)	(111)	(92)	(113)
Net cash from operating activities	17,851	14,201	18,728	15,236

27 Capital Commitments and Operating Leases

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment				
- Land	913	-	913	-
- Buildings	2,910	3,130	2,910	3,229
- Roading	5,869	9,279	5,869	9,279
- Stormwater	260	69	260	69
- Wastewater	834	-	834	-
- Water Supply	936	2,517	936	2,517
Total Capital Commitments	11,722	14,995	11,722	15,094

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

In respect to capital commitment for roading maintenance and upgrade, included in the above current commitment figure, \$642k (last year: \$4.92M) will be partially financed by way of subsidy from the New Zealand Transport Authority.

Operating Leases as Lessee

Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 166 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Non-cancellable operating leases as lessee				
Not later than one year	25	21	25	21
Later than one year and not later than two years	25	23	25	23
Later than two years and not later than five years	60	68	60	68
Later than five years	32	11	32	11
Total non-cancellable operating leases	142	123	142	123

Operating Leases as Lessor

The Council leases the Council's Regional Archives building under an operating lease.

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Non-cancellable operating leases as lessor				
Not later than one year	133	133	133	133
Later than one year and not later than two years	133	133	141	141
Later than two years and not later than five years	400	400	543	520
Later than five years	300	433	1,040	1,203
Total non-cancellable operating leases	966	1,099	1,857	1,997

28 Contingencies

Contingent Liabilities

Risk Pool Insurance

In prior years Council obtained public liability and professional indemnity insurance cover from New Zealand Mutual Liability Risk Pool, up to and including 2009. 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. We have not been advised on any future calls on this liability.

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 are no claims filed with the Weathertight Homes Tribunal.

Council is named as a party in one Weathertight Homes claim. The claim is in its early days and no quantum has been disclosed by the claimant. Council has also been named as a party to the Carter Holt Harvey representative claim regarding an alleged defective product "Shadowclad". This quantum regarding this claim has not been disclosed by the claimant.

Uncalled capital – NZLGFA

The Council is a shareholder of the NZLGFA. The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+. The Council is one of 31 shareholders of the NZLGFA. In that regard, Council has uncalled capital of \$100,000. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event of an imminent default. Together with the other shareholders, the Council is a guarantor to all of NZLGFA's borrowings. At 30 June 2020, the NZLGFA had borrowings totalling \$11.908 billion (last year: \$9.531 billion). The Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of the NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- it is not aware of any local authority debt default events in New Zealand
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Defined Benefit Scheme

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 accounting as it is not possible to determine from the terms of the Scheme the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.

Guarantees

Council is one of the guarantors to the Deed of Lease of commercial property signed with Manawatū -Wanganui LASS Limited which is a Council Controlled Organisation, whereby the Council guarantees jointly and severally the payment of the rent and performance by the Tenant of the covenants in the lease. As at balance date, Manawatū Wanganui LASS Limited had complied with all terms of the lease agreement.

Other legal proceedings - unquantified claims

There are no unquantified claims to be recognised at balance date (last year: \$nil).

Contingent Assets

Buildings on Reserve Land

Council has a number of sports clubs that have constructed facilities (e.g. club rooms) on reserve land. The clubs control the use of these facilities and Council will only gain control of the asset if the clubs vacate the facility. Until this event occurs these assets are not recognised as assets in the statement of financial position.

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 Council is not aware of any circumstance in which the loan becomes repayable. These loans are recorded at fair value (\$nil) in the statement of financial position. These loans total \$3.6m (last year: \$4.92m). Refer to note 17.

29 Related Party Transactions

Council is the ultimate parent of the group and controls four entities, being Heartland Contractors Ltd, the Feilding Civic Centre Trust, the Awahuri Forest/Kitchener Park Trust and the Manawatū Community Trust. Council also owns a 50% share in Central Economic Development Agency Limited.

Transaction with related parties that are a part of a normal customer relationship (such as payment of rates and purchase of rubbish bags etc.) are not included in related party disclosures. The following transactions were carried out with related parties.

	Actual 2020 \$000	Actual 2019 \$000
Heartland Contractors Limited (Non Trading)		
The Mayor, Deputy Mayor and Chief Executive are directors of this company	Nil	Nil
Feilding Civic Centre Trust		
Grant provided by MDC	82	80
Manawatū Community Trust		
Interest paid to MDC (refer note below)	74	73
Amounts payable to MDC at year end	43	35
Loans repaid to the MDC	258	249
Loans drawn down from MDC during the year	1,000	50
Loan owing to MDC (as at balance date)	3,534	2,792
Manawatū -Wanganui LASS Limited		
The Chief Executive is a director of this company		
The Council is one of the guarantors to the Deed of Lease for a property leased by the company - see note 27 for further details.		
Awahuri Forest / Kitchener Park Trust		
Grant provided by MDC	99	92
Central Economic Development Agency Limited		
Contract payment provided by MDC	605	646

Council has impaired the loan given to Manawatū Community Trust to fair value. The reduction total of \$99k (last year \$151k) is because 50% of the loan is interest free and has been treated as grant expenditure. There is no reduction of any other loans or other receivables to related parties (last year: \$nil).

Key Management Personnel Compensations

(includes senior management, the Mayor and Councillors)

	Actual 2020 \$000	Actual 2019 \$000
Salaries and other short term employee benefits - elected members	484	428
Salaries and other short term employee benefits - Executive Team including the Chief Executive	1,014	990
Post employment benefits - Executive Team including the Chief Executive	42	41
Termination benefits	-	-
	1,540	1,459
Full time equivalents		
Elected Members*	11	11
Executive Team including the Chief Executive	5	5

* Due to the difficulty in determining the full-time equivalents for elected members, the full-time equivalent figure is taken as the number of elected members.

30 Remuneration

Elected Members

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

	Actual 2020 \$	Actual 2020 \$	Actual 2019 \$	Actual 2019 \$
	Salary	Meeting Allowances	Salary	Meeting Allowances
Mayor Helen Worboys	116,747		104,599	
Councillor Steve Bielski	32,363		28,981	
Councillor Barbara Cameron	9,289	102	28,981	255
Councillor Stuart Campbell	36,582		28,981	
Councillor Shane Casey	36,582	2,960	28,981	
Councillor Heather Gee-Taylor	23,074		-	
Councillor Grant Hadfield	23,074		-	
Councillor Michael Ford (Deputy Mayor)	44,683		40,574	
Councillor Hilary Humphrey	38,904		36,227	
Councillor Philson Marsh	37,254		36,227	
Councillor Andrew Quarrie	32,363		28,981	
Councillor Alison Short	35,393	2,662	28,981	
Councillor Howard Voss	11,612		36,227	
	477,920	5,724	427,740	255

Chief Executive

For the year ended 30 June 2020, the remuneration paid to the Chief Executive, Richard Templer, was \$317,423 (Last year, \$309,000).

Council employees

	Actual 2020 as at 30 June	Actual 2019 as at 30 June
The number of employees employed by the Council:	181	178
The number of full-time employees:	132	133
The full-time equivalent number of all other employees:	32	28
Number of employees receiving total annual remuneration of		
- less than \$60,000	90	86
- between \$60,000 and \$79,999	40	42
- between \$80,000 and \$99,999	28	30
- between \$100,000 and \$119,999	12	10
- between \$120,000 and \$159,999	7	6
- between \$160,000 and \$319,999 (Chief Executive)	4	4
A full-time employee is determined on the basis of a 40-hour working week.		
	181	178

31 Severance Payments

For the year ended 30 June 2020, the Council made two (2019: two) severance payments to employees, totalling \$17,000 (2019 \$17,000). The value of each of the severance payments was \$9,500 and \$7,500.

32 Events after the Balance Sheet Date

The Manawatū District Council is not aware of any other events subsequent to balance date which would materially affect the amounts included in these financial statements or disclosures made.

33 Financial Instruments

Financial instrument categories

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

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
FINANCIAL ASSETS				
Loans and receivables				
Cash and cash equivalents	10,107	4,951	11,175	5,570
Debtors and other receivables	4,654	4,929	4,823	5,034
Term deposits - other	-	-	-	-
Notes - NZ Local Government Funding Agency	1,048	1,088	1,048	1,088
Community loans	289	342	289	191
Community loans - related party	3,435	2,641	(43)	-
Total loans and receivables	19,533	13,950	17,292	11,882
Total held to maturity				
Other financial assets	-	-	-	-
Total held to maturity	-	-	-	-
Available for sale				
Unlisted shares in NZ Local Government Funding Agency (NZLGFA)	100	100	100	100
Unlisted shares in NZ Local Government Insurance Corp Ltd (NZIG)	190	190	190	190
Unlisted shares in Manawatū -Wanganui LASS Limited (LASS)	16	16	16	16
Total available for sale	306	306	306	306
Total financial assets	19,839	14,256	17,598	12,188
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
Creditors and other payables	7,530	7,705	7,740	7,944
Borrowings				
- Bank overdraft	-	-	-	-
- Secured loans	78,707	69,662	80,925	72,521
Total financial liabilities at amortised cost	86,237	77,368	88,665	80,465

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 (Level 1)	"Observable inputs (Level 2)"	Significant non-observable inputs (Level 3)
	\$000	\$000	\$000	\$000
30 June 2020 - Council				
Financial assets				
Community Loan	-	-	-	-
30 June 2020 -Group				
Financial assets				
Community Loan	-	-	-	-
30 June 2019 - Council				
Financial assets				
Community Loan	-	-	-	-
30 June 2019 -Group				
Financial assets				
Community Loan	-	-	-	-

All available for sale financial assets are recorded in the Statement of Financial Position at cost, as the fair value cannot be measured reliably. The carrying amount of these is detailed above.

Financial instrument risks

Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council 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. Council is not exposed to currency risk, as it does not enter into foreign currency transactions.

Interest rate risk

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates exposes the Council to fair value interest rate risk. Council'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 Council to cash flow interest rate risk.

Credit risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Council has no significant concentrations of credit risk, 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.

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

Investments in other Local Authorities are secured by charges over rates. Other than other local authorities, the group only invests funds with those entities, which have a Standard and Poor's credit rating of at least A -. Accordingly, the group does not require any collateral or security to support these financial instruments.

Maximum exposure to credit risk

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

	Council		Group	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
Balance as at 30 June				
Cash at bank and term deposits	10,107	4,951	11,175	5,570
Debtors and other receivables	4,654	4,929	4,823	5,034
Community loans	3,724	2,983	246	191
Local authority stock and other investments	1,354	1,394	1,354	1,394
Financial guarantees	-	-	-	-
Total credit risk	19,839	14,256	17,598	12,187

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.

Council is exposed to a credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in Note 28.

Credit quality of financial assets

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

	Council		Group	
	2020 \$000	2019 \$000	2020 \$000	2019 \$000
Balance as at 30 June				
Counterparties with credit ratings				
Cash and term deposits				
Cash at bank and bank term deposits (AA- rated)	6,903	3,951	7,971	4,571
Cash at bank and bank term deposits (A rated)	3,204	1,000	3,204	1,000
NZLGFA borrower's notes (AA rated)	1,048	1,088	1,048	1,088
Total cash at bank and term deposits	11,155	6,038	12,223	6,657
Other investments				
Unlisted shares in NZ Local Government Funding Agency (NZLGFA) (AA Rated)	100	100	100	100
Total other investments	100	100	100	100
Counterparties without credit ratings				
Local authority stock, community loans				
Existing counterparty with no defaults in the past	3,930	3,189	452	397
Existing counterparty with defaults in the past	-	-	-	-
Total local authority stock and community loans	3,930	3,189	452	397

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 Council 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. Council aims to maintain flexibility in funding by maintaining sufficient short term investments.

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

Council 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 Council'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.

	Carrying Amount	Contractual Cash Flows	Less than 1 year	1-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000
Council 2020					
Creditors and other payables	7,530	7,530	7,530	-	-
Secured loans	78,707	78,872	23,000	43,872	12,000
Financial guarantees	-	-	-	-	-
	86,237	86,402	30,530	43,872	12,000
Group 2020					
Creditors and other payables	7,740	7,740	7,740	-	-
Secured loans	80,925	81,204	23,310	45,894	12,000
Financial guarantees	-	-	-	-	-
	88,665	88,944	31,050	45,894	12,000
Council 2019					
Creditors and other payables	7,705	7,705	7,705	-	-
Secured loans	69,662	77,840	16,512	35,327	26,001
Financial guarantees	-	-	-	-	-
	77,367	85,545	24,217	35,327	26,001
Group 2019					
Creditors and other payables	7,944	7,944	7,944	-	-
Secured loans	72,521	80,942	17,412	37,439	26,091
Financial guarantees	-	-	-	-	-
	80,465	88,886	25,356	37,439	26,091



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. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying Amount	Contractual Cash Flows	Less than 1 year	1-5 years	More than 5 years
	\$000	\$000	\$000	\$000	\$000
Council 2020					
Cash and cash equivalents	10,107	10,107	10,107	-	-
Debtors & other receivables	4,654	4,654	4,654	-	-
Other financial assets:					
- Term deposits	-	-	-	-	-
- LGFA Borrower notes	1,048	1,048	184	432	432
- Community loans	289	75	5	27	43
- Community loans - related party	3,435	3,435	264	1,420	1,751
	19,533	19,319	15,214	1,879	2,226
Group 2020					
Cash and cash equivalents	11,175	11,175	11,175	-	-
Debtors & other receivables	4,823	4,823	4,823	-	-
Other financial assets:					
- Term deposits	-	-	-	-	-
- LGFA Borrower notes	1,048	1,048	184	432	432
- Community loans	289	75	5	27	43
	17,335	17,122	16,187	459	475
Council 2019					
Cash and cash equivalents	4,951	4,951	4,951	-	-
Debtors & other receivables	4,929	4,929	4,929	-	-
Other financial assets:					
- Term deposits	-	-	-	-	-
- LGFA Borrower notes	1,088	1,088	104	464	520
- Community loans	151	93	7	29	57
- Community loans - related party	2,641	3,390	318	1,272	1,800
	13,759	14,450	10,308	1,765	2,377
Group 2019					
Cash and cash equivalents	5,570	5,570	5,570	-	-
Debtors & other receivables	5,034	5,034	5,034	-	-
Other financial assets:					
- Term deposits	-	-	-	-	-
- LGFA Borrower notes	1,088	1,088	104	464	520
- Community loans	342	93	7	29	57
	12,033	11,784	10,714	493	577

Council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 28.

Sensitivity analysis - Council

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.

2020	-100bps		+100bps	
	Profit \$000	Other Equity \$000	Profit \$000	Other Equity \$000
INTEREST RATE RISK				
Financial assets				
Cash and cash equivalents	(101)	-	101	-
Other financial assets:				
- Term deposits	-	-	-	-
- LGFA Borrower notes	(7)	-	7	-
- Community and related party loans	(37)	-	37	-
- Other investments	(1)	-	1	-
Financial liabilities				
Secured loans	787	-	(787)	-
Total sensitivity to interest rate risk	641	-	(641)	-
EQUITY PRICE RISK				
Financial assets				
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	-
- Shares in Manawatū -Wanganui LASS Limited	-	-	-	-
- Shares in NZ Local Government Funding Agency	-	-	-	-
Total sensitivity to equity price risk	-10%	-	10%	-

2019	-100bps		+100bps	
	Profit \$000	Other Equity \$000	Profit \$000	Other Equity \$000
INTEREST RATE RISK				
Financial assets				
Cash and cash equivalents	(40)	-	43	-
Other financial assets:				
- Term deposits	-	-	-	-
- LGFA Borrower notes	(5)	-	4	-
- Community and related party loans	(28)	-	28	-
- Other investments	(1)	-	1	-
- Local authority stock	-	-	-	-
Financial liabilities				
Secured loans	320	-	(320)	-
Total sensitivity to interest rate risk	246	-	(244)	-
EQUITY PRICE RISK				
Financial assets				
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	-
- Shares in Manawatū -Wanganui LASS Limited	-	-	-	-
- Shares in NZ Local Government Funding Agency	-	-	-	-
Total sensitivity to equity price risk	-10%	-	10%	-

Sensitivity analysis - Group

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.

2020	-100bps		+100bps	
	Profit \$000	Other Equity \$000	Profit \$000	Other Equity \$000
INTEREST RATE RISK				
Financial assets				
Cash and cash equivalents	(45)	-	45	-
Other financial assets:				
- Term deposits	-	-	-	-
- LGFA Borrower notes	(4)	-	4	-
- Community loans	(1)	-	1	-
- Other investments	(1)	-	1	-
Financial liabilities				
Secured loans	809	-	(809)	-
Total sensitivity to interest rate risk	758	-	(758)	-
EQUITY PRICE RISK				
Financial assets	-10%	-	10%	-
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	-
- Shares in Manawatū -Wanganui LASS Limited	-	-	-	-
- Shares in NZ Local Government Funding Agency	-	-	-	-
Total sensitivity to equity price risk	-	-	-	-

2019	-100bps		+100bps	
	Profit \$000	Other Equity \$000	Profit \$000	Other Equity \$000
INTEREST RATE RISK				
Financial assets				
Cash and cash equivalents	(45)	-	45	-
Other financial assets:				
- Term deposits	-	-	-	-
- LGFA Borrower notes	(4)	-	4	-
- Community loans	(1)	-	1	-
- Other investments	(1)	-	1	-
Financial liabilities				
Secured loans	320	-	(320)	-
Total sensitivity to interest rate risk	269	-	(269)	-
EQUITY PRICE RISK				
Financial assets	-10%	-	10%	-
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	-
- Shares in Manawatū -Wanganui LASS Limited	-	-	-	-
- Shares in NZ Local Government Funding Agency	-	-	-	-
Total sensitivity to equity price risk	-	-	-	-

Explanation of sensitivity analysis - Council and Group

Financial Assets

1 Cash and cash equivalents

Council has cash and cash equivalents include deposits on call totalling \$10,106,941 (last year: \$4,918,827) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$101,069 (last year: \$49,188). The Group has cash and cash equivalents include deposits on call totalling \$11,175,294 (last year: \$5,330,827) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$117,255 (last year: \$53,308).

2 Community loans

Council has floating rate community advances with a principal amount totalling \$8,528,700 (last year: \$7,791,611). A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$85,287 (last year: \$77,916). The Group has floating rate community advances with a principal amount totalling \$70,656 (last year: \$75,426). A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$707 (last year: \$754).

3 Local authority stock and other investments

The Council has floating rate term bonds and deposits totalling \$342,000 (last year: \$496,000) that are held to maturity. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$3,420 (last year: \$4,690).

Financial Liabilities

4 Secured loans

Council has a floating rate debt with a principal amount totalling \$33,000,000 (last year: \$37,000,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$330,000 (last year: \$370,000).

Equity

5 Unlisted shares

Council holds unlisted equity instruments in Civic Financial Services 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 \$189,635 at 31 December 2019. These shares are accounted for at cost.

Council holds unlisted equity instruments in Manawatū Wanganui LASS Ltd, which are not traded and will continue to be held by Council. The market value of these shares is difficult to determine. These shares are accounted for at cost.

Council holds unlisted equity instruments in New Zealand Local Government Funding Agency Ltd, which are not traded and will continue to be held by Council. These shares are accounted for at cost, as there is no active market and thus the share price cannot be measured reliably.

Council holds unlisted equity instruments in Central Economic Development Agency Ltd, which are not traded and will continue to be held by Council. The market value of these shares is difficult to determine. Council accounts for these shares at cost.

34 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 Plan (LTP) 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 funding and financial policies in the Council's LTP.

Council 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. Special Funds include a general purpose reserve, an insurance fund and the land subdivision reserve with the nature and purpose being determined by Council. Interest is added to the these reserves and, where applicable, and deductions are made where funds have been used for the purpose they were given or established.

The amounts involved in our equity and reserves, together with the movements from last year, are disclosed in note 25.

The only externally imposed requirements for our capital management are those set out in the trust and bequest documents. Council has complied with these requirements.

35 Explanation of Major Variances

Explanations for major variations between the actual results and the estimated figures in the 2019/20 Annual Plan, which is the second year of the Long Term Plan 2018-2028, are detailed below.

Statement of Comprehensive Revenue and Expense

The operating surplus for the year is \$44K, against a budgeted surplus of \$5M. The following are the most significant variances:

- Revenue from development contributions and capital contributions are \$1.6 million under budget. Development projects have not progressed as quickly as originally anticipated. This means the trigger for development contributions to become due has yet to occur.
- Subsidies and Grants are \$1.6M lower than budgeted. The NZTA subsidy was \$1.79M under budget, mostly due to the delay of the Mangaweka bridge project resulting the subsidy not being claimed this year. An unbudgeted \$200k subsidy was received for the development of a skate park on the Makino reserve.
- Depreciation and amortisation is \$2M over budget, as asset revaluations needed to be estimated at time of budgeting, however actual revaluation amounts were much higher.
- Personnel costs are \$613k under budget due to a number of vacancies throughout the year and delays in recruitment.
- Finance costs were \$802k under budget. Overall interest costs were less than budgeted due to lower capital spend. This resulted in fewer loans being drawn.

Statement of Financial Position

The most significant movements are:

- All infrastructure assets, building and land were revalued throughout the year. The impact of these valuations was more than anticipated at time of budgeting, resulting in Property, Plant and Equipment being \$41.1M over budget.
- Council owned land on Kawakawa Road and South Street is currently being marketed for sale, resulting in the recognition of \$2.6M in Assets held for sale. Due to uncertainty around the timing of this sale it was not included in the budget.
- Cash and cash equivalents are \$7.7M over budget due to the current low costs of borrowing. This additional borrowing has been invested at rates higher than the interest rate payable.
- Total borrowings (including both the current and non-current portions) are \$2.72M under budget. This is due to lower levels of borrowings in previous years. Actual new debt drawn down this year was \$9M, more than the \$7.8M budgeted in the annual plan. Additional debt was required to fund the higher level of new capital spend as a result of carry forwards (\$6.1M against an annual plan budget of \$3.5M) and for reasons noted above.

Statement of Cash Flows

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



36 COVID-19 Impact

COVID-19 has had an impact on Council in relation to both its non-financial and financial performance. The impact on each activity is detailed below:

Community Facilities

District Libraries

Due to lockdown the library was closed from 23 March to 18 May 2020. This impacted the ability to meet the level of service targets for both issues per capita (total 7.6 against an annual target of 8) and total number of digital users (total 45,092 against an annual target of 60,000). There is also an estimated loss in revenue of \$12k during this period from DVD rentals, book sales, late return fees, photocopying and drink purchases.

Halls and Recreation Complexes

Booking for halls were impacted the closure during lockdown. This resulted in an estimated loss in revenue of \$3.5k.

Makino Aquatic Centre

The facility was closed throughout alert level's 3 and 4. The total estimated impact on revenue was a loss of \$190k for entry fees, swim school fees and swim gear purchases. This was offset by the expenditure savings from closing down the facility plant room and redeploying some staff to the Emergency Operations Centre.

Parks, Reserves and Sportsgrounds

The estimated impact on revenue is a loss of \$7,000. This is due to the winter sports season delay resulting in lower bookings.

District Development

Seven representative grants, totalling \$7.5k, were granted but the events were cancelled and the amounts were not required. Community Committee projects totalling \$84k and Community plan projects totalling \$97k were unable to be completed. A request has been made to carry forward these grants to the 2020/21 year.

Regulatory

Building Control

The level of service measure requiring 95% of building consent applications to be processed and approved within the statutory 20 working days was impacted by the lockdown. Processing was slowed during this time during the unconventional work place set up. This contributed to the target not being met. Building consent and inspection fees in April are estimated to be \$45k lower than expected, however the annual revenue budget was still exceeded due to high numbers.

Compliance and Monitoring

The level of service measures for food premises inspections and licenced premises inspections was impacted by business closure during the lockdown period. The Food Act amendments extended the timeframe for verifications.

Emergency Management

The capital project for a planned radio system upgrade (\$1.5k) was delayed due to the Palmerston North City Council radio tower not being completed. An additional \$184k in costs were incurred due to the emergency response for the community needs. Claims of \$89.6k are being made to the central Government for the recoverable expenses.

The level of service measure for the public perception of Council's response to civil defence emergencies showed an 19% increase in the final quarter. During this time the CDEM was unable to attend regular community committee meetings and create community response and recovery plans due to workload from responding to an emergency.

Roading

The subsidised maintenance programme incurred an additional \$19k in costs for contractor dis-establishment, re-establishment, down time during level 4, additional PPE and additional travel costs. Due to disruption to the works program the specialist contractor was unable to complete a required bridge inspection. The expected cost of this is \$15k and will now take place in 2020/21.

Growth works on Port Street had extra costs of \$19k for construction contractor dis-establishment, re-establishment and site protection work. The completion date for these works has been delayed to 30 September 2020 and the remaining cost of \$403k will now be incurred in 2020/21.

Solid Waste

The Waste Transfer Station was closed for the period of the lockdown resulting in estimated lost revenue of \$33k. In addition to this 180 tonnes of recyclables were unable to be processed and therefore was disposed to landfill resulting in an estimated \$27k disposal costs.

Stormwater, Water Supply and Wastewater

Construction works on Churcher Street were delayed during the lockdown. The contractor has requested an additional payment for loss of work over this period. The amount is still under negotiation but is estimated to be \$20k.



37 Prior Period Restated

The District Council has restated its comparative year financial statements for the year ended 30 June 2019 in relation to vested assets.

During 2019/20, the District Council identified assets of \$1.1m (not captured in the system) that were vested to Council in 2018/19 that should have been initially recorded as an asset and vested asset revenue during the 2018/19 year.

Changes to the Statement of comprehensive revenue and expense

	Before adjustment		Adjustment	After adjustment	
	Parent	Group	Parent and Group	Parent	Group
Other revenue	10,079	12,108	1,116	11,195	13,224
Net surplus/(deficit)	(211)	100	1,116	905	1,216
Total comprehensive revenue and expense	12,813	17,405	1,116	13,929	18,521

Changes to note 6 Other revenue

	Before adjustment		Adjustment	After adjustment	
	Parent	Group	Parent and Group	Parent	Group
Vested assets	371	371	1,116	1,487	1,487

Note 19 Property, plant and equipment

	Before adjustment		Adjustment	After adjustment	
	Parent	Group	Parent and Group	Parent	Group
Roads and footpaths	377,889	377,889	1,116	379,005	379,005

Changes to Statement of Changes in Net Assets/Equity and note 25 Equity

	Before adjustment		Adjustment	After adjustment	
	Parent	Group	Parent and Group	Parent	Group
Total comprehensive revenue and expense	12,813	17,405	1,116	13,929	18,521
Closing accumulated surplus	626,310	650,671	1,116	627,426	651,787

Changes to Statement of Financial Position

	Before adjustment		Adjustment	After adjustment	
	Parent	Group	Parent and Group	Parent	Group
Property, plant and equipment	690,970	720,045	1,116	692,086	721,161

Report on Liability Management and Investment Policies

Liability Management Policy

During the course of the financial year, Council raised \$21.4 million of debt, repaid \$12.3 million of debt, resulting in an increase of debt from \$69.7 million at the start of the financial year to \$78.6 million at 30 June 2020.

	Actual 2020	Budget 2020	Actual 2019
KEY STATISTICS			
Net interest expense (interest and financing costs less interest income) must not exceed 20% of total revenue (excluding non-Government capital contributions such as developers contribution and vested assets).	3.7%	4.8%	4.0%
Net interest expense (interest and financing costs less interest income) must not exceed 25% of annual rates income (includes water by meter and revenue from services provided to another Local Authority).	5.2%	7.0%	5.7%
Net debt (all financial liabilities less liquid investments) must not exceed 175% of total revenue (excluding non-Government capital contributions such as developers contribution and vested assets).	127.8%	139.9%	123.1%
Available financial accommodation (external indebtedness, plus committed but undrawn debt plus liquid investment) must not be less than 110% of external indebtedness.	123.2%	112.9%	118.8%
Net Working Capital Ratio is greater than 1 (current assets compared to current liabilities excluding current portion of debt and properties for sale)	1.93	1.10	1.16
No more than 35% of net term debt planned to be refinanced in any financial period without pre-arranged facility being in place. The maximum debt repayable in any one year.	14.6%	12.9%	16.5%

There were no breaches of the Liability Management Policy.

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 \$129k was down on last year's \$155k, due to a change in the market interest rates and the amounts invested.

Other Equity Investments

Council is a shareholder of the LGFA, Civic Financial Services Limited, Heartland Contractors Limited, Manawatū -Wanganui LASS Limited and the Central Economic Development Agency. These shares are held for strategic purposes.

Breach of Policy

There was a temporary breach of investment policy due to a higher level of funds in the transactional account over a weekend period, due to a rates instalment being received. This was corrected on the Monday.

Report on Revenue and Financing Policy

Council's current Revenue and Financing Policy was adopted as part of the 2018-2028 Long Term Plan (LTP). The Funding Policy sets out who will pay and how for Council's functions.

Part 6 s103(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 2020.

Group of Activities	Function	ACTUAL		FUNDING POLICY	
		Public	Private	Public	Private
Community Facilities	Cemeteries	66%	34%	70%	30%
	District Libraries	98%	2%	95%	5%
	Makino Aquatic Centre	79%	21%	65%	35%
	Parks and Reserves	85%	15%	95%	5%
	Property	76%	24%	70%	30%
	Local Halls and complexes	100%	0%	100%	0%
	Public Conveniences	100%	0%	100%	0%
District Development	Community Development	100%	0%	100%	0%
	Economic Development	100%	0%	100%	0%
	Feilding CBD Security	20%	80%	20%	80%
Emergency Management	Civil Defence	60%	40%	100%	0%
Regulatory	Animal Control	39%	61%	40%	60%
	Building Control	34%	66%	40%	60%
	Compliance and Monitoring	65%	35%	90%	10%
	Consent Planning	63%	37%	70%	30%
	District Planning	100%	0%	100%	0%
Governance and Strategy	Governance and Strategy	100%	0%	100%	0%
Roading Network	Roading	42%	58%	55%	45%
	Feilding CBD Redevelopment	10%	90%	15%	85%
Solid Waste	Solid Waste Collection and Disposal	36%	64%	50%	50%
	Feilding Kerbside Collection	0%	100%	0%	100%
Stormwater	Urban Stormwater	20%	80%	20%	80%
	Rural Land Drainage	0%	100%	0%	100%
Wastewater	Wastewater	0%	100%	0%	100%
Water Supply	Water Supply	0%	100%	0%	100%

Report on Council Controlled Organisations

Manawatū Community Trust

The Manawatū 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 Manawatū district, the promotion of health and wellbeing services for the residents of the Manawatū district, as well as promotion of any purposes within the Manawatū district for the relief of poverty and for the benefit of the residents of the Manawatū district. Following is the statement of comprehensive revenue and expense for the year ended 2020.

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2020

	Actual 2020 \$000	Actual 2019 \$000
Revenue		
Interest	6	1
Other revenue	2,234	2,023
Total Revenue	2,240	2,024
Employee benefit expenses	164	241
Depreciation	501	454
Finance costs	172	184
Other expenses	958	775
Loss on assets disposal	-	-
Property, plant and equipment impairment loss	-	-
Total Operating Expenditure	1,795	1,654
Operating Surplus/(Deficit)	445	370
Other comprehensive revenue and expense	-	-
Net Surplus/(Deficit)	445	370

Awahuri Forest / Kitchener Park Trust

Council has exempted this from being a CCO.

Heartland Contractors Limited

Council has exempted this from being a CCO.

Feilding Civic Centre Trust

Council has exempted this from being a CCO.

Wanganui-Manawatū 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 company from being a CCO.

Central Economic Development Agency Limited

For the year ended 30 June 2020 the Central Economic Development Agency Limited had current assets totalling \$1,079,530 (last year \$1,644,092) including cash and cash equivalents of \$878,163 (last year 1,294,901), non current assets of \$48,962 (last year \$78,631), current liabilities of \$387,471 (last year \$791,039) and non current liabilities of \$0 (last year \$0). All current liabilities are considered to be current financial liabilities.

Central Economic Development Agency Limited

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2020

	Actual 2020 \$000	Actual 2019 \$000
Revenue		
Council funding	2,470	2,607
Services revenue	714	778
Donated assets	-	-
Project revenue	187	526
Major Event Fund revenue	-	-
Interest	7	20
Other revenue	3	2
Total Revenue	3,381	3,933
Operating Expenditure		
Employee expense	1,475	1,718
Operating expenses	1,407	1,324
Project expenses	491	773
Directors' fees	180	180
Major Event Fund allocations	-	-
Depreciation	14	26
Financing expenses	1	1
Loss on assets disposal	4	-
Total Operating Expenditure	3,572	4,022
Operating Surplus/(Deficit) before Taxation	(191)	89
Income tax expense	-	-
Operating Surplus / (Deficit) after Taxation	(191)	89
Other comprehensive revenue and expense	-	-
Net Surplus/(Deficit)	(191)	89

Reporting against the Statement of Intent

Manawatū Community Trust: for the year ended 30 June 2020

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

	Target	Results
<p>Housing Portfolio</p> <p>A housing portfolio that provides a modern, healthy living environment for the elderly and the disabled.</p> <p>Additional housing stock, investigate the cost of developing vacant land in Beattie Street for 12 additional units.</p>	<p>Carry out refurbishment or upgrade on flats to ensure that they meet appropriate standards - Target: 8 flats per annum.</p> <p>Plan to provide for at least 12 additional units.</p>	<p>"Four refurbishments were completed. The Trust's programme of refurbishments was interrupted during the COVID-19 response. (last year 17 refurbishments)"</p> <p>Planning is well underway for the Corrick Complex development which will entail 12 new units. A principal contractor has been engaged and we are expecting to break ground in late 2020/early 2021.</p>
<p>Housing Maintenance</p> <p>Be responsive to urgent maintenance requirements or resident health and safety needs.</p>	<p>Maintenance requirement requests are responded to within 48 hours.</p> <p>Resident safety needs are responded to within 12 hours.</p>	<p>Response times have been met.</p> <p>Response times have been met.</p>
<p>Housing Occupancy</p> <p>Maintain a high occupancy level.</p>	<p>Annual average occupancy level is 95% per annum.</p>	<p>Flat occupancy has fluctuated between 96% and 98% during the year (Last year 95%).</p>
<p>Health Services</p> <p>Facilitate the redevelopment of Clevely Wing of the Integrated Family Health Centre complex in Feilding.</p>	<p>Clevely Wing operational.</p>	<p>Negotiations with prospective tenants for Clevely were abandoned at the end of 2019. A new option has been identified and a Memorandum of Understanding for a head tenancy has been signed. The Trust will undertake renovations by December 2021.</p>
<p>Manawatū Community and Development</p> <p>The promotion of wellbeing services for residents of the Manawatū District – these services shall include services promoting the improvement of lifestyle, health and welfare of residents in the Manawatū District and creating a sense of community for the benefit of the residents of the Manawatū District.</p>	<p>Facilitate collaboration across social services groups.</p>	<p>The Trust continues to work co-operatively with Manchester House and Neighbourhood Support. During the COVID-19 lockdown the Trust participated with others in daily emergency management activities co-ordinated by MDC.</p>
<p>Compliance with current accounting policies</p> <p>Ensure that a positive financial return on investment in line with the nature and condition of the Trusts' assets is achieved for re-investment and repayment of capital loans.</p>	<p>Actual percentage of rental income for the year spent on capital improvements and major maintenance to be 45%.</p>	<p>Our percentage of housing rental income spent on capital improvements and major maintenance during the year was 27.7%. (Last year 32.5%)</p>

Provide financial reporting to Manawātū District Council as required.

Each report is to be prepared and presented before the due date.

All reporting dealines have been met.

Report as at 30 June 2018 and as at 31 December 2018 reported by 2 October 2018 and 28 February 2019 respectively.

Maintain the percentage of consolidated Trust funds in relation to total assets at no less than 60%.

The percentage of consolidated trust funds in relation to total assets be no less than 60%.

The percentage of consolidated trust funds in relation to total assets is 80% (*last year 79.14%*).

Central Economic Development Agency Limited: for the year ended 30 June 2020

The key objectives for the 2019/20 year were to:

	Target	Results
Attract, retain and develop talent in the region	<p>Implementation of the action plan as a result of the regional skills gap analysis.</p> <p>Deliver 5 key engagement activities through Te Aho Tamaka.</p>	<p>The Talent and Retention Strategy has been developed with stakeholders and employers engaged through various stages of the development, including co-designing the action plan, which will be implemented in July 2020.</p> <p>12 Te Aho Tāmaka engagements were delivered.</p>
Attract, retain, and develop business and investment in the region	<p>Assess and support opportunities for growth through key business engagement, cluster development and sector strategies and relationships with Maori.</p> <p>Develop and grow businesses by delivering information, advice, and support</p> <p>Attraction of Conference and Business Events that bring economic bene fit to the region</p>	<p>The development of the Manawātū Destination Management Plan framework was completed. The Maori Tourism Working Group, and the development of a targeted 3-Year Strategy for the Conference and Business Events sector were established.</p> <p>641 business were supported, including 38 business that identify as Māori.</p> <p>Six conference bids were supported, with two bids won. Unfortunately, these were both impacted by COVID-19.</p>
Profile the region to attract people, business and investment	<p>Lead the creation of quality, targeted regional content for distribution on owned and third-party platforms, working with media partners to showcase our region's strengths through 18 direct media features profiling the region.</p> <p>Businesses that have accessed CEDA's additional support services - baseline 100 businesses</p> <p>Grow engagement on regional web and digital platforms for increased promotion of and information on the region through 10% increase in 'sessions' on ManawātūNZ.co.nz</p>	<p>56 direct media features of the city and region were achieved.</p> <p>223 businesses accessed services</p> <p>Manawātū NZ.co.nz had a 8.78% decrease on sessions, with a total of 229,586 sessions.</p>
Lead inclusive and sustainable economic development for the region	<p>Undertake research 3 years on from 2016 survey to measure the pulse of the local business community and inform current and future projects.</p>	<p>Research was undertaken in November and December, an overview of the results shared with shareholders. Work has been commenced on actions as a result of the insights, and they have been incorporated into CEDA work on the Manawātū Destination Management Plan.</p>

Annual Report Disclosure Statement for year ending 30 June 2020

What is the purpose of this statement?

The purpose of this statement is to disclose the Council’s financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

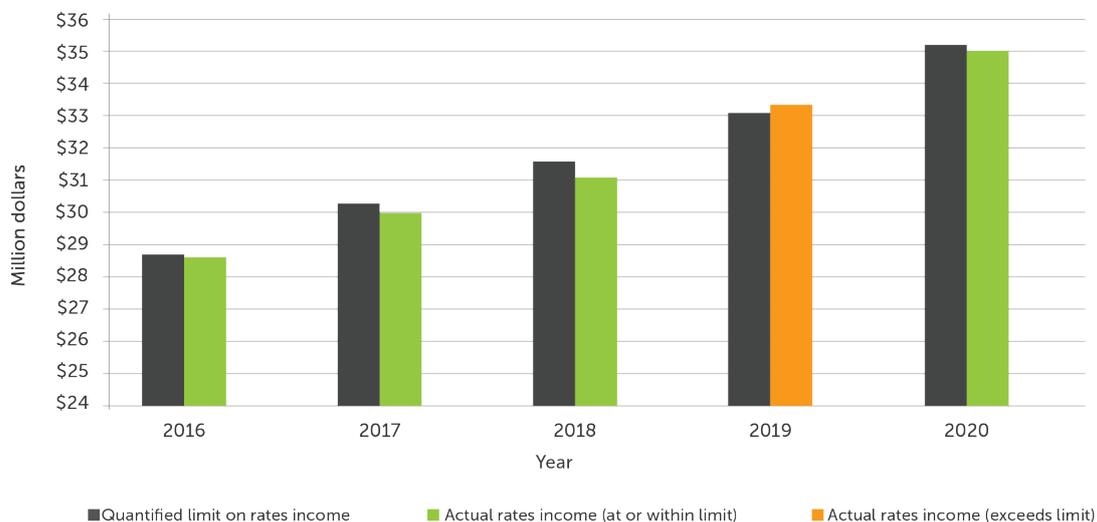
Rates affordability benchmarks

The Council meets the rates affordability benchmark if–

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases

Rates (income) affordability

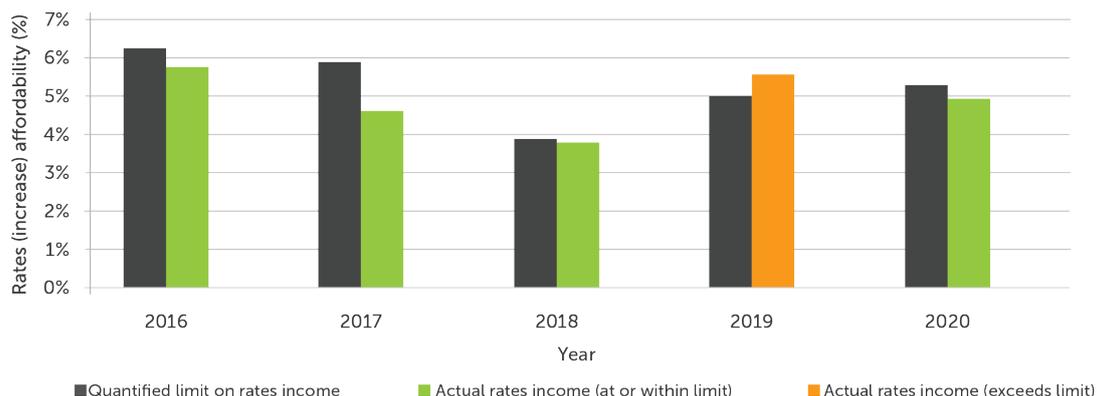
The following graph compares the Council’s actual rates income with a quantified limit on rates contained in the financial strategy included in the Council’s long-term plan. This excludes water by meter. The quantified limit is the indicative rate limit of LGCI plus 1.57%, measured in million dollars. LGCI is the Local Government Cost Index provided by Business and Economic Research Limited (BERL) each year.



In 2019, the number of SUIP’s (Separately Used or Inhabited Parts) for the actual rates calculation exceeded the forecast number used when setting the budget by 186 units. This has resulted in more rates being collected than anticipated in the budget. This reflects the strong level of growth within the district.

Rates (increases) affordability

The following graph compares the Council’s actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council’s long-term plan. This limit excludes water by meter. The quantified limit is based on the Local Government Consumer Index plus 2.3%, excluding growth and new levels of service (last year LGCI plus 3%).

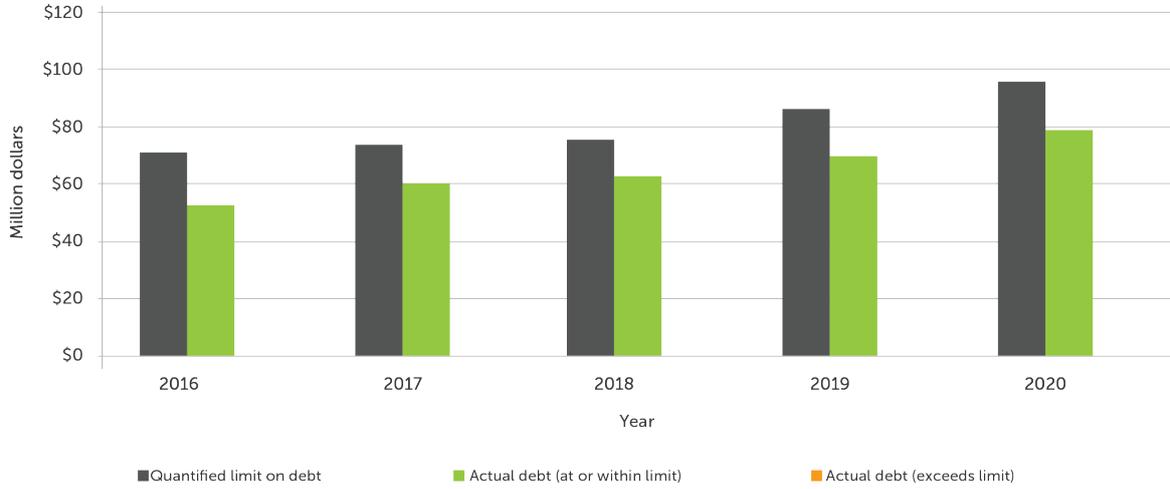


Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing as detailed below.

The following graph compares the Council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council’s long-term plan. The quantified limit is the maximum debt allowed measured in million dollars and it is based on the borrowing limits established in the Council’s Liability Management policy (refer below) which yields the lowest debt. In this case it is the interest being less than 10% of operating revenue less \$5 million emergency buffer.

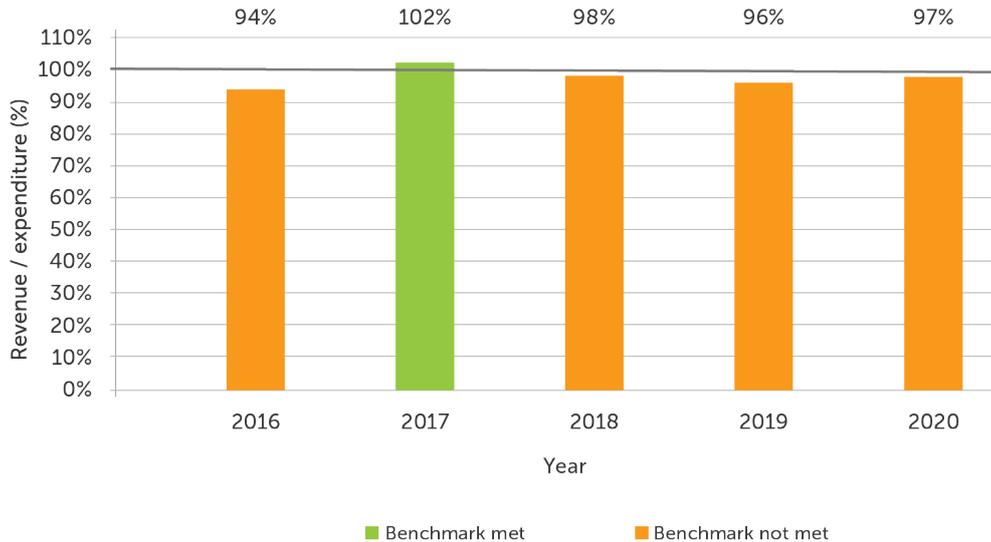
The Council meets the debt affordability benchmark if its actual borrowing is below the maximum debt allowed.



Balanced budget benchmark

The following graph displays the Council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



In 2016 operational expenditure included \$962k that related to the June 2015 floods and was not covered by NZTA grant funding. This expenditure was unbudgeted and was funded from the insurance reserve, separate funds or operational funding. Council also gave grants of \$80k to effected parties, funded from the Disaster Relief Fund. Also included in expenditure is \$2 million for the impairment of the loan to Manfeild Park Trust.

In 2018 roading expenditure included \$2.2 million emergency operating expenditure as a result of the July 2017 weather event, which is subsidised by a NZTA subsidy. Solid waste costs are higher than budgeted, increased disposal costs of \$330k are partially offset by increased gate takings. A back payment of \$141k was made to the contractor to cover incorrect tonnage incorrectly charged since 2016.

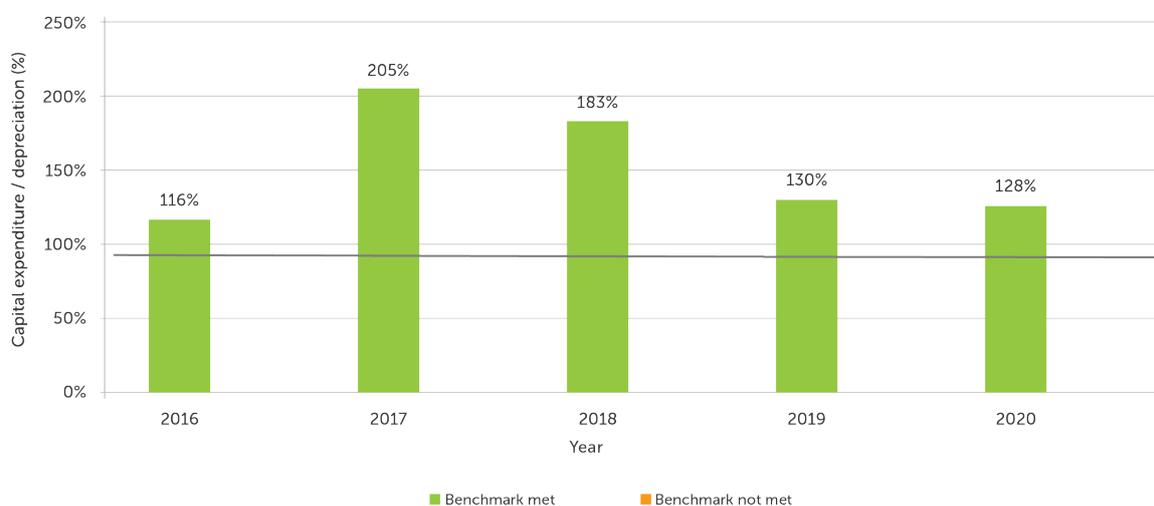
In 2019, roading expenditure included \$2.2 million emergency operating expenditure which is subsidised by NZTA. This was made up of remaining work from 2017 from Cyclone Debbie and the July 2017 Snow Storm events and two further storm events which occurred in June and September 2018. Solid waste costs are higher than budgeted, increased disposal costs of \$201k are partially offset by increased gate takings. Waste volumes (above the contracted limit of 208 tonnes per month) have triggered price escalations.

In 2020, revaluations for infrastructure assets, buildings and land were higher than anticipated resulting in \$2 million of unbudgeted depreciation.

Essential Services Benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services.

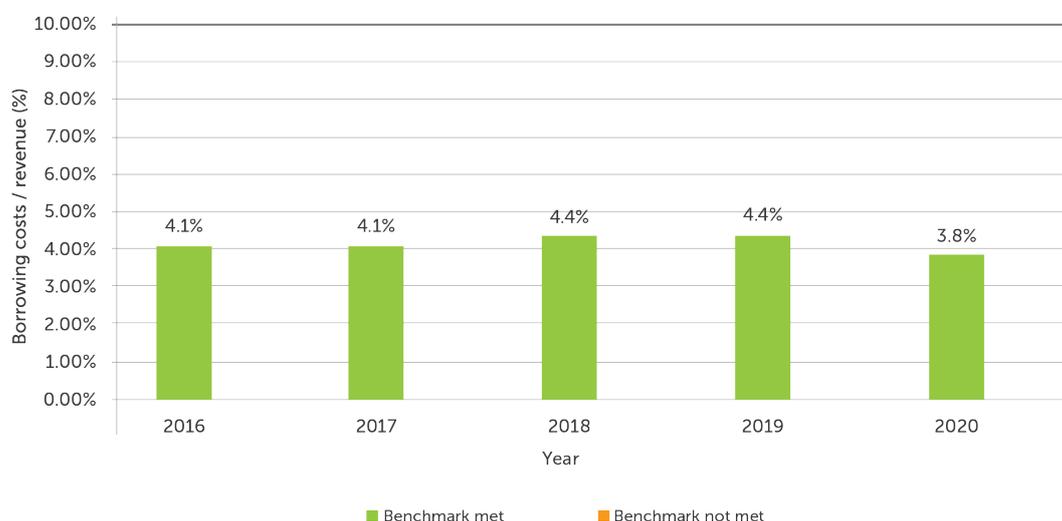
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

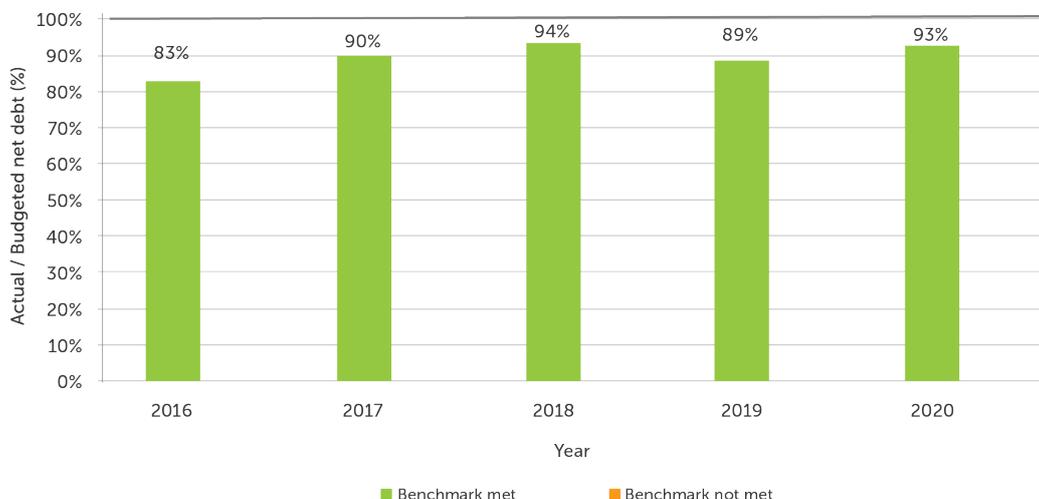
Because Statistics New Zealand projects the Council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



Debt control benchmark

The following graph displays the Council’s actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

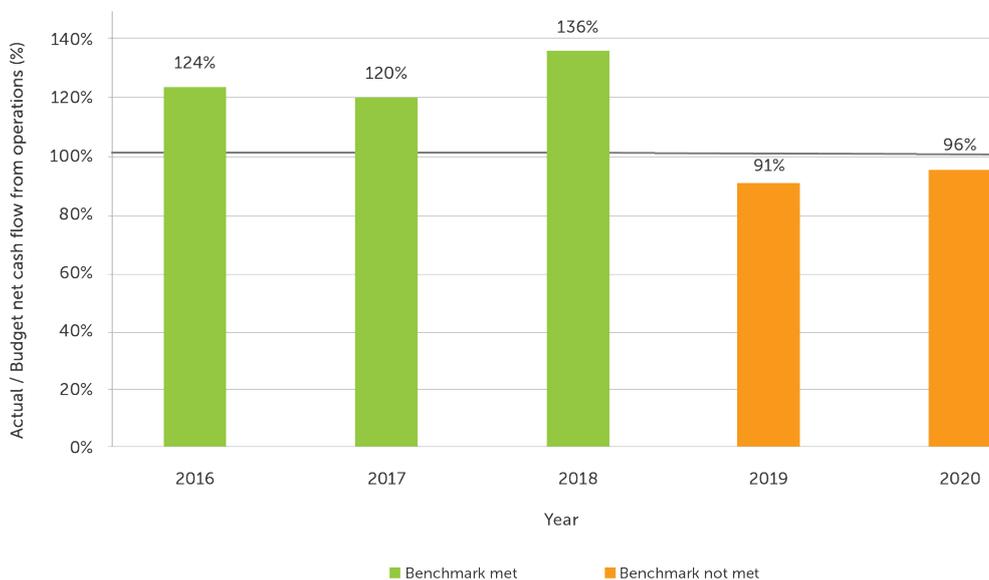
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control benchmark

This graph displays the Council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



In 2019 development contributions and capital contributions are \$1.25 million below budget. There are a number of large projects where resource consent has been granted but the trigger to pay development contributions has yet to occur.

In 2020 there was \$1.5M in revenue budgeted for a Commercial Waste Contract which did not proceed.

SECTION 4 – OTHER INFORMATION

Manawatū District Council Executive Team



Chief Executive

Dr Richard Templer



Brent Limmer

**General Manager
Community & Strategy**

Strategy, Community Facilities, Project Delivery,
Communication and Media, Civil Defence



Hamish Waugh

**General Manager
Infrastructure**

Roading Network, Utilities (3 Waters), Solid Waste



Shayne Harris

**General Manager
Corporate & Regulatory**

Building Control, District Planning, Finance, Compliance &
Monitoring, Animal Control, Governance Services, Customer Services



Frances Smorti

**General Manager
People & Culture**

Human Resources, Health & Safety

Elected members' responsibilities

Standing Committee Membership at 30 June 2020

Elected Members	*Audit & Risk Committee	Chief Executives Employment Committee	Community Development Committee	Hearings Committee	*PNCC/MDC Joint Strategic Planning Committee	*Creative Communities Assessment Committee	*Nga Manu Taiko Manawatū District Council
Mayor Worboys							
Cr Bielski							
Cr Campbell							
Cr Casey							
Cr Ford							
Cr Gee-Taylor							
Cr Hadfield							
Cr Humphrey							
Cr Marsh							
Cr Quarrie							
Cr Short							



Chairperson



Deputy Chairperson



Member of Committee

* Committee includes members who are not elected members of MDC.



Diversity, inclusion, equal employment opportunity statement

The Local Government Act 2002 requires the Council to publish its plans for ensuring equal employment opportunity, and to report on its performance. The Manawātū District Council is committed to a culture that values diversity and inclusiveness. We believe that diversity within our workforce makes our Council stronger, more capable and more adaptive. With a diverse team we are better able to understand our broad-ranging customer and stakeholders needs and to respond effectively to them.

Consistent with our values, we will ensure that diversity and inclusion is central to our policies and practices throughout the Council. This will enable us to:

- recruit the right people based on merit from a diverse pool of talented candidates;
- make more informed and innovative decisions, drawing on the wide range of ideas, experiences, approaches and perspectives that employees from diverse backgrounds with differing skill sets bring to their roles; and
- better represent the diversity of our customers and stakeholders

We seek to provide the same opportunities for all people in all areas of employment, regardless of their gender, marital status, religious or ethical belief, colour, race, ethnic or national origins, disability (physical, mental, learning), age, political opinion, employment status, family status, or sexual orientation.

The Council seeks also to engage employees and other staff on the basis of merit. This includes experience and personal qualities, as well as any formal qualifications that a position might require. In its recruitment activities, the Council seeks to provide access to a wide range of talent from which to make selections. It seeks to make selection decisions in ways which do not discriminate unlawfully or unreasonably against any person or group of people.

We seek to identify and eliminate any policies, programmes, procedures or practices which have the effect of putting any person or group of people at a disadvantage in any aspect of employment.

Summary of the 2019/20 Equal Employment Opportunities programme

Training and education was implemented and targeted to areas of greatest need. Management policies were reviewed and amended as appropriate. The employee engagement survey was undertaken to gauge the organisation's culture, with pleasing results significantly above the Local Government average.



Processes and activities in which Māori contributed to Council's decision making processes in 2019/20

Authentic relationships are crucial to bi-cultural partnerships and decision making. Manawatū District Council is increasingly embracing whakawhanaungatanga as its approach to decision making with Māori.

While the processes and activities that have occurred during 2019/20 can be understood as opportunities for Māori to contribute to the decision making processes of Council, at MDC we consider them to be the natural outcomes of the growing relationship between Council and the Māori community.

Advisory bodies

Ngā Manu Tāiko Manawatū District Council

- Marae consultative committee who provide feedback and advice to Council.
- 5 meetings were held this financial year

Te Kaunihera Working Group

- Te Kaunihera Working Group is a collective comprising representatives from each iwi and hapū affiliated marae within the Manawatū District. This forum explores agenda items from Ngā Manu Tāiko in more detail and allows members the opportunity to explore presenting challenges and opportunities using local intelligence and maatauranga Māori (Māori world view). Tikanga Māori guides this space and discussions to enable a more open and robust conversation to occur. The Principal Adviser Māori provides administrative support to this collective and additional insight where necessary.
- Two meetings have been held this year.

Hui to formally establish the relationship between Council and individual Iwi:

- Rangitāne
- Muaūpoko
- Ngāti Raukawa
- Ngāti Tūwharetoa
- Ngāti Apa



Māori as key stakeholders played a critical role in the outcome/process of the following:

Project	Involvement
Precinct 4 (Feilding Growth Precinct)	Advice and guidance on the cultural narrative around places and spaces within Precinct 4. (Ongoing)
Community Development Strategy 2020	Gifted the strategic framework for the strategy – Te Whare Tapa Whā
District Plan Change (Outstanding Natural Features and Landscapes)	Hui and contribution to the characteristics and values of outstanding natural features and landscapes.
Ohakea water scheme/PFAS contamination	Three Hui all at MDC. Present for all of them was Ngāti Parewahawaha, Ngāti Kauwhata, Ngāti Apa and on one occasion TPK and Ngāti Raukawa. We also had MfE representation. The purpose was to discuss the PFAS issue on the land surrounding Ohakea. The outcome of the Hui was for us to undertake a Cultural Impact Assessment (ongoing).
Reserve Management Plans (Review Project) 2020	Feedback and advice from Ngā Manu Taiko and Te Kaunihera Working Party around areas and aspect of cultural significance in relation to parks and reserves.
Mangakino Flow Park (Skate park)	Advice and guidance on the cultural narrative of the place as well as the gift of the name “Mangakino” to the skate park.
Wastewater centralisation consent (Variation to Manawatū Waste Water Treatment Plant)	Sought feedback from Ngati Kauwhata, Rangitane and Ngati Apa on proposed variation of the Manawatū Wastewater Treatment plant discharge consents to expressly allow discharge from the villages of the Manawatū District at Feilding.
Extension of the Wastewater Irrigation area at the Manawatū Waste Water Treatment Plant	Sought feedback from Ngati Kauwhata, Rangitane and Ngati Apa on the additional land for wastewater irrigation at the Manawatū Wastewater Treatment plant.
Barrows Road – Notice of Requirement Application	RMA consultation with Ngati Kauwhata
Resource Recovery Centre – Notice of Requirement Application	RMA consultation with Ngati Kauwhata
Additional irrigation land at the Manawatū Wastewater Treatment Plant – Notice of Requirement	RMA consultation with Ngati Kauwhata
Sanson Water Treatment Plant – Notice of Requirement Application	RMA consultation with Ngati Kauwhata and Ngati Apa
Makino Stream – Satori Way Stormwater Outlet Resource Consent	RMA consultation with Ngati Kauwhata and Rangitane
Mangaweka Bridge replacement Resource Consent Ongoing since 2017	The following groups have been consulted: Ngati Whitikaupeka, Ngati Tamakopiri, Ngati Te Ohuake, Ngati Hauiti, Ngati Apa, Ngati Raukawa, Ngati Hinemanu, Te Roopu Ahi Kaa, Nga Manu Taiko, and Ngati Tuwharetoa. All cultural considerations have been addressed. RMA consultation with Ngati Hauiti (mana whenua).

Other ways Manawatū District Council facilitates capacity building and contribution to decision making

Principal Adviser – Māori

- A critical liaison role between Council and whānau, hapū, and iwi Māori. The Principal Adviser works to increase cultural literacy of Council staff and facilitates mutual understanding between Manawatū District Council and the Māori community.

Mana Whakahaere – Ngāti Kauwhata and Manawatū District Council Collective

- This collective comprises Iwi and Council Rangatira (leaders) and support people who meet to progress the overall interests of the Ōroua River. This group was formed as a result of the Ōroua Declaration signed between Ngāti Kauwhata and the Manawatū District Council. Its primary purpose includes the revitalisation of the mauri (life force) of the Ōroua River and elevating the wellbeing of the River to a point where Ngāti Kauwhata see fit to remove the Rāhui (temporary prohibitions / cultural restriction) placed on the river by Ngāti Kauwhata Kaumātua.



Grants 2019/20

During 2019/20, Council approved a number of grants from a range of grant funds. The following schedules are provided for ratepayer's information. All figures shown below are GST exclusive.

Rates Remission for Charitable Organisations

The following organisations were assessed and approved by Council's Community Funding Committee to receive multi-year community rates support in the form of a Rates Remission as per the Rates Remission for Charitable Organisations Policy. The following organisations received support in 2019/20.

Organisation	Remission \$
Activate Church Feilding	4,320.00
Anglican Faith Community of St Simon & St Jude	566.50
Eden Christian Kindergarten	61.50
Feilding Baptist Church	628.00
Feilding Bible Chapel	2,926.00
Feilding & District Caledonian Society	2,689.89
Feilding Civic Centre Trust	5,990.00
Feilding Congregation of Jehovah's Witnesses	1,777.00
Feilding & Districts Art Society	3,200.67
Feilding Golf Club	2,181.11
Feilding Kindergarten	1,011.00
Feilding Lifepoint Church	2,160.00
Feilding New Life Centre Charitable Trust	1,011.00
Feilding Ōroua Presbyterian Parish	628.00
Feilding Playcentre	1,764.03
Foxton Shannon Co-operating Parish	565.50
Halcombe Playcentre	648.00
Halcombe Rugby Football Club	1,155.76
Hapaitia Kohanga Reo	1,593.50
Heritage Park Rhododendron Charitable Trust	103.50
Highland Home Christian Camp	1,253.11
Himatangi Beach Bowling Inc	1,715.50
Johnston Park Bowls Inc	3,187.00
Manawatū Community Trust	126,291.73
Manawatū Lutheran Parish	628.00
Manawatū NZ Riding for the Disabled	626.78
Manchester House Social Services Society	5,538.88
Manfeild Park Trust	6,517.15
Presbyterian Support Central – Coombrae	1,291.50
Rangiwahia Environmental Arts Centre Trust	71.12
Rongotea Bible Chapel	383.00
Rongotea Returned Service Association	1,011.10
Rongotea Uniting Parish	566.50
Ruahine Kindergarten Association	3,077.95
Salvation Army Feilding Corps	4,075.00
Sanson Playcentre	912.92

Organisation	Remission \$
Seventh Day Adventist Church	628.00
St Brigids Catholic Church	61.50
St John the Evangelist Anglican Church	2,399.08
St Marks Methodist Congregation	2,726.50
Taumata O Te Ra Marae	5,509.00
Te Kawau Playcentre	566.50
Te Manawa Family Services Charitable Trust	3,056.70
The Church at Feilding	628.00
The Manawatū Historic Vehicle Collection Trust	6,089.87
The Order of St Johns Regional Trust Board	5,745.35
	\$219,539.70

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 \$8,139.70 per year. (Any leftover funding is carried over to the following year).

Organisation	\$
Anglican Parishes of the Ōroua – Stanway and KIWITEA Churches	1,000.00
Aorangi Urupa	2,210.00
Rongopai Urupa	429.70
Taumata O Te Ra Urupa	500.00
Te Tikanga Marae	4,000.00
	\$8,139.70

Partnership Fund

The following organisations were assessed and approved by Council's Community Funding Committee to receive multi-year financial support as per the Community Development Fund policy. The following is a breakdown of the amount of financial support these organisations received in 2019/20.

Organisation	\$
Feilding Brass Inc	3,000.00
Feilding Community Patrol	3,000.00
Feilding & District Promotion Inc	165,274.00
Feilding & District Youth Board	5,000.00
Manawatū District Neighbourhood Support Inc	20,000.00
Manawatū Historic Vehicle Collection Trust	10,000.00
Manawatū Rural Support Service (Inc)	10,000.00
Manchester House Social Services Society	15,000.00
Palmerston North Surf Life Saving Club Inc	10,000.00
Social Issues Network Council of Social Services Inc (SINCOSS)	1,000.00
SuperGrans Manawatū Charitable Trust	1,000.00
Te Manawa Services Charitable Trust	47,349.00
	\$290,623.00

Representative Fund

The following is a breakdown of Manawātū District residents who were approved financial assistance from Council to attend a national or international event during 2019/20 as a representative of the District or New Zealand.

Organisation/Individual - Activity/Programme	\$
Aisla Murray <i>Represented Manawātū at the AON Under 15 National Basketball Championships, Tauranga</i>	500.00
Blaise Murray <i>Represented New Zealand to compete at the 2019 World Triathlon Championships, Lausanne, Switzerland</i>	500.00
Ethan Gillespie <i>Represented New Zealand to compete at the 2019 World Triathlon Championships, Lausanne, Switzerland</i>	1,000.00
Maysen Kurene-Iwikau <i>Selected as a member of the Capital Diamonds Sports Academy Under 16 Girls Softball Team to compete against other softball teams, California, USA</i>	1,000.00
Jonty Giesen <i>Qualified to compete in the Rod Laver Lead in Tennis Tournament as well as the Junior Australian Rod Laver Tennis Championships, Brisbane, Australia</i>	500.00
FAHS Boys Football Team <i>Competed in the Trident Boys Football Tournament, Whanganui</i>	300.00
FAHS Junior Boys Basketball Team <i>Competed in the Zone 3 Junior Basketball Premiership, Napier</i>	300.00
FAHS Senior Boys Basketball Team <i>Competed in the Schick Zone 3 Senior Basketball Premiership, Rotorua</i>	300.00
FAHS Girls Football Team <i>Competed in the Grant Jarvis Football Tournament, Petone</i>	300.00
FAHS Girls Netball Team <i>Competed in the Lower North Island Secondary Schools Netball Tournament, Wellington</i>	300.00
Leanora Potten <i>A member of the Palmerston North Girls High Cantatrices Choir who were invited to attend the National Finale of the Big Sing, Dunedin Town Hall</i>	450.00
Charleigh Griffiths <i>A member of the Palmerston North Girls High Cantatrices Choir who were invited to attend the National Finale of the Big Sing, Dunedin Town Hall</i>	450.00
Nathan Drury <i>Represented New Zealand at the International Highland Dancing Festival and Championships of Australia, Niagara Park Stadium, Gosford, Australia</i>	450.00
Jack Lewer <i>Represented New Zealand to compete at the World Para Athletics Championships, Dubai</i>	2,000.00
Sharon Dagg <i>Represented New Zealand at the 2019 Tokyo ITU Paratriathlon World Cup, Tokyo, Japan</i>	1,000.00
Amelia Williamson <i>A member of the Palmerston North Girls High Cantatrices Choir who were invited to attend the National Finale of the Big Sing, Dunedin Town Hall</i>	450.00
Amiee Perrett <i>Represented New Zealand to compete at the 70.3 Ironman World Championships, Nice, France</i>	750.00
FAHS Boys Hockey Team <i>Competed for the Founders Cup, Napier</i>	300.00
Corey Perrett <i>Represented New Zealand in the men's team to compete at the Trans-Tasman Indoor Cricket event, Palmerston North</i>	300.00
Riley Tunnicliffe <i>Competed in the National School Track Championships cycling event, Invercargill</i>	500.00
Makayla Ripeka Kahi and Kaylee Leota <i>Selected to take part in a Pacific Future Leaders Programme, Avarua, Rarotonga</i>	2,000.00

FAHS Boys U15 Rugby 7's <i>Qualified for the National Secondary Schools Condors 7's Finals, Auckland</i>	402.50
FAHS Girls U15 Rugby 7's <i>Qualified for the National Secondary Schools Condors 7's Finals, Auckland</i>	402.50
Holly Jacobs <i>Represented Manawatū at Basketball New Zealand's U13 Girls Central Regional Championships, New Plymouth</i>	400.00
Lachlan Crate <i>Selected to attend a Basketball New Zealand Talent Identification Camp, Rotorua</i>	449.00
Lachlan Crate <i>Represented Manawatū at Basketball New Zealand's U13 Boys Central Regional Championships, New Plymouth</i>	400.00
Meaghan Reesby <i>Competed in target shooting at the Oceania Championships, Sydney, Australia</i>	1,000.00
North Street School <i>Competed at the New Zealand Aims Games Competition, Tauranga</i>	1,000.00
Feilding Amateur Swim Club <i>Represented Manawatū at the New Zealand Junior Swimming Festival, Wellington</i>	1,698.55
	\$19,402.55



Meaghan Reesby - Competed in target shooting at the Oceania Championships, Sydney, Australia

Community Development Fund

The following organisations were assessed and approved by Council's Community Funding Committee to receive financial support as per the Community Development Fund policy to stage their event or provide a specific programme at a local level.

Organisation/Individual - Activity/Programme	\$
Johnston Park Bowls Inc <i>Towards the cost of purchasing and installing a sunshade system</i>	8,000.00
Step 'N Thyme Senior Leisure Marching Team <i>Towards the cost of holding a Display Day</i>	270.00
Victim Support <i>Towards the cost of providing the Victim Support Volunteer Programme in the Manawātū</i>	2,000.00
Awahuri Forest Kitchener Park Trust <i>Towards the cost of developing a website</i>	5,582.00
Manawātū District Neighbourhood Support <i>To assist with the costs of running "connecting with our community" competitions</i>	800.00
Manchester House of Social Services Society <i>Towards the cost of integrating a new support group as a means to assisting people with methamphetamine addictions in becoming clean</i>	4,070.00
Bill Towler <i>Towards the venue hire for the reunion of the descendants of Frederick and Maria Towler who were among the first settlers of Feilding</i>	2,000.00
Feilding CACTUS <i>Towards the venue hire (Feilding Civic Centre) for the Term 1 2020 CACTUS Programme and Graduation</i>	3,165.00
Community Committee and Manawātū Youth Council <i>Towards the cost of holding a Post COVID-19 Social Gathering</i>	15,000.00
	\$40,887.00

Event Fund

The following organisations were assessed and approved by Council's Community Funding Committee to receive financial support as per the Regional Event Funding policy to support events that have a district wide and regional focus and generate an economic development benefit to the region.

Organisation/Individual - Activity/Programme	\$
Waituna West School Jubilee Committee <i>Towards the cost of celebrating the 125 year Waituna West School Jubilee</i>	5,000.00
Cycling New Zealand <i>Towards the cost of the National School Road Cycling Championships</i>	5,000.00
Rotary Club of Makino <i>Towards the cost of holding Fantasy in Lights</i>	4,250.40
New Zealand National Secondary Schools Minibike Club Inc <i>Towards the cost of holding the New Zealand Secondary Schools Grand Prix</i>	5,180.00
Feilding Moa Harrier Club Inc <i>Towards the cost of hosting the New Zealand Road Relay Championship</i>	3,000.00
Manawātū Rugby Union <i>Towards the cost of holding a pre-season rugby match between the Manawātū Turbos and Wellington Lions</i>	3,500.00
New Zealand Business Week <i>Towards the 2019 Brave Thinkers Programme</i>	1,000.00

Feilding Amateur Swim Club <i>Towards the cost of hosting a Swimming New Zealand sanctioned swim carnival</i>	970.00
Rotary Club of Feilding <i>Towards the annual Carols by Candlelight</i>	1,000.00
Feilding Bluelight <i>Towards the cost of taking 40 year 7 and 8 students to the National Blue Light Lodge in Taupo</i>	2,000.00
CACTUS Feilding <i>Towards the cost of the 2019 graduation</i>	1,381.00
Feilding IA & P Association <i>Towards the costs of holding the Annual Equestrian Show</i>	3,000.00
Manawatū and West Coast A and P Association <i>Towards the costs of holding the Manawatū Show 2019</i>	3,000.00
Manawatū Blokart <i>Towards the costs of hosting the New Zealand Blokarting Sailing Open</i>	900.00
Sport Manawatū <i>Towards the costs of holding the 2019 Tough Kid Challenge</i>	3,000.00
Greasy Chain Charitable Trust <i>Towards the costs of holding the Gravel and Tar Cycling Event</i>	15,360.00
Kimbolton Arts and Sculpture Trust <i>Towards the costs of holding the Annual Kimbolton Sculpture Festival</i>	15,000.00
Celtic Spirit <i>Towards the costs of holding the 2020 Manawatū Tattoo</i>	20,000.00
Manawatū Vintage Machinery Club <i>towards the costs of holding the Manawatū Vintage Ag Expo</i>	2,500.00
Manawatū Softball Association Inc <i>Towards the costs of holding the WBSC U18 Men's Softball World Cup</i>	10,000.00
Kiwi Canoe Polo <i>Towards the costs of holding the Central West Secondary Schools Regional Canoe Polo Championships</i>	2,000.00
	\$107,041.40



Creative NZ: Creative Communities Scheme

Council allocates funding it receives from Creative New Zealand for cultural activities and programmes within the Manawatū District.

Organisation/Individual - Activity/Programme	\$
St Joseph's School <i>Flora and Fauna Mural on School Grounds</i>	2,800.00
Adele Dubarry <i>Recycling, Upcycling and Reusing fabric waste</i>	4,335.00
Aotearoa Kinaesthetic Educational Entertainment <i>Toro Pikopiko enviro-puppet show</i>	2,100.00
Kimbolton Arts & Sculpture Trust <i>Kimbolton Sculpture Festival</i>	3,500.00
Kimbolton Community Committee <i>Kimbolton's Got Talent Show</i>	3,200.00
Highland Home Christian Camp <i>Two Youth Camps Teaching Various Forms of Art</i>	2,000.00
Feilding Kowhai Patchwork Quilters Club Inc <i>Exhibition of Quilts</i>	1,800.00
Marjorie Nikora <i>Māori Weaving Skills with NZ Flax</i>	2,000.00
Te Manawa Family Services Charitable Trust <i>Anti-Bullying Projects Mural</i>	3,000.00
Little Dog Barking Theatre <i>Turn on the Light Tours the Manawatū</i>	2,690.00
RealM – Reading and Literacy in Manawatū <i>RealM Literacy Tour</i>	725.00
The Feilding Little Theatre Players Inc <i>Post COVID-19 Lockdown – Resurrecting Production</i>	3,591.00
Awa Puoro kit e Ao <i>Awa Puoro kit e Ao – Revitalise traditional forms of healing through art</i>	2,419.80
Feilding Scout and Guide Hall Committee <i>Repair and Preserve Mural Painted on Wall</i>	1,100.00
	\$35,260.80

Trust Funds

Council administers trust funds that have been vested to Council, available for a specific purposes. Total grants allocated from these funds during the 2019/20 financial year were:

Organisation/Individual - Activity/Programme	\$
Robert Dickson Education Trust Fund	0.00
Hook Bequest	500.00
	\$500.00

Community and School Pools

Council allocates funding to assist with chemical costs, on application, to Schools who make their swimming pools available for the community's use. Total grants allocated from these funds during the 2019/20 financial year were:

Organisation/Individual - Activity/Programme	\$
Tangimoana School	300.00
Mt Biggs School	300.00
	\$600.00

Glossary

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

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

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

Asset – assets are land, buildings, infrastructure 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.

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

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 hapū, a voluntary organisation or society), an administrative community (such as a district).

Community Outcomes – outcomes that a local authority aims to achieve in order to promote the social, economic, environmental, and cultural well-being of its district or region in the present and for the future. 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 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, NZ Local Government Funding Agency (LGFA).

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.

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 omission or 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 plan, an annual plan and an annual report.

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 – related activities grouped together for planning and funding purposes. There are five mandatory groups for local authorities set out in the Local Government Act 2002. Other than those five groups, each local authority can organise their activities in a way that is appropriate for their context. The five mandatory groups are:

- water supply
- sewerage and the treatment and disposal of sewage
- stormwater drainage
- flood protection and control works (Regional and Unitary Authorities only)
- the provision of roads and footpaths.

Horizons Regional Council – trading name of Manawatū-Wanganui Regional Council

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

Local Governance Statement – information prepared under section 40 of the Local Government Act 2002 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.

Long Term Plan (LTP) – 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.

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.

Perception Survey – A survey which measures satisfaction with Council services, and asks questions on Council policy and direction, rates issues, contact with Council, information and representation.

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.

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.





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