



Manawatu District Council

Annual Report Summary

for the year ending 30 June 2013

From the Mayor and Chief Executive

“Connected, vibrant and thriving Manawatu –
the best rural lifestyle in New Zealand.”

The past year was challenging and rewarding for Manawatu District Council.

Challenging for the fact local government continues to undergo lots of change as Central Government rolls out its local government reform programme. The most significant change was the introduction of a new purpose statement that removes reference to the four well-beings – economic, social, environmental and cultural – and replaces them with three core principles of local infrastructure, local public services and regulatory functions.

Council’s 2013-2014 Annual Plan was developed with the new purpose statement as a guide and we continue to work with the sector and Central Government toward a Better Local Government. Nevertheless, we still believe in what we said in the 2012-2022 Long Term Plan (LTP) - the sole purpose of local government is to provide benefits to the community. All decisions made over the past 12 months were made with the community in mind to create the best rural lifestyle in New Zealand. We are proud of those decisions.

We remained within the debt and rate increase limits set by our Financial Strategy and met the majority of funding splits set by our Revenue and Financing Policy. This is reflection of our commitment to prudent financial management and affordability.

This commitment has also initiated a review of our economic development activities, including services currently provided by key agencies. Economic development funding is aimed at ensuring a healthy district economy able to provide employment opportunity. A thriving business community creates district pride and contributes to social and cultural life. Council wants to ensure it is getting the correct focus and value for the ratepayers money applied to this activity.

This year was also the first that Council operated under its new vision and set of outcomes, which were developed and consulted on as part of the LTP process. It was also the first year since the boundary change with Palmerston North.

Other milestones from the year include:



Main South Road

Almost all of the nine remaining kilometres of the Main South Road has been sealed. In undertaking this work, Council recognises the economic potential of the northern part of the district. The route is now more accessible to tourists as well as locals.

Royal visit

Their Royal Highnesses The Prince of Wales and Duchess of Cornwall visited New Zealand in 2012 as part of The Queen's Diamond Jubilee celebrations. In November, they made a flying visit to the Manawatu District, landing at Ohakea Air Force base before driving to Feilding to experience the award winning Feilding Farmers Market. More than 5,000 people lined Manchester Square to cheer them on and be part of a spectacular day. It was a proud moment for Feilding and the Manawatu District, showcasing our great district to the world.

Email panel

During the year, we replaced the Communitrak Survey with an Email Panel. The Email Panel gauges views of approximately 640 randomly selected residents about Council items via email surveys. Of particular note this year, 89% of participants were either satisfied or very satisfied with Council's parks and reserves and 86% were either satisfied or very satisfied with Council's halls and recreation complexes.

Economic development

United States pharmaceutical firm Proliant is locating its New Zealand-based processing facility in Feilding. The \$24 million plant will be the first Australasian plant for the company, with more than 70 locations worldwide, and the first international site for its Health and Biologicals division. When completed, the plant will employ up to 30 highly qualified staff and contribute more than \$90 million to the New Zealand economy during the next ten years. Then there is the added benefit of jobs created through construction and plant equipment supply.

Community planning

Sanson and Halcombe communities were the first to take part in our community planning programme. This is an exciting opportunity for district villages to shape their futures. Both communities presented their community plans to Council in May and are currently working on a number of projects. Kimbolton, Apiti and Pohangina communities have recently joined.

Infrastructure projects

Council is committed to improving the natural environment and providing quality infrastructure and technology. It is pleasing to see progress on the Himatangi Beach Community Waste Water Scheme. Installation is scheduled to be completed by the end of 2013. Council has also carried out a number of process improvements at the Feilding Waste Water Treatment Plant to improve the quality of treated effluent. We are working to obtain a new resource consent, which will allow spray irrigation of a significant portion of the treated effluent onto land.

Details on these significant works, and much more, is available in this Annual Report Summary. Please take the time to read it and see what has been achieved.



A handwritten signature in black ink that reads "M. Kouvelis".

Margaret Kouvelis
MAYOR



A handwritten signature in black ink that reads "L. Vincent".

Lorraine Vincent
CHIEF EXECUTIVE

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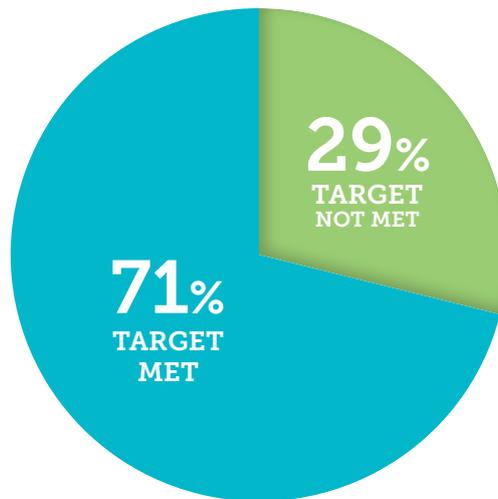
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Key Trends

Council includes Key Performance Indicators (KPIs) in its Long Term and Annual Plans to assess how well we are delivering services to the community. We report on these KPIs in the Annual Report.

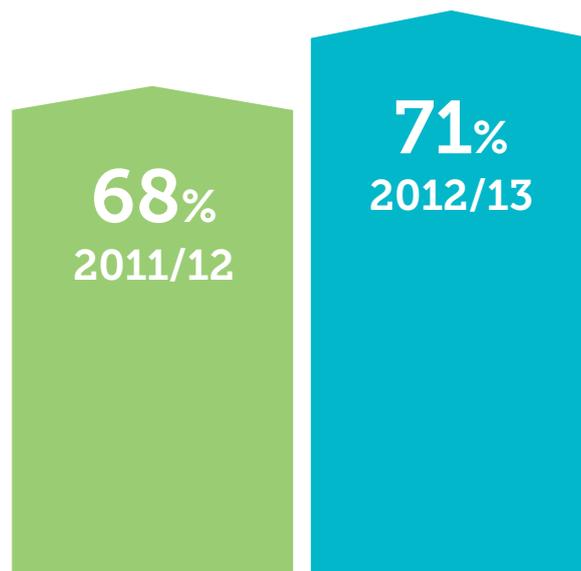
In 2012/13 Council met the majority (71%) of its KPIs (indicated by the term Target Met).

How many targets did we meet in 2012/13?



This is an improvement on last year:

Targets met



It's important to note that this year there are a new set of KPIs. Therefore, this is not a straight comparison with last year.

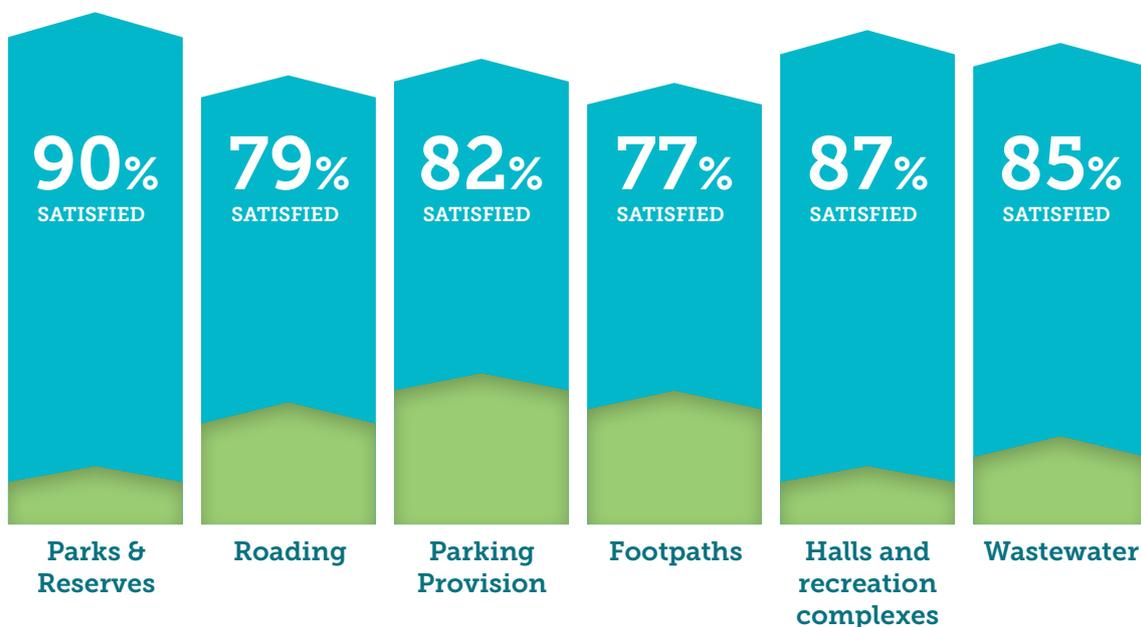
In the last six years the percentage of targets Council has met has consistently been in the high 60s to mid 70s, as the chart below shows:



Communitrak and the Email Panel

Until 2012, we used the Communitrak survey to measure a number of our KPIs. From 2012 Council has been using the Email Panel, administered by research company Public Voice. The Email Panel is a random selection of Manawatu District residents invited to participate in email surveys. Currently, there are about 638 members on the Panel. Typically, there is around a 35% response rate. As Panel numbers fluctuate – members leave from time to time – this constitutes between 209 to 290 participants per survey. Using standard sampling methodology the margin of error is 6.5% with a confidence level of 95%. What this means is that if the survey was conducted one hundred times, we would expect 95 of those surveys to return results that were within 6.5% of the original survey results.

This year Council undertook surveys on satisfaction with six Council services. Below are the results:



In previous years, the Communitrak survey asked residents to rate their satisfaction with the Mayor and Councillors. This year, via the Email Panel, we sought more in-depth information about residents' understanding of the decision-making process. Residents reported the following:

- Excellent understanding of Council's decision-making process: 6.2%
- Good understanding of Council's decision-making process: 24.2%
- Fair understanding of Council's decision-making process: 34%
- Poor understanding of Council's decision-making process: 24.8%
- Non-existent understanding of Council's decision-making process: 10.8%

About this Summary

This summary provides an overview of the Manawatu District Council's and groups' activities for the year to June 30 2013. The information is extracted from the Annual Report, which is available from the Council office, 135 Manchester Street, Feilding, or online at www.mdc.govt.nz. This summary fairly and consistently represents the matters dealt with in the Annual Report.

This summary has been examined by Council's auditors for consistency with the Annual Report. The Council received an Unqualified opinion on both documents.

About Council

The statutory role of the Manawatu District Council is to promote the wellbeing of Manawatu District and to provide for effective democratic decision making. Council has 11 elected representatives, comprising a mayor and 10 councillors. Their role is to make policy and bylaws, and determine the overall strategic direction of the district. The Council's Chief Executive, with 115 staff members, is responsible for implementing Council's decisions and looking after the day-to-day operations.

Highlights of the Year

Introduction

Council carries out work in ten areas, known as groups of activities. These are: Community Facilities; District Development; Emergency Management; Environmental and Regulatory Management; Governance and Strategy; Roading; Solid Waste; Stormwater; Wastewater; and Water Supply.

Highlights and key issues from the Annual Report:

Community Facilities

The Community Facilities group of activities includes Cemeteries, Public Conveniences, District Libraries, Makino Aquatic Centre, Parks and Reserves and Property. The following are the highlights and key issues for the year:

Cemeteries

In June Council held meetings with the two Feilding based Funeral Directors who handle the majority of the interments in the District. The directors expressed high degrees of satisfaction with Council's provision of cemetery services. There were only two minor complaints concerning ashes interments, but these were resolved swiftly.

Because we did not actually survey the directors it is difficult to express their satisfaction in percentage terms (the target for this KPI is 80% satisfaction). However, given that the only issues raised were relatively minor and swiftly resolved, it is reasonable to conclude that the funeral directors are satisfied with the service Council provides.

(2011/12: not applicable – new measure for 2012/13).

There were 14 queries about cemeteries (of which six were complaints). The target is no more than 10 complaints per year.

Of the 14:

- One was regarding plaques and headstones, for which Council is not responsible.
- One was regarding articles on a grave that were removed and not put back (regarded as a complaint).
- Five were about garden maintenance (regarded as complaints).
- Two were requests for topping up soil on graves, which is done periodically.
- One was a request for improvement of a gate about to be replaced.
- One was to get a full bin emptied. We are looking to replace current bins with larger

ones, which won't get blocked up as quickly with bunches of flowers.

- One was to report a leaky tap.
- One was to report no water or low water pressure from a tap.
- One was a request to mow the lawn at Pohangina Cemetery in light of the ANZAC parade

All requests/complaints were actioned and/or resolved.

(2011/12: 13 complaints).

Council has undertaken extensive drainage works at Rongotea Cemetery. The work was originally scheduled for the 2013/14 financial year, but due to good weather over the summer, funding was brought forward so work could be completed early.

Public Conveniences

Council received 95 queries about the condition or provision of public toilets. The complaints were mostly about vandalism e.g. toilet paper thrown all around the toilets or removed from toilets, excrement on walls, smashed fixtures and fittings, fire damage. Some comments have been about the need for increased cleaning frequency at toilets located at parks.

This problem mainly affects toilets in isolated locations, such as parks and reserves. The new night toilet in Feilding has helped improve the vandalism issues at Feilding Public Toilets located in Manchester Square.

95 complaints is a large increase on last year's totals. However, last year there were two KPIs concerning public toilets: number of complaints about public toilets not being available (21); and number of complaints about unclean/untidy toilets (24). This year the KPI is about the condition or provision of toilets, which is much broader. Because of this, many more complaints are included, which would not have been included last year. Examples include (but not limited to) complaints about cigarette smoke, no paper towels and full/overflowing bin.

Council received 41 requests for maintenance, all of which were attended to within two hours.

The Kowhai Park old toilet block upgrade, scheduled for 2012/13, has been carried over to 2013/14. Public toilet standards for improving safety and accessibility means the original budget of \$51,000 is insufficient for the upgrade. Also, the existing drainage needs upgrading and new lighting needs to be installed. Council has carried the original \$51,000 over to 2013/14 and added \$49,000 to the project.

Council completed the refurbishment of the Feilding public toilets at a cost of \$44,351. This was around \$13,000 over budget as there were elements of the project that required additional work. Funds were taken from areas where they were not required and applied to where they were needed. This project sits within the larger renewal budget, which remains within budget.

District Libraries

During the year the library issued 13 books per head of population. The target is that the library is within the top 30% for issues per head of population of a peer group of six libraries. Peer libraries are Ashburton, Whakatane, Masterton, Tararua, Waitaki, South Taranaki and South Waikato. For the peer group the average number of issues per head of population is 9.3.

At 30 June the library had 9,977 active members – official definition is someone who has borrowed from the library within the last two years. This exceeds the target of 9,000 active members.

The Biennial Library Survey, held in October, recorded 99% satisfaction (target:96% satisfaction). This survey measured satisfaction with staff performance, library collections (e.g. adult fiction, children's collections, etc.) and suitability of the Library building. 330 response sheets were allocated to four different times of the day based on the percentage of library use during these periods. Different times of the day are popular with different age groups. Survey results were processed by MDC customer service staff.

Key results were:

63 respondents chose to make positive comments about staff, reflecting a strong relationship between staff and customers:

- Nothing is ever a bother
- Lovely people - helpful
- What amazing staff you have here

There was one neutral comment.

All the collections rated strongly, with good suggestions as to areas which could be strengthened.

The building rated well, although three respondents singled out the carpet as looking dirty. It has since been cleaned. The carpet will be replaced in Year 7 of the Asset Management plan and should serve till then.

(Survey last undertaken in September 2010: 98% satisfaction).

One of the Library's goals is to increase literacy among the district's children. This is measured by the amount spent on children's and young person's collection as a percentage of the Library's total annual spend. For 2012/13 expenditure on children's and young person's collection was 23.7% of total spend (the target is 25%). While this is just shy of the target, children's books cost significantly less on average than those bought for the adult collections. Of the total stock bought in 2012/13, 42% were for the Children's Library. (Liberty3 statistics).

Makino Aquatic Centre

The Makino Aquatic Centre (MAC) held its annual survey during December and January. There is an average of around 120 responses every year. All MAC users have the opportunity to complete a survey.

The survey measured 93% overall satisfaction with the MAC. It also measured 96.5% satisfaction with staff (2011/12: 95%).

The recent Email Panel survey, carried out by Public Voice in June, found that 54% of non-users – defined as those who have not used the MAC in the last 12 months – were satisfied with the services provided to the community – please note that 41% did not know. The survey also measured satisfaction with various staff positions at the MAC, with the following results:

- 94% of those surveyed were satisfied with the instructors
- 94% of those surveyed were satisfied with the aqua instructors
- 99% of those surveyed were satisfied with the front-counter staff
- 94% of those surveyed were satisfied with the MAC management

Taken together, this constitutes 95% satisfaction, which accords closely with the MAC in-house survey.

Please note: the above results are for users of MAC services only.

(2011/12: 95% as measured by the MAC survey).

The MAC continues to fully comply with New Zealand water quality standard NZ5826/2010 and Pool Safe Best Practice Standard New Zealand (2011/12: full compliance with water standards. Pool Safe Standard is a new measure for 2012/13).

MAC lifeguards took part in eight training during the year. Training included customer service, First Aid, team building and spinal injury awareness.

Parks and Reserves

Parks and Reserves scored well in the recent Email Panel survey. Of those who expressed an opinion:

- 64% were satisfied
- 25% were very satisfied
- 11% were not satisfied.

The target was 85% satisfaction

(2011/12 Communitrak Survey: 94%).

Council's new webpage, including a section on Parks and Reserves, is up and running. The site is updated regularly with items of interest to the community. The Council has promoted

increased communication with leisure, recreation and sporting groups and organisations such as Feilding Promotion, Sport Manawatu and neighbouring councils to promote events and venues.

Council undertook consultation with park users regarding the development of Johnson and Timona Parks. The feedback has been included in a report. Council has received concept designs. These designs include additional planting, additional car parking, signage, gateway improvements and features, removal and/or relocation of buildings and possibly a new, multi-purpose amenities building featuring a gym, changing rooms and admin centre. No decisions made by Council on future of project at this time.

Property

Property scored well in the recent Email Panel survey. Of those who expressed an opinion:

- 73% were satisfied
- 14% were very satisfied
- 8% were not satisfied
- 5% don't know

The target was 80% satisfaction

(2011/12 Communitrak Survey: 85%)

All halls met their warrant of fitness requirements. Inspections are being carried out regularly and documentation is being kept up to date. 22 halls were inspected during the 2012/13 financial year. The halls are inspected on a monthly basis.

Records are being sent to MDC regulatory team.

(New measure for 2012/13)

In addition to regular scheduled maintenance there were eight requests for (unscheduled) maintenance. These were:

- Beaconsfield: adjusting exterior fire exit door.
- Cheltenham: repair to vandalised exterior downpipes and spouting.
- Himatangi Beach: urgent repair to fire door.
- Pohangina: repair to toilet.
- Rangiuotu: replace vandalised door.
- Rangiwahia: repair blocked (vandalised) drain.
- Rangiwahia: repair rotted window frames.
- Waituna West: full replacement of roof. This job was larger than originally anticipated.

The target was less than ten requests for maintenance.

(New measure for 2012/13)

Council paid the Palmerston North Surf Lifesaving Club a grant of \$50,000 towards the club's new building, which is set to open on 1 December.

The strengthening work at the Feilding Civic Centre has been programmed for January 2014. Work was delayed as there was only a limited opportunity to carry it out this financial year. Council decided to carry the funding over to 2013/14. The tender process will begin in August 2013.

Further investigations are being carried out at Feilding Community Centre and Feilding Little Theatre. Drawings and calculations have been provided.

District Development

The District Development group includes Community Funding and Development and Economic Development. Following are the highlights of the year:

Community Funding and Development

Council awarded \$240,000 of Community Development funds. Organisations funded include Neighbourhood Support, Manchester House Social Services, Te Manawa, Social Issues Network Council of Social Services, Manawatu Rural Support and Feilding and Districts Youth Board.

Council reviewed its Community Funding Policy, and in March adopted a new policy.

Applications to the 2013/14 funding round for Rates Support and Community Development Partnership funding have been completed.

Council also launched the community planning programme. This is an exciting opportunity for district villages to shape their futures. Sanson and Halcombe have completed their final community plans. These were presented to Council on 21 May 2013. Halcombe is actively engaged in starting to deliver some of the identified tasks focusing around beautification and the Halcombe Domain. Council is in the process of leading the Sanson Community in their project to link the Sanson Domain with the Village via a walkway. Scoping of both these projects are underway.

Council paid grants to Manfeild Park Trust (\$150,000) and the Manawatu Historic Vehicle Trust (\$45,000).

Economic Development

Council organised a number of events during the year, via its contract with Feilding Promotion. These events included the Feilding Christmas Carnival and parade, the Royal visit and ongoing Sales Yard tour programme. In addition to these contracted events there are a wide range of other community events including EVENTO, Blue Light discos, 33 days of cycling, Festival of lights to name but a few. The target is four events per year.

Emergency Management

The Emergency Management group comprises Civil Defence and Rural Fire. The following are the highlights and issues for the year:

Civil Defence

Council continues to run an effective Civil Defence Emergency Management operation. Emergency Management Officers were available 24 hours a day, 7 days a week. There is one Management Officer on duty at all times. There are eight Emergency Management Officers available to call on in an emergency, together with those Council staff who have been designated roles in a civil defence emergency.

Council took part in the New Zealand Shakeout earthquake exercise in September, and ran programmes promoting the Earthquake Drill by liaising with the following groups:

- Every school in the district
- CBD businesses via Feilding promotion
- Government agencies via our Emergency Management and Local Welfare Committees
- The Community via media articles and liaison with Neighbourhood Support Group.
- Early childhood centres
- Internally with staff and other MDC facilities such as Library and Makino Pool.
- The rural sector via Fed Farmers and Rural Support Trust – encouraging farmers to consider their business continuity arrangements.

Council followed the Shakeout exercise with an Emergency Operation Centre exercise incorporating the new Emergency Management Information System (EMIS). Fifty-two staff took part and further training is being scheduled.

(2011/12: 24 campaigns undertaken)

Rural Fire

During the year, the Email Panel asked Panel members to rate their awareness of the Rural Fire service. Survey respondents were given five options to choose from, which best described their awareness:

- Excellent – fully aware of what rural fire do
- Good – have heard of rural fire and know what they do
- Fair – have heard of them and know a little of what they do
- Poor – have heard of them but don't know what they do
- Non-existent – have not heard of them

For the purpose of this survey community respondents are considered to be aware of the rural fire service if they pick excellent, good or fair. On that basis 80% of respondents are aware of the rural fire service. If this figure is higher next year, we will have met the target (New measure for 2012/13)

The following is the breakdown of the results:

- Excellent: 15%
- Good: 32%
- Fair: 33%
- Poor: 10%
- Non-existent: 10%

(New measure for 2012/13)

During the year there were no complaints about unpermitted fires received by Council. However, there were 24 unpermitted fires during the restricted fire season. The MDC Rural Fire Authority (RFA) receives notification of these fires by pager from fire communications. In all cases the initial response is from the NZ Fire Brigade. The RFA is involved as required.

The number of fires occurring within the District and neighbouring Districts was monitored on a daily basis. The Manawatu District went into a District wide restricted fire season (fire by permit) on the 21 December 2012 followed by a prohibited fire season (total fire ban) on 8 March 2013. On 6 April 2013 the District reverted to a restricted fire season from SH1/3 to the coast and an open season for the remainder of the District.

On the 14 April 2013 the District reverted to its normal fire season status of restricted fire season within 3km of the coast and an open fire season for the remainder of the District excluding Department of Conservation land and their 1Km fire safety margins where applicable.

This was the first time in a number of years that the District went into a prohibited fire season. Although the Manawatu was declared a drought area it did not see the fire activity that was seen in other Districts.

(Not applicable for 2011/12 as there was no restricted fire season).

During the year Council issued 130 fire permits.

During the year there was no loss of life due to rural fires

Environmental and Regulatory Management

The Environmental and Regulatory Group includes Animal Control, Building Control, Environmental Health, District Planning and Liquor Licensing. Following are the highlights of the year:

Animal Control

Council continues to run an effective Animal Control service, with Animal Control Officers (ACOs) available 24 hours a day, 7 days a week.

Council fully complied with the requirements of the Dog Control Act 1996, Impounding Act 1955 and Council bylaws.

Building Control

Council continues to run an effective Building Control service. Part of this is to ensure that building files are available at all times.

Council issued 950 consents, of which 94.63% within timeframe – 20 working days. The target is all consents issued within 20 working days.

The following are the reasons consents were issued outside timeframe re:

- 50% increase in consents received in November leading to a bottleneck.
- Staff leave combined with training led to a backlog of this work.
- External contractors have been utilised to accommodate the backlog.

(2011/12: 96% of building consents issued within timeframe).

Council carried out 52 Building Warrants of Fitness (BWoF) audits. Some issues that were noted include incomplete records and non-compliance with fire escape routes. The target is 48 for the year.

(New measure for 2012/13)

Council received 54 complaints during the year of which 95% were investigated within ten days. The target is 95% investigated within 10 days.

(New measure for 2012/13)

Council received one complaint regarding a dangerous building during the year, which was responded to and resolved within two working days.

One dangerous building notice was issued in December within two working days in response to a BWoF audit. The target is to respond to and resolve all insanitary and dangerous building issues.

(New measure for 2012/13)

Council continues to assess earthquake prone buildings – 126 buildings assessed during the

year. Council is waiting for the response from Central Government before proceeding with a review of the policy or identification of more buildings requiring assessment.

(New measure for 2012/13)

Council inspected 248 swimming pools during the year. (New measure for 2012/13)

Environmental Health

Council processed all 156 environmental health applications within 20 working days. The target is all applications processed within 20 working days. (2011/12: 98% processed within 20 working days).

Council inspected all 32 high risk premises within the district twice. All complied with statutory legislation. Advice and directions were given to improve operator's practices. Follow up visits were carried out as necessary to maintain the compliance.

(2011/12: 55% of high risk premises inspected twice a year).

122 premises out of 124 low risk premises were inspected to ensure compliance with relevant legislation. The target is all premises inspected.

(2011/12: 55% of low risk premises inspected twice a year).

Of the 194 complaints Council received during the year, 178 (92%) were responded to within one hour. The target is 95% of complaints responded to within one hour.

The target was not met due to under resourcing. The recruitment process for a new compliance and monitoring officer is underway.

This new role will provide an additional resource for responding to complaints.

(2011/12: 97% of complaints responded to within one working day).

Of the 804 noise complaints Council received, 792 were responded to within one hour (98.5%). The target is 95% of complaints attended to within one hour.

(New measure for 2012/13)

District Planning

Council continues to run an effective District Planning service. Planners have been available during office hours for public enquiries. All 161 resource consents Council received were processed within the statutory times set by the Resource Management Act 1991.

(2011/12: 166 consents processed, 99% within statutory timeframes).

Council continued to issue consents during the year. There was one notified consent that was issued within the statutory timeframe of 70 working days, and 158 non-notified consents, all processes within 20 working days.

Council continues with the sectional review of the District Plan and has received feedback under clause 3 of the Resource Management Act 1991- Feilding Town Centre and Feilding Growth. All plan changes are updated within five working days.

Liquor Licensing

Council received 216 liquor licensing applications. All applications were processed within five working days, as long as the application was complete- 100%. The target is within five working days.

(2011/12: target ten working days. All processed within this timeframe).

Council inspected 40 of the 51 premises within the district – 78%. Eleven premises were not inspected due to staff resourcing issues. As part of a new process for 2013/14, the Environmental Health Officer will carry out the inspection during the annual renewal process for each affected premises.

These annual inspections are spread out over the year.

(2011/12: 85% of inspections carried out).

Governance and Strategy

The following are the highlights for the year:

Council carried out three Email Panel surveys that measured resident satisfaction on nine Council services: Makino Aquatic Centre, Roading, Parking, Footpaths, Parks and Reserves, Halls, Wastewater, Rural Fire and Council decision-making processes. The results are disclosed in the relevant sections of this report.

In terms of Governance and Strategy, Panel members were given five options to choose from, which best described their understanding of Council decision-making processes:

- Excellent – where the respondent fully understands the decision-making process
- Good – where the respondent has a good understanding of the decision making process
- Fair – where the respondent has an ok understanding of the decision-making process
- Poor – where the respondent only has a vague understanding of the decision-making process
- Non-existent – where the respondent as no idea about the decision making process.

For the purposes of this target, 60% or more of the respondents would need to have chosen either excellent, good or fair. On this basis we can say that 64% of respondents understand

Council's decision-making processes. Below is a full breakdown of the results:

- Excellent: 6%
- Good: 24%
- Fair: 34%
- Poor: 25%
- Non-existent: 11%

While we have met this target, the fact that nearly 36% of respondents have little or no understanding of decision-making processes is of concern. This presents challenges for Council in terms of future consultation.

(New measure for 2012/13)

Roading

The following are the Roding highlights for the year:

Council continues to run a robust roading network. Council undertook around \$3m of road maintenance. This includes sealed and unsealed road maintenance, environmental road maintenance, drainage and structure maintenance.

Council also undertook a number of capital projects including pavement rehabilitation (\$2.8m) and resurfacing of sealed roads (\$2m).

The Email Panel measured 79% satisfaction with the Roding network. The target is 80%. The results (of those who expressed an opinion):

- 70% were satisfied
- 9% were very satisfied
- 21% were not satisfied.

(2011/12 Communitrak Survey: 85%)

The Email Panel measured 82% satisfaction with the Roding network. The target is 95%. The results (of those who expressed an opinion):

- 53% were satisfied
- 29% were very satisfied
- 18% were not satisfied.

(2011/12 Communitrak Survey: 77%)

The Email Panel measured 77% satisfaction with the quality and comfort of footpaths. The target is 75%. The results (of those who expressed an opinion):

- 61% were satisfied
- 16% were very satisfied
- 23% were not satisfied.

(2011/12: Communitrak Survey 94%. The survey measured satisfaction with state of streets, footpaths and carparks, so is not directly comparable).

Council received 18 notifications of weather related events, of which 17 were responded to within 30 minutes of initial call to Council. The target is 80% of notifications within 30 minutes.

(New measure for 2012/13)

During the year Council undertook a roading condition survey. This highlighted a range of defects and renewals, which will be undertaken on the short roading sections. Currently 95% of the roading network is within acceptable levels – the target is 96% within acceptable levels.

During the year Council undertook \$3.9m of maintenance, including sealed and unsealed road maintenance. Council also undertook \$6.8m of capital work, including \$1.2m of expenditure on the sealing of Main South Road. Most of the sealing work on Main South Road is complete. A short section of Mangahua Road requires a minor realignment and a culvert structure renewal. This is expected to be completed by the end of the year.

Solid Waste

The following are the Solid Waste highlights for the year:

The waste tonnage to landfill has increased by 6.7% to 3,224 tonnes. The target was a decrease of 5% from last year.

Part of the reason for this is because the new contractor does not extract concrete and wood for recycling, which decreases recycling tonnage. Council is making efforts to improve this situation.

Another possible influence comes from commercial growth, with the construction of new buildings, together with the associated refuse.

(2011/12: 3,224 tonnes).

Kerbside recycling has increased by 34% to 1,007 This is a result of the extended kerbside collection in Feilding using wheelie bins.

(2011/12: 749 tonnes)

Recycling from the refuse transfer station has decreased by 28%, to 1,431 tonnes. (The target is a 5% increase from last year). Part of the reason for this is because the new contractor does not extract concrete and wood for recycling, which decreases recycling tonnage. Council is making efforts to improve this situation.

(2011/12: 2,369 tonnes)

Council delivered the Waste Education programme to 18 district schools and received 100% satisfaction with the programme according to participant feedback.

(New measure for 2012/13)

Stormwater

The following are the Stormwater highlights for the year:

Council continues to run a robust stormwater system. There were no injuries attributable to poorly designed or maintained drains or pipes. However, there were several complaints about missing manhole covers. In one instance, it was reported that a child's foot had gone down a Manhole, but there was no reference to injury.

In all cases the incidents were repaired by Council's contractors. Stormwater grates have been installed on manholes identified as prone to surcharging.

(2011/12: no injuries reported).

There have been no reported flooding of dwellings. (2011/12: no properties flooded).

No urban roads closed (2011/12: no urban roads closed).

During the year Council spent \$2.1m on capital works, particularly on new reticulation works in Feilding.

Wastewater

The following are the Wastewater highlights for the year:

The Email Panel measure 81% satisfaction with wastewater services. The target is 96%. The results (of those who used wastewater services)

- 21% were very satisfied
- 60% were satisfied
- 13% were not satisfied
- 6% did not know

(2011/12 Communitrak Survey: 96% satisfaction).

During the year Council compared its harmonised charge for wastewater services with the

charges of neighbouring councils with similar populations. The harmonised household charge is a standard charge across the district for wastewater schemes. Our peer group is made up of Councils who have similar rating systems and either have a similar population to MDC or are close by. The Councils, together with their wastewater charge, are:

Rangitikei: \$510

South Taranaki: \$509

Tararua: \$420

Horowhenua: \$357

The average wastewater charge for this group is \$449. This compares to \$452 for MDC, which is within 20%.

(Source: First year of respective Councils' LTPs)

(New measure for 2012/13)

During the year there were no planned or unplanned outages of the wastewater network.

Of the 106 high priority call outs, 94 (89%) were responded to within two hours, just shy of the 90% target.

(Source: City Care)

(2011/12: 54% responded to within one hour, which was last year's target).

Key wastewater treatment plants are being upgraded to meet higher resource consent standards. Some non compliance at Feilding STP was recorded during the year. Around 1,300 compliance tests were held, of which around 70 did not comply. This was mainly for suspended solids in the water. Typically this occurs in the summer during low river flows when suspended solids make up a greater proportion of the water.

The current upgrade will improve the situation.

(New measure for 2012/13)

Council continued with major projects at Himatangi Beach, with the installation of a new wastewater system, and in Feilding, with the continued upgrade of the wastewater treatment plant.

During the year Council spent \$10.3m on capital works. Much of this was for the Himatangi Beach Wastewater Scheme (\$3.9m) and the Feilding Wastewater Treatment Plant upgrade (\$5.2m).

Water Supply

The following are the Water Supply highlights for the year:

There were 8 unplanned shutdowns for the year. The target is no unplanned shutdowns.

The shutdowns affected 38 properties in Feilding (four of the shutdowns) and 106 properties in Himatangi Beach (three of the shutdowns). Of the 106 Himatangi Beach shutdowns, 100 occurred within two days of each other in mid May. The remaining six occurred in January.

There was also one shutdown in Halcombe, but this did not affect any properties.

Most unplanned shutdowns occur because of breaks in water mains or from routine maintenance that requires additional work.

(2011/12: 27 unplanned shutdowns).

There were 16 planned shutdowns during the year, which affected 155 residences. There were eight unplanned shutdowns, as detailed above.

No customers were more than 8 hours without water during each shutdown – the longest time without water was six hours.

Most planned shutdowns are due to the need to replace service valves or leaky fire hydrants. Shutdowns may also be required when installing new water meters. In all cases, Council provided residents 24 hours notice.

(2011/12: no customer more than eight hours without water).

Of the 248 high priority callouts 236 were attended to within a day. The target is that all are attended to within one day.

These requests include, but are not limited to, burst water mains, major water leaks, loss of water to customers, complaints regarding water quality.

(2011/12: 151 requests of which 68% responded to within one hour).

All water extraction during the year complied with relevant resource consents.

(New measure for 2012/13)

This year Council did not comply with NZ Drinking Water Standards 2005 not met (2010/11: compliance not met).

Treatment Plants

Full compliance was achieved for the Himatangi Beach treatment plant. Feilding Almadale treatment plant did not comply because it did not meet the bacterial or the protozoa criteria of the standard at all times. The Feilding Awa Street treatment plant did not comply because it did not meet the bacterial or chemical criteria at all times.

Distribution Zones

Full compliance was achieved in all distribution zones.

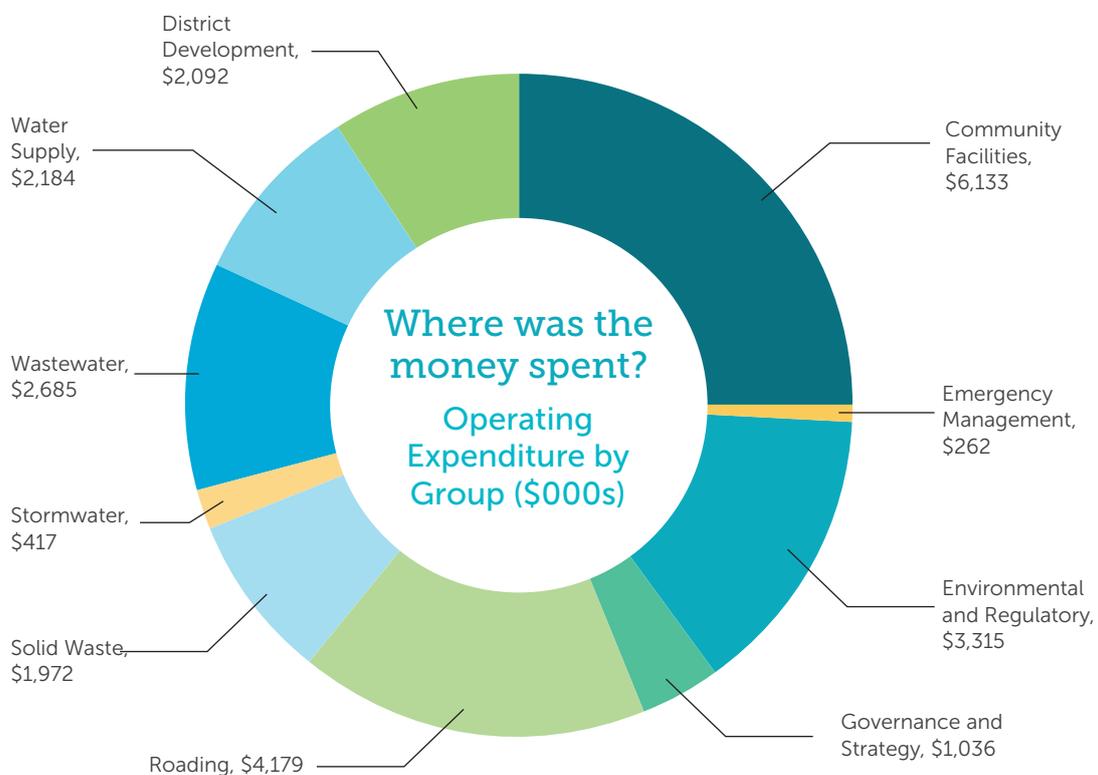
The remaining water supply areas are tested against The New Zealand Drinking Water 2000 Standards which are applicable to small drinking water supplies until 1 July 2015.

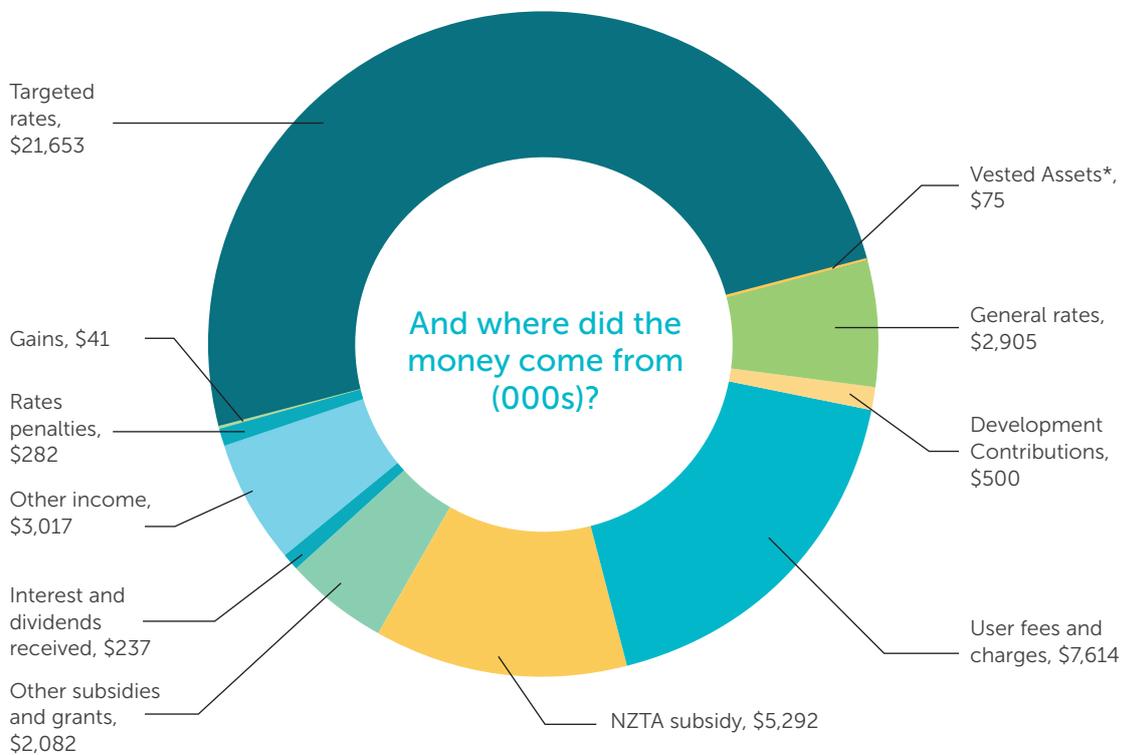
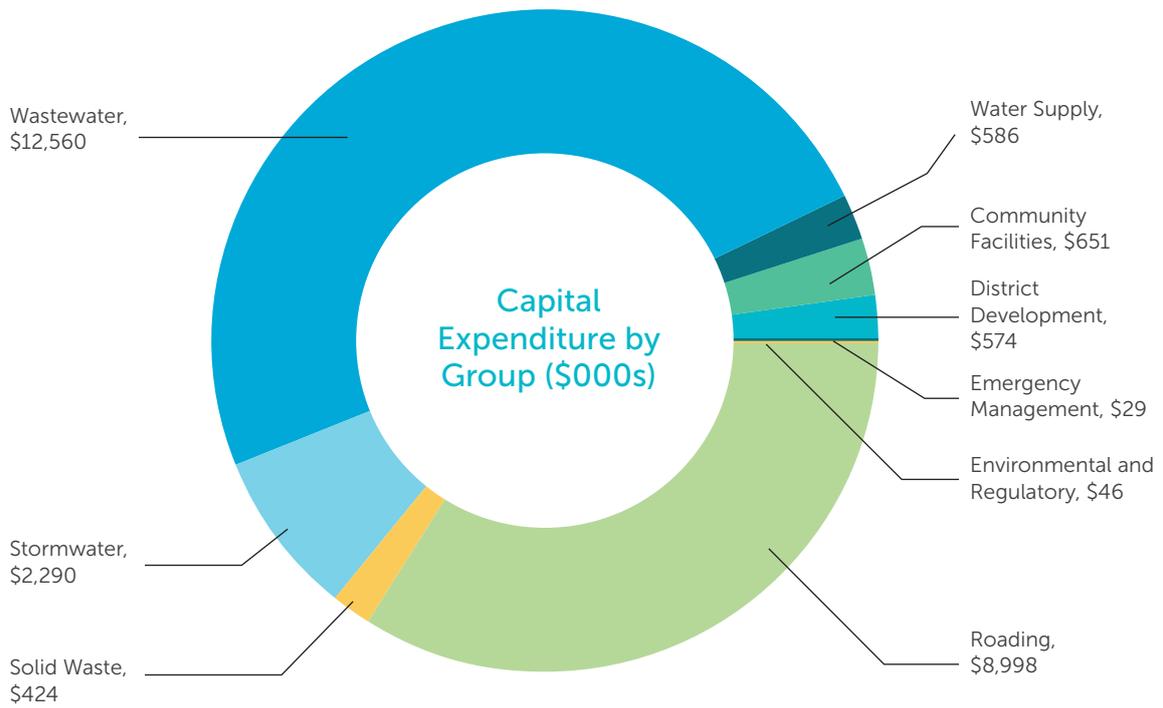
Authorities must make all practicable steps to comply by these dates. Full compliance was not achieved for the Treatment plants due to the Protozoa criteria of the standard (for all plants) and the Radiological criteria (for Waituna West) not being met. Full compliance for Distribution Zones was achieved for Halcombe Stanway and for Waituna West.

(2010/11: compliance not met).

Council carried out \$577,453 of capital works, much of which was for the renewal of aging assets in Feilding.

Financial Trends





*These are assets which have been given to Council to control, for example, the infrastructure associated with a new sub-division.

Explanation of Major Variances against Budget

Detailed below are explanations for major variations between the actual results and the estimated figures in the 2012/13 Annual Plan, which is the first year of the Long Term Plan 2012-2022.

Income Statement

The operating surplus before losses and tax for the year is \$6.2m against a budgeted surplus of \$6.0m. The following are the most significant variances:

- The budget included subsidies for the Himatangi Wastewater Scheme (\$3.2m) and the Rongotea Water Supply Scheme (\$1.2m). Work for Himatangi Wastewater Scheme has been delayed and only \$1.1m was received to year-end. Work on the Rongotea Water Supply Scheme has been postponed and consequently the subsidy has not been received.
- Revenue from Development Contributions is \$91k below budget. This is a result of fewer subdivision applications being received or approved subdivision consents that have not yet been actioned.
- External interest expense is \$0.6m lower than budgeted. Council has elected to fund a portion of its capital work through internal borrowing instead of fully funding through external sources. The external loans raised this period were at a lower interest rate than budgeted. In addition, the loans raised were lower than budgeted by \$2.4m (see comment below).
- Existing funds were used to fund capital expenditure and therefore investment balances during the year were lower than budgeted. As a result interest received is \$0.3m lower than budgeted for.
- The loan to the Manawatu Community Trust for the Feilding Integrated Family Health Centre has not been uplifted. This has impacted on both Council's interest income and interest expense this year.
- Additional expenditure was incurred with the solid waste kerbside recycling due to a revision of the contract. However, this has been recovered through gate takings. Also, additional depreciation and interest expenses have been incurred with the purchase of recycling bins, which were not provided for in the budget.
- Environmental expenses are down from the budgeted amount due to renegotiating the contract with PNCC to a lesser amount.
- Due to a decrease in the valuation of infrastructural assets (1 July 2012), the depreciation expenditure is lower than budgeted.

Balance Sheet

The most significant movements are:

- Not all capital work budgeted for was completed during the year, resulting in both property, plant and equipment and the associated borrowing being lower than budget. Individual variations are documented within the individual activity reports.
- Council revalued its infrastructural assets on 1 July 2012. This resulted in a decrease in the asset valuation and corresponding revaluation reserve of \$(13.7)m. The budget provided for a revaluation increase of \$18.2m. When budgeting for revaluation we use the planned inflation rate. The actual revaluation is based on actual contract rates, technology changes and changes in the property market.

Statement of Cash Flows

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

Additional Notes

- This summary financial report is for Manawatu District Council and Group and is presented in New Zealand Dollars rounded to \$000s.
- This Annual Report Summary was authorised for issue on 3 October 2013 by the Mayor and Chief Executive. The full Annual Report was authorised for issue on 3 October 2013.
- The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), as appropriate for a public benefit entity. The summary financial statements comply with FRS-43.
- The specific disclosures included in the summary financial report have been extracted from the full financial report.
- These summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements.
- The financial statements comply with NZIFRS and other applicable Financial Reporting Standards as appropriate for Public Benefit Entities.

Summary Statement of Balance Sheet

	Council		Group		
	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Total current assets	15,646	8,095	36,789	16,247	37,132
Total non-current assets	578,459	622,149	577,498	590,461	589,982
Total assets	594,105	630,244	614,287	606,708	627,114
Total current liabilities	16,668	9,436	9,903	16,711	10,007
Total non-current liabilities	23,256	29,886	12,333	23,256	12,333
Total liabilities	39,924	39,322	22,236	39,967	22,340
Total equity	554,181	590,922	592,051	566,741	604,774
Total Liabilities and Equity	594,105	630,244	614,287	606,708	627,114

Summary Statement of Comprehensive Income

	Council		Group		
	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Total revenue	43,698	45,681	43,100	44,239	43,977
Total operating expenditure	37,495	39,677	37,999	38,199	38,826
Operating surplus/(deficit) before tax & gifting of assets	6,203	6,004	5,102	6,040	5,151
Losses on transfer of assets to other vesting authorities	-	-	999	-	999
Income tax expense	-	-	-	-	-
Surplus/(deficit) after tax	6,203	6,004	4,103	6,040	4,152
Other comprehensive Income	(14,013)	18,218	28,730	(14,013)	28,730
Total comprehensive income for the year	(7,810)	24,222	32,833	(7,973)	32,882
*This consists of finance costs as follows:	1,176	1,737	856	1,176	856

Summary Statement of Cash Flows

	Council		Group		
	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Net cash from operating activities	14,038	18,080	13,664	14,542	14,120
Net cash from investing activities	(23,783)	(31,600)	(21,218)	(23,974)	(22,026)
Net cash from financing activities	13,727	13,011	3,384	13,727	3,384
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	3,982	(509)	(4,170)	4,295	(4,522)
Cash, cash equivalents and bank overdrafts at the beginning of the year	1,590	1,643	5,760	1,770	6,292
Cash, cash equivalents and bank overdrafts at the end of the year	5,572	1,134	1,590	6,065	1,770

Summary Statement of Changes in Equity

	Council		Group		
	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Balance at 1 July	592,051	566,700	559,218	604,774	571,892
Total recognised income/ (expense) for the year ended 30 June	(7,810)	24,222	32,833	(7,973)	32,882
Net assets transferred to PNCC on boundary change	(30,060)	-	-	(30,060)	-
Balance as at 30 June	554,181	590,922	592,051	566,741	604,774

Independent Auditor's Report

To the readers of Manawatu District Council and group's summary of the annual report for the year ended 30 June 2013

We have audited the summary of the annual report (the summary) as set out on pages 6 to 31, which was derived from the audited statements in the annual report of the Manawatu District Council and group (the District Council) for the year ended 30 June 2013 on which we expressed an unmodified audit opinion in our report dated 3 October 2013.

The summary comprises:

- the summary statement of balance sheet as at 30 June 2013, and summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes to the summary financial statements that include other explanatory information; and
- the summary of the District Council and group's non financial performance information and summaries of other information contained in its annual report.

Opinion

In our opinion, the information reported in the summary complies with FRS 43: Summary Financial Statements and represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

Basis of opinion

The audit was conducted in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand).

The summary and the audited statements, from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 3 October 2013 on the audited statements.

The summary does not contain all the disclosures required for audited statements under generally accepted accounting practice in New Zealand. Reading the summary, therefore, is not a substitute for reading the audited statements in the annual report of the District Council.

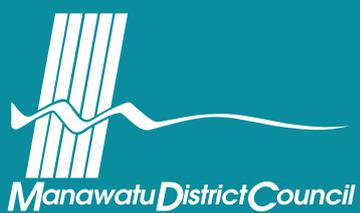
Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary in accordance with FRS 43: Summary Financial Statements. The Council is also responsible for the publication of the summary, whether in printed or electronic form. We are responsible for expressing an opinion on the summary, based on the procedures required by the Auditor General's auditing standards and the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements.

In addition to the audit we have carried out an assignment on an amendment to the long-term plan, which is compatible with those independence requirements. Other than the audit and this assignment, we have no relationship with or interests in the District Council or any of its subsidiaries.



Phil Kennerley
Audit New Zealand
On behalf of the Auditor General
Wellington, New Zealand
3 October 2013



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