

A close-up photograph of several sheep with thick, light-colored wool. One sheep in the foreground is wearing a bright red collar. The sheep are looking in various directions, some towards the camera and others away.

Manawatū District Council  
**Annual Report**

For the year ended 30 June 2018



# Table of Contents

Role of the Annual Report .....	iv
<b>Section One: Introduction .....</b>	<b>1</b>
Our achievements — the Mayor’s message .....	1
Our Performance – the Chief Executive’s report.....	2
Our District.....	3
Your Council – who are we? .....	3
Vision and Council outcomes.....	4
Council outcomes .....	4
Around our activities .....	5
Financial overview .....	6
Performance overview.....	7
Statement of Compliance and Responsibility.....	8
Audit Report.....	9
<b>Section Two: Groups of Activities .....</b>	<b>13</b>
Community Facilities.....	15
District Development.....	27
Emergency Management.....	32
Environmental Services and Monitoring .....	35
Governance and Strategy .....	43
Roading .....	46
Solid Waste .....	52
Stormwater .....	56
Wastewater .....	59
Water Supply .....	63
<b>Section Three: Financial Information .....</b>	<b>69</b>
Financial Statements.....	70
Notes to financial statements.....	74
<b>Section Four: Other Information.....</b>	<b>146</b>
Executive Team.....	147
Manawatū District Council: Activities and Functions .....	148
Member’s responsibilities .....	149
Diversion, Inclusion, Equal Employment Opportunity statement.....	150
Development of Māori capacity to contribute to decision making.....	151
Grants 2017/18.....	153
Glossary.....	160

## Role of the Annual Report

This report has been prepared under section 98 of the Local Government Act 2002 (and includes the provisions of schedule 10, part 3). It compares Manawātū District Council's (Council) actual performance against what was forecast for year three of the 2015–2025 Long Term Plan (LTP), as amended by the 2017/18 Annual Plan.

The Annual Report:

- reports against the Council's key activities, performance indicators and budgets outlined in the 2015–2025 LTP — we are reporting against what we said we would do in the 2016/17 financial year
- reports against Council policies such as the Funding Policy and Borrowing Management and Investment Policies
- outlines how Council has spent money collected from ratepayers, residents, financial institutions and government agencies

The Annual Report includes both financial and non-financial information.

The report is broken into four sections:

- |   |   |
|---|---|
| <b>Section One:</b><br>Introduction         | Section one provides an overview of the 2016/17 year including key highlights.  |
| <b>Section Two:</b><br>Groups of Activities | Section two summarises what Council has achieved in each activity group, including performance indicators.  |
| <b>Section Three:</b><br>Policy Reports     | Section three provides a financial overview, including financial statements, notes to the accounts and reports against the Revenue and Financing Policy and the Liability Management and Investment Policies. |
| <b>Section Four:</b> Other Information      | Section four provides other information, including summary information about the Council, elected representatives, staff and grants.  |



## Section One: Introduction

### Our achievements — the Mayor's message

Every year Council uses your rates to maintain, create and provide the necessary infrastructure, services, support networks and facilities, we as residents and our visitors can all enjoy. These include our many parks, reserves and sports grounds and libraries around the district, Information Centre and the Makino Aquatic Centre etc. It also includes all of the invisible things such as the water we drink, our stormwater, our wastewater, rubbish and recycling, emergency management, our roads and bridges that we sometimes take for granted and perhaps only notice when they are not quite right.

Some of the stats provided from this last year you may find interesting: 661 building consents, 752 resource consents, 5818 building inspections, 1001 animal control responses, 50,282 incoming calls, 118,367 wheelie bins serviced, 1983 tonnes of refuse collected at the kerbsides, 4070 tonnes of refuse received at the Transfer Centre, 364,800 blue rubbish bags sold, 20 Council meetings, 4 NZ Citizenship Ceremonies and 43 community meetings.

Our Community Committees are doing a great job, empowering their communities to get things done that matter to them, in their parts of the District. We have supported various community projects to get underway or completed such as the Kimbolton Village Gateway, walkway planting days at Sanson, Himatangi Beach and Halcombe, public toilets at Kitchener Park and Tangimoana and the inaugural NZ Rural Sculpture Festival.

Keen to support our young people more, Council established a Youth Focus Group made up of Councillors, Police, social service agencies and our Youth Ambassadors to better understand what is happening in our community and how Council can assist. Following the tragic synthetic drugs incident we created a free Whanau Day with a 'no drugs' publicity campaign.

We know that the economy affects everyone in some way, not always visibly, and that we all benefit from economic development, so Council established an Economic Development Focus group to find ways for Council to support activities and organisations to ensure we get our fair share of economic growth in the Manawatu District. Our economic development statistics are currently very impressive.

Council is encouraging more economic development by agreeing to proceed with the extension of Turners Road, which will be the home of more new industry in the Kawakawa Industrial Park.

New legislation is changing how we manage our earthquake prone buildings strengthening requirements, which will affect how Feilding will look in the future. Council has formed a working party of councillors, building owners, professionals and interested parties. We are advocating on behalf of our community at central government level and will work with our community to create a new long term vision for Feilding's town centre.

The continued growth of our District and especially Feilding, where we are forecasting an additional 2800 people in coming years, has required us to invest in the underground infrastructure in the north of Feilding bordered by Reid Line West, Pharazyn Street and Makino Stream, known within Council currently as Precinct 4.

Council have agreed to centralise wastewater from our villages which will save significantly on costs and we are now ready to begin discharging waste water at Feilding's treatment plant to land to meet our resource conditions. These projects greatly improve the environmental quality of our streams and rivers. Council has also agreed to upgrade storm water services in several communities, and future proof Feilding's water supply.

Not everything was perfect though and we are working closely with central government to provide support and safe drinking and stock water for the people and businesses around Ohakea, who have been affected by the fire-fighting chemical contamination.

Council has adopted our Long Term Plan that sets out our projects for the next 10 years, we have some new projects and have placed some on hold. We had significant community input on our differential rates proposal, and decided not to proceed with it. The 2018/19 year sees an average rates rise of 4.8%, with a proposed 2% average rise per annum over the 10 years of the plan.

This financial year Council has borrowed less than planned due to some deferred or delayed projects, it has also increased revenue in part due to Development Contributions being higher than predicted as a result of exceptional growth.

Thank you to the people of the Manawātū District for your contribution to local government and for your contribution to all the organisations that make up our vibrant district community.



Helen Worboys  
Manawātū District Mayor

## Our Performance – the Chief Executive’s report

Kia Ora

It has been another productive year for the Manawatū District Council. Every day the Council provides our community with: safe well maintained roads; clean drinking water; environmentally sound waste disposal; relaxing green spaces and modern facilities for enjoyment and leisure; building and resource consents that align with government regulations and ensures that stray pets are returned to their owners. These services are essential for our community and your Council staff and our partners deliver these to a consistently high standard as shown in this Annual Report. The delivery of these front line services is only possible because of our hard working support staff who ensure the calls are answered, the bills are paid, people are engaged and cared for, the IT systems work, the district is planned, meetings function and our Councillors are well briefed and well informed.

In addition to delivering for our community every day, Council has undertaken a large number of projects. I would like to take the opportunity to highlight some of the projects we have delivered in partnership with our communities. Together we have: delivered new toilets in Tangimoana and Kitchener Park; continued the beautification of Halcombe, completed planting of the Del Parker walkway and added new seat; built a new bus shelter and information kiosk at Pohangina; added a new veranda to Waituna West Hall and developed community plans for Hiwinui, Cheltenham and Tangimoana. We also established new community committees in Colyton and Baines/Rangiotu. Notably, together with Keep Feilding Beautiful we helped Feilding win New Zealand’s most beautiful town for the 16<sup>th</sup> time.

Your Council has also invested in infrastructure improvements with roading upgrades in Kimbolton, Rongotea, Halcombe and North Feilding. On-going major projects include the Mangaweka bridge replacement process with NZTA, other bridge strengthening work and fixing a complex washout on Pohangina Road. A new water bore has been established for Sanson and the upgrade of Feilding’s water supply and wastewater treatment continues.

The largest project completed by your Council this year, in terms of person hours, has been the Long Term Plan [LTP]. This is a ten-year plan for MDC and it is refreshed every three years. It includes complete financials, detailed asset schedules and identifies all major areas of expenditure and revenue for your Council. It represents over 12 months of work by Council to develop, consult on and update. This year’s LTP generated lots of community interest and good attendance at 22 community meetings. Excitingly, for the first time your Council streamed meetings on Facebook which resulted in a wide digital audience. This is an area we will look to enhance in the future. The outcome of the LTP reflects the community’s voice, passion and engagement. Strong support for proactive investment in district wide infrastructure means our communities will be well positioned for the future.

In closing, I would like to thank the elected members and staff for all their hard work this year. We are a strong team, with different roles, who work collectively to achieve great outcomes for the Manawatū.

Nāku noa, nā



Richard Templer

Chief Executive

## Our District

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 30,300<sup>1</sup> 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 Oroua, KIWITEA, Pohangina, Manawatū and Feilding.

The Manawatū District is experiencing a period of strong economic growth, driven by strengthening global demand for goods produced in our district, solid commodity prices, growing tourism, population growth, and low levels of unemployment. These factors are combining to boost both consumption and investment levels, supporting the wider Manawatu District economy and delivering 5 percent GDP growth to the District to the year ended March 2018. Looking forward, emerging opportunities to build on our economic strength through Central Government investment in regional economies and confirmed Central and Local Government investment in infrastructure will provide additional stimulus to the local economy and beyond over 2018/19.

## Your Council – who are we?

The map shows the Manawatū District divided into four wards: Northern Manawatū Rural Ward (2 members), Southern Manawatū Rural Ward (3 members), Feilding Ward (5 members), and Feilding Ward (5 members). The Feilding Ward is highlighted in blue. The map also shows the locations of Rangiwahia, Apiti, Kimbolton, Halcombe, Cheltenham, Pohangina, Sanson, Feilding, Tangimoana, Rongotea, and Himatangi Beach.

**Manawatū District Mayor**

Helen Worboys

**Northern Manawatū Rural Ward**

Alison Short, Steve Bielski

**Southern Manawatū Rural Ward**

Phil Marsh, Andrew Quarrie, Howard Voss

**Feilding Ward**

Michael Ford (Deputy Mayor), Barbara Cameron, Hilary Humphrey, Shane Casey, Stuart Campbell

<sup>1</sup> Source StatsNZ Subnational population estimates: At 30 June 2017. NZ Census data states 27,456 for 2013

## Vision and Council outcomes

As part of preparations for the 2012–2022 Long Term Plan, Council created a vision statement for Manawatū District. It is a stated desire for the future, and helps guide Council with the decisions it needs to make.

### Connected, vibrant, and thriving Manawatū – the best rural lifestyle in New Zealand

This statement is supported by vision statements for the District’s villages, rural communities and Feilding.

#### Villages’ vision

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

#### Rural vision

The food basket of New Zealand within a sustainable rural landscape that offers outstanding recreational opportunity.

#### Feilding vision

A thriving community enjoying the most vibrant country town in New Zealand, servicing the regional rural sector.

## Council outcomes

The following Council outcomes underpin Manawatū District’s vision:

- Manawatū District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga
- Manawatū District will attract and retain residents
- Manawatū District develops a broad economic base from its solid foundation in the primary sector
- Manawatū and its people are connected via quality infrastructure and technology
- Manawatū’s built environment is safe, reliable and attractive
- Manawatū District Council is an agile and effective organisation

## Around our activities

### Roads

Managing a network of 1,370km of roads, and 373 bridges is always a challenge. This year has seen continuation of repairs following the 2015 storm event including the re-opening of the Nannestads Line bridge. There have been improvements to the roads in Colyton and Pohangina, with re-seals or reconstruction, installation of LED lighting, and planning for the Mangaweka bridge is underway. Road safety improvements were undertaken at 10 locations.

### Community Facilities

This year we have re-established the Victoria Park Fitness trail, built and enhanced a number of the walking trails around the district, improvements to Kowhai Park. And of course worked with the community to enable Feilding to win the Most Beautiful Town award for the 16<sup>th</sup> time. The Makino pool is continuing to exceed expected users with 145,000 users for both swimming and swim programs. Our library has introduced many new programs for young and not so young, introducing an e-collection for electronic books.

### Community Development

Community plans are now in place for 11 of our communities with projects being started or completed, including the Apiti Domain, Himatangi Beach signage, Kimbolton Gateway. Funding was provided for 26 people to attend national and international sport events, as well as providing funding for Neighbourhood Support, community and business development, youth and parenting program and community patrol to help reduce crime.

### Economic Development

To be better able to ensure that the Manawatū is doing all it can to encourage sustainable growth council set up its Economic Development Focus group to identify what more it can do or support to ensure that the District is able to get its share of economic growth. We adopted our Economic Development Strategy to focus and guide our actions, and have implemented monthly and quarterly economic reporting to ensure the District has the most up to date information to support Council and business decision making.

### Water and Waste

Two of the services we use but often don't notice until they are not there. Waste volumes have continued to increase with 1,300 tonnes collected at the kerb and 2,014 tonnes of recycling collected (down 3.5% on previous year). We have been working with the Enviroschools programme in 10 schools. Work on the three waters network continues with pipe renewals and new networks in the growth areas. At the Feilding Wastewater Treatment plant we continued to implement the changes required in the November 2016 ten year resource consent.

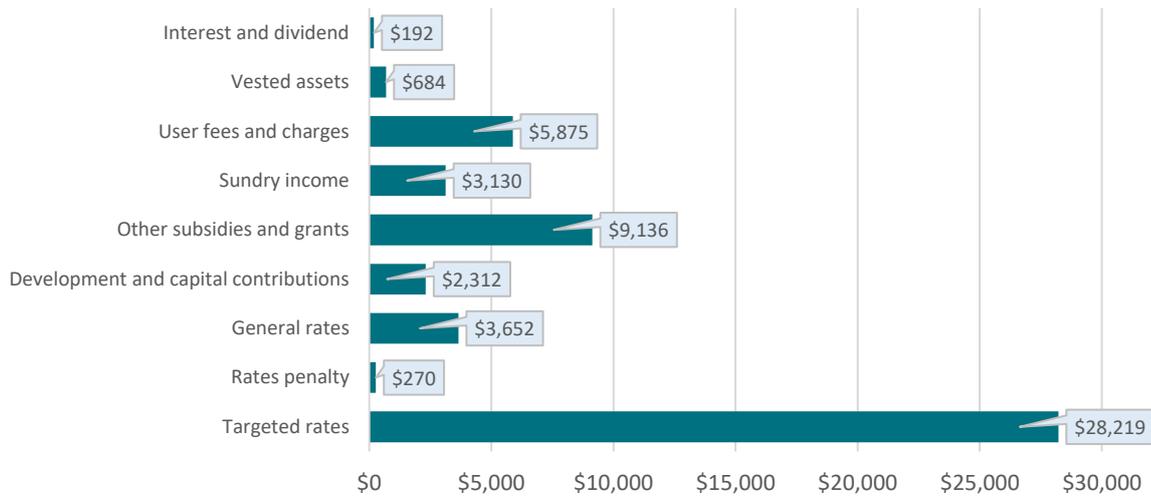
Upgrades have been completed for the Himatangi water treatment plant providing a secure drinking water supply and improved firefighting capacity. The Rongotea plant is now fully commissioned and stage two of the Stanway-Halcombe water scheme completed.

Major stormwater improvements were planned and completed for the growth area (around Pharazyn Street), open drains have been piped, and council approved a plan to harmonise the stormwater rate to ensure storm water drainage work can begin our villages.

## Financial overview

### Revenue Sources (000)

Total Revenue \$53,471, 000



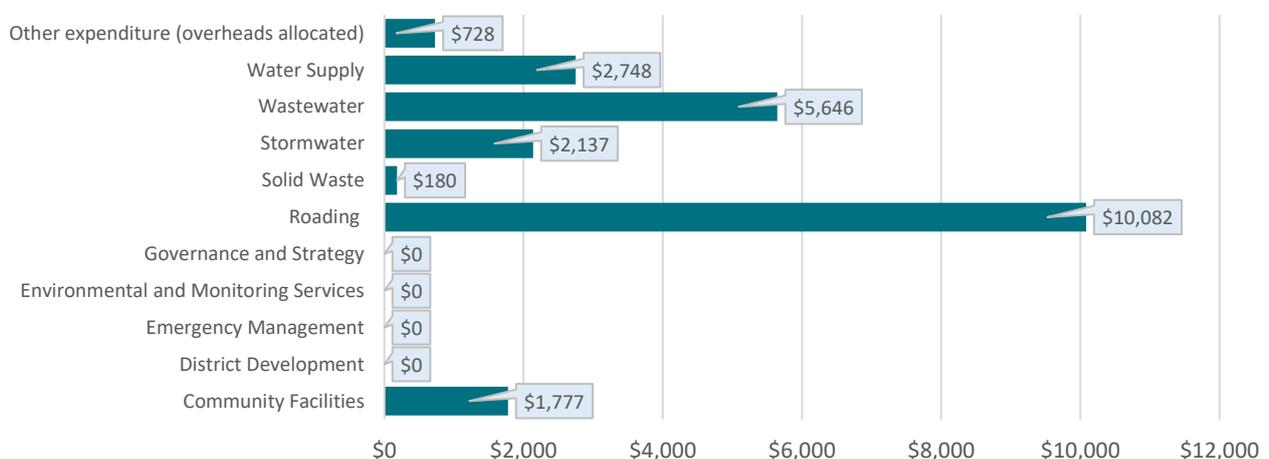
### Operational Expenditure (\$000)

Total Operational Expenditure \$51,584,000



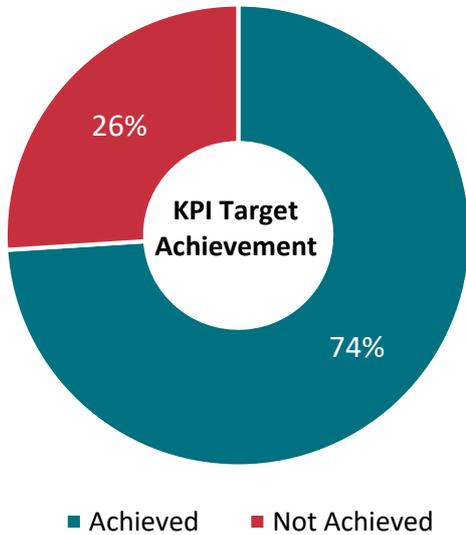
### Capital Expenditure (\$000)

Total Expenditure \$23,300, 000



## Performance overview

Council includes Key Performance Indicators (KPIs) in its Long Term and Annual Plans to assess how well it is delivering services to the community. For the 2017/18 year, Council reported against 74 KPIs, which are detailed in Section Two of this report. Council has achieved the majority (74%) of the KPIs. In the previous years it was 63% (2016/17) and 60 % in (2015/16) which shows a year on year improvement.



This is an improvement on the previous year’s result and while it shows that there is still a shortfall that Council is working to address in our desired performance the outcome is pleasing.

We acknowledge that there were 19 instances where we did not achieve the target, in some cases the targets were technical. An example of this is meeting the criteria for bacteria in the drinking water. The target is 100% compliance, however there was a three minute period in February where the monitoring system was off-line resulting in a technical non-compliance. All samples taken showed that the water was safe i.e. no E coli detected.

Another example is where the Library had an ambitious target of 12 book issues per person but only achieved 8.5.

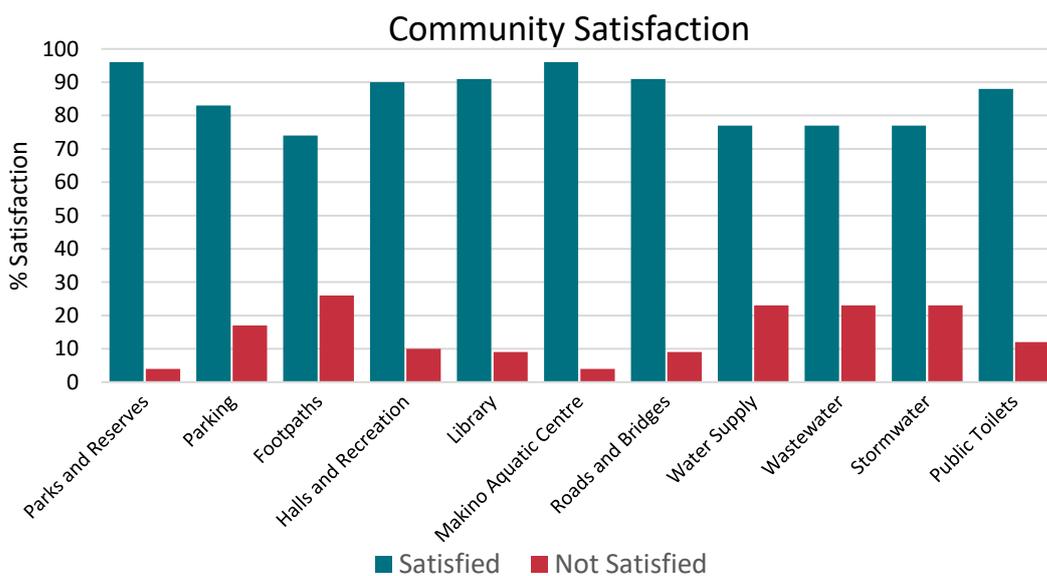
You can view all KPIs in Section Two of this report. All KPIs are reviewed as part of the LTP process to ensure Council is providing the level of service the community wants.

## Community survey

The 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 457 residents which meets the number required for statistical reliability.

The surveys looked at the satisfaction levels with 11 Council services. All 11 services received satisfaction levels between 74% (footpaths) and 96% (parks and reserves).



Note: Where community satisfaction levels are required for KPIs, results are shown in Section Two of this report under the appropriate activity.

## 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.

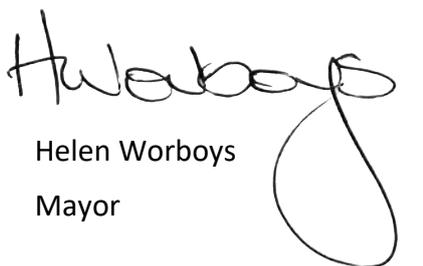
The Council and management of Manawatū District Council accept responsibility for the delivered levels of service for the activity groups described in Section Two.

In the opinion of the Council and management of Manawatū District Council, the annual Financial Statements for the year ended 30 June 2018 fairly reflect the financial position and operations of Manawatū District Council.



Dr Richard TEMPLER  
Chief Executive

Date: 18 October 2018



Helen WORBOYS  
Mayor

Date: 18 October 2018



## Independent Auditor's Report

### To the readers of Manawatu District Council's annual report for the year ended 30 June 2018

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 18 October 2018. This is the date on which we give our report.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 70 to 132:
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2018;
    - 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 Standards;
- the funding impact statement on page 68, 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 15 to 66:
  - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2018, 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 25, 34, 42, 45, 51, 55, 58, 62 and 67, 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 25, 31, 34, 42, 45, 51, 55, 58, 62 and 67, 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 141 to 145, 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.

### **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 iv, 1 to 8, 13 to 14, 133 to 140 and 147 to 161, but does not include the audited information and the disclosure requirements.

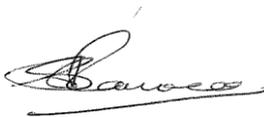
Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

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 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit of the audited information and our report on the disclosure requirements, we have audited the District Council's 2018-28 long term plan, and performed a limited assurance engagement related to the District Council's debenture trust deed. Other than these engagements, we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.



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

## Section Two: Groups of Activities

### Guide to Section Two: Groups of Activities

This section summarises results from the 2017/18 financial year for Council's Groups of Activities. In 2017/18, Council provided various services organised into ten Groups of Activities. These are:

Community Facilities	Page 15
District Development	Page 27
Emergency Management	Page 32
Environmental Services and Monitoring	Page 35
Governance and Strategy	Page 43
Roading	Page 46
Solid Waste	Page 52
Stormwater	Page 56
Wastewater	Page 59
Water Supply	Page 63

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

### Contribution to Council outcomes

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



Kaitiakitanga – Manawatū District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga which translates as holistic guardianship.



Attract and retain residents – Manawatū District will attract and retain residents.



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



Quality infrastructure – Manawatū and its people are connected via quality infrastructure and technology.



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



Agile organisation – Manawatū District Council is an agile and effective organisation.



## What has Council achieved in 2017/18?

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 2017/18 financial year. For comparison purposes, the first column contains actual data for 2017/18, the second column is the 2017/18 Annual Plan and the last two columns contain information from the Long Term Plan for 2017/18 and 2016/17 financial years.

The Overall Funding Impact Statement on page 68 presents the actual financial results for the 2017/18 and 2016/17 financial years, compared against the annual plans (i.e. annual plan budgets) for those years.

### Performance Targets

For this section the results are indicated by:



Target met



Target not met

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

The respondents were asked to rate our services from 1-10. Responses in the 1-5 range are considered to be “dissatisfied” and in the 6-10 range are considered “satisfied”. Throughout this section we have provided a more detailed breakdown of the responses.

- Very dissatisfied 1 - 4
- Somewhat dissatisfied 5
- Somewhat satisfied 6
- Satisfied 7 - 8
- Very satisfied 9 - 10

## Community Facilities

This group of activities relates to the outcomes



### Cemeteries

#### What we do:

Provide and maintain cemeteries in park-like settings to provide facilities for burials and interments of ashes.

#### How we do it:

- Managing, maintaining and planning for future improvements, where required, for the following cemeteries: Feilding, Kimbolton, Pohangina, Sandon, Halcombe, Rangiwahia, Rongotea and Waituna West
- Working with the community to meet changing demands and community needs
- Maintaining accurate burial records
- Meeting the requirements of the Burial and Cremations Act 1964
- Ensuring that all cemeteries are maintained to a high standard.

#### Overview

Improvements in the quality and standard of maintenance at the District's Cemeteries saw an increase in satisfaction with the maintenance of our cemeteries, largely attributable to Council's Parks and Open Spaces Contractor, Recreational Services Limited, operations in the district since March 2016.

A new access way and beam development project has been completed at Feilding Cemetery. Also to celebrate the 100 year anniversary of the Feilding RSA, a memorial wall and path was constructed at Feilding cemetery.

#### What has Council achieved in 2017/2018?

Level of Service: Satisfaction with the maintenance of our cemeteries		
Key Performance Indicator and Target	Result	Comments (if applicable)
90% of customers are satisfied with maintenance of cemeteries		<p>93% of 457 customers were satisfied with the maintenance of cemeteries.</p> <p>The survey results were:</p> <ul style="list-style-type: none"> <li>38% very satisfied</li> <li>50% satisfied</li> <li>5% somewhat satisfied</li> <li>5% somewhat dissatisfied</li> <li>2% very dissatisfied</li> </ul> <p>Source – Public perception survey from July 2017 to June 2018 (Last year – target met - 95% satisfaction from 164 customers)</p>

Level of Service: Professional and timely interment services

Key Performance Indicator and Target	Result	Comments (if applicable)
No complaints about late or inadequate interment services		No complaints about late or in adequate interment services have been received. <i>(Last year – target met – no complaints were received)</i>

**District libraries**

**What we do:**

Provide opportunities and experiences for lifelong learning and literacy. There is a fully-serviced main library in Feilding and community-run satellite libraries at Himatangi Beach, Kimbolton, Pohangina, Rongotea and Tangimoana.

**How we do it:**

By providing at our main library:

- Access to written and recorded information: books, magazines and DVDs
- Access to a range of online media and information
- Access to local culture research information and heritage collections
- Wi-Fi and internet access for digital literacy
- Opportunities, programmes and experiences that continue to build and promote lifelong learning
- Access to e-books, online collections and subscriptions
- Important spaces for the community to use
- A continually refreshed main collection, monitored for relevancy
- Refreshed collection items at the community run libraries every three months.

**Overview**

Development of Manawatū District Libraries – Feilding Library has continued over the last 12 months, building on the transition started in the 2015/16 year.

The eBook and eAudiobook collection was increased in the 2017/18 year. Feilding Library is the first in New Zealand to introduce cloudLibrary and the use has been very positive.

Shared Makino Aquatic Centre / District’s Libraries cards have been rolled out that act as a membership and ‘cashless’ payment card.

Programmes are continually growing and advancing with demand from the community, including businesses. A focus in particular on STEAM (Science, Technology, Engineering, Arts & Maths) for children’s programmes.

A mobile Makerspace has been introduced and schools from the district are benefiting from these resources and programmes. We plan to build on this in the 2018/19 year.

Events are increasing, with at least four per year each reaching over 60 attendees.

The library’s social media presence is continually increasing with over 1200 likes by the end of the 2017/18 year.

With the added activities and use of the Feilding Library, the building is no longer fit for purpose; noise is a problem, space is a premium and the building itself is earthquake prone. A \$5.4m budget provision for the redevelopment of the library has been made in the Long Term Plan 2018-28 in 2020/21 year.

## What has Council achieved in 2017/2018?

Level of Service: Access to a range of information		
Key Performance Indicator and Target	Result	Comments (if applicable)
At least 12 issues per capita		<p>During the year 243,795 issues were made. This represents 8.55 issues per capita.</p> <p>This is an increase of 3.5% compared to the last financial year, however the target was not met. This exceeds the national average of 8 issues per capita.</p> <p>At the time of setting the targets in the long-term plan, community library loans were included as issues. These are no longer being included in this measure.</p> <p><i>(Last year – target not met – 8.2 issues per capita with a target of 12 being 233,897 issues)</i></p>
13,500 digital users		<p>A total of 46,549 users made use of the free digital services provided by APNK Aotearoa Peoples Network Kaharoa). These statistics were only measured to 25 May 2018 as a system upgrade made further results unavailable. Despite this, the target for this level of service has been well exceeded.</p> <p><i>(Last year – target met - 53,432 digital users accessed our network.)</i></p>

Level of Service: A range of activities and learning opportunities		
Key Performance Indicator and Target	Result	Comments (if applicable)
At least 920 events / 20,200 participants		<p>1,199 library events were held in the library space with 15,115 participating in these events.</p> <p>This is an increase of 30% events and 14% participants from the prior year. While the event numbers were achieved, participant numbers were purposefully reduced to mitigate issues such as noise and availability of space.</p> <p><i>(Last year – target not met - 925 events were conducted with 13,212 participants)</i></p>

## **Makino Aquatic Centre (MAC)**

### **What we do:**

Provision of a safe, quality aquatic complex including indoor and outdoor swimming pools and swimming programmes for water education and fitness.

### **How we do it:**

Providing a variety of pools within the complex:

#### **Indoor area (open all year round):**

- Heated 25 metre pool
- Heated play pool
- Shop
- Changing rooms
- Whanāu changing rooms
- Wet area and learners pool

#### **Outdoor area (open during the summer months):**

- Heated 50 metre pool
- Heated learner pool
- Toddler pool
- Diving pool
- Barbeques, play equipment, shaded area and lawn
- Extended opening hours during the summer months

#### **General Activities**

- Providing 'Learn to Swim', water confidence, recreation programmes and activities for all levels of ability year round
- A variety of quality programmes, experiences focusing on aqua fitness
- Supervised water play and swimming space all year round
- Hosting Makino Aquatic Challenges and community events
- Working with after-school and school holiday programme providers
- The opportunity for pool and lane hire
- Individual swim coaching, training or learn to swim lessons
- Advice and services to community pool providers throughout the district
- Work with the District's schools to deliver 'Water Safety' programmes
- Work with local, regional and national swimming clubs
- Hosting local, regional and national water events.

## Overview

Since the reopening of the Makino Aquatic Centre in July 2016, annual visitor numbers have reached record levels where 145,000 visitors used the Makino Pool and this includes the new Learn to Swim Pool and indoor splash pad.

The Outdoor Pool complex also opened earlier than previous years and this also contributed to the increase in visitor numbers. Swim School numbers continue to grow with numbers exceeding 700 through the majority of the school terms.

Some further safety and security improvements have been introduced with safety fencing around the Dive Pool and additional CCTV cameras installed.

Although our water quality is maintained to a high standard we have had a few pool closures due to water contamination. This is mostly due to the high number of visitors in the pools at the same time. We are carrying out improvements to our water filtration system to manage the increase in visitors and maintain our PoolSafe Accreditation.

### What has Council achieved in 2017/2018?

 Level of Service: Safe pools		
Key Performance Indicator and Target	Result	Comments (if applicable)
100% Pool Safe accreditation retained		Poolsafe accreditation was renewed in March 2018. Accreditation remains valid for one year.  <i>(Last year – target met – The Makino Aquatic Centre gained reaccreditation in April 2017.)</i>

 Level of Service: Quality experiences		
Key Performance Indicator and Target	Result	Comments (if applicable)
90% of customers are satisfied overall with their experience at the complex		96% of 457 customers were satisfied swimming pools.  The survey results were: 49% very satisfied 44% satisfied 3% somewhat satisfied 3% somewhat dissatisfied 1% very dissatisfied  Source – Public perception survey from July 2017 to June 2018  <i>(Last year – target met - a survey was carried out by MAC staff which resulted in 100% satisfaction from 50 pool users. The PublicVoice survey resulted in 90% satisfaction with the overall experience at the complex, from 177 respondents.)</i>



## Level of Service: A variety of water activities

Key Performance Indicator and Target	Result	Comments (if applicable)
More than 13,750 participants		<p>Individual participation numbers in MAC activities for the year totalled 66,145.</p> <p>Swim lessons – 19,398            Swim squad – 1,946            Aqua Fitness – 8,668            Schools/groups – 16,628            Canoe Polo – 5,197            Flippaball – 1,170            Clubs – 10,157            Programmes – 2,981</p> <p><i>(Last year – target met - 51,634 participants took part in activities.)</i></p>

## Parks and sports grounds

### What we do:

Provide parks and sports grounds including camping grounds, open spaces, gardens, trees and playgrounds to ensure our community has access to a wide range of leisure and recreation opportunities.

### How we do it:

- Maintaining parks and sports grounds to ensure provision of quality, safe spaces for recreation and leisure
- Continually improving accessibility to parks, sports grounds and facilities, making them available for a wide variety of users
- Managing parks and sports grounds bookings, fees and charges and liaising with ground staff to ensure facilities are ready for use
- Fostering collaboration between sport and recreation groups to encourage high-use facilities and opportunities for cost efficiencies
- Working with Sport Manawatū and other organisations to deliver programmes throughout the district to get 'everyone active, everyday'
- Liaising with user groups
- Planning and providing a walking and cycling network that links neighbourhoods, schools and community facilities
- Adhering to plans and strategies that guide the development of the portfolio including: Open Spaces Framework 2006 and Feilding Cycle Network
- Fulfilling our legal requirements to have Reserve Management Plans in place identifying how Council intends to manage reserves

## Overview

This year has seen the continuation of operational improvements to Parks and Sportsgrounds. This has included improvements at Kowhai Park with upgraded car parking and drainage.

A new BMX Pump Track at Timona Park has also been installed and this will be complimented with an upgrade to the existing Pump Track. Funding from Makino Rotary and local businesses enabled a new Fitness Trail to be installed at Victoria Park. This was officially opened at the community Whanau Day in November last year.

For the 16<sup>th</sup> time, Feilding has been awarded the Keep New Zealand Beautiful - Most Beautiful Town Award and is an outstanding achievement for everyone involved. We have continued to provide consistent maintenance standards in our parks and sportsgrounds through Council’s open space contractor. The new walkway from Manchester Street to Warwick Street has also been completed and includes landscaping along the Makino with lighting in the Salvation Army car park installed.

It was unfortunate that aspects of the Greenspine project with KiwiRail were unable to proceed. This resulted in the overall project being delayed, however a series improvements project along the rail corridor will be completed in 2018.

### What has Council achieved in 2017/2018?

Level of Service: Satisfaction with Council's parks and sports grounds		
Key Performance Indicator and Target	Result	Comments (if applicable)
90% of customers are satisfied with their overall experience of parks and sports grounds		96% of 457 customers were satisfied with parks, reserves and open spaces. The survey results were: 30% very satisfied 59% satisfied 7% somewhat satisfied 3% somewhat dissatisfied 1% very dissatisfied Source – Public perception survey from July 2017 to June 2018 <i>(Last year – target met - 91% satisfaction from 357 respondents)</i>
Less than 10 closures of parks and sports grounds.		There was only one closure for the year. Kitchener Park closed for one day due to carpark flooding. <i>(Last year – target met -Kitchener Park was closed twice during the year due to flooding events)</i>

## Level of Service: Safe parks and sports grounds

Key Performance Indicator and Target	Result	Comments (if applicable)
No reports of health and safety incidents or injuries due to inadequate or poor maintenance in our parks and sports grounds.		There have been no reported health and safety incidents due to inadequate or poor maintenance in our parks and sportsgrounds. <i>(Last year – target met - there were no reported health and safety incidents)</i>

## Property

### What we do:

Manage, support and administer the property portfolio.

### How we do it:

- Managing 16 Council owned halls and five community owned halls
- Working with local groups to provide access to property for a range of community uses
- Carrying out renewal and building improvement programmes to ensure our facilities are well maintained, safe and meet quality standards
- Improving existing halls and recreational complexes to meet public expectations where appropriate
- Expanding or providing new facilities to meet community needs
- Reviewing the Hall Management Policy as a guide for future decision making regarding the provision and retention of halls and recreation complexes.

### Overview

Council property achieved an 91% (average) customer satisfaction result in the Customer Satisfaction Survey for the year, which was up from 89% for the 2016/17 year.

While only four hall reports have been received this year to date, the four halls have recorded slightly higher use than the same halls as last year.

The sale of the Sanson Hotel facility was completed in the 2017/18 year.

## What has Council achieved in 2017/2018?

Level of Service: Satisfaction with our property facilities		
Key Performance Indicator and Target	Result	Comments (if applicable)
85% of surveyed customers are satisfied with their overall experience of property facilities		<p>Survey responses were received from 457 resident. 93% were satisfied with the sports and event centres and 88% were satisfied with community halls (average 91%).</p> <p>The average survey results were:</p> <ul style="list-style-type: none"> <li>33% very satisfied</li> <li>50% satisfied</li> <li>8% somewhat satisfied</li> <li>6% somewhat dissatisfied</li> <li>3% very dissatisfied</li> </ul> <p>Source – Public perception survey from July 2017 to June 2018 <i>(Last year – target met - 89% of 216 customers were satisfied with the halls and recreation complexes within the district)</i></p>

Level of Service: Property facilities to be well used		
Key Performance Indicator and Target	Result	Comments (if applicable)
Each hall is used on average 30 times a year		<p>Council has 21 rural halls. The information to report against this measure is usually obtained from rural hall reports submitted by the Hall Committees. However, only four halls have forwarded their report to Council and consequently it is not possible to report against this measure.</p> <p><i>(Last year – target met – Six Hall Committees provided report to Council. The average hall usage for these halls was 28 times a year)</i></p>

## Public conveniences

### What we do:

Provide and maintain public toilets.

### How we do it:

- By providing a network of public toilets in the following business precincts: sports grounds, reserves and tourist routes: Feilding Central Business District, Feilding Railway Station, Pohangina, Apiti, Halcombe, Himatangi Beach, Tangimoana, Rongotea, Sanson, Cheltenham, Kimbolton, Rangiwahia, Kowhai Park, Johnston Park, Victoria Park, Timona Park, Almadale Reserve, Mt Lees, Raumai Reserve, Mt Stewart, Putai Ngahere Reserve (Vinegar Hill), Bartletts Ford and Londons Ford.
- Having a maintenance plan to ensure facilities are clean, accessible and fit for purpose.

### Overview

New toilets were installed this year at Kitchener Park as well as two new units installed at Tangimoana to service the needs of park users and the community.

The public toilets within the Railway Station public toilet along with one with in the Cheltenham hall underwent renovation.

There has been a slight increase in the number complaints this year relating to inadequate maintenance or poor cleaning of public conveniences.

### What has Council achieved in 2017/2018?

 Level of Service: Satisfaction with public toilets		
Key Performance Indicator and Target	Result	Comments (if applicable)
Less than 17 complaints received		<p>Seven complaints were received for the year.</p> <p>One related to an overflowing septic tank and has resulted in a replacement tank being planned for the future. Two complaints regarding tap pressure have been resolved, with a long term solution being planned. The open space contractor was able to immediately rectify all other issues.</p> <p><i>(Last year –target met – two complaints were received, against a target of 25)</i></p>

**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2018**  
**Community Facilities**

	Actual 2018 \$000	Annual Plan 2018 \$000	LTP 2018 \$000	LTP 2017 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	331	328	610	654
Targeted rates	6,146	6,032	6,006	5,745
Subsidies and grants for operating purposes	3	4	4	4
Fees and charges	1,197	1,322	1,470	1,367
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	64	37	11	10
<b>Total operating funding</b>	<b>7,741</b>	<b>7,723</b>	<b>8,101</b>	<b>7,780</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	5,465	5,395	4,916	4,832
Finance costs	746	866	1,360	1,285
Internal charges and overheads applied	1,119	1,277	1,186	1,012
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>7,330</b>	<b>7,538</b>	<b>7,462</b>	<b>7,129</b>
<b>Surplus (deficit) of operating funding</b>	<b>411</b>	<b>185</b>	<b>639</b>	<b>651</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	335	91	93	91
Increase (decrease) in debt	174	3,261	2,201	683
Gross proceeds from sale of assets	478	2,000	2,684	2,050
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<b>Total sources of capital funding</b>	<b>987</b>	<b>5,352</b>	<b>4,978</b>	<b>2,824</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	715	1,859	350	165
- to improve the level of service	498	2,414	2,138	1,108
- to replace existing assets	563	857	660	622
Increase (decrease) in reserves	(378)	407	2,469	1,580
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>1,398</b>	<b>5,537</b>	<b>5,617</b>	<b>3,475</b>
<b>Surplus (deficit) of capital funding</b>	<b>(411)</b>	<b>(186)</b>	<b>(639)</b>	<b>(651)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Community Facilities Internal Borrowings</b>				
Opening balance 1 July	12,183			
Internal loans raised during the year	441			
Internal loans repaid during the year	(267)			
Closing balance at 30 June	<b>12,356</b>			
<b>Community Facilities External Borrowings</b>				
Opening balance 1 July	1,873			
External loans raised directly by activity during the year	0			
Internal loans repaid directly by activity during the year	0			
Closing balance at 30 June	<b>1,873</b>			

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 \$662,000 interest expense in relation to loans raised internally from Council's treasury and \$84,000 interest expense charged on external loan raised directly by Community Facilities group of activities, for the year ended 30 June 2018.

#### **Variance to budgeted Capital Expenditure**

The railway reserve projects have been deferred, due to KiwiRail requirements not being cost-effective. Manfeild development has not proceeded, as no sections were sold in the financial year. Sanson toilets and park were deferred, pending the sale of the Sanson Hotel site in June 2018.



## District Development

This group of activities relates to the outcomes



### Community Funding and Development

#### What we do:

Provide funding and support for community organisations.

#### How we do it:

- Reviewing and administering the Community Development Funding Policy to ensure allocation of funding aligns with outcomes sought
- Partnering with community groups and not for profit organisations that deliver local solutions that promote economic, social, ecological and cultural wellbeing in our district
- Partnering with those villages that have participated in our Community Planning programme to implement identified projects and actions
- Providing a pool of funding for events that are organised by the community for the community as well as events that have a district wide focus that will generate an economic development benefit to the district.
- Providing a pool of funding for individuals and teams that will be representing the Manawatū District on the national and world stage
- Maintaining and developing relationships with funding recipients
- Administering Creative Community Funding scheme
- Supporting community committees throughout the district including: Apiti, Bainesse/Rangiotu, Cheltenham, Colyton, Feilding, Halcombe, Himatangi Beach, Hiwinui, Kimbolton, Pohangina, Rangiwhia, Rongotea, Sanson, Tangimoana and Waituna West.

#### Overview

Community plans have been developed for 11 of our communities. Community plan projects that were either started or completed during the year included enhancement of the Apiti Domain, Stages 3 and 4 of the Himatangi Beach signage strategy, Kimbolton Village gateway threshold, a Landscape and Recreational Plan for the Pohangina Reserve, the Waitohi Road Walkway, contribution towards the refurbishment of the Rongotea Pool and the design of a new brand for Sanson.

Other highlights included assisting the Timona Park Orchard Trust with improving the Simon Street end of Timona Park through the provision of fruit trees and to reinstate aspects of the park, the purchase of an all-weather cover over the seating area at the Apiti Domain for the Apiti Show, the Manfeild 6 Hour Cycle Challenge 2018.

The Representative Fund enabled 26 recipients to attend national and international events which included Bailey Jeffery at the 2017 ITF World Championships held in Dublin, Dane Keys-Kumeroa at the U18 Men's hockey National Tournament in Christchurch, Jack Lewer at the Inaugural 2017 World Para Athletics Junior Championships held in, Switzerland, Emily Shearman at the U19 World Track Cycling Championships in China, and supporting the Feilding High School Teen Ag at the Grand Finals held in Invercargill as well as various Feilding High School sports teams at national secondary school competitions.

A wide range of community development services were partly funded through the contracts of services, which include provision of a restorative justice and mentoring programme for young offenders up to the age of 17 years; provision of a Manawatū District Neighbourhood Support Area Coordinator; provision of heritage and history services through the Feilding and District's Community Archives; provision of the Youth and Parenting Programme for young people aged 8 to 18 and their parent/caregiver; a patrol service in Feilding to help reduce crime in the area; delivery of events, community and business development services.

## What has Council achieved in 2017/2018?

Level of Service: Relevant community development services		
Key Performance Indicator and Target	Result	Comments (if applicable)
100% satisfaction from Council that the outcomes set in the community development policy are being delivered		All funding has been allocated in accordance with the policy. Reports (2016/17) were received from partnership funded organisations and have been accepted by the Council. No negative feedback was provided by Council. <i>(Last year – target met)</i>

Level of Service: Satisfaction with community development services		
Key Performance Indicator and Target	Result	Comments (if applicable)
90% of customers are satisfied with community development services		55% of the 457 respondents were satisfied with the community and development services provided to the community. The survey results were: 8% very satisfied 32% satisfied 15% somewhat satisfied 23% somewhat dissatisfied 22% very dissatisfied Source – Public perception survey from July 2017 to June 2018 The reason for this result is not immediately apparent. There has been a change in the survey provider and the number of participants has increased. This may give a more accurate representation of public perception. Anecdotal comments received are that organisations are dissatisfied with the level of funding available, rather than the service provided. <i>(Last year – target not met – 71% of 234 respondents were satisfied with the service)</i>

## Economic Development

### What we do:

Promote and grow the local economy through business support services, investment, and collaboration, advocacy in order for businesses to start and grow in the district. Some economic development services are purchased from external organisations.

### How we do it:

- Working in partnership with Palmerston North City Council to direct and fund the Central Economic Development Agency Ltd to grow economic wealth in the Manawatū region
- Implementing the Manawatū District Economic Development Strategy
- Working with our partners in the Horizons Regional Council region to support Accelerate25 which is aimed at increasing job opportunities and quality of life in the Manawatū-Whanganui Region by connecting people, business, Iwi and our environment

Working in partnership with our neighbouring councils to implement opportunities highlighted within the Horizons Accelerate25 Action Plan

- Advocating on behalf of the district and promoting Manawatū as a central location to do business
- Funding security guard services in the Feilding Central Business District.

### Overview

In December 2017, the Manawatū District Council Economic Development Strategy 'Growing Manawatū' was adopted. Growing Manawatū identifies our key attributes of land, location and infrastructure and sets out key objectives and actions to grow both business and employment, and skills and capability across the District. The strategy also identifies key partners we will work with to deliver on our economic development goals.

The Central Economic Development Agency Ltd (CEDA) is our principal partner in the delivery of economic development services to the Manawatū District. In the short time that CEDA has been operational, they have worked hard to promote the region as a great place to visit, live, work and do business. June saw the new look ManawatūNZ.co.nz website launched while progress continues on the regional identity project to improve awareness and perceptions of the region. Once again CEDA delivered the sort it Careers expo with a total of 73 exhibitors and over 4,000 visitors.

Alongside all of this and more, business as usual continues, with CEDA delivering business support services through the Regional Business Partner programme to 377 businesses and allocating more than \$248,000 worth of shared funding.

Council monitored economic indicators reflected a strong local economy driven by favourable global demand conditions, high levels of employment, and continued consumption and investment conditions. Council recognises it needs to be continue to be flexible and responsive to changing economic conditions and new opportunities in order to meet the strategy objectives.

Leading opportunities to support growth in the regional economy are a priority for Council. As such, in 2017/18 Council has been investigating opportunities to attract Central Government funding to expand the local economy via applications to both the PGF and the Tourism Infrastructure Fund. Council is also undertaking a review of the Economic Development Strategy to ensure our strategy is up-to-date, and provides the best guidance to support growth in the local economy.

As part of the drive to make the best decisions possible, Council has established a quarterly and monthly economic reporting series. The information is designed to provide the most up-to-date economic data to support decision-making at the local level. The information is freely available to the community through the MDC website.

Council will continue to monitor and report on the economic performance of the District alongside annual review of our strategy and funding for economic development. Ongoing economic reporting and review will

enable Council to be responsive to changing economic circumstances and priorities; ensuring our investment in economic development is delivering the greatest benefit to our communities.

### What has Council achieved in 2017/2018?

Level of Service: Relevant economic development services		
Key Performance Indicator and Target	Result	Comments (if applicable)
100% satisfaction from Council that economic development strategies are being delivered		<p>All Economic Development funded agencies provide monitoring reports to Council. These were accepted by Council or the Joint Strategic Planning Committee with Palmerston North City Council.</p> <p>The Central Economic Development Agency (CEDA) is a key agent for Council economic development strategy.</p> <p><i>(Last year – target met)</i></p>

Level of Service: Satisfaction with economic development services		
Key Performance Indicator and Target	Result	Comments (if applicable)
80% of customers are satisfied with economic development services		<p>64% of 457 respondents were satisfied with economic development services.</p> <p>The survey results were:</p> <ul style="list-style-type: none"> <li>11% very satisfied</li> <li>38% satisfied</li> <li>15% somewhat satisfied</li> <li>22% somewhat dissatisfied</li> <li>14% very dissatisfied</li> </ul> <p>Source – Public perception survey from July 2017 to June 2018</p> <p>The reason for this result is not immediately apparent. There has been a change in the survey provider and the number of participants has increased. This may give a more accurate representation of public perception.</p> <p><i>(Last year – target not met – 77% satisfaction from 244 respondents)</i></p>

**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2018**  
**District Development**

	Actual 2018 \$000	Annual Plan 2018 \$000	LTP 2018 \$000	LTP 2017 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	2,566	2,545	2,155	2,229
Targeted rates	81	84	111	95
Subsidies and grants for operating purposes	13	25	57	56
Fees and charges	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	77	65	241	248
<b>Total operating funding</b>	<b>2,737</b>	<b>2,719</b>	<b>2,564</b>	<b>2,628</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,761	2,317	2,053	2,096
Finance costs	260	260	286	284
Internal charges and overheads applied	272	350	391	322
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>2,293</b>	<b>2,927</b>	<b>2,730</b>	<b>2,702</b>
<b>Surplus (deficit) of operating funding</b>	<b>444</b>	<b>(208)</b>	<b>(166)</b>	<b>(74)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(159)	49	(35)	29
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<b>Total sources of capital funding</b>	<b>(159)</b>	<b>49</b>	<b>(35)</b>	<b>29</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	492	(44)	0	154
Increase (decrease) of investments	(207)	(115)	(201)	(199)
<b>Total application of capital funding</b>	<b>285</b>	<b>(159)</b>	<b>(201)</b>	<b>(45)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(444)</b>	<b>208</b>	<b>166</b>	<b>74</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>District Development Internal Borrowings</b>				
Opening balance 1 July	4,573			
Internal loans raised during the year	0			
Internal loans repaid during the year	(159)			
Closing balance at 30 June	<b>4,414</b>			

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 2018 is disclosed above under finance costs.

## Emergency Management

This group of activities relates to the outcomes



### Civil Defence

#### What we do:

Provide services and information to reduce risk, increase readiness, response and resilience.

#### How we do it:

- Through a Civil Defence Emergency Management (CDEM) Service Agreement with Horizons Regional Council
- Administering the Civil Defence Emergency Act 2002
- Working with our neighbouring territorial authorities
- Working with organisations like Neighbourhood Support and local Community Groups
- Supporting promotions of Civil Defence in neighbourhoods
- Following the Manawatū-Wanganui Civil Defence Emergency Management Group Plan which focuses on: Risk reduction, identifying risk reduction initiatives, risk information exchange, risk reduction programming, flood plain mapping and modelling; risk reduction programmes for business, communities and care facilities; readiness, response and preparedness education and information activity through marketing opportunities with the support of our national organisation.
- Responding to emergencies and emergency events
- Recovery - reviewing of recovery plan, understanding, coordinating and promoting recovery prior to and post event.
- Monitoring and evaluation - including compliance monitoring, risk reduction monitoring, and a Civil Defence exercise programme
- Management and Governance activities including participation in regional Civil Defence Committee's - Coordinating Executive Group (Senior Management) and Joint Standing Committee, (Mayors) and Advisory Groups such as Welfare Coordination Group, Rural Coordination Group, and Lifelines Advisory Group. At the local level we administer the Manawatū Emergency Management Committee which works across the 4R's of Emergency Management (reduction, readiness, response and recovery) in collaboration with Emergency Services, Social Support Agencies, and voluntary groups.

#### Overview

It was a very active period for the Civil Defence team with the snow event of July 2017, monitoring of Cyclone Gita and Hola in February and March and their potential impacts on the Manawatū area, and the two minor flooding events of June 2018. An intensive training programme was completed for CDEM personnel, including Council staff, with 100% of council staff being trained to at least an Introduction to CDEM level. Exercise Ruahine, a major multi-agency earthquake based scenario, was completed in April 2018. The exercise included community members input by having them utilise the district VHF Radio system to communicate with the EOC.

Civil Defence Community Response and Recovery Plans (CRRP) for Rangiwahia, Pohangina Valley, Kimbolton, Bainesse / Rangiotu, Halcombe and Apiti are being developed to align with the new CDEM group recovery strategy. District Emergency Management Officer continued attendance at Community Committee meetings to update communities on Civil Defence actions and activities and to provide advice and guidance as required. The enablement of a community lead response is high priority for communities and a Community Activated Civil Defence Centre guide is being developed to assist these communities to do so.

A community based team has been formed to place tsunami warning signage and inform beach goers in our coastal communities of Himatangi Beach and Tangimoana.

A 24/7 emergency management duty officer Civil defence capability was maintained throughout the year.

### What has Council achieved in 2017/2018?

Level of Service: The community is informed about civil defence		
Key Performance Indicator and Target	Result	Comments (if applicable)
90% of feedback received demonstrates that the community is satisfied with this service		<p>77% of 457 respondents thought the preparedness for civil emergencies was good.</p> <p>The survey results were:</p> <p>22% excellent 42% good 13% somewhat good 11% somewhat poor 12% very poor</p> <p>Source – Public perception survey from July 2017 to June 2018</p> <p>Although the target was not achieved, community satisfaction for this service is trending upwards. This reflects a change in our service contract that has resulted in an increased level of service and community involvement.</p> <p><i>(Last year – target not met – 72% of 332 respondents were satisfied)</i></p>

### Rural fire

This responsibility for rural fire transferred to Fire and Emergency NZ (FENZ) on 1 July 2017.

### What has Council achieved in 2017/2018?

Level of Service: The community is informed about rural fire risk		
Key Performance Indicator and Target	Result	Comments (if applicable)
90% of feedback received demonstrates that the customers are satisfied with the service	<b>Not applicable</b>	<p>Not applicable this year.</p> <p><i>(Last year – target not met – 63% of 328 respondents were satisfied with the rural fire services provided)</i></p>
Level of Service: Response to rural fire callouts		
Key Performance Indicator and Target	Result	Comments (if applicable)
100% response to a rural fire callout	<b>Not applicable</b>	<p>Not applicable this year.</p> <p><i>(Last year – target met – 111 rural fire incidents were reported and responded to. The MDC tanker turned out in response to 22 of these incidents and the Manawatū Rural Fire Force attended 14 of the incidents.)</i></p>

**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2018**  
**Emergency Management**

	Actual 2018 \$000	Annual Plan 2018 \$000	LTP 2018 \$000	LTP 2017 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	0	0	237	226
Targeted rates	243	248	192	184
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>243</b>	<b>248</b>	<b>429</b>	<b>410</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	160	200	332	324
Finance costs	0	0	0	0
Internal charges and overheads applied	54	63	89	78
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>214</b>	<b>263</b>	<b>421</b>	<b>402</b>
<b>Surplus (deficit) of operating funding</b>	<b>29</b>	<b>(15)</b>	<b>8</b>	<b>8</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<b>Total sources of capital funding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	8	16
Increase (decrease) in reserves	29	(15)	0	(8)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>29</b>	<b>(15)</b>	<b>8</b>	<b>8</b>
<b>Surplus (deficit) of capital funding</b>	<b>(29)</b>	<b>15</b>	<b>(8)</b>	<b>(8)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Emergency Management Internal Borrowings**

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

## Environmental Services and Monitoring

This group of activities relates to the outcomes



### Animal Control

#### What we do:

Animal control and dog owner education.

#### How we do it:

- Administering The Dog Control Act 1996, Impounding Act 1955 , Dog Control Policy and Council's Animal Control and Dog bylaws
- Providing access to a 24 hour 7 day a week Animal Control Service for priority 1 responses
- Ensuring dogs are registered and controlled throughout the district
- Offering dog owners a "preferred ownership" status
- Delivering dog owner or safety education programmes
- Sponsoring obedience training certificates to the Feilding Dog Training Club
- Impounding nuisance, surrendered or unregistered animals and wandering stock and housing these at our Awa Street site for collection by owners, rehoming or destruction
- Classifying the district's 'menacing' and 'dangerous' dogs
- Maintaining Council's National Dog database interface.

#### Overview

Six Animal Control Officers are employed by Rangitikei District Council as part of a joint service agreement between Rangitikei and the Manawatū District. A Senior Animal Control Officer is based between the two areas, two Animal Control Officers are based in Feilding, two in Marton and one in Taihape.

Animal Control Officers respond to priority one calls after hours. Priority One calls include dog attacks and secured wandering dogs. During the year officers responded to 1,232 complaints, where none required progression to prosecution.

#### What has Council achieved in 2017/2018?

Level of Service: Timely response to requests for service		
Key Performance Indicator and Target	Result	Comments (if applicable)
90% of requests for service are responded to or caller contacted within timeframe set:		See individual timeframes below.
- Urgent requests about a dog attack or wandering stock; within 15 minutes of receiving request		167 urgent (priority 1) requests were received. 98.2% were responded to within 15 minutes of receiving the request. <i>(Last year – target met – 136 urgent requests were received and 97% were responded to within 15 minutes)</i>
- Notification of a roaming dog; next work business day of receiving request		259 priority 2 requests were received relating to roaming dogs. 99.6% were responded to within the timeframe set. <i>(Last year – target met – 244 priority 2 requests were received and 98% were responded to within the set timeframes)</i>

Level of Service: Timely response to requests for service		
Key Performance Indicator and Target	Result	Comments (if applicable)
- Routine animal control issues; next working business day of receiving notification		806 requests were received relating to routine animal control issues (priority 3). 98.3% were responded to within the timeframe set.  <i>(Last year – target met – 698 routine animal control requests were received of which 95% were responded to within the timeframe set)</i>

## Building Control

### What we do:

Process building consent applications for compliance with the Building Act, issue code compliance certificates, undertake inspections during construction, issue Certificates of Acceptances, Certificates for Public Use, and provide advice and information. We also monitor swimming pool and spa pool fencing for compliance and fire safety systems in commercial and public buildings.

### How we do it:

- Being an accredited Building Consent Authority
- Administering the Building Act 2004
- Responding to earthquake-prone, dangerous or insanitary buildings issues
- Responding to building related complaints and provide advice
- Committing to develop good working relationships with external stakeholders by facilitating key stakeholder meetings for the construction and development industry
- Ensuring buildings provide facilities for people with disabilities where required
- Monitoring swimming pool/spa fencing to protect children under five years from drowning
- Developing policies for dangerous and insanitary buildings in accordance with the Building Act 2004.
- Making Building Control Services information current and accessible via Council's website and Council office (hard copy)

### Overview

Building Services is a contracted service from Palmerston North City Council. Throughout the last year they processed 77% of the Building Consent applications, and 96% of the Code compliance certificates within the statutory time frames.

Sustained high volumes of applications received over the financial year, with 27% being for new dwellings.

During the year an electronic building consent application portal and processing system was successfully implemented as part of the drive to fully digitise the consent process.

## What has Council achieved in 2017/2018?

Level of Service: A responsive building control service		
Key Performance Indicator and Target	Result	Comments (if applicable)
The requests for service are responded to within the timeframes set:		See individual timeframes below.
90% of inspections can be booked within four days of the request		<p>The average waiting time for the first available inspection was 3.7 days.</p> <p>In many instances inspections are booked weeks in advance, at the request of the builder. This timeframe is outside of the target.</p> <p><i>(Last year – target not met – average waiting time for the first three months exceeded the four day target)</i></p>
90% of complaints about our building control service are responded to within ten working days		<p>74 complaints were received during the year and 71 were resolved within 10 working days - 96% compliant.</p> <p>No complaints were in relation to service delivery.</p> <p>The categories of complaints related to:</p> <ul style="list-style-type: none"> <li>• Stormwater investigations (26)</li> <li>• Perceived non-compliance – general inspections (42)</li> <li>• Swimming pool fencing (4)</li> <li>• Drainage and insanitary (2)</li> </ul> <p><i>(Last year – target met - 105 complaints were received, 90% were resolved within 10 days)</i></p>
100% of building consents applications and code of compliance certificates are processed and approved within the statutory 20 working days.		<p>664 building consents and 751 code of compliance certificates were issued, of which 77% and 96% respectively were issued within the 20 working day timeframe.</p> <p>Training new staff and the implementation of a new online systems which required significant input from building officers has contributed to this result.</p> <p><i>(Last year – target not met - 654 consents processed, 85% within statutory timeframe. 827 code of compliance certificates were processed, 95% issued within 20 days.)</i></p>
100% of fixed fee (small works) building consents applications are processed and approved within 10 working days.		<p>339 fixed fee building consents were issued, of which 90% were issued within the 10 working day timeframe.</p> <p>A notable increase in applications due to growth in the region and the implementation of a new online systems which required significant input from building officers has contributed to this result.</p> <p><i>(Last year – target not met – 77 fixed fee building consents were issued of which 76% were within the set timeframe)</i></p>

Level of Service: Commercial and public buildings are safe

Key Performance Indicator and Target	Result	Comments (if applicable)
5% of the district's commercial and public buildings that hold current compliance schedules are audited.		There are 385 buildings that hold a current compliance schedule. 36 audits were completed during the year which represents 9%. <i>(Last year – target met - there were 385 buildings with compliance schedules and 26 were audited – 7%)</i>

## Environmental Health and Compliance Monitoring

### What we do:

Work to keep residents, visitors and the environment safe by monitoring, mitigating and minimising potential harmful activities and registering premises. Process alcohol licences and monitor licensed premises.

### How we do it:

- Administering the Health Act 1956, Food Act 2014, Resource Management Act 1991, Amusement Devices Regulations 1978 and the Hazardous Substances and New Organisms Act 1996, the Gambling Act 2003 and the Racing Act 2003
- Appointing a District Licensing Committee who make decisions on applications for new and renewed licences and managers' certificates - temporary authorities and temporary licences, variation of licences, enforcement action for special licences, collaborating with New Zealand Police, Mid Central Health and FENZ, conducting annual inspections of licensed premises to ensure they comply with licence conditions
- Administering statutory obligations set by the Sale and Supply of Alcohol Act 2012.
- Registering, monitoring and auditing premises that prepare and sell food
- Monitoring and enforcing legislation relating to hazardous substances and amusement devices
- Monitoring and enforcing bylaw provisions
- Monitoring compliance with land use and subdivision consent conditions
- Educating and providing advice to the public and businesses
- Providing a 24 hours, 7 day a week noise response service.

### Overview

Four premises are remaining to transition to the requirements of the Food Act 2014. This is required before November 2018.

The district's 54 licensed premises continue to retain their liquor licenses, all premises were inspected over the performance year. All premises complied after a controlled purchase operation was conducted with Police.

The team have been successful in litter and fly tipping investigations and issuing infringements and a successful prosecution in December 2017.

Noise Complaints have decreased over the last year. After-hour service for noise complaints is conducted by a contractor, with serial offenders being managed more effectively and efficiently.

## What has Council achieved in 2017/2018?

Level of Service: Ensure a high standard of hygiene is maintained in food premises and other registered premises		
Key Performance Indicator and Target	Result	Comments (if applicable)
100% of all food premises and registered premises are inspected annually.		<p>During the year there were 158 registered food premises. Of these 101 were inspected. Of the remaining premises 25 are on a 18 month verification and 19 are on a 12 month verifications and did not require an inspection during the 2017/18 year.</p> <p>There are 13 new food registrations since May 2018 which are to be inspected after three months.</p> <p><i>(Last year – target not met – 156 registered food premises and 62 had Food Control Plans, 40 of which were inspected – 84% compliance.)</i></p>

Level of Service: A timely response to requests for service		
Key Performance Indicator and Target	Result	Comments (if applicable)
90% of the following requests for service are responded and contacted with the timeframes set:		See individual timeframes below.
- Issues endangering public health are responded to within 24 hours of notification.		<p>Ten complaints regarding food hygiene practices were received. All were responded to within 24 hours– 100% compliance.</p> <p><i>(Last year – target not met – eight food complaints were received and seven were responded to within the set timeframe 88% compliance)</i></p>
- Urban noise complaints are responded to within one hour of notification.		<p>570 urban noise complaints were received, of which 528 were responded to within one hour – 93% compliance.</p> <p><i>(Last year – target met - 728 noise complaints were received and 93% were responded to within one hour)</i></p>
- Other issues that are not endangering public health are responded to within 48 hours of notification.		<p>432 requests for service were received, of which 421 were responded to within 48 hours – 97% compliance.</p> <p><i>(Last year – target not met - 507 requests for service were received and 85% were responded to within the set timeframe)</i></p>

Level of Service: All licensed premises selling alcohol comply with the appropriate alcohol license they have been issued

Key Performance Indicator and Target	Result	Comments (if applicable)
100% of all licensed premises are inspected annually		All 54 licensed premises selling alcohol were inspected during the year – 100% compliance. <i>(Last year – target not met – 55 of the 56 licensed premises were inspected during the year.)</i>

## District Planning and Policy

### What we do:

Provide a framework, guidance and compliance, to help ensure our natural and physical resources are sustainably managed.

### How we do it:

- Implementing a District Plan and policies that reflect the direction given by Central Government and Horizons Regional Council
- Processing resource consents
- Providing planning advice to all customers and input into the approval of liquor licenses, and Land Information Memorandums (LIMs)
- Assessing building consents to ensure they meet the provisions of the District Plan
- Responding to Horizons Regional Council and Central Government policy proposals where these affect land use and resource management within the district
- Conducting a review of the District Plan every 10 years
- Conducting a review of the state of the district’s environment every five years
- Processing private plan change requests and notices of requirements for designations
- Ensuring information about the resource consent application process, district planning and monitoring and the Resource Management Act 1991 (RMA) are up to date and easily accessible via Council’s website and at the Council office (hard copy)
- Having a planner on duty on each working week day between the hours of 9am to 1pm at the Council office to assist with general planning or resource consent application enquiries
- Planners are also available outside this timeframe to assist with any planning or resource consent enquiries.

### Overview

The performance of the Resource Consent team has been affected by a sustained high volume of applications over the previous financial year that has necessitated the outsourcing of approximately 60% of consent processing to external consultants. As a result it has been difficult to achieve the 10 day timeframe for controlled activities.

Successful implementation of an electronic Land information Memorandum system, is being followed by the implementation an electronic resource consent application and processing system.

The District Plan Review has progressed throughout the year. Plan Changes 52 (Industrial Zone), 53 (Rural Zone Review), 55 (District Wide rules) and 60 (Designations) were all ‘clause 3’ notified.

## What has Council achieved in 2017/2018?

Level of Service: A responsive district planning service		
Key Performance Indicator and Target	Result	Comments (if applicable)
100% of resource management applications are processed and approved as per statutory timeframes specified within the Resource Management Act.		See individual timeframes below.
- 70 working days for notified and limited notified consents		<p>There has been one resource consent that proceeded to a hearing. The processing time was 189 days. This application was notified on a limited basis.</p> <p>The applicant waived the statutory timeframes to allow for a pre-hearing meeting.</p> <p><i>(Last year – target not met – One resource consent proceed to a hearing which took 189 days to process)</i></p>
- 20 working days for non-notified resource consents		<p>There were 243 non-notified resource consents processed during the year. 216 were processed within the required 20 working days – 89% compliance.</p> <p>The reason for not meeting set timeframes was due to increased numbers of applications putting pressure on resourcing.</p> <p><i>(Last year – target not met - 210 consents were processed, 79% within the required timeframe)</i></p>
- 50 working days for notified and limited notified resource consents not requiring a hearing		<p>There were two applications processed on a notified or limited notified basis and did not proceed to a hearing. All were processed within 50 working days – 100% compliance.</p> <p><i>(Last year – target met – 13 limited or publicly notified consents not require a hearing were processes, all within the required timeframe)</i></p>
- 10 working days for controlled activities resource consents		<p>67 controlled activity resource consent applications were processed during the year. Only four were processed within 10 working days.</p> <p>Most were processed within the statutory timeframe of 20 working days. Controlled activities include subdivision consents which are excluded from the fast track provisions introduced by the Resource Management Amendment Act 2017.</p> <p><i>(Last year – target not met – 70 controlled consent applications were processed, of which only six were processed within the required timeframe)</i></p>

**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2018**  
**Environmental and Monitoring Services**

	Actual 2018 \$000	Annual Plan 2018 \$000	LTP 2018 \$000	LTP 2017 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	571	566	587	552
Targeted rates	2,068	2,110	2,085	1,963
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	1,950	1,804	1,554	1,510
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	61	24	24	23
<b>Total operating funding</b>	<b>4,650</b>	<b>4,504</b>	<b>4,250</b>	<b>4,048</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	2,268	2,293	1,789	1,989
Finance costs	0	0	0	0
Internal charges and overheads applied	2,697	2,520	2,298	2,196
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>4,965</b>	<b>4,813</b>	<b>4,087</b>	<b>4,185</b>
<b>Surplus (deficit) of operating funding</b>	<b>(315)</b>	<b>(309)</b>	<b>163</b>	<b>(137)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<b>Total sources of capital funding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	(315)	(309)	163	(137)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>(315)</b>	<b>(309)</b>	<b>163</b>	<b>(137)</b>
<b>Surplus (deficit) of capital funding</b>	<b>315</b>	<b>309</b>	<b>(163)</b>	<b>137</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Environmental and Monitoring Services - Internal Borrowings**

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

## Governance and Strategy

This group of activities relates to the outcomes



### What we do:

Manage elected members' remuneration, run Council meetings, carry out community consultation and engagement, and run Local Body elections. The Governance and Strategy Group also provides strategic planning for the future and works to promote the best interests of the District.

### How we do it:

- Having an elected Council comprising of one Mayor and 10 Councillors (Councillors represent three wards: Feilding, Northern rural ward and Southern rural ward)
- Providing the community with excellent governance and sound leadership
- Providing multiple opportunities for you to be involved in the important decisions that Council makes about the Manawatū District
- Having seven standing committees and a number of other committees
- Working with our community committees
- Working to promote the best interests of the District at Regional and Central Government levels
- Managing finances responsibly.

### Overview

The principle activity for the year was the production of the Long Term Plan 2018-28. This included the Infrastructure Strategy, Financial Strategy and Development Contributions Policy. A key issue included in the Long Term Plan was changes to the way the rating system was applied, following community consultation this was not progressed and the current rating system retained. Changes were proposed and accepted for the management of stormwater which will see the stormwater rate harmonised across the district for those ratepayers that benefit from the service.

The community committees continue to be a valuable resource providing both feedback and a functional aspect that enhances the lifestyle in the villages.

Council proposed to include a Maori Ward to enhance Maori representation at the Council table, this was challenged by the community and not implemented.

### What has Council achieved in 2017/2018?

 Level of Service: Responsible management of finance		
Key Performance Indicator and Target	Result	Comments (if applicable)
Zero breaches of rating or debt levels set in the Financial Strategy		<p>There have been no breaches of the rating or debt levels set in the financial strategy.</p> <p>The limit for rates increases in the Financial Strategy for the 2017/18 year is 5.9% with a planned 3.9% increase in the Annual Plan. Actual rates revenue is in line with the budget.</p> <p>The borrowing limit in the Financial Strategy for the 2017/18 year is \$76 million with \$66 million planned in the Annual Plan. Year-end borrowing is \$62.6 million.</p>



Level of Service: Responsible management of finance

Key Performance Indicator and Target	Result	Comments (if applicable)
		<i>(Last year – no breached occurred)</i>



Level of Service: Opportunities for community involvement in decision-making.

Key Performance Indicator and Target	Result	Comments (if applicable)
80% customer satisfaction with the opportunities Council provides for community involvement in decision-making.		<p>59% of 457 respondents were satisfied that they have the opportunity to participate in decision making.</p> <p>The survey results were:</p> <ul style="list-style-type: none"> <li>10% very satisfied</li> <li>38% satisfied</li> <li>11% somewhat satisfied</li> <li>17% somewhat dissatisfied</li> <li>24% very dissatisfied</li> </ul> <p>Source – Public perception survey from July 2017 to June 2018</p> <p><i>(Last year – target not met – 64% of 340 were satisfied)</i></p>

**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2018**  
**Governance and Strategy**

	Actual 2018 \$000	Annual Plan 2018 \$000	LTP 2018 \$000	LTP 2017 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	0	0	0	0
Targeted rates	2,044	2,085	2,080	1,959
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	2	0	0	66
<b>Total operating funding</b>	<b>2,046</b>	<b>2,085</b>	<b>2,080</b>	<b>2,025</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	620	598	553	654
Finance costs	0	0	0	0
Internal charges and overheads applied	1,346	1,486	1,521	1,365
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>1,966</b>	<b>2,084</b>	<b>2,074</b>	<b>2,019</b>
<b>Surplus (deficit) of operating funding</b>	<b>80</b>	<b>1</b>	<b>6</b>	<b>6</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<b>Total sources of capital funding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	80	1	6	6
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>80</b>	<b>1</b>	<b>6</b>	<b>6</b>
<b>Surplus (deficit) of capital funding</b>	<b>(80)</b>	<b>(1)</b>	<b>(6)</b>	<b>(6)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Governance and Strategy - Internal Borrowings**

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

## Roading

This group of activities relates to the outcomes



### What we do:

Provide a fit for purpose roading network.

### How we do it:

Apply life-cycle management practices to maintain and renew the existing infrastructure including:

- 1,370 km of roads
- 373 bridges and large culverts that traverse waterways
- Footpaths and cycle paths to provide multi-modal transport
- 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
- Redevelopment of Feilding Central Business District

### Overview

Ongoing shared services continue with Rangitikei District Council in providing Asset Management and Engineering services. Opportunities continued to be explored with all our neighbouring local authorities to advance collaboration of specialist work functions.

Reinstatement work following the 2015 storm event continued into 2017/18 with the replacement of the Nannestad Line culvert. The project was completed in June 2018 after significant delays obtaining resource consent.

Two separate weather events also occurred in May and July 2017, the total expenditure for emergency response and reinstatement work in 2017/2018 was \$3.2M. Other work included:

- 51.5 km of sealed roads were resurfaced.
- 4.9 km of sealed roads were reconstructed.
- 2.7km of Makoura Road was rehabilitated and sealed, previously this was unsealed.

Road improvements projects with a value of \$1.8m were undertaken, notable projects;

- Colyton village, drainage improvements and footpath renewal near the Colyton Hall
- Pohangina Road, construction of new bridge to repair a large dropout
- 1016 LED streetlight luminaires were installed

Urban reconstruction projects were completed in;

- Pharazyn Street
- Wellington Street
- Seddon Street North

Other urban reconstruction projects were well underway in;

- Seddon Street South
- Kimbolton Road North (Kimbolton township)
- Port Street East

Planning for the Mangaweka Bridge replacement is underway with the Detailed Business Case completed in June 2018.

Road Safety Improvements were undertaken to mitigate identified risks at 10 different sites across the district.

Significant amendments to the Roothing Asset Management Plan were undertaken to align with the New Zealand Transport Authority’s (NZTA) “One Network Road Classification”. NZTA approves funding for maintenance, renewal and improvement projects on a three yearly funding cycle. The 2019-2021 budget has been approved.

### What has Council achieved in 2017/2018?

Level of Service: Road users can get to where they need to go safely using our road network		
Key Performance Indicator and Target	Result	Comments (if applicable)
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network to increase by no more than five on the previous year.		For the period 1 July 2017 to 30 June 2018 there were five fatal crashes and 15 serious injury crashes. For the equivalent period last year there were three fatal and 10 serious injury crashes.  This represents an increase in the number of fatalities and serious injury crashes on the Council’s road network.  <i>(Last year – target met)</i>
95% customer satisfaction that our roading network was safe to use (customer satisfaction survey)		75% of 457 respondents are satisfied that the road will get them safely to their destination.  The survey results were: 16% very satisfied 46% satisfied 13% somewhat satisfied 10% somewhat dissatisfied 15% very dissatisfied  Source – Public perception survey from July 2017 to June 2018  <i>(Last year – target not met – 77% of 415 were satisfied)</i>

Level of Service: Road to be in good condition

Key Performance Indicator and Target	Result	Comments (if applicable)
<p>The annual average as per the Smooth Travel Exposure (STE) index on sealed roads.</p> <p>No target was set in the Long Term Plan. The target has been subsequently set at 90% or more.</p>		<p>The STE index for:</p> <ul style="list-style-type: none"> <li>• urban roads – 91%</li> <li>• rural roads – 95%</li> <li>• all roads – 94%</li> </ul> <p><i>(Last year – target met – The STE index were, urban 91%, rural 95% and all roads 94%)</i></p>
<p>95% customer satisfaction that the quality of the ride is as they would expect.</p>		<p>80% of 457 respondents were satisfied that the road conditions are at the expected quality.</p> <p>The survey results were:</p> <p>21% very satisfied            47% satisfied            12% somewhat satisfied            7% somewhat dissatisfied            13% very dissatisfied</p> <p>Source – Public perception survey from July 2017 to June 2018  <i>(Last year – target not met – 70% of 417 were satisfied)</i></p>

Level of Service: The roading network to be well maintained

Key Performance Indicator and Target	Result	Comments (if applicable)
<p>5% of the sealed local road network is resurfaced each year.</p>		<p>Council maintain a sealed roading network of 995.9 km. This year 51.46 km or 5.2% have been resealed.</p> <p><i>(Last year – target met – 58.86km or 5.9% of the network was resealed)</i></p>

Level of Service: Well maintained footpaths

Key Performance Indicator and Target	Result	Comments (if applicable)
95% of the district's footpaths are within acceptable defect levels, for example cracking, breaks, high lips, trip hazards as determined in the Roding Asset Management Plan.		<p>99.5% of footpaths (by length) rated as condition 1-4. Condition 5 is considered to be unacceptable as defects present trip hazards.</p> <p>condition 1 – excellent – 24.6%</p> <p>condition 2 – good – 50.4%</p> <p>condition 3 – satisfactory - 21.4%</p> <p>condition 4 – poor (showing deterioration but not hazardous) – 3.1%</p> <p>condition 5 – trip hazards exist - 0.1%</p> <p>not rated – 0.4%</p> <p><i>(Last year – target met – 99.7% were rated condition 1-4)</i></p>

Level of Service: People can easily get to where they want to go

Key Performance Indicator and Target	Result	Comments (if applicable)
90% customer satisfaction that the network was accessible, easy to navigate and there was adequate signage.		<p>92% of 457 respondents were satisfied that the road network has enough signage and is easy to navigate.</p> <p>The survey results were:</p> <p>32% very satisfied</p> <p>53% satisfied</p> <p>7% somewhat satisfied</p> <p>4% somewhat dissatisfied</p> <p>4% very dissatisfied</p> <p>Source – Public perception survey from July 2017 to June 2018</p> <p><i>(Last year – target not met – 88% of 415 respondents were satisfied)</i></p>

Level of Service: Timely response to requests for service

Key Performance Indicator and Target	Result	Comments (if applicable)
95% of requests for service are responded and contacted within the timeframes set:		See individual timeframes below
- Urgent requests for service responded to within one hour of Council receiving the request.		98 urgent requests for service were received. All were responded to within one hour of Council receiving the request – 100% compliance. <i>(Last year – target met – 180 urgent requests were received and all were responded to within the required timeframe)</i>
- Contracted service personnel are on site for urgent requests within one hour of the contractor receiving Council’s notification.		For 74% of the urgent requests for service above, contactors were on-site within one hour of receiving Council’s notification. The roading contract requires the contractor to be on site within two hours. <i>(Last year – target not met – 180 urgent requests were received and contract staff were on site within one hour for 64% of these requests)</i>
- For urgent requests the road network reinstated as soon as possible.		For all the urgent requests, the road network was reinstated as soon as possible. The initial response normally occurs within two hours. If practical the contractor will remedy the situation immediately. If this cannot be done the site will be made safe and work will commence as agreed with Council. <i>(Last year – target met)</i>
- Notifying customers when the road network has been reinstated within one hour of Council receiving confirmation from contracted service personnel.		When a customer lodges a request they are asked if they require notification when the road network has been reinstated. There were three requests for notification and 100% were actioned within the required timeframe. <i>(Last year – target not met – There were 14 requests for notification and 79% were actioned within the required timeframe)</i>
- Responding, acknowledging and resolving non-urgent requests within five days of receipt.		There were 1,010 non-urgent requests received. 68% were responded to, acknowledged and resolved within five days of receipt. In line with our contract non-urgent works are programmed for repair within three months or as instructed by Council. <i>(Last year – target not met – 1,189 non urgent requests were received and 45% were responded to within the required timeframe)</i>

**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2018**  
**Roading Network**

	Actual 2018 \$000	Annual Plan 2018 \$000	LTP 2018 \$000	LTP 2017 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	25	25	57	56
Targeted rates	6,731	6,718	6,254	6,110
Subsidies and grants for operating purposes	4,184	2,887	2,219	2,227
Fees and charges	42	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	209	186	190	187
<b>Total operating funding</b>	<b>11,191</b>	<b>9,816</b>	<b>8,720</b>	<b>8,580</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	7,764	5,755	4,333	4,347
Finance costs	158	169	201	198
Internal charges and overheads applied	(184)	168	455	370
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>7,738</b>	<b>6,092</b>	<b>4,989</b>	<b>4,915</b>
<b>Surplus (deficit) of operating funding</b>	<b>3,453</b>	<b>3,724</b>	<b>3,731</b>	<b>3,665</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	4,440	4,800	4,543	3,603
Development and financial contributions	475	132	135	133
Increase (decrease) in debt	848	341	474	(84)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<b>Total sources of capital funding</b>	<b>5,763</b>	<b>5,273</b>	<b>5,152</b>	<b>3,652</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	595	1,979	416	133
- to improve the level of service	1,699	1,066	2,080	765
- to replace existing assets	7,789	8,493	6,999	6,693
Increase (decrease) in reserves	(866)	(2,539)	(612)	(274)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>9,216</b>	<b>8,997</b>	<b>8,883</b>	<b>7,317</b>
<b>Surplus (deficit) of capital funding</b>	<b>(3,453)</b>	<b>(3,724)</b>	<b>(3,731)</b>	<b>(3,665)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Roading Network - Internal Borrowings</b>				
Opening balance 1 July	2,671			
Internal loans raised during the year	941			
Internal loans repaid during the year	(93)			
Closing balance at 30 June	<b>3,519</b>			

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 2018 is disclosed above under finance costs.

## Solid Waste

This group of activities relates to the outcomes



### What we do:

Provide a refuse bag collection service, recycling service and work with the community to minimise waste.

### How we do it:

- Providing weekly refuse bag collection service to urban and selected rural areas
- Providing kerbside recycling to Feilding residents and businesses
- Providing rural recycling facilities in selected villages
- Providing waste transfer stations
- Providing litterbin services
- Providing bulk rural refuse collection
- Removing fly-tipping
- Reviewing our Waste Minimisation Management Plan
- Meeting our legal obligations to the Waste Minimisation Act 2008, Local Government Act 2002, Health Act 1956 and Resource Management Act 1991 to provide solid waste services
- Supporting the Enviroschools programme
- Delivering waste education programmes
- Inspecting solid waste collection points to ensure safety and avoid health risks
- Providing educational material to households, farmers, schools and businesses educating them of the benefits of diverting more waste from landfill through recycling

### Overview

Total waste volumes continued to increase over the previous year. This was largely due to more commercial waste being consolidated at Feilding Transfer Station. Kerbside recycling tonnages collected was similar to the previous year (total collected 1,300 tonnes) and total recyclables collected was down by 3.5% over previous year (total collected 2,014 Tonnes).

Council has five Mobile Recycling Centres collecting recyclables from rural communities (Tangimoana, Himatangi Beach, Rongotea, Sanson and Pohangina) which provide a low cost community recycling service. Capacity at two sites has been doubled to reduce servicing costs and provide a more easily managed site.

The Enviroschools programme continues to prove to be popular with three additional schools joining in making a total of 10 schools participating

### What has Council achieved in 2017/2018?

Level of Service: Access to waste management services		
Key Performance Indicator and Target	Result	Comments (if applicable)
90% of rural residents have convenient council refuse bag drop-off points less than 10km from their homes.		94% of rural residents are within 10km of a rural refuse collection point. <i>(Last year – target met – 94%)</i>

Level of Service: Access to waste management services

Key Performance Indicator and Target	Result	Comments (if applicable)
100% mobile recycling centres (MRC) are conveniently located in identified villages.		<p>MRCs are conveniently located in identified villages. (i.e. within 5km of village centre).</p> <p>Identified villages are based on historic submissions and requests – Sanson, Himatangi Beach, Pohangina, Tangimoana and Rongotea. During the year MRCs have been successfully installed in Halcombe, Apiti and Cheltenham.</p> <p><i>(Last year – target met)</i></p>

Level of Service: Waste education programmes to encourage recycling

Key Performance Indicator and Target	Result	Comments (if applicable)
Two waste education programmes delivered per annum		<p>A mini digital film competition was held in December. Horizons Regional Council and Manawatū District Council facilitated the competition and awards.</p> <p>Zero Waste Education visited Kopane, Tangimoana, Manchester, Apiti, Taonui, Colyton and Pohangina schools. Positive reports were received from the schools.</p> <p>There are now 10 Enviroschools in the District. The facilitator has prepared and run four Enviroschools cluster workshops. These include:</p> <ul style="list-style-type: none"> <li>• Two workshops in the 2017 “taking action in reducing waste” series</li> <li>• Regional early childhood centre workshops were run in collaboration with the Palmerston North City Council and Tararua District Council facilitators.</li> <li>• The first of the 2018 “water of life” series</li> </ul> <p><i>(Last year – target met – Nine received waste minimisation programmes and nine schools / early childhood centres were enrolled in the Enviroschools programme)</i></p>

Level of Service: Cost effective solid waste services

Key Performance Indicator and Target	Result	Comments (if applicable)
<p>Solid waste service costs are within 10% per tonne to landfill of the average of neighbouring communities</p>		<p>There is commercial sensitivity regarding individual organisations (Council or private provider) and we are not able to report against this measure as stated.</p> <p>The intention of this measure is to compare the cost to the ratepayer and the measure has been redefined to the cost to our residents (gate charges) being no more than 10% per tonne higher than the average of our neighbouring communities.</p> <p>The average disposal cost to ratepayers in neighbouring districts is \$172 per tonne. The cost to Manawatū District ratepayers is \$175 per tonne.</p> <ul style="list-style-type: none"> <li>• Rangitikei fees - 21% less</li> <li>• Horowhenua fees - 2% more</li> <li>• Palmerston North fees - 17% more</li> <li>• Tararua fees - 25% less</li> <li>• Whanganui fees - 17% more</li> </ul> <p><i>(Last year – target met – the cost to ratepayers was no more than 10% per tonne higher than the average of our neighbouring communities)</i></p>

**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2018**  
**Solid Waste**

	Actual 2018 \$000	Annual Plan 2018 \$000	LTP 2018 \$000	LTP 2017 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	0	0	0	0
Targeted rates	1,749	1,767	1,737	1,672
Subsidies and grants for operating purposes	113	105	96	94
Fees and charges	1,093	879	677	677
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	23	2	57	1
<b>Total operating funding</b>	<b>2,978</b>	<b>2,753</b>	<b>2,567</b>	<b>2,443</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	2,896	2,413	1,954	1,911
Finance costs	99	60	114	79
Internal charges and overheads applied	436	384	432	409
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>3,431</b>	<b>2,857</b>	<b>2,500</b>	<b>2,399</b>
<b>Surplus (deficit) of operating funding</b>	<b>(453)</b>	<b>(104)</b>	<b>67</b>	<b>44</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	58	(36)	(77)	713
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<b>Total sources of capital funding</b>	<b>58</b>	<b>(36)</b>	<b>(77)</b>	<b>713</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	180	71	5	784
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	(575)	(211)	(15)	(27)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>(395)</b>	<b>(140)</b>	<b>(10)</b>	<b>757</b>
<b>Surplus (deficit) of capital funding</b>	<b>453</b>	<b>104</b>	<b>(67)</b>	<b>(44)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Solid Waste - Internal Borrowings</b>				
Opening balance 1 July	220			
Internal loans raised during the year	125			
Internal loans repaid during the year	(67)			
Closing balance at 30 June	<b>278</b>			

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 2018 is disclosed above under finance costs.

## Stormwater

This group of activities relates to the outcomes



### What we do:

Provide a network of stormwater systems throughout the District.

### How we do it:

- Maintaining reticulated stormwater systems in Feilding, Rongotea and Sanson including inlets, pipes, open drains, and outlets to receiving environments
- Carrying out significant ongoing maintenance to the four rural drainage schemes: Bainesse, Maire, Makowhai and Oroua Downs
- Maintaining shared stormwater assets in Himatangi Beach, Halcombe, Apiti, Kimbolton, Pohangina, Rangiwahia and Cheltenham.

### Overview

Major stormwater work was planned and completed for growth works in Precinct 4: Pharazyn Street, Port Street and Root Street. A section of open stormwater drain along West Street was “piped” using an 1800mm concrete precast culvert. This project also replaced a section of old Helcor pipe that was rusted and caused safety concerns for public access and vehicular traffic.

Council have adopted a Village Stormwater Services program as part of the LTP 2018-28 to harmonise the rating of the stormwater upgrade program for Feilding, Rongotea and Sanson and to include the villages of Halcombe, Cheltenham, Himatangi Beach, and Tangimoana. Ongoing works are programmed in Feilding for Precinct 4 and Precinct 5-Turners Road.

### What has Council achieved in 2017/2018?

Level of Service: Stormwater system adequacy		
Key Performance Indicator and Target	Result	Comments (if applicable)
The number of flooding events that occur in the district.		
- Less than 10 habitable floors per 1000 properties affected by flooding per flooding event that occurred in the district.		No flooding of habitable floors was reported during the year.  <i>(Last year – target met – no flooding of habitable floors was reported)</i>

Level of Service: Comply with discharge consent conditions		
Key Performance Indicator and Target	Result	Comments (if applicable)
Less than two abatement notices received advising		No abatement notices were received during the year.

Level of Service: Comply with discharge consent conditions

Key Performance Indicator and Target	Result	Comments (if applicable)
breaches of resource consent.		<i>(Last year target met – no abatement notices were received)</i>
Zero infringement notices, enforcement orders or convictions received advising breaches of resource consent conditions per scheme.		No infringement notices, enforcement orders or convictions were received during the year. <i>(Last year – target met – no infringement notices, enforcement orders or convictions were received)</i>

Level of Service: Respond to flooding events in a timely manner

Key Performance Indicator and Target	Result	Comments (if applicable)
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.		No flooding events occurred during the year.  For the purpose of this measure, a flooding event means an overflow of stormwater from Council’s stormwater system that enters a habitable floor. (Definition from the Non-Financial Performance Measure Rules 2013)  <i>(Last year – target met – no flooding events occurred)</i>

Level of Service: Satisfaction with stormwater service

Key Performance Indicator and Target	Result	Comments (if applicable)B
Less than six complaints per annum, per 1,000 property connections.		During the year Council received 26 complaints relating to the stormwater service. This represents 3.9 complaints per 1,000 property connections. <i>(Last year – target met – 34 complaints were received which represents 5.1 complaints per 1,000 properties connected)</i>

**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2018**  
**Stormwater**

	Actual 2018 \$000	Annual Plan 2018 \$000	LTP 2018 \$000	LTP 2017 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	159	158	189	185
Targeted rates	640	638	725	710
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>799</b>	<b>796</b>	<b>914</b>	<b>895</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	205	192	304	346
Finance costs	284	278	406	361
Internal charges and overheads applied	330	172	68	40
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>819</b>	<b>642</b>	<b>778</b>	<b>747</b>
<b>Surplus (deficit) of operating funding</b>	<b>(20)</b>	<b>154</b>	<b>136</b>	<b>148</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	320	242	248	244
Increase (decrease) in debt	1,474	2,114	508	697
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<b>Total sources of capital funding</b>	<b>1,794</b>	<b>2,357</b>	<b>756</b>	<b>941</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	1,546	2,135	594	771
- to improve the level of service	13	0	0	0
- to replace existing assets	579	733	396	383
Increase (decrease) in reserves	(364)	(358)	(98)	(65)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>1,774</b>	<b>2,510</b>	<b>892</b>	<b>1,089</b>
<b>Surplus (deficit) of capital funding</b>	<b>20</b>	<b>(154)</b>	<b>(136)</b>	<b>(148)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Storm Water - Internal Borrowings</b>				
Opening balance 1 July	4,764			
Internal loans raised during the year	1,555			
Internal loans repaid during the year	(81)			
Closing balance at 30 June	<b>6,238</b>			

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 2018 is disclosed above under finance costs.

**Variance to budgeted Capital Expenditure**

Port Street Growth project and Precinct 5 (the industrial area around Turners Road, Feilding) has been carried forward to 2018/19 financial year.

## Wastewater

This group of activities relates to the outcomes



### What we do:

Collect, treat and dispose of wastewater.

### How we do it:

- Maintaining reticulated wastewater systems in Feilding, Awahuri, Cheltenham, Halcombe, Kimbolton, Rongotea, Sanson and Himatangi Beach
- Maintaining partially treated effluent systems and disposal from septic tanks located in Awahuri, Cheltenham and Kimbolton
- Ensuring we meet resource consent requirements for the discharge of treated water to either land or water from the District's Wastewater Treatment Plants
- Ensuring we meet statutory obligations under the Local Government Act 2002, Health Act 1956 and Resource Management Act 1991

### Overview

Reticulation renewals have included lining of sections of deep sewer. The deep sewers could not have been replaced by any other means without severe disruption to road users and impact on the roading network. Relining was completed in East St and Carthew St. New wastewater pipes continue to be laid to provide infrastructure to new development in north Feilding (Precinct 4).

Council is working with Horizons Regional Council to make improvements to all treatment plants that improve wastewater quality and disposal. Where practicable, the use of improved aeration and land based irrigation has made significant difference to performance.

Resource consent for the Feilding Wastewater Treatment Plant has been granted with the consent conditions being confirmed by the Environment Court on November 2016. The Commission's final decision was to grant a resource consent for a period of 10 years for discharge to river and 35 years for discharge to land.

On-line reporting and monitoring of all plants has enabled Council to improve the management of these plants and allows full transparency to Horizons Regional Council for their own monitoring.

Council are proposing to commence a major wastewater centralisation project in 2018/19. This project will result in the wastewater collection from Sanson, Rongotea, Halcombe Cheltenham Awahuri and Kimbolton to a centralisation treatment solution at Feilding with a principally land based irrigation treatment. Consultation with potentially affected parties is currently underway.

### What has Council achieved in 2017/2018?

Level of Service: Adequate management of wastewater system		
Key Performance Indicator and Target	Result	Comments (if applicable)
Less than six dry weather overflows per scheme from Council's sewerage system reported per scheme.		<p>During the year there was two dry weather overflow in Feilding. From a district wide perspective this represents 0.28 overflows per 1,000 connections across the district (target 7.0 per 1,000 connections per scheme).</p> <p><i>(Last year – target not met - eight dry weather events in Feilding and one in Sanson. The number of overflows in Feilding exceeded the target. District wide this represents 1.2 overflows per 1,000 connections)</i></p>

Level of Service: Discharge compliance

Key Performance Indicator and Target	Result	Comments (if applicable)
Less than two abatement notices received advising of breaches of resource consent conditions.		No abatement notices were received.  <i>(Last year – target met – no abatement notices were received)</i>
Zero infringement notices, enforcement orders or convictions received advising of breaches of resource consent conditions.		One infringement notice was received in March 2018 for exceeding Soluble Inorganic Nitrogen (SIN) consent limits for the in-pipe standard at the Feilding wastewater treatment plant for the past 12 months. Multiple projects have been worked on to rectify the situation. In July 2018 output was below the specified limit.  In order to minimise any future non-compliance Council prepared a SIN removal strategy and management plan as part of the land based irrigation project.  <i>(Last year – target met – no infringement notices, enforcement orders or convictions were received)</i>

Level of Service: Faults are responded to and resolved in a timely manner

Key Performance Indicator and Target	Result	Comments (if applicable)
Median attendance time to sewerage overflows within two hours – from the receipt of the notification to the time service personnel reach the site.		There were 8 overflows during the year. <ul style="list-style-type: none"> <li>• 2 dry weather</li> <li>• 6 wet weather</li> </ul> The median response time was 0.6 hours.  <i>(Last year – target met – there were 13 overflows and the median resolution time was 0.9 hours)</i>
Median resolution time within five hours – from the receipt of the notification to the time the service personnel confirm resolution of the blockage or other fault.		The median resolution time to the 8 overflows above was 2.1 hours.  <i>(Last year – target met – there were 13 overflows and the median resolution time was 3.3 hours)</i>

Level of Service: Satisfaction with wastewater service

Key Performance Indicator and Target	Result	Comments (if applicable)
<p>Less than six complaints per 1,000 connections received per category per annum.</p> <p>Complaints are those relating to odour, system faults, system blockages and Council's response to issues within its sewerage system.</p>		<p>Throughout the year Council received 49 complaints in the following categories.</p> <ul style="list-style-type: none"> <li>• 25 relating to system failures (3.7 per 1,000 connections)</li> <li>• 0 relating to the level of response (0.0 per 1,000 connections)</li> <li>• 21 relating to blockages (3.1 per 1,000 connections)</li> <li>• 3 relating to odour (0.4 per 1,000 connections)</li> </ul> <p>As well as reporting against our target, Council is also required to report the total number of complaints per 1,000 connections. The complaints above represents 7.3 complaints per 1,000 connections.</p> <p><i>(Last year – target met - 58 complaints were received which represented 8.7 complaints per 1,000 connections. The highest category was related to system failures at 4.5 complaints per 1,000 connections)</i></p>

**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2018**  
**Wastewater**

	<b>Actual 2018 \$000</b>	<b>Annual Plan 2018 \$000</b>	<b>LTP 2018 \$000</b>	<b>LTP 2017 \$000</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	0	0	0	0
Targeted rates	4,966	5,052	5,346	4,849
Subsidies and grants for operating purposes	58	0	0	0
Fees and charges	1,572	1,240	773	745
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	73	0	0	0
<b>Total operating funding</b>	<b>6,669</b>	<b>6,292</b>	<b>6,119</b>	<b>5,594</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	2,443	2,329	2,924	2,853
Finance costs	1,703	1,696	1,674	1,571
Internal charges and overheads applied	786	959	170	27
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>4,932</b>	<b>4,984</b>	<b>4,768</b>	<b>4,451</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,737</b>	<b>1,308</b>	<b>1,351</b>	<b>1,143</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	661	309	289	280
Increase (decrease) in debt	1,351	2,252	(563)	2,336
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<b>Total sources of capital funding</b>	<b>2,012</b>	<b>2,561</b>	<b>(274)</b>	<b>2,616</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	283	743	114	0
- to improve the level of service	1,941	2,341	131	2,802
- to replace existing assets	3,423	3,539	3,803	2,623
Increase (decrease) in reserves	(1,898)	(2,754)	(2,971)	(1,666)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>3,749</b>	<b>3,869</b>	<b>1,077</b>	<b>3,759</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,737)</b>	<b>(1,308)</b>	<b>(1,351)</b>	<b>(1,143)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Waste Water - Internal Borrowings</b>				
Opening balance 1 July	27,446			
Internal loans raised during the year	2,074			
Internal loans repaid during the year	(723)			
Closing balance at 30 June	<b>28,797</b>			

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 2018 is disclosed above under finance costs.

**Variance to budgeted Capital Expenditure**

Port Street Growth project has been carried forward to 2018/19 financial year. Rongotea, Cheltenham, Kimbolton and Halcombe renewals are on hold, pending confirmation and approval of a Wastewater Centralisation project.

## Water Supply

This group of activities relates to the outcomes



### What we do:

Undertake water treatment to ensure that it is safe to drink and also ensure there is enough water stored for supply.

### How we do it:

Apply life-cycle management practices to maintain and renew the existing infrastructure including:

- Providing and maintaining a reticulated potable water supply to meet residential, industrial/commercial and fire-fighting needs in: Feilding, Himatangi Beach and Rongotea.
- Providing and maintaining a reticulated potable water supply to meet residential, needs in Sanson.
- Providing and maintaining a reticulated water supply to meet the agricultural needs with rural water schemes in Stanway/Halcombe and Waituna West.
- Maintaining Council's water treatment plants and water storage facilities
- Maintaining and repairing Council's reticulation network system
- Monitoring, managing the demand for water
- Administering the following two rural water supply schemes that are community operated – Kiwitea and Oroua No.1
- Ensuring that all Council water schemes potable water quality meets New Zealand Drinking Water Standards

### Overview

Himatangi Water treatment plant upgrade was completed in 2017/18 and Sanson Water Treatment Plant upgrade remain on track to be completed 2018/19. Both projects will result in satisfying secure bores status with improved firefighting storage capacity.

Stanway-Halcombe rural water scheme Stage Two upgrade completed, Rongotea water supply scheme commissioning fully completed. This was a new water supply (2016) that provides sufficient water for residents as well as future firefighting capability for the town.

The Asbestos cement and cast iron water renewal program continued in Feilding. Watermain renewals were completed in: South Street intersection, Haggitt St, Sandon Rd Cullinane and MacDonald heights.

## What has Council achieved in 2017/2018?

Level of Service: Potable water supply is safe to drink.		
Key Performance Indicator and Target	Result	Comments (if applicable)
100% New Zealand Drinking Water Standard Compliance		
- Criteria for bacteria are met.		<p>All samples taken showed that the water was safe and posed no risk to public health i.e. no E coli detected.</p> <p>However, there was technical non-compliance for a three minute period in February 2018 when the continuous monitoring system went off line.</p> <p>As a part of the compliance regime, Council are required to take a minimum number of samples, based on the estimated population served by the scheme. A provisional report from the Central North Island Drinking Water Assessment Unit indicated non-compliance at Feilding, Waituna West, Sanson and Stanway/Halcombe. Council are appealing the report in relation to Sanson and Stanway/Halcombe.</p> <p><i>(Last year – target not met – There was technical non-compliance as there were eight instances where the continuous monitoring system was interrupted or not enough samples were taken)</i></p>
- Criteria for protozoa are met		<p>Feilding did not demonstrate compliance in January 2018. The plant was compliant for 98.6% of the month.</p> <p>The only treatment at Sanson was chlorination and the scheme does not comply. A new supply is being installed that will comprise a new deep bore and a new storage tank. Secure bore status to be sought once the new bore is in place to address protozoa compliance.</p> <p>Stanway – Halcombe supply did not comply. The rural water supply is predominantly for stock watering. Treatment is being investigated for village supply.</p> <p>Himatangi Beach, Rongotea, and Waituna West have secure bore status and are not required to demonstrate compliance.</p> <p><i>(Last year – target not met. Feilding did not demonstrate compliance in March and May. Himatangi Beach and Rongotea were awaiting secure bore status which was received toward the end of the year. Waituna West has secure bore status. Sanson and Stanway–Halcombe supplies could not demonstrate compliance and upgrades are being planned)</i></p>

Level of Service: Water reticulation network is well maintained

Key Performance Indicator and Target	Result	Comments (if applicable)
Zero increase in the 35% of real water lost per water supply scheme		<p>Water loss in Feilding estimated to be less than 10%. This is a decrease from prior years.</p> <p>Feilding water system provides 80–90% of the reticulated water used within the district.</p> <p>We are unable to calculate the water losses on the smaller schemes due to:</p> <ul style="list-style-type: none"> <li>• seasonal fluctuation in population at Himatangi Beach</li> <li>• tankered water top ups in Sanson were not captured in the metered flow</li> <li>• no applicable methodology to capture data for unmetered rural schemes</li> </ul> <p>Rongotea is a newly constructed scheme and the water loss is expected to be low.</p> <p><i>(Last year – target met – water loss in Feilding is calculated at 10%. We are unable to calculate the water loss in other scheme)</i></p>

Level of Service: Faults are responded to and resolved in a timely manner

Key Performance Indicator and Target	Result	Comments (if applicable)
Median attendance time within 1 hour (urgent) – from the receipt of the notification to the time service personnel reach the site.		<p>Urgent faults are defined as those which result in a complete loss of supply.</p> <p>There were 30 urgent requests during the year.</p> <p>The median response time was 0.9 hours.</p> <p><i>(Last year – target not met – there were 43 urgent requests and the median resolution time was 1.1 hours)</i></p>
Median attendance time within 5 working days (non-urgent) – from the receipt of the notification to the time service personnel reach the site.		<p>During the year there were 434 non-urgent requests.</p> <p>The median response time was 13.6 hours.</p> <p><i>(Last year – target met – there were 473 non-urgent requests and the median resolution time was 5.4 hours)</i></p>
Median resolution time within 9 hours (urgent) – from the receipt of the notification to the time service personnel confirm the resolution of the fault or interruption.		<p>During the year there were 30 urgent requests.</p> <p>The median resolution time was 5.2 hours.</p> <p><i>Last year – target met – there were 43 urgent requests and the median resolution time was 1.9 hours)</i></p>
Median resolution time within 5 working days (non-urgent) – from the receipt of the notification to the time service		<p>During the year there were 434 non-urgent requests.</p> <p>The median resolution time was 20.5 hours.</p> <p><i>(Last year – target met – there were 473 non-urgent requests and the median resolution time was 21.3 hours)</i></p>

Level of Service: Faults are responded to and resolved in a timely manner

Key Performance Indicator and Target	Result	Comments (if applicable)
personnel confirm the resolution of the fault or interruption.		

Level of Service: Satisfaction with water supply service

Key Performance Indicator and Target	Result	Comments (if applicable)
<p>Less than 15 complaints received, per 1,000 connections to the networked reticulation system, per category, per annum.</p> <p>Complaints are those relating to clarity, taste, odour, pressure or flow and continuity of supply</p>		<p>Throughout the year Council received 90 complaints in the following categories.</p> <ul style="list-style-type: none"> <li>• 12 relating to taste (1.9 per 1,000 connections)</li> <li>• 24 relating to clarity (3.7 per 1,000 connections)</li> <li>• 12 relating to pressure or flow (1.9 per 1,000 connections)</li> <li>• 35 relating to continuity of supply (5.4 per 1,000 connections)</li> <li>• 7 relating to odour (1.1 per 1,000 connections)</li> </ul> <p>As well as reporting against our target, Council is also required to report the total number of complaints per 1,000 connections. The complaints above represents 13.9 complaints per 1,000 connections.</p> <p><i>(Last year – target met – 105 complaints were received, representing 16.2 complaints per 1,000 connections. The highest category was continuity at 6.7 complaints per 1,000 connections)</i></p>

Level of Service: Manage the demand for water

Key Performance Indicator and Target	Result	Comments (if applicable)
<p>Average consumption of drinking water per day, per resident within Council's area is 650 litres/person/day.</p> <p>Subsequently redefined as less than 650 litres/person/day.</p>		<p>Water consumption for Feilding (including all water used by industrial and commercial customers) was 499 litres per person per day.</p> <p>If metered water is excluded this reduces to 239 litres per person per day. Metered water primarily relates to commercial and industrial properties.</p> <p>Due to the reasons noted in the water loss measure above we are unable to report on the other unmetered schemes.</p> <p><i>(Last year – target met – Feilding water consumptions, including industrial and commercial customers, was 540 litres per person per day)</i></p>

**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2018**  
**Water Supply**

	Actual 2018 \$000	Annual Plan 2018 \$000	LTP 2018 \$000	LTP 2017 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	0	0	0	0
Targeted rates	3,754	3,660	4,035	3,953
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>3,754</b>	<b>3,660</b>	<b>4,035</b>	<b>3,953</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,012	1,041	1,772	1,829
Finance costs	274	305	433	417
Internal charges and overheads applied	1,132	846	298	242
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>2,418</b>	<b>2,192</b>	<b>2,503</b>	<b>2,488</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,336</b>	<b>1,468</b>	<b>1,533</b>	<b>1,465</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	326	210	0	0
Development and financial contributions	521	247	253	244
Increase (decrease) in debt	338	555	(51)	337
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<b>Total sources of capital funding</b>	<b>1,185</b>	<b>1,012</b>	<b>202</b>	<b>581</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	423	270	227	593
- to improve the level of service	599	528	457	0
- to replace existing assets	1,726	3,329	2,361	3,601
Increase (decrease) in reserves	(227)	(1,647)	(1,310)	(2,148)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>2,521</b>	<b>2,480</b>	<b>1,735</b>	<b>2,046</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,336)</b>	<b>(1,468)</b>	<b>(1,533)</b>	<b>(1,465)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Water Supply - Internal Borrowings</b>				
Opening balance 1 July	4,646			
Internal loans raised during the year	557			
Internal loans repaid during the year	(219)			
Closing balance at 30 June	<b>4,983</b>			

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 2018 is disclosed above under finance costs.

**Manawatū District Council**  
**Funding Impact Statement (Whole of Council)**  
For the year ended 30 June 2018

	Actual 2018 \$000	Annual Plan 2018 \$000	Actual 2017 \$000	Annual Plan 2017 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charge, rates penalties	3,922	3,923	4,097	4,018
Targeted rates	28,421	28,394	27,165	27,000
Subsidies and grants for operating purposes	4,370	3,021	4,215	2,410
Fees and charges	5,875	5,264	4,714	4,749
Interest and dividends from investments	192	217	281	364
Local authorities fuel tax, fines, infringement fees and other receipts	3,187	3,069	3,227	3,713
<b>Total operating funding</b>	<b>45,967</b>	<b>43,888</b>	<b>43,699</b>	<b>42,254</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	35,915	34,115	32,390	32,613
Finance costs	2,288	2,969	2,000	3,181
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>38,203</b>	<b>37,084</b>	<b>34,390</b>	<b>35,794</b>
<b>Surplus (deficit) of operating funding</b>	<b>7,764</b>	<b>6,804</b>	<b>9,309</b>	<b>6,460</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	4,766	5,010	4,719	5,476
Development and financial contributions	2,312	1,021	1,562	973
Increase (decrease) in debt	3,018	10,253	7,000	9,850
Gross proceeds from sale of assets	196	2,000	186	2,050
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<b>Total sources of capital funding</b>	<b>10,292</b>	<b>18,284</b>	<b>13,467</b>	<b>18,349</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	3,561	6,987	2,349	5,172
- to improve the level of service	5,134	6,460	8,827	10,229
- to replace existing assets	14,605	17,733	14,496	17,542
Increase (decrease) in reserves	(5,037)	(5,977)	(2,664)	(8,019)
Increase (decrease) of investments	(207)	(115)	(232)	(115)
<b>Total application of capital funding</b>	<b>18,056</b>	<b>25,088</b>	<b>22,776</b>	<b>24,809</b>
<b>Surplus (deficit) of capital funding</b>	<b>(7,764)</b>	<b>(6,804)</b>	<b>(9,309)</b>	<b>(6,460)</b>
<b>Funding balance</b>	<b>(0)</b>	<b>1</b>	<b>0</b>	<b>0</b>

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 Three: Financial Information

This section of the Annual Report contains the following information:

- Financial Statements
- Notes to Financial Statements
- The following policy reports
- Liability Management and Investment Policies
- Revenue and Financing Policy
- Council Controlled Organisations



**Manawatū District Council**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 30 June 2018

		Council			Group	
	Notes	Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
<b>Revenue</b>						
Rates revenue	3	32,142	32,318	31,064	31,933	30,864
Financial revenue	4	192	217	281	122	198
Subsidies and grants	5	9,136	8,031	8,934	9,258	8,957
Development and financial contributions		2,312	696	1,562	2,312	1,562
Other revenue	6	9,689	9,074	10,533	11,431	12,496
<b>Total revenue</b>	<b>2</b>	<b>53,471</b>	<b>50,336</b>	<b>52,374</b>	<b>55,056</b>	<b>54,077</b>
<b>Expenses</b>						
Personnel costs	7	11,779	11,984	11,157	11,957	11,368
Depreciation and amortisation	8	13,639	13,192	12,729	14,469	13,322
Finance costs	9	2,288	2,969	2,000	2,412	2,149
Other operating expenses	10	23,878	22,131	21,182	24,466	21,754
<b>Total operating expenditure</b>	<b>2</b>	<b>51,584</b>	<b>50,276</b>	<b>47,068</b>	<b>53,304</b>	<b>48,593</b>
Share of associate's surplus / deficit	15	-	-	-	68	453
<b>Surplus/(deficit) before tax</b>		<b>1,887</b>	<b>60</b>	<b>5,306</b>	<b>1,820</b>	<b>5,937</b>
Income tax expense	11	-	-	-	-	-
<b>Surplus/(deficit) after tax</b>		<b>1,887</b>	<b>60</b>	<b>5,306</b>	<b>1,820</b>	<b>5,937</b>
<b>Other comprehensive revenue &amp; expense</b>						
Gains/(losses) on the revaluation of property, plant and equipment	24	10,563	13,083	20,279	13,148	23,739
Impairment losses on restricted buildings through other comprehensive revenue and expense	24	-	-	-	-	-
Gains/(losses) on financial assets at fair value through other comprehensive revenue and expense	24	-	-	(22)	-	(22)
<b>Total other comprehensive revenue and expense</b>	<b>24</b>	<b>10,563</b>	<b>13,083</b>	<b>20,257</b>	<b>13,148</b>	<b>23,717</b>
<b>Total comprehensive revenue and expense</b>		<b>12,450</b>	<b>13,143</b>	<b>25,563</b>	<b>14,968</b>	<b>29,654</b>

Explanations of major variances against budget are provided in note 34

*The accompanying notes form part of these financial statements.*

**Manawatū District Council**  
**Statement of Financial Position**

As at 30 June 2018

		Actual 2018 \$000	Council Budget 2018 \$000	Actual 2017 \$000	Group Actual 2018 \$000	Actual 2017 \$000
	Notes					
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	12	4,355	2,962	7,275	4,871	7,768
Debtors and other receivables	13	4,535	7,729	5,388	4,735	5,442
Investments in council organisations and similar entities	14	414	279	240	168	-
Other financial assets	16	40	-	93	40	93
Non-current assets held for sale	17	-	-	497	-	497
<b>Total current assets</b>		<b>9,344</b>	<b>10,970</b>	<b>13,493</b>	<b>9,814</b>	<b>13,800</b>
<b>Non-current assets</b>						
Property, plant and equipment	18	673,089	660,460	652,403	697,550	674,801
Intangible assets	19	552	818	521	552	521
Investment in associate	15	1	-	1	510	445
Investments in council organisations and similar entities	14	3,666	4,336	4,001	921	1,234
Other financial assets	16	376	2,953	1,091	376	1,091
<b>Total non-current assets</b>		<b>677,684</b>	<b>668,567</b>	<b>658,017</b>	<b>699,909</b>	<b>678,092</b>
<b>Total assets</b>		<b>687,028</b>	<b>679,537</b>	<b>671,510</b>	<b>709,723</b>	<b>691,892</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Creditors and other payables	20	8,707	9,657	8,848	8,855	8,958
Provisions	21	142	103	116	142	116
Employee entitlements	22	1,218	801	1,194	1,233	1,214
Borrowings	23	10,506	5,000	5,022	10,722	5,238
<b>Total current liabilities</b>		<b>20,573</b>	<b>15,561</b>	<b>15,180</b>	<b>20,952</b>	<b>15,526</b>
<b>Non-current liabilities</b>						
Provisions	21	845	606	705	845	705
Borrowings	23	52,113	60,968	54,579	54,660	57,363
<b>Total non-current liabilities</b>		<b>52,958</b>	<b>61,574</b>	<b>55,284</b>	<b>55,505</b>	<b>58,068</b>
<b>Total liabilities</b>		<b>73,531</b>	<b>77,135</b>	<b>70,464</b>	<b>76,457</b>	<b>73,594</b>
<b>Equity</b>						
Retained earnings	24	468,003	464,711	466,632	479,648	478,344
Other reserves	24	145,494	137,690	134,416	153,618	139,954
<b>Total equity</b>	24	<b>613,497</b>	<b>602,401</b>	<b>601,048</b>	<b>633,266</b>	<b>618,298</b>
<b>Total Liabilities and Equity</b>		<b>687,028</b>	<b>679,536</b>	<b>671,512</b>	<b>709,723</b>	<b>691,892</b>

The accompanying notes form part of these financial statements.

**Manawatū District Council**  
**Statement of Changes in Net Assets / Equity**  
For the year ended 30 June 2018

		Actual 2018 \$000	Council Budget 2018 \$000	Actual 2017 \$000	Group Actual 2018 \$000	Actual 2017 \$000
	Notes					
Balance at 1 July		601,047	589,258	575,482	618,298	588,642
Total comprehensive revenue/(expense) for the year		12,450	13,143	25,565	14,968	29,656
<b>Balance as at 30 June</b>	<b>24</b>	<b>613,497</b>	<b>602,401</b>	<b>601,047</b>	<b>633,266</b>	<b>618,298</b>

*The accompanying notes form part of these financial statements.*

**Manawatū District Council**  
**Statement of Cash Flows**  
For the year ended 30 June 2018

	Notes	Actual 2018 \$000	Council Budget 2018 \$000	Actual 2017 \$000	Group Actual 2018 \$000	Actual 2017 \$000
<b>Cash flows from operating activities</b>						
Receipts from rates revenue		32,160	32,318	31,219	31,951	30,973
Interest received		186	209	245	115	162
Dividends received		6	8	36	6	36
Receipts from other revenue		21,375	17,384	18,365	23,521	20,342
Payments to suppliers and employees		(34,208)	(34,074)	(32,256)	(34,901)	(32,879)
Interest paid		(2,107)	(2,969)	(1,943)	(2,310)	(2,185)
Goods and services tax (net)		156	-	67	159	61
<b>Net cash from operating activities</b>	<b>25</b>	<b>17,567</b>	<b>12,876</b>	<b>15,733</b>	<b>18,540</b>	<b>16,510</b>
<b>Cash flows from investing activities</b>						
Receipts from sale of property, plant and equipment		123	2,000	264	126	264
Receipts from sale of investments		1,275	411	671	538	489
Purchase of intangibles assets		(135)	(52)	(389)	(135)	(389)
Purchase of property, plant and equipment		(24,443)	(31,128)	(27,011)	(24,876)	(27,228)
Acquisition of investments		(325)	0	(209)	173	(209)
<b>Net cash from investing activities</b>		<b>(23,505)</b>	<b>(28,769)</b>	<b>(26,674)</b>	<b>(24,175)</b>	<b>(27,073)</b>
<b>Cash flows from financing activities</b>						
Proceeds from borrowing		8,018	15,278	11,873	8,018	13,873
Repayment of borrowings		(5,000)	(5,000)	(4,873)	(5,280)	(7,453)
<b>Net cash from financing activities</b>		<b>3,018</b>	<b>10,278</b>	<b>7,000</b>	<b>2,738</b>	<b>6,420</b>
<b>Net (decrease)/increase in cash, cash equivalents and bank overdrafts</b>		<b>(2,920)</b>	<b>(5,615)</b>	<b>(3,941)</b>	<b>(2,897)</b>	<b>(4,143)</b>
Cash, cash equivalents and bank overdrafts at the beginning of the year		7,275	8,577	11,216	7,768	11,911
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>12</b>	<b>4,355</b>	<b>2,962</b>	<b>7,275</b>	<b>4,871</b>	<b>7,768</b>

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 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). 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 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 2018. The financial statements were authorised for issue by Council on 18 October 2018.

#### **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 an 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 is 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 2017/18 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 principle and the effective interest applicable.

- Dividends (net of imputation credits) are recognised when the right to receive payment has been established.
- Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in 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 includes 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 consists 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)	5 – 18 years	5.5 – 20%
Pavement (base course)	67 years	1.49%
Sealed	25 – 60 years	1.6 – 4%
Unsealed	5 – 15 years	6.6 – 20%
Formation	-	not depreciated
Culverts	50 – 100 years	1 – 2%
Footpaths	25 – 70 years	1.4 – 4%
Kerbs	50 – 100 years	1 – 2%
Signs	13 years	7.5%
Streetlights	50 – 70 years	1.4 – 2%
Bridges	80 – 120 years	0.8 – 1.25%
Water system		
Pipes	60 – 100 years	1 – 1.66%

Valves, hydrants	25 – 50 years	2 – 4%
Pump stations	25 years	4%
Treatment, supply and storage	15 – 50 years	2 – 6.66%
Wastewater system		
Pipes	50 – 90 years	1.1 – 2%
Manholes	60 – 100 years	1 – 1.66%
Pump stations	25 years	4%
Treatment plant	25 – 50 years	2 – 4%
Drainage network		
Pipes	60 – 100 years	1 – 1.66%
Manholes, cesspits	60 – 100 years	1 – 1.66%

### 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 2017. Council's policy is to revalue land and buildings every three years.

Manawatu Community Trust's land and buildings were revalued as at 30 June 2018, the valuation was prepared by independent valuer J. P. Morgan and Associates Limited.

- 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. Council's policy is to revalue these assets annually. The most recent valuation was 1 July 2016. The 2016 valuation was peer reviewed by Pauline True of MWH.

- 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 5 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
- Fair value through other comprehensive revenue and expense reserve

### **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.

### **Fair value through other comprehensive revenue and expense reserve**

This reserve comprises the cumulative net change in the fair value through other comprehensive revenue and expense assets.

### **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 issued and not yet effective, and not early adopted**

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council and group are:

#### *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 plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council and group has not yet assessed the effects of these new standards.

#### *Financial instruments*

In January 2017, the XRB issued PBE IFRS 9 *Financial Instruments*. PBE IFRS 9 replaces PBE IPSAS 29 *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.

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



## 2 Summary Cost of Services

	Actual 2018 \$000	Council only Budget 2018 \$000	Actual 2017 \$000
<b>Revenue*</b>			
Community Facilities	8,058	9,817	7,945
District Development	2,737	2,719	2,323
Emergency Management	243	248	422
Environmental and Monitoring Services	4,649	4,504	4,441
Governance and Strategy	2,045	2,085	2,155
Roading	16,481	14,748	16,026
Solid Waste	2,978	2,754	2,726
Stormwater	1,237	1,038	1,494
Wastewater	7,437	6,601	6,694
Water Supply	4,686	4,117	4,940
<b>Total activity revenue</b>	<b>50,552</b>	<b>48,631</b>	<b>49,165</b>
Other revenue	2,919	1,705	3,210
<b>Total operating revenue</b>	<b>53,471</b>	<b>50,336</b>	<b>52,375</b>
<b>Expenditure*</b>			
Community Facilities	8,945	8,943	8,305
District Development	2,293	2,937	2,147
Emergency Management	220	268	359
Environmental and Monitoring Services	4,992	4,822	4,334
Governance and Strategy	1,971	2,085	1,857
Roading	15,202	13,413	13,154
Solid Waste	3,404	2,763	2,727
Stormwater	1,331	1,086	1,020
Wastewater	6,836	6,638	6,020
Water Supply	3,888	3,824	3,761
<b>Total activity expenditure</b>	<b>49,081</b>	<b>46,779</b>	<b>43,684</b>
Other expenditure/ (overheads allocated)	2,503	3,497	3,384
<b>Total operating expenditure</b>	<b>51,584</b>	<b>50,276</b>	<b>47,068</b>

**\* 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 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
<b>Total revenue comprises of:</b>				
Revenue from exchange transactions	2,516	2,236	4,101	3,939
Revenue from non-exchange transactions	50,955	50,139	50,955	50,139
<b>Total operating revenue</b>	<b>53,471</b>	<b>52,375</b>	<b>55,056</b>	<b>54,078</b>

### 3 Rates Revenue

	Council	
	Actual 2018 \$000	Actual 2017 \$000
<b>General Rates attributable to Activities:</b>		
Community Facilities	331	624
District Development	2,566	2,144
Emergency Management	0	227
Environmental and Monitoring Services	571	571
Roading	25	57
Stormwater	159	179
<b>Total General Rates</b>	<b>3,652</b>	<b>3,802</b>
<b>Uniform Targeted Rates (UTR) and Targeted Rates attributable to Activities:</b>		
Community Facilities	6,146	5,726
District Development	81	90
Emergency Management	243	179
Environmental and Monitoring Services	2,068	1,971
Governance and Strategy	2,044	2,089
Roading	6,731	6,133
Solid Waste	1,749	1,657
Stormwater	640	667
Wastewater	4,966	4,573
Water	3,754	4,080
<b>Total Uniform Targeted Rates and Targeted Rates</b>	<b>28,421</b>	<b>27,165</b>
plus rates penalties	270	295
less internal rates charged	(202)	(198)
<b>Total Revenue from Rates</b>	<b>32,142</b>	<b>31,064</b>

#### 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 and Group	
	Actual 2018 \$000	Actual 2017 \$000
<b>Rates and penalties levied</b>	<b>33,483</b>	<b>32,027</b>
less Rates Remissions	(1,140)	(765)
less Internal Rates Charged	(202)	(198)
<b>Rates Revenue Net of Remissions</b>	<b>32,142</b>	<b>31,064</b>

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 rating units within the district	The total capital value of rating units within the district	The total land value of rating units within the district
At the end of the preceding financial year (i.e. 30 June 2017)	14,227	\$000 8,265,647	\$000 4,924,792

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 2018 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	Council	
	Actual 2018 \$000	Actual 2017 \$000
Total Revenue from Rates	32,142	31,064
Add back Internal Rates Charged	202	198
Add Rangitikei District Council Shared Service Revenue	2,309	1,955
Add Palmerston North City Council Enforcement Contract Revenue	15	-
<b>Total Annual Rates Income</b>	<b>34,668</b>	<b>33,217</b>

#### 4 Financial Revenue

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Interest revenue for financial assets not at fair value through surplus or deficit	186	245	116	162
Dividend revenue	6	36	6	36
<b>Total Financial Revenue</b>	<b>192</b>	<b>281</b>	<b>122</b>	<b>198</b>

#### 5 Subsidies and Grants

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
New Zealand Transport Agency subsidies	8,624	8,428	8,624	8,428
Grants received	13	359	135	382
Other subsidies	499	147	499	147
<b>Total Subsidies and Grants</b>	<b>9,136</b>	<b>8,934</b>	<b>9,258</b>	<b>8,957</b>

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 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
User fees and charges	5,875	4,714	5,875	4,714
Shared service revenue	2,324	1,955	2,324	1,955
Petrol tax	210	198	210	198
Vested assets	684	2,509	684	2,509
Other revenue	653	1,074	2,395	3,037
Gain / (loss) on disposal of property, plant and equipment	(57)	84	(57)	84
<b>Total Other Revenue</b>	<b>9,689</b>	<b>10,533</b>	<b>11,431</b>	<b>12,496</b>

## 7 Personnel Costs

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Salaries and wages	11,362	10,576	11,542	10,781
Employer contributions to defined contribution plans	392	370	392	370
Increase/(decrease) in employee entitlement liabilities	25	211	23	217
<b>Total Personnel Costs</b>	<b>11,779</b>	<b>11,157</b>	<b>11,957</b>	<b>11,368</b>

## 8 Depreciation and Amortisation

	Council	
	Actual 2018 \$000	Actual 2017 \$000
<b>Depreciation and Amortisation Expense per Group of Activities</b>		
Community Facilities	1,566	1,447
District Development	-	-
Emergency Management	6	23
Environmental and Monitoring Services	27	15
Governance and Strategy	5	-
Roading Network	7,464	7,050
Solid Waste	63	61
Stormwater and Drainage	511	450
Wastewater	1,904	1,718
Water Supply	1,470	1,465
Support Services	623	500
	<b>13,639</b>	<b>12,729</b>

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Depreciation (note 18)	13,534	12,668	14,364	13,261
Amortisation (note 19)	104	61	104	61
<b>Total Depreciation &amp; Amortisation</b>	<b>13,639</b>	<b>12,729</b>	<b>14,469</b>	<b>13,322</b>

## 9 Finance Costs

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
<b>Interest Expense</b>				
Interest on borrowings	2,201	1,972	2,325	2,121
Provisions: discount unwinding (note 22)	87	28	87	28
<b>Total Finance Costs</b>	<b>2,288</b>	<b>2,000</b>	<b>2,412</b>	<b>2,149</b>

## 10 Other Operating Expenses

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Fees to principal auditor				
- Audit fees for financial statement audit MDC	145	144	145	144
- Audit fees for Annual Plan / Long Term Plan / Debenture Trust	120	4	100	4
- Audit fees for Manawatū Community Trust	0	0	18	18
Fees to other auditors				
Audit fees for Feilding Civic Centre Trust	0	0	3	3
Impairment of Community Investments	(31)	(84)	(31)	(84)
Impairment of Accounts Receivable	(147)	(19)	(147)	(19)
Loss on disposal of property, plant and equipment	49	112	49	112
Minimum lease payments under operating leases	28	43	28	43
Legal fees	91	140	91	140
<b>Other operating expenses:</b>				
Chemicals	770	819	770	819
Consultants and Consultant Costs	650	414	650	414
Contract Payments	4,106	5,129	4,106	5,129
Energy - Electricity and Gas	989	894	998	905
Grants Made to other Organisations	1,643	1,716	1,565	1,638
Insurance	414	353	546	464
Maintenance and Materials	2,123	2,249	2,380	2,524
Operational Projects	8,612	6,649	8,656	6,693
Rates Paid	269	247	231	256
Refuse Disposal Costs	578	414	588	424
Other expenses	3,469	1,959	3,720	2,128
<b>Total Other Expenses</b> <sup>(note 1)</sup>	<b>23,878</b>	<b>21,182</b>	<b>24,466</b>	<b>21,754</b>

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

## 11 Income tax

### Relationship between Tax Expense and Accounting Surplus/(Deficit)

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Surplus/(deficit) before tax	1,887	5,307	1,820	5,938
Tax at 28%	528	1,486	509	1,663
Plus/(less) tax effect of:				
Non-deductible expenditure	-	-	-	-
Non-taxable revenue	(536)	(1,494)	(517)	(1,671)
Taxation loss not recognised	8	8	8	8
Prior year adjustment	-	-	-	-
Tax losses utilised	-	-	-	-
<b>Tax Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 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).

## Components of Tax Expense

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Current tax expense	-	-	-	-
Adjustments to current tax in prior years	-	-	-	-
Deferred tax asset arisen from previously unrecognised tax loss	8	8	8	8
Deferred tax expense	(8)	(8)	(8)	(8)
<b>Income Tax Expense</b>	-	-	-	-

<b>Deferred tax assets/(liabilities)</b>	<b>Property Plant and Equipment</b>	<b>Unused tax losses</b>	<b>Total</b>
<b>Council and Group</b>			
Balance at 1 July 2016	(25)	25	-
Charged to surplus or deficit	(8)	8	-
Charged / credited to other comprehensive revenue and expense	-	-	-
<b>Balance at 30 June 2017</b>	<b>(33)</b>	<b>33</b>	-
Charged / credited to surplus or deficit	(8)	8	-
Charged to other comprehensive revenue and expense	-	-	-
<b>Balance at 30 June 2018</b>	<b>(41)</b>	<b>41</b>	-

### Additional disclosure

Council has unrecognised tax losses of \$636,000 (Last year: \$607,000) with a tax effect of \$178,000 (Last year: \$170,000), 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 \$636,000, 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 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Cash at bank and in hand	4,355	4,272	4,691	4,665
Short term deposits with a term of three months or less	0	3,003	180	3,103
<b>Total Cash and Cash Equivalents</b>	<b>4,355</b>	<b>7,275</b>	<b>4,871</b>	<b>7,768</b>

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

The total value of cash and cash equivalents that can only be used for a specified purpose as outlined in the relevant trust funds is \$102,000 (last year: \$100,000). Refer to note 24 for detail of trust funds.

### 13 Debtors and other receivables

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Rates receivables	1,351	1,356	1,351	1,356
New Zealand Transport Agency Subsidy	410	1,173	410	1,173
Other receivables	1,926	2,207	2,158	2,300
Related party receivables	32	39	0	0
Accrued revenue	225	228	225	228
GST receivable	480	523	480	523
Prepayments	254	163	254	163
<i>Less</i> provision for impairment of receivables	(145)	(301)	(145)	(301)
<b>Total</b>	<b>4,535</b>	<b>5,388</b>	<b>4,735</b>	<b>5,442</b>
<b>Total receivables comprise:</b>				
Receivables from non-exchange transactions <i>(includes amounts outstanding from rates, grants, infringements and fees and charges partly subsidised by rates)</i>	2,744	3,261	2,744	3,261
Receivables from exchange transactions <i>(includes amounts outstanding for fees and charges not subsidised by rates)</i>	1,790	2,127	1,990	2,181
<b>Total</b>	<b>4,535</b>	<b>5,388</b>	<b>4,735</b>	<b>5,442</b>

The carrying value of debtors and other receivables approximates their fair value.

There is no concentration of credit risk with respect to receivables outside the group, as the group has a large number of customers.

Council does not provide for any impairment on rates receivable (except for rate penalties and uncollectable Maori 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 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
As at 1 July	301	322	301	322
Additional / (reductions) in provisions made during the year	(156)	(21)	(156)	(21)
Receivables written off during period	-	-	-	-
<b>As at 30 June</b>	<b>145</b>	<b>301</b>	<b>145</b>	<b>301</b>

As at 30 June 2018, all overdue debtors and other receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

**Council - Rates receivables**

	Gross \$000	Impairment \$000	Net 2018 \$000	Net 2017 \$000
Not past due - current year	997	(14)	983	1,043
Past due by 1 year	229	(11)	218	168
Past due by 2 years+	125	(36)	89	84
<b>Total</b>	<b>1,351</b>	<b>(61)</b>	<b>1,290</b>	<b>1,295</b>

**Council - Other receivables and Related party receivables**

	Gross \$000	Impairment \$000	Net 2018 \$000	Net 2017 \$000
Not past due	1,053	-	1,053	1,333
Past due 1-30 days	111	-	111	110
Past due 31-61 days	167	-	167	167
Past due > 61 days	627	(84)	543	387
<b>Total</b>	<b>1,958</b>	<b>(84)</b>	<b>1,874</b>	<b>1,997</b>

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 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
<b>Investments in Council Controlled Organisations and similar entities classified as current</b>				
<i>Loans and receivables</i>				
Community loans - Manawatū Community Trust	246	240	-	-
NZ Local Government Funding Agency borrower's notes	168	-	168	-
<b>Total Current Portion</b>	<b>414</b>	<b>240</b>	<b>168</b>	<b>-</b>
<b>Investments in Council Organisation and similar entities classified as non-current</b>				
<i>Loans and receivables</i>				
Community loans - Manawatū Community Trust	2,553	2,767	(192)	-
NZ Local Government Funding Agency borrower's notes	808	928	808	928
<i>Fair value through other comprehensive revenue and expense</i>				
Unlisted shares in Manawatu - 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
<i>Investments in subsidiary (at cost)</i>				
Heartland Contractors Ltd - shares	-	-	-	-
<b>Total Non-Current Portion</b>	<b>3,666</b>	<b>4,001</b>	<b>921</b>	<b>1,234</b>
<b>Total Investments in Council Organisation and similar entities</b>	<b>4,080</b>	<b>4,241</b>	<b>1,089</b>	<b>1,234</b>

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 as per 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 Manawatu district and promotion of health and wellbeing services for the residents of the Manawatu 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 (3.75%). 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 12 years remain.

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Face value of the loan	2,202	2,500	-	-
Opening balance of the loan	1,932	2,041	-	-
Loan Raised	-	-	-	-
Grant expenditure from low interest loans	76	39	-	-
Repaid this year	(151)	(148)	-	-
<b>Fair value - loan to MCT for the FIFHC included above</b>	<b>1,857</b>	<b>1,932</b>	<b>0</b>	<b>0</b>

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 Manawatu Wanganui Local Authority Shared Service Limited, which comprises 7 shares, all held by local authorities. Council has exempted Manawatu 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 29 for more information. NZLGFA is exempt from being a Council Controlled Organisation as per 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 rate of 3.58% per annum (Last year: 4.41%) and NZLGFA borrower's notes of a face value of \$64,000 (Last year: \$80,000) at a floating rate of 2.63% as at 30 June 2018 (Last year: 2.55%). The NZLGFA borrower's notes are recognised at amortised cost. The face value of NZLGFA borrower's notes as at 30 June 2018 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 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
<b>Non Current Portion</b>				
Investment in Central Economic Development Agency Ltd (at cost)	1	1	1	1
Increase from share of associate's (surplus / deficit)	-	-	509	444
<b>Total non current portion</b>	<b>1</b>	<b>1</b>	<b>510</b>	<b>445</b>
MDC's 50% share of associate's summarised financial information				
Assets			722	709
Liabilities			212	263
Revenues			1,928	1,453
Surplus / (Deficit)			68	453
Group's interest			50%	50%
Share of contingent liabilities incurred jointly with other investors			-	-

## 16 Other financial assets

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
<b>Current Portion</b>				
<i>Loans and receivables</i>				
Community loans - other	4	4	4	4
Himatangi Beach Sewerage Scheme Contributions	22	55	22	55
Rongotea Water Supply Scheme Contributions	14	34	14	34
<i>Held to maturity investments</i>				
Term deposits with maturity less than one year	-	-	-	-
<b>Total Current Portion</b>	<b>40</b>	<b>93</b>	<b>40</b>	<b>93</b>
<b>Non-Current Portion</b>				
<i>Loans and receivables</i>				
Community loans - other	75	80	75	80
Himatangi Beach Sewerage Scheme Contributions	215	220	215	220
Rongotea Water Supply Scheme Contributions	85	92	85	92
<i>Held to maturity investments</i>				
Term deposits with maturity of over one year	-	699	-	699
<b>Total Non-Current Portion</b>	<b>376</b>	<b>1,091</b>	<b>376</b>	<b>1,091</b>
<b>Total Other Financial Assets</b>	<b>416</b>	<b>1,184</b>	<b>416</b>	<b>1,184</b>

### 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 3.75% (Last year: from 0% to 4.00%).

The fair value of community loans is \$79,919 (last year: \$84,247). The face value of community loans is \$5,003,622 (last year: \$5,007,950). 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 Manawatu 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 32, financial instruments.

## 17 Non-Current Assets Held for Sale

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
<b>Non-Current Assets held for Sale are:</b>				
Land held for sale	-	177	-	177
Buildings and improvements held for Sale	-	320	-	320
	-	<b>497</b>	-	<b>497</b>
Current Portion	-	497	-	497
Term Portion	-	-	-	-
<b>Total</b>	-	<b>497</b>	-	<b>497</b>
Opening balance assets for sale	497	717	497	717
Assets classified as held for sale during the period	-	-	-	-
Assets revalued or reclassified during the year	-	(220)	-	(220)
Less assets transferred or sold during the year	(497)	-	497	-
<b>Closing balance assets held for sale</b>	-	<b>497</b>	-	<b>497</b>

The Sanson Hotel and adjacent land has been sold.

The accumulated property revaluation reserve recognised in equity for the current assets held for sale is \$0, (last year: \$76,700).

## 18 Property, Plant and Equipment

2018

	Cost/ Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount
	\$000	\$000	\$000
<b>Council</b>			
<b>Operational assets</b>			
Land	17,629	-	17,629
Buildings and Improvements	7,981	(445)	7,536
Library Books	1,246	(372)	874
Plant , Equipment and Furniture	4,307	(2,689)	1,618
Motor Vehicles	1,512	(591)	921
<b>Total operational assets</b>	<b>32,675</b>	<b>(4,097)</b>	<b>28,578</b>
<b>Infrastructural assets</b>			
Land	4,518	-	4,518
Solid Waste	627	(335)	292
Wastewater	77,912	(1,845)	76,067
Stormwater and Drainage	33,480	(511)	32,969
Water Supply	59,714	(1,707)	58,007
Roads and Footpaths	374,395	(7,464)	366,931
Land Under Roads	65,297	-	65,297
<b>Total infrastructural assets</b>	<b>615,943</b>	<b>(11,863)</b>	<b>604,081</b>
<b>Restricted assets</b>			
Land	16,380		16,380
Buildings and Improvements	24,167	(896)	23,271
Plant and Equipment	1,997	(1,218)	779
<b>Total restricted assets</b>	<b>42,544</b>	<b>(2,114)</b>	<b>40,430</b>
<b>Total Council</b>	<b>691,162</b>	<b>(18,074)</b>	<b>673,089</b>
<b>Other Group Assets</b>			
Land	4,168	-	4,168
Buildings and Improvements	20,740	(785)	19,955
Furniture and equipment	206	(6)	200
Leasehold Improvements	176	(38)	138
<b>Total</b>	<b>25,290</b>	<b>(829)</b>	<b>24,461</b>
<b>Group Assets</b>	<b>716,453</b>	<b>(18,903)</b>	<b>697,550</b>

2017

	Cost/ Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount
	\$000	\$000	\$000
<b>Council</b>			
<b>Operational assets</b>			
Land	17,629	-	17,629
Buildings and Improvements	7,918	0	7,918
Library Books	3,263	(2,497)	766
Plant , Equipment and Furniture	4,153	(2,448)	1,705
Motor Vehicles	1,657	(753)	904
<b>Total operational assets</b>	<b>34,620</b>	<b>(5,698)</b>	<b>28,922</b>
<b>Infrastructural assets</b>			
Land	4,518	-	4,518
Solid Waste	485	(273)	212
Wastewater	71,765	(1,681)	70,084
Stormwater and Drainage	25,853	(450)	25,403
Water Supply	57,667	(1,679)	55,988
Roads and Footpaths	369,085	(7,050)	362,035
Land Under Roads	65,246	-	65,246
<b>Total infrastructural assets</b>	<b>594,619</b>	<b>(11,133)</b>	<b>583,486</b>
<b>Restricted assets</b>			
Land	16,363		16,363
Buildings and Improvements	22,917	(150)	22,767
Plant and Equipment	1,998	(1,133)	865
<b>Total restricted assets</b>	<b>41,278</b>	<b>(1,283)</b>	<b>39,995</b>
<b>Total Council</b>	<b>670,517</b>	<b>(18,115)</b>	<b>652,403</b>
<b>Other Group Assets</b>			
Land	4,168	-	4,168
Buildings and Improvements	17,889	-	17,889
Furniture and equipment	425	(241)	184
Leasehold Improvements	553	(396)	157
<b>Total</b>	<b>23,035</b>	<b>(637)</b>	<b>22,398</b>
<b>Group Assets</b>	<b>693,552</b>	<b>(18,752)</b>	<b>674,801</b>

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

2018	Carrying Amount 1 July 2017	Revaluation Movement	Additions	Reclassification	Disposals	Impairment of Assets	Current Year Depreciation	Carrying Amount 30 June 2018
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Council</b>								
<b>Operational assets</b>								
Land	17,629	-	-	-	-	-	-	17,629
Buildings and Improvements	7,918	-	63	-	-	-	(445)	7,536
Library Books	766	-	213	-	-	-	(105)	874
Plant , Equipment and Furniture	1,705	-	371	-	-	-	(458)	1,618
Motor Vehicles	904	-	353	-	(144)	-	(192)	921
<b>Total operational assets</b>	<b>28,922</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>(144)</b>	<b>-</b>	<b>(1,201)</b>	<b>28,578</b>
<b>Infrastructural assets</b>								
Land	4,518	-	-	-	-	-	-	4,518
Solid Waste	212	-	142	-	-	-	(62)	292
Wastewater	70,084	2,128	5,700	-	-	-	(1,845)	76,067
Stormwater and Drainage	25,403	5,822	2,255	-	-	-	(511)	32,969
Water Supply	55,988	666	2,822	-	-	-	(1,469)	58,007
Roads and Footpaths	362,035	1,956	10,404	-	-	-	(7,464)	366,931
Land Under Roads	65,246	-	51	-	-	-	-	65,297
<b>Total infrastructural assets</b>	<b>583,486</b>	<b>10,572</b>	<b>21,374</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,352)</b>	<b>604,081</b>
<b>Restricted assets</b>								
Land	16,363	-	66	-	(48)	-	-	16,380
Buildings and Improvements	22,767	-	1,400	-	-	-	(896)	23,271
Plant and Equipment	865	-	-	-	-	-	(86)	779
<b>Total restricted assets</b>	<b>39,995</b>	<b>-</b>	<b>1,465</b>	<b>-</b>	<b>(48)</b>	<b>-</b>	<b>(981)</b>	<b>40,430</b>
<b>Total Council</b>	<b>652,403</b>	<b>10,572</b>	<b>23,840</b>	<b>-</b>	<b>(192)</b>	<b>-</b>	<b>(13,534)</b>	<b>673,089</b>
<b>Other Group Assets</b>								
Land	4,168	-	-	-	-	-	-	4,168
Buildings and Improvements	17,889	2,583	268	-	-	-	(785)	19,955
Furniture and equipment	184	-	22	-	-	-	(6)	200
Leasehold Improvements	157	-	19	-	-	-	(38)	138
<b>Total</b>	<b>22,398</b>	<b>2,583</b>	<b>309</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(829)</b>	<b>24,461</b>
<b>Group Assets</b>	<b>674,801</b>	<b>13,155</b>	<b>24,149</b>	<b>-</b>	<b>(192)</b>	<b>-</b>	<b>(14,363)</b>	<b>697,550</b>

Included above is work in progress	Actual 2018 \$000
Operational Buildings and Improvements	83
Plant , Equipment and Furniture	1
Restricted land	-
Restricted Buildings and Improvements	650
Solid Waste	181
Wastewater	1,182
Stormwater and Drainage	2,419
Water Supply	866
Roading and Footpaths	2,007
<b>Total Council</b>	<b>7,388</b>
Manawatū Community Trust - Buildings	-
<b>Group Assets</b>	<b>7,388</b>

2017

	Carrying Amount 1 July 2016	Revaluation Movement	Additions	Reclassification	Disposals	Impairment of Assets	Current Year Depreciation	Carrying Amount 30 June 2017
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Council</b>								
<b>Operational assets</b>								
Land	15,161	2,593	45	(170)	-	-	-	17,629
Buildings and Improvements	7,359	736	228	-	(95)	-	(310)	7,918
Library Books	683	-	170	-	-	-	(87)	766
Plant , Equipment and Furniture	6,605	-	628	(5,143)	(1)	-	(384)	1,705
Motor Vehicles	773	-	475	-	(164)	-	(180)	904
<b>Total operational assets</b>	<b>30,581</b>	<b>3,329</b>	<b>1,546</b>	<b>(5,313)</b>	<b>(260)</b>	<b>-</b>	<b>(961)</b>	<b>28,922</b>
<b>Infrastructural assets</b>								
Land	3,113	379	856	170	-	-	-	4,518
Solid Waste	231	-	42	-	-	-	(61)	212
Wastewater	61,100	4,107	6,621	(63)	-	-	(1,681)	70,084
Stormwater and Drainage	23,099	1,164	1,590	-	-	-	(450)	25,403
Water Supply	53,473	1,267	2,653	60	-	-	(1,465)	55,988
Roads and Footpaths	350,747	5,957	12,278	103	-	-	(7,050)	362,035
Land Under Roads	65,077	-	84	85	-	-	-	65,246
<b>Total infrastructural assets</b>	<b>556,840</b>	<b>12,874</b>	<b>24,124</b>	<b>355</b>	<b>-</b>	<b>-</b>	<b>(10,707)</b>	<b>583,486</b>
<b>Restricted assets</b>								
Land	14,465	1,602	383	-	(87)	-	-	16,363
Buildings and Improvements	14,702	2,666	1,294	5,050	(24)	-	(921)	22,767
Plant and Equipment	476	-	466	-	-	-	(77)	865
<b>Total restricted assets</b>	<b>29,643</b>	<b>4,268</b>	<b>2,143</b>	<b>5,050</b>	<b>(111)</b>	<b>-</b>	<b>(998)</b>	<b>39,995</b>
<b>Total Council</b>	<b>617,064</b>	<b>20,471</b>	<b>27,813</b>	<b>92</b>	<b>(371)</b>	<b>-</b>	<b>(12,666)</b>	<b>652,403</b>
<b>Other Group Assets</b>								
Land	3,474	694	-	-	-	-	-	4,168
Buildings and Improvements	15,527	2,768	141	-	-	-	(547)	17,889
Furniture and equipment	206	-	6	-	-	-	(28)	184
Leasehold Improvements	148	-	26	-	-	-	(17)	157
<b>Total</b>	<b>19,355</b>	<b>3,462</b>	<b>173</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(592)</b>	<b>22,398</b>
<b>Group Assets</b>	<b>636,419</b>	<b>23,933</b>	<b>27,986</b>	<b>92</b>	<b>(371)</b>	<b>-</b>	<b>(13,258)</b>	<b>674,801</b>

	Actual 2017 \$000
<b>Included above is work in progress</b>	
Operational Buildings and Improvements	109
Plant , Equipment and Furniture	19
Restricted land	81
Restricted Buildings and Improvements	452
Solid Waste	50
Wastewater	8,941
Stormwater and Drainage	1,549
Water Supply	3,793
Roading and Footpaths	1,956
<b>Total Council</b>	<b>16,950</b>
Manawatu Community Trust - Buildings	6
<b>Group Assets</b>	<b>16,956</b>

## 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.

2018	Assets Constructed by Council	Assets Transferred to Council	Carrying Amount 30 June 2018	Replacement Cost 30 June 2018
	\$000	\$000	\$000	\$000
Wastewater				
Treatment Plant and Facilities	4,806	-	27,185	36,069
Other Assets (Reticulation Systems)	748	146	48,882	65,648
	5,554	146	76,067	101,717
Flood protection and control works	-	-	-	-
Stormwater drainage	2,098	157	32,969	47,479
Water Supply				
Treatment Plant and Facilities	1,021	-	19,523	19,523
Other Assets (Reticulation Systems)	1,666	135	38,484	86,038
	2,687	135	58,007	105,561
Roads and Footpaths	10,031	373	366,931	586,385

2017	Assets Constructed by Council	Assets Transferred to Council	Carrying Amount 30 June 2017	Replacement Cost 30 June 2017
	\$000	\$000	\$000	\$000
<b>Infrastructural assets</b>				
Wastewater of which:				
Treatment Plant and Facilities	4,996	-	27,375	36,259
Other Assets (Reticulation Systems)	968	657	42,709	66,379
	5,964	657	70,084	102,638
Flood protection and control works	-	-	-	-
Stormwater drainage	1,124	466	25,403	46,814
Water Supply of which:				
Treatment Plant and Facilities	991	-	19,493	19,493
Other Assets (Reticulation Systems)	1,197	465	36,495	85,899
	2,188	465	55,988	105,392
Roads and Footpaths	11,360	918	362,035	588,259

## Insurance Cover

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

## Insurance Arrangements

At 30 June 2018 Council had the following insurance cover in place for the following assets:

Material damage cover - buildings (operational and restricted)	\$100,000	75,042	90,474
Material damage cover - plant and equipment	\$100,000	9,430	9,430
Motor vehicle cover	1% sum insured	1,056	1,076
Material damage cover - water and wastewater - treatment and supply	\$100,000	68,824	68,824
Underground assets (water / stormwater/ wastewater) for natural disaster	\$250,000	214,416	214,416

## 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

At 30 June 2017 Council had entered into mutual arrangement with LAPP (Local Authority Protection Programme) for disaster cover for water, stormwater and wastewater assets. The cover related to 40% of the replacement value of the assets (\$125m) and a deductible of \$800,000 applied. Council transferred this insurance policy to the commercial market on 1 July 2017.

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 or by the Insurance Reserve - see note 25).

## 19 Intangible Assets

	Council and Group	
	Actual 2018 \$000	Actual 2017 \$000
<b>Balance at 1 July</b>		
Cost	2,822	2,433
Accumulated amortisation and impairment	(2,301)	(2,240)
Opening carrying amount	521	193
Additions	135	389
Less disposals at cost	-	-
Accumulated amortisation on disposals	-	-
Less amortisation charge	(104)	(61)
<b>Closing carrying amount</b>	<b>552</b>	<b>521</b>
<b>Balance at 30 June</b>		
Cost	2,957	2,822
Accumulated amortisation and impairment	(2,405)	(2,301)
<b>Closing carrying amount</b>	<b>552</b>	<b>521</b>

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.

## 20 Creditors and Other Payables

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Trade payables	5,474	5,769	5,622	5,880
Deposits and bonds	1,609	1,425	1,609	1,425
Accrued expenses	816	832	816	832
Amounts due to related parties (note 29)	-	-	-	-
Revenue in advance	809	821	809	821
<b>Total creditors and other payables</b>	<b>8,707</b>	<b>8,848</b>	<b>8,855</b>	<b>8,958</b>
<b>Total creditor and other payables comprise:</b>				
Creditors / other payables from exchange transactions	7,792	7,932	8,046	8,137
Creditors / other payables from non-exchange transactions	916	916	809	821
<b>Total creditors and other payables</b>	<b>8,707</b>	<b>8,848</b>	<b>8,855</b>	<b>8,958</b>

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.

## 21 Provisions

	Council and Group	
	Actual 2018 \$000	Actual 2017 \$000
<b>Current Provisions are represented by:</b>		
Financial guarantees	-	-
Landfill aftercare provision	142	116
<b>Total Current Provisions</b>	<b>142</b>	<b>116</b>
<b>Non-Current Provisions are represented by:</b>		
Financial guarantees	-	-
Landfill aftercare provision	845	705
<b>Total Non-Current provisions</b>	<b>845</b>	<b>705</b>
<b>Council and Group</b>		
	<b>Actual 2018 \$000</b>	<b>Actual 2017 \$000</b>
<b>Opening balance</b>	821	669
Additional provisions made during the year	169	168
Amounts used during the year	(91)	(40)
Unused amounts reversed during the year	0	0
Discount unwinding	87	24
<b>Closing Balance</b>	<b>986</b>	<b>821</b>

### 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 3.27%. 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 annual price index used is the Local Government Cost Index as detailed in the 2015-2025 Long Term Plan
- \* An annual discount rate of 3.27%
- \* 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.

## 22 Employee Entitlement Liabilities

	Council and Group		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Accrued pay	338	296	346	306
Annual leave	880	897	887	907
<b>Total Employee Entitlement Liabilities</b>	<b>1,218</b>	<b>1,194</b>	<b>1,233</b>	<b>1,214</b>
<b>Comprising:</b>				
Current	1,218	1,194	1,233	1,214
Non-current	-	-	-	-
<b>Total Employee Entitlement Liabilities</b>	<b>1,218</b>	<b>1,194</b>	<b>1,233</b>	<b>1,214</b>

## 23 Borrowings

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Opening Balance of Term Borrowings	59,601	52,601	62,644	56,224
Loans raised during the year	8,018	11,873	8,018	13,873
Loans repaid during the year	(5,000)	(4,873)	(5,280)	(7,453)
<b>Closing Balance of Term Borrowings</b>	<b>62,619</b>	<b>59,601</b>	<b>65,382</b>	<b>62,644</b>
<b>Current</b>				
Secured loans	10,506	5,022	10,722	5,238
<b>Total current borrowings</b>	<b>10,506</b>	<b>5,022</b>	<b>10,722</b>	<b>5,238</b>
<b>Non-current</b>				
Secured loans	52,113	54,579	54,660	57,363
<b>Total non-current borrowings</b>	<b>52,113</b>	<b>54,579</b>	<b>54,660</b>	<b>57,363</b>

As at 30 June 2018, there is a credit card facility in place with Bank of New Zealand for a limit of \$150k, which includes a new purchase card facility (last year: \$35k). 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

\$30.9 million of debt (last year \$30.5 million) has been issued at floating interest rate and the remainder is at fixed rates of interest. The borrowing rates range from 2.53% to 6.00% (last year: 2.48% 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 \$253,946 (last year \$271,516). The face value of fixed rate debt is \$30.9m.

**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.

**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.

## 24 Equity

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
<b>Retained Earnings</b>				
As at 1 July	466,632	462,063	478,344	473,144
Transfers to:				
From restricted reserves	236	234	236	234
Transfers from:				
To restricted reserves	(588)	(196)	(588)	(196)
Investment revaluation reserves on disposal	0	40	0	40
Property revaluation reserves on disposal	(164)	(816)	(164)	(816)
Surplus/(deficit) for the year	1,887	5,307	1,823	5,938
<b>As at 30 June</b>	<b>468,003</b>	<b>466,632</b>	<b>479,651</b>	<b>478,344</b>
<b>Restricted Reserves</b>				
As at 1 July	1,633	1,671	1,633	1,671
Transfers to:				
From Retained earnings	588	196	588	196
Transfers from:				
To Retained earnings	(236)	(234)	(236)	(234)
<b>As at 30 June</b>	<b>1,984</b>	<b>1,633</b>	<b>1,984</b>	<b>1,633</b>
<b>Asset Revaluation Reserves</b>				
As at 1 July	132,782	111,686	138,321	113,766
Revaluation gains/(losses)	10,563	20,279	13,148	23,739
Revaluation portion on disposed assets	164	816	164	816
<b>As at 30 June</b>	<b>143,509</b>	<b>132,782</b>	<b>151,633</b>	<b>138,321</b>
<b>Fair value through other comprehensive revenue and expense</b>				
As at 1 July	0	62	0	62
Transferred to retained earnings on disposal	0	(40)	0	(40)
Net revaluation gain/(losses)	0	(22)	0	(22)
<b>As at 30 June</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Other Reserves</b>	<b>145,494</b>	<b>134,415</b>	<b>153,618</b>	<b>139,954</b>
<b>Total Equity</b>	<b>613,497</b>	<b>601,047</b>	<b>633,269</b>	<b>618,298</b>

## Retained Earnings

Included in retained earnings are the general funds, accumulated funds and the depreciation reserve.

### General funds

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Opening balances	464,712	458,016	476,428	469,102
Transfers from restricted reserves	153	233	153	233
Transfers to restricted reserves	(500)	(159)	(500)	(192)
Property revaluation reserve on disposal	(164)	(816)	(164)	(816)
Transfers to General funds	4,483	7,437	4,411	8,101
<b>Closing Balance</b>	<b>468,684</b>	<b>464,712</b>	<b>480,328</b>	<b>476,428</b>

### Accumulated funds

Included in the Accumulated Funds in the balance sheet are two types of reserves. These are separate funds and growth funds detailed below.

#### Separate 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.

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Opening balances	(1,942)	(848)	(1,942)	(848)
Transfers to Separate Funds	(2,001)	669	(2,001)	669
Transfers from Separate Funds	3,907	(1,763)	3,907	(1,763)
<b>Closing Balance</b>	<b>(36)</b>	<b>(1,942)</b>	<b>(36)</b>	<b>(1,942)</b>

#### 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.

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Opening balances	69	(576)	69	(576)
Transfers to Growth Funds	2,114	985	2,114	985
Transfers from Growth Funds	(4,066)	(340)	(4,066)	(340)
<b>Closing Balance</b>	<b>(1,883)</b>	<b>69</b>	<b>(1,883)</b>	<b>69</b>

#### 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.

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
Opening balances	3,789	5,470	3,789	5,470
Transfers to Depreciation Fund	9,655	8,945	9,655	8,945
Transfers from Depreciation Fund	(12,205)	(10,626)	(12,205)	(10,626)
<b>Closing Balance</b>	<b>1,239</b>	<b>3,789</b>	<b>1,239</b>	<b>3,789</b>
<b>Total Retained Earnings</b>	<b>468,003</b>	<b>466,627</b>	<b>479,648</b>	<b>478,344</b>

## Restricted funds

### Trust funds

	Council and Group			Closing Balance \$000
	Opening Balance \$000	Transfers in \$000	Transfers out \$000	
<b>2018</b>				
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	3	1	-	4
Robert Dickson Educational Trust	14	-	(1)	13
Museum Trust	2	-	-	2
Feilding and District Relief Trust	56	2	-	58
	<b>100</b>	<b>3</b>	<b>(1)</b>	<b>102</b>
<b>2017</b>				
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	3	-	-	3
Robert Dickson Educational Trust	14	-	(1)	13
Museum Trust	2	-	-	2
Feilding and District Relief Trust	56	1	-	57
	<b>100</b>	<b>1</b>	<b>(1)</b>	<b>100</b>

#### 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 ex 2004 flood

## Special Funds

	Council and Group			Closing Balance \$000
	Opening Balance	Transfers in	Transfers out	
	\$000	\$000	\$000	
<b>2018</b>				
General Purpose Special Fund	19	478	(68)	429
Land Subdivision Reserve Special Fund	553	9	(31)	531
Insurance Fund	961	16	(53)	924
	<b>1,533</b>	<b>503</b>	<b>(152)</b>	<b>1,884</b>
<b>2017</b>				
General Purpose Special Fund	32	151	(164)	19
Land Subdivision Reserve Special Fund	552	22	(21)	553
Insurance Fund	987	22	(48)	961
	<b>1,571</b>	<b>195</b>	<b>(233)</b>	<b>1,533</b>

### 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 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.

	Council		Group	
	Actual 2018	Actual 2017	Actual 2018	Actual 2017
	\$000	\$000	\$000	\$000
Trust Funds	102	100	102	100
Special Funds	1,884	1,533	1,884	1,533
<b>Total Trust and Special Funds</b>	<b>1,986</b>	<b>1,633</b>	<b>1,986</b>	<b>1,633</b>

## Asset Revaluation Reserves

	Council		Group	
	Actual 2018	Actual 2017	Actual 2018	Actual 2017
	\$000	\$000	\$000	\$000
Operational assets				
Land	4,717	4,754	4,717	4,754
Buildings & Improvements	1,560	1,360	4,146	1,360
Infrastructural assets				
Land	919	919	919	919
Utilities (Water, Stormwater and Wastewater)	48,229	39,614	48,229	39,614
Roading network	75,920	73,964	75,924	73,964
Restricted assets				
Land	6,505	6,513	8,720	8,728
Buildings & Improvements	5,659	5,659	8,979	8,979
<b>Total</b>	<b>143,508</b>	<b>132,782</b>	<b>151,633</b>	<b>138,318</b>

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

	Council		Group	
	Actual 2018	Actual 2017	Actual 2018	Actual 2017
	\$000	\$000	\$000	\$000
Surplus/(deficit) after tax	1,887	5,307	2,074	5,938
Add/(less) non-cash items:				
Depreciation and amortisation	13,639	12,729	14,470	13,336
Vested assets	(684)	(2,509)	(684)	(2,509)
Grant expenditure from low interest loans	0	48	0	48
Add/(less) items classified as investing or financing activities:				
Investment revenue direct to investment			(240)	(320)
(Gains)/losses on disposal of property, plant and equipment	83	5	83	5
Add/(less) movements in working capital items:				
(Increase)/decrease in accounts receivable	671	9	702	40
Increase (decrease) in accounts payable	1,627	(287)	1,788	(461)
Increase (decrease) in provisions	165	153	165	153
Increase (decrease) in employee benefits	24	210	30	216
Net GST	156	67	153	64
<b>Net cash from operating activities</b>	<b>17,567</b>	<b>15,733</b>	<b>18,540</b>	<b>16,510</b>

## 26 Capital Commitments and Operating Leases

### Capital Commitments

	Council		Group	
	Actual 2018	Actual 2017	Actual 2018	Actual 2017
	\$000	\$000	\$000	\$000
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment				
- Buildings	-	-	-	-
- Roading	15,622	6,670	15,622	6,670
- Stormwater	733	151	733	151
- Wastewater	401	84	401	84
- Water Supply	99	1,617	99	1,617
<b>Total Capital Commitments</b>	<b>16,855</b>	<b>8,522</b>	<b>16,855</b>	<b>8,522</b>

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, \$7.07m (last year: \$3.28m) will be 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 36 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	Actual 2018	Actual 2017	Actual 2018	Actual 2017
	\$000	\$000	\$000	\$000
<b>Non-cancellable operating leases as lessee</b>				
Not later than one year	46	67	46	67
Later than one year and not later than two years	5	46	5	46
Later than two years and not later than five years	15	15	15	15
Later than five years	15	21	15	21
<b>Total non-cancellable operating leases</b>	<b>81</b>	<b>149</b>	<b>81</b>	<b>149</b>

### Operating Leases as Lessor

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

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

	Council		Group	
	Actual 2018	Actual 2017	Actual 2018	Actual 2017
	\$000	\$000	\$000	\$000
<b>Non-cancellable operating leases as lessor</b>				
Not later than one year	133	133	133	133
Later than one year and not later than two years	133	133	133	133
Later than two years and not later than five years	400	400	400	400
Later than five years	566	700	566	700
<b>Total non-cancellable operating leases</b>	<b>1,232</b>	<b>1,366</b>	<b>1,232</b>	<b>1,366</b>

## 27 Contingencies

### Contingent Liabilities

#### Risk Pool Insurance

In prior years Council obtained public liability and professional indemnity insurance cover from New Zealand Mutual Liability RiskPool, 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 signed a relationship agreement with the Department of Building and Housing on 21 November 2011. This agreement is to co-operate with the government to deliver the financial assistance package established by Central Government to assist homeowners in completing repairs. The timeframe for lodging claims under the Weathertight Homes Resolution Services Act 2006 states that the building to which the claim relates "was built (or alterations giving rise to the claim were made to it) before 1 January 2012 and within the period of 10 years immediately before the day on which the claim is brought". As at balance date, there is one claim lodged with the Council in June 2015, whereby the claimant had expressed an interest in accessing the financial assistance package, under the Weathertight Homes Resolution Services Act 2006. No estimated costs could be quantified by the Council as costs will be provided via the financial assistance package by way of experts report.

#### 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 2018, the NZLGFA had borrowings totalling \$8.594 billion (last year: \$7.945 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 Manawatu-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, Manawatu 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 \$4.92m (last year: \$4.92m). Refer to note 16.

## 28 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 2018 \$000	Actual 2017 \$000
<b>Heartland Contractors Limited (Non Trading)</b>	Nil	Nil
The Mayor, Deputy Mayor and Chief Executive are directors of this company		
<b>Feilding Civic Centre Trust</b>		
Grant provided by MDC	78	78
Services provided by MDC	0	0
Amounts payable to MDC at year end		
Amounts receivable by MDC at year end	0	2
<b>Manawatū Community Trust</b>		
Services provided by MDC (provided on a cost recovery basis only)	0	0
Interest paid to MDC (refer note below)	77	89
Amounts payable to MDC at year end	33	39
Loans repaid to the MDC	240	232
Loans drawn down from MDC during the year	0	0
Loan owing to MDC (as at balance date)	2,992	3,232

**Manawatu-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

93 93

**Central Economic Development Agency Limited**

Contract payment provided by MDC

634 499

Council has impaired the loan given to Manawātū Community Trust to fair value. The reduction total of \$193,421 (last year \$270,050) 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 2018 \$000	Actual 2017 \$000
Salaries and other short term employee benefits - elected members	416	421
Salaries and other short term employee benefits - Executive Team including the Chief Executive	967	927
Post employment benefits - Executive Team including the Chief Executive	40	39
Termination benefits	-	-
	<b>1,423</b>	<b>1,387</b>
<b>Full time equivalents</b>		
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.

**29 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 2018 \$	Actual 2018 \$	Actual 2017 \$	Actual 2017 \$
	Salary	Meeting Allowances	Salary	Meeting Allowances
Mayor Helen Worboys (from October 2016)	101,897		70,521	
Councillor Steve Bielski	28,145		28,475	
Councillor Barbara Cameron	28,145	468	30,724	485
Councillor Stuart Campbell (from October 2016)	28,145		19,479	
Councillor Shane Casey	28,145	356	28,475	400
Councillor Michael Ford (Deputy Mayor from October 2016)	39,404		27,058	
Councillor Hilary Humphrey (from October 2016)	35,182		24,216	
Councillor Philson Marsh (from October 2016)	35,182		24,216	
Councillor Andrew Quarrie	28,145		28,475	
Councillor Alison Short	28,145	356	28,475	
Councillor Howard Voss	35,182		35,422	500
Mayor Margaret Kouvelis (until October 2016)			33,566	
Councillor Wayne Ellery (until October 2016)			8,996	
Councillor Jocelyn Heslop (until October 2016)			8,996	
Councillor Albert James (until October 2016)			8,996	
Councillor Tony Jensen (Deputy Mayor until October 2016)			14,844	451
	<b>415,717</b>	<b>1,180</b>	<b>420,933</b>	<b>1,836</b>

### Chief Executive

- For the year ended 30 June 2018, the remuneration paid to the Chief Executive, Richard Templer, was \$303,450 (Last year, Richard Templer was paid \$300,401).

### Council employees

	Actual 2018 as at 30 June	Actual 2017 as at 30 June
The number of employees employed by the Council:	181	170
The number of full-time employees:	131	129
The full-time equivalent number of all other employees:	31	22
Number of employees receiving total annual remuneration of		
- less than \$60,000	96	89
- between 60,001 and \$80,000	41	43
- between \$80,001 and \$100,000	25	20
- between \$100,001 and \$120,000	10	9
- between \$120,001 and \$200,000	8	8
- between \$200,001 and \$320,000 (Chief Executive)	1	1
A full-time employee is determined on the basis of a 40-hour working week.		
	<b>181</b>	<b>170</b>

### 30 Severance Payments

For the year ended 30 June 2018, the Council made one (2017: four) severance payments to employees totalling \$10,000 (2017 \$13,500).

### 31 Events after the Balance Sheet Date

The Manawātū 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.

## 32 Financial Instruments

### Financial instrument categories

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

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
<b>FINANCIAL ASSETS</b>				
<b>Loans and receivables</b>				
Cash and cash equivalents	4,355	7,275	4,871	7,768
Debtors and other receivables	4,535	5,388	4,735	5,442
Term deposits - other	(48)	699	(48)	699
Notes - NZ Local Government Funding Agency	976	928	976	928
Community loans	416	485	416	485
Community loans - related party	2,799	3,007	(192)	-
<b>Total loans and receivables</b>	<b>13,032</b>	<b>17,782</b>	<b>10,757</b>	<b>15,322</b>
<b>Total held to maturity</b>				
Other financial assets	-	-	-	-
<b>Total held to maturity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Available for sale</b>				
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 Manawatu-Wanganui LASS Limited (LASS)	16	16	16	16
<b>Total available for sale</b>	<b>306</b>	<b>306</b>	<b>306</b>	<b>306</b>
<b>Total financial assets</b>	<b>13,338</b>	<b>18,087</b>	<b>11,063</b>	<b>15,627</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Financial liabilities at amortised cost</b>				
Creditors and other payables	8,707	8,848	8,855	8,958
Borrowings				
- Bank overdraft	-	-	-	-
- Secured loans	62,619	59,601	65,382	62,608
<b>Total financial liabilities at amortised cost</b>	<b>71,326</b>	<b>68,449</b>	<b>74,237</b>	<b>71,566</b>

## Fair Value Hierarchy Disclosures

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

	Valuation technique			
	Total	Quoted market price	Observable inputs	Significant non- observable inputs
	\$000	(Level 1) \$000	(Level 2) \$000	\$000
<b>30 June 2018 - Council</b>				
<b>Financial assets</b>				
Community Loan	-		-	
<b>30 June 2018 -Group</b>				
<b>Financial assets</b>				
Community Loan	-		-	
<b>30 June 2017 - Council</b>				
<b>Financial assets</b>				
Community Loan	-		-	
<b>30 June 2017 -Group</b>				
<b>Financial assets</b>				
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

## Maximum exposure to credit risk

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

	Council		Group	
	Actual 2018 \$000	Actual 2017 \$000	Actual 2018 \$000	Actual 2017 \$000
<b>Balance as at 30 June</b>				
Cash at bank and term deposits	4,307	7,974	4,823	8,467
Debtors and other receivables	4,535	5,388	4,735	5,442
Community loans	3,215	3,492	224	485
Local authority stock and other investments	1,282	1,234	1,282	1,234
Financial guarantees	-	-	-	-
<b>Total credit risk</b>	<b>13,338</b>	<b>18,087</b>	<b>11,063</b>	<b>15,627</b>

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

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 27.

## 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	
	2018	2017	2018	2017
	\$000	\$000	\$000	\$000
<b>Balance as at 30 June</b>				
<b>Counterparties with credit ratings</b>				
<i>Cash and term deposits</i>				
Cash at bank and bank term deposits (AA- rated)	4,307	7,974	4,823	8,467
NZLGFA borrower's notes (AA rated)	976	928	976	928
<b>Total cash at bank and term deposits</b>	<b>5,283</b>	<b>8,902</b>	<b>5,799</b>	<b>9,395</b>
<i>Other investments</i>				
Unlisted shares in NZ Local Government Funding Agency (NZLGFA) (AA Rated)	100	100	100	100
<b>Total other investments</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Counterparties without credit ratings</b>				
Local authority stock, community loans				
Existing counterparty with no defaults in the past	3,421	3,698	430	691
Existing counterparty with defaults in the past	-	-	-	-
<b>Total local authority stock and community loans</b>	<b>3,421</b>	<b>3,698</b>	<b>430</b>	<b>691</b>

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

#### Liquidity risk

##### *Management of liquidity risk*

Liquidity risk is the risk that 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 \$000	Contractual Cash Flows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
<b>Council 2018</b>					
Creditors and other payables	8,707	8,707	8,707	-	-
Secured loans	62,619	72,480	12,396	31,171	28,913
Financial guarantees	-	-	-	-	-
	<b>71,326</b>	<b>81,187</b>	<b>21,103</b>	<b>31,171</b>	<b>28,913</b>
<b>Group 2018</b>					
Creditors and other payables	8,855	8,855	8,855	-	-
Secured loans	65,382	75,519	12,584	34,022	28,913
Financial guarantees	-	-	-	-	-
	<b>74,237</b>	<b>84,374</b>	<b>21,439</b>	<b>34,022</b>	<b>28,913</b>
<b>Council 2017</b>					
Creditors and other payables	8,848	8,848	8,848	-	-
Secured loans	59,601	69,507	6,969	34,658	27,880
Financial guarantees	-	-	-	-	-
	<b>68,449</b>	<b>78,355</b>	<b>15,817</b>	<b>34,658</b>	<b>27,880</b>
<b>Group 2017</b>					
Creditors and other payables	8,958	8,958	8,958	-	-
Secured loans	62,608	73,772	7,358	38,534	27,880
Financial guarantees	-	-	-	-	-
	<b>71,566</b>	<b>82,730</b>	<b>16,316</b>	<b>38,534</b>	<b>27,880</b>

### Contractual maturity analysis of financial assets

The table below analyses Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
<b>Council 2018</b>					
Cash and cash equivalents	4,355	4,355	4,355	-	-
Debtors & other receivables	4,535	4,535	4,535	-	-
Other financial assets:					
- Term deposits	-	-	-	-	-
- LGFA Borrower notes	976	976	168	408	400
- Community loans	416	103	7	30	66
- Community loans - related party	2,799	3,400	317	1,268	1,815
	<b>13,080</b>	<b>13,369</b>	<b>9,382</b>	<b>1,706</b>	<b>2,281</b>
<b>Group 2018</b>					
Cash and cash equivalents	4,871	4,871	4,871	-	-
Debtors & other receivables	4,735	4,735	4,735	-	-
Other financial assets:					
- Term deposits	-	-	-	-	-
- LGFA Borrower notes	976	976	168	408	400
- Community loans	416	103	7	30	66
	<b>10,997</b>	<b>10,685</b>	<b>9,781</b>	<b>438</b>	<b>466</b>
<b>Council 2017</b>					
Cash and cash equivalents	7,275	7,275	7,275	-	-
Debtors & other receivables	5,388	5,388	5,388	-	-
Other financial assets:					
- Term deposits	699	699	-	699	-
- LGFA Borrower notes	928	816	80	464	272
- Community loans	485	306	8	97	201
- Community loans - related party	3,007	3,717	317	1,268	2,132
	<b>17,782</b>	<b>18,200</b>	<b>13,068</b>	<b>2,528</b>	<b>2,605</b>
<b>Group 2017</b>					
Cash and cash equivalents	7,768	7,768	7,768	-	-
Debtors & other receivables	5,442	5,442	5,442	-	-
Other financial assets:					
- Term deposits	699	699	0	699	0
- LGFA Borrower notes	928	816	80	464	272
- Community loans	485	306	8	97	201
	<b>15,322</b>	<b>15,031</b>	<b>13,298</b>	<b>1,260</b>	<b>473</b>

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 27.

## 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.

2018	-100bps		+100bps	
	Profit \$000	Other Equity \$000	Profit \$000	Other Equity \$000
<b>INTEREST RATE RISK</b>				
<b>Financial assets</b>				
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	-
<b>Financial liabilities</b>				
Secured loans	320	-	(320)	-
<b>Total sensitivity to interest rate risk</b>	<b>246</b>	<b>-</b>	<b>(244)</b>	<b>-</b>
<b>EQUITY PRICE RISK</b>				
	<b>-10%</b>		<b>10%</b>	
<b>Financial assets</b>				
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	-
- Shares in Manawatu-Wanganui LASS Limited	-	-	-	-
- Shares in NZ Local Government Funding Agency	-	-	-	-
<b>Total sensitivity to equity price risk</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

2017	-100bps		+100bps	
	Profit \$000	Other Equity \$000	Profit \$000	Other Equity \$000
<b>INTEREST RATE RISK</b>				
<b>Financial assets</b>				
Cash and cash equivalents	(43)	-	43	-
Other financial assets:				
- Term deposits	-	-	-	-
- LGFA Borrower notes	(4)	-	4	-
- Community and related party loans	(28)	-	28	-
- Other investments	(1)	-	1	-
- Local authority stock	0	-	0	-
Secured loans	305	-	(305)	-
<b>Total sensitivity to interest rate risk</b>	<b>229</b>	<b>-</b>	<b>(229)</b>	<b>-</b>
<b>EQUITY PRICE RISK</b>				
	<b>-10%</b>		<b>10%</b>	
<b>Financial assets</b>				
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	-
- Shares in Manawatu-Wanganui LASS Limited	-	-	-	-
- Shares in NZ Local Government Funding Agency	-	-	-	-
<b>Total sensitivity to equity price risk</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Explanation of sensitivity analysis - Council

### Financial Assets

#### 1 Cash and cash equivalents

Cash and cash equivalents include deposits on call totalling \$4,351,442 (last year: \$4,258,591) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$43,514 (last year: \$42,586).

#### 2 Community loans

Council has floating rate community advances with a principal amount totalling \$7,995,445 (last year: \$8,239,680). A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$79,954 (last year: \$82,397).

#### 3 Local authority stock and other investments

Council has floating rate term bonds and deposits totalling \$464,000 (last year: \$440,000) that are held to maturity. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$4,640 (last year: \$4,400).

### Financial Liabilities

#### 4 Secured loans

Council has a floating rate debt with a principal amount totalling \$32,000,000 (last year: \$30,500,000). A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$320,000 (last year: \$309,000).

### 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 \$310,025 at 31 December 2017. Council accounts for these shares at cost.

Council holds unlisted equity instruments in Manawatu 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. Council accounts for these shares 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. Council accounts for these shares 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.

## 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.

2018	-100bps		+100bps	
	Profit \$000	Other Equity \$000	Profit \$000	Other Equity \$000
<b>INTEREST RATE RISK</b>				
<b>Financial assets</b>				
Cash and cash equivalents	(45)	-	45	-
Other financial assets:				
- Term deposits	-	-	-	-
- LGFA Borrower notes	(4)	-	4	-
- Community loans	(1)	-	1	-
- Other investments	(1)	-	1	-
<b>Financial liabilities</b>				
Secured loans	320	-	(320)	-
<b>Total sensitivity to interest rate risk</b>	<b>269</b>	<b>-</b>	<b>(269)</b>	<b>-</b>
<b>EQUITY PRICE RISK</b>				
	<b>-10%</b>		<b>10%</b>	
<b>Financial assets</b>				
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	-
- Shares in Manawatu-Wanganui LASS Limited	-	-	-	-
- Shares in NZ Local Government Funding Agency	-	-	-	-
<b>Total sensitivity to equity price risk</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

2017	-100bps		+100bps	
	Profit \$000	Other Equity \$000	Profit \$000	Other Equity \$000
<b>INTEREST RATE RISK</b>				
<b>Financial assets</b>				
Cash and cash equivalents	(47)	-	47	-
Other financial assets:				
- Term deposits	-	-	-	-
- LGFA Borrower notes	(4)	-	3	-
- Community loans	(1)	-	1	-
- Other investments	(1)	-	1	-
<b>Financial liabilities</b>				
Secured loans	305	-	(305)	-
<b>Total sensitivity to interest rate risk</b>	<b>252</b>	<b>-</b>	<b>(253)</b>	<b>-</b>
<b>EQUITY PRICE RISK</b>				
	<b>-10%</b>		<b>10%</b>	
<b>Financial assets</b>				
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	-
- Shares in Manawatu-Wanganui LASS Limited	-	-	-	-
- Shares in NZ Local Government Funding Agency	-	-	-	-
<b>Total sensitivity to equity price risk</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Explanation of sensitivity analysis - Group

### Financial Assets

#### 1 Cash and cash equivalents

Cash and cash equivalents include deposits on call totalling \$4,717,442 (last year: \$4,651,591) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$47,174 (last year: \$46,516).

#### 2 Community loans

The Group has floating rate community advances with a principal amount totalling \$79,919 (last year: \$84,247). A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$799 (last year: \$842).

#### 3 Local authority stock and other investments

The Group has floating rate term bonds and deposits totalling \$464,000 (last year: \$440,000) that are held to maturity. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$4,640 (last year: \$4,400).

### Financial Liabilities

#### 4 Secured loans

The Group has a floating rate debt with a principal amount totalling \$32,000,000 (last year: \$30,500,000). A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$320,000 (last year: \$305,000).

### Equity

#### 5 Unlisted shares

The Group holds unlisted equity instruments in Civic Financial Services Ltd, which are not traded and will continue to be held by the Group. The market value of these shares is difficult to determine, but the net asset backing of this shareholding was \$310,025 at 31 December 2017. The Group accounts for these shares at cost.

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

The Group holds unlisted equity instruments in New Zealand Local Government Funding Agency Ltd, which are not traded and will continue to be held by the Group. The Group accounts for these shares 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.

### 33 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 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.

## 34 Explanation of Major Variances

Explanations for major variations between the actual results and the estimated figures in the 2017/18 Annual Plan, which is the third year of the Long Term Plan 2015-2025, are detailed below.

### Statement of Comprehensive Revenue and Expense

The operating surplus for the year is \$1,881,000, against a budgeted surplus of \$60,000. The following are the most significant variances:

- Revenue from development contributions and capital contributions are \$1.6 million above budget. This reflects the level of building activity within the district. Increased building activities also resulted in increased consent revenue and associated costs.
- Finance costs are \$681,000 lower than budgeted. The external loans raised for the year also at a lower interest rate than budgeted. The amount of loans raised during the year were lower than expected as a result of not completing the budgeted capital programme (see comment below).
- Roading expenditure included \$2.2 million operating expenditure as a result of the July 2017 weather event, which is subsidised by a NZTA subsidy.
- District Development expenditure is lower than budget, due to postponement of the Ultra Fast Broadband project \$208k and Community Development funding \$135k has also been carried forward to the 2018/19 year.
- 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.

### Statement of Financial Position

The most significant movements are:

- Capital expenditure is only 69% of the work planned at the time of preparing the Long Term Plan. A number of projects have been carried forward to the 2018/19 financial year. The level of capital expenditure has resulted in property, plant and equipment, intangible assets and the associated borrowing being lower than budgeted. Individual variations are documented with the individual activity reports.
- Borrowing is \$3.3 million less than planned. This is primarily a result of reduced capital expenditure and the timing of raising loans. In December 2017 Council borrowed \$8 million, of which \$5 million was used to finance retiring debt.
- Council revalued its infrastructural assets on 1 July 2017. The revaluations resulted in an increase in the asset value \$2.5 million less than budgeted. As a result both the asset value and the asset revaluation reserve are less than expected.
- Cash and cash equivalents are \$1.1 million greater than planned. This is primarily a result of reduced capital expenditure and loans and the timing of raising loans. The movements are documented in the Statement of Cash Flows.
- Accounts receivable is significantly lower than budget, due to receipt of significant historic debtors.

### Statement of Cash Flows

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

## Report on Liability Management and Investment Policies

### Liability Management Policy

#### Commentary

During the course of the financial year, Council raised \$8.0 million of debt, repaid \$5.0 million of debt, resulting in an increase of debt from \$59.6 million at the start of the financial year to \$62.6 million at 30 June 2018.

In November 2017 Council adopted a revised Liability Management Policy. The revised policy incorporated new debt limits that reflected the limits required by our external funders, the New Zealand Local Government Funding Agency (LGFA).

#### Key Statistics

	Actual 2018	Budget 2018	Actual 2017
<b>Effective 1 July 2017 - 15 November 2017</b>			
Gross interest expense compared to operating revenue not to exceed 10%	4.3%	5.9%	3.8%
Gross interest expense compared to rates revenue not to exceed 20%	7.1%	9.2%	6.4%
Net cash flows from operating activities to exceed gross interest expense by 1.5 times	7.7	4.3	7.9
Net Working Capital Ratio is greater than 1 (current assets compared to current liabilities excluding current portion of debt and properties for sale)	0.93	1.04	1.28
Total debt compared to total assets	9.1%	9.7%	8.9%
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.	16.8%	15.9%	19.2%
<b>Effective from 15 November 2017</b>			
Net interest expense (interest and financing cosles less interest income) must not exceed 20% of total revenue (excluding non-Government capital contributions such as developers contribution and vested assets).	4.2%	5.5%	3.6%
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).	6.1%	7.9%	5.3%
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).	115.4%	126.9%	107.6%
Available financial accommodation (external indebtedness, plus committed but undrawn debt plus liquid investment) must not be less than 110% of external indebtedness.	119.9%	116.8%	126.4%
Net Working Capital Ratio is greater than 1 (current assets compared to current liabilities excluding current portion of debt and properties for sale)	0.93	1.04	1.28
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.	16.8%	15.9%	19.2%

At balance date the working capital ratio was less than required. This was a result of a significant debtor paying the debt due. These funds were used instead of raising external loans to fund capital works. Loans will be raised early in the new financial year to meet cash requirements.

There were no other 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 \$186,000 was down on last year's \$245,000, due to a change in the market interest rates and the amounts invested.

### Other Equity Investments

Council also has an historical investment in Civic Financial Services Ltd.

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

There was a breach of the Investment Management Policy in July 2017. An early receipt of an NZTA claim caused the ratio of funds held with our transactional bank to exceed 40%.

## Report on Revenue and Financing Policy

Council's current Revenue and Financing Policy was adopted as part of the 2015-2025 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 2018.

Group of Activities	Function	ACTUAL		FUNDING POLICY	
		Public	Private	Public	Private
<b>Community Facilities</b>	District Libraries	97%	3%	95%	5%
	Makino Aquatic Centre	69%	31%	65%	35%
	Parks and Reserves	82%	18%	95%	5%
	Property	62%	38%	50%	50%
	Local Halls and complexes	100%	0%	100%	0%
	Public Conveniences	100%	0%	100%	0%
<b>District Development</b>	Community Development	100%	0%	100%	0%
	Economic Development	100%	0%	100%	0%
	Feilding CBD Security	20%	80%	20%	80%
<b>Emergency Management</b>	Civil Defence	100%	0%	100%	0%
	Rural Fire	100%	0%	100%	0%
<b>Environmental and Monitoring Service</b>	Animal Control	40%	60%	40%	60%
	Building Control	34%	66%	40%	60%
	District Planning	79%	21%	80%	20%
	Environmental Health	94%	6%	95%	5%
	Alcohol Licensing	18%	82%	50%	50%
<b>Governance and Strategy</b>	Governance and Strategy	100%	0%	100%	0%
<b>Roading Network</b>	Roading	40%	60%	55%	45%
	Feilding CBD Redevelopment	10%	90%	10%	90%
<b>Solid Waste</b>	Solid Waste Collection and Disposal	37%	63%	50%	50%
	Feilding Kerbside Collection	100%	0%	0%	100%
<b>Stormwater</b>	Urban Stormwater	20%	80%	20%	80%
	Rural Land Drainage	0%	100%	0%	100%
<b>Wastewater</b>	Wastewater	0%	100%	0%	100%
<b>Water Supply</b>	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 Manawatu district. Following is the statement of comprehensive revenue and expense for the year ended 2018.

#### Manawatū Community Trust Statement of Comprehensive Revenue and Expense for the year ended 30 June 2018

	Actual 2018	Actual 2017
	\$000	\$000
<b>Revenue</b>		
Interest	1	2
Other revenue	2,102	2,322
<b>Total Revenue</b>	<b>2,103</b>	<b>2,324</b>
Employee benefit expenses	136	162
Depreciation	793	554
Finance costs	200	238
Other expenses	823	783
Loss on assets disposal	-	-
Property, plant and equipment impairment loss	-	-
<b>Total Operating Expenditure</b>	<b>1,952</b>	<b>1,737</b>
<b>Operating Surplus/(Deficit)</b>	<b>151</b>	<b>587</b>
Other comprehensive revenue and expense	-	-
<b>Net Surplus/(Deficit)</b>	<b>151</b>	<b>587</b>

### 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-Manawatu LASS Limited

This company has been set up in 2008 by seven Local Councils to investigate the possibilities of economies of scales by joint procurement.

Council has exempted this company from being a CCO.

Central Economic Development Agency Limited  
Statement of Comprehensive Revenue and Expense for the year ended 30 June 2018

	Actual 2018	Actual 2017
	\$000	\$000
<b>Revenue</b>		
Council funding	2,577	1,932
Services revenue	793	568
Donated assets	-	832
Project revenue	394	405
Major Event Fund revenue	65	-
Interest	20	13
Other revenue	7	8
<b>Total Revenue</b>	<b>3,856</b>	<b>3,758</b>
Employee expense	1,476	1,309
Operating expenses	1,309	984
Project expenses	621	297
Directors' fees	168	155
Major Event Fund allocations	65	-
Depreciation	27	24
Financing expenses	5	-
Loss on assets disposal	1	1
<b>Total Operating Expenditure</b>	<b>3,672</b>	<b>2,770</b>
<b>Operating Surplus/(Deficit) before Taxation</b>	<b>184</b>	<b>988</b>
Income tax expense	49	77
<b>Operating Surplus / (Deficit) after Taxation</b>	<b>135</b>	<b>911</b>
Other comprehensive revenue and expense	-	-
<b>Net Surplus/(Deficit)</b>	<b>135</b>	<b>911</b>

## Reporting against the Statement of Intent

### Manawatū Community Trust: for the year ended 30 June 2018

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

	Target	Results
<b>Housing Portfolio</b>		
A housing portfolio that provides a modern, healthy living environment for the elderly and the disabled.	Carry out refurbishment or upgrade on flats to ensure that they meet appropriate standards - Target: 8 flats per annum.	Seven flats have been refurbished, these being 22 Fitzroy, 5 Sandon, 11 Shelton (2), 11 and 21 Woodlark and 15 Rangimarie. In addition with assistance from ACC 5 Rangimarie was rebuilt to meet disability accessibility standards and with an additional room added. <i>(Last year five flats were refurbished).</i>
Additional housing stock, investigate the cost of developing vacant land in Beattie Street for 12 additional units.	Plan to provide for at least 12 additional units.	Initial costs for developing vacant land at Beattie St were refined downwards but not to the point where the board was prepared to proceed further at this stage.
<b>Housing Maintenance</b>		
Be responsive to urgent maintenance requirements or resident health and safety needs.	Maintenance requirement requests are responded to within 48 hours.	Average monthly requests for maintenance were 15. Response times have been met. <i>(Last year 25 requests).</i>
	Resident safety needs are responded to within 12 hours.	Response times have been met.
<b>Housing Occupancy</b>		
Maintain a high occupancy level.	Annual average occupancy level is 95% per annum.	The average occupancy level for the 2017/18 year was 97%. <i>(Last year 97%).</i>
<b>Health Services</b>		
Facilitate the redevelopment of Clevely Wing of the Integrated Family Health Centre complex in Feilding.	Clevely Wing operational.	Plans and costings for the redevelopment of the Clevely have been received. A decision on proceeding with the redevelopment will not proceed until prospective tenants for the majority of the wing have been confirmed.
<b>Manawatū Community and Development</b>		
The promotion of wellbeing services for residents of the Manawatu District – these services shall include services promoting the improvement of lifestyle, health and welfare of residents in the Manawatu District and creating a sense of community for the benefit of the residents of the Manawatu District.	Facilitate collaboration across social services groups.	The Trust maintains active membership of a range of social service groups in Manawatu and hosts community activities in its activities room.
<b>Compliance with current accounting policies</b>		
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.	Actual percentage of rental income for the year spent on capital improvements and major maintenance to be 45%.	The level of rental income spent on capital work and major maintenance was 29.73%. The percentage is lower than anticipated due to high occupancy rates, meaning less empty flats to do upgrades on. <i>(Last year 25.68% of rental income was spent on capital improvements).</i>

Provide financial reporting to Manawatū District Council as required.	Each report is to be prepared and presented before the due date.	The copy of the 12 month report for the year ended 30 June 2017 was submitted to Council on 2 October 2017.
	Report as at 30 June 2017 and as at 31 December 2017 reported by 2 October 2017 and 28 February 2018 respectively.	The six month report for the period ended 31 December 2017 was submitted to Council on 28 February 2018.
		<i>(Last year reports were submitted on 1 December 2016 and 28 February 2017).</i>
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 72.97% <i>(last year 71.51%)</i> .

The key objectives for the 2017/18 year were to:

	Target	Results
Support the growth of business in the region to grow bigger and better, attract inward investment and new businesses, develop a skilled workforce.	To assist 400 businesses through a CEDA intervention.	402 businesses assisted (achieved).
	Net promoter score for Regional Engagement under the Regional Business Partners programme is greater than 50.	Net promoter score of 59 achieved.
Grow and retain education and talent in the region so businesses have the skills to grow, reducing business perception of staffing as a barrier to growth by 3% over three years.	Increase on 2016 baseline of \$67.8m for international students and develop strategy, complete distribution and logistics sector survey.	Baseline target achieved at \$68.7m for international students.
	Develop a Labour Market Strategy for the regions.	Analysis completed and Action Plan being finalised.
	Complete the distribution and logistics sector survey.	Survey completed, Distribution and Logistics development plan.
Promotion of lifestyle to support the attraction of people to work, study, invest or visit.	Undertake annual research, report results to stakeholders by 30 September.	TMR research undertaken and reported back to Councils.
	14 business events bids submitted with a 33% win/loss ratio.	Two bids completed with one won (50% win / loss ratio).
	Finish baseline for analysis of major events sector.	Baseline finalised in October 2017.

## Annual Report Disclosure Statement for year ending 30 June 2018

### 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.

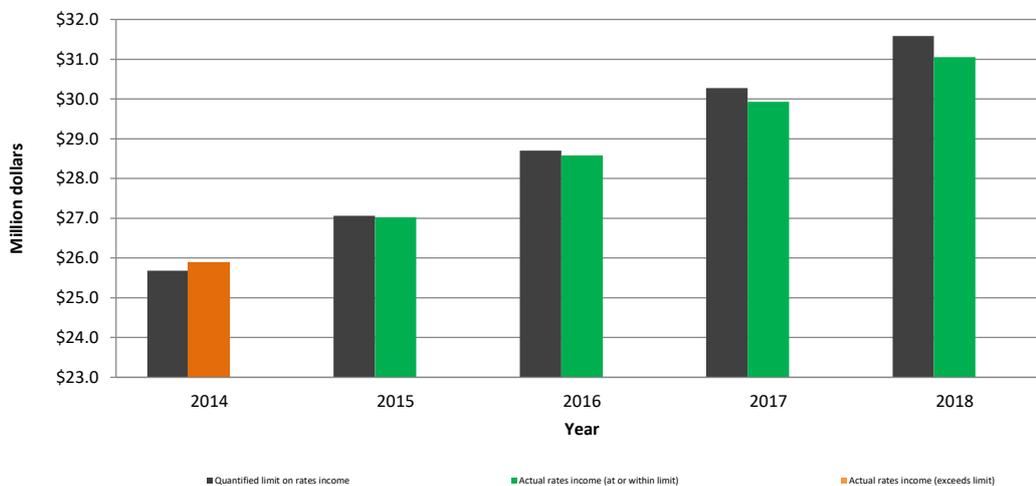
### Rates affordability benchmarks

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

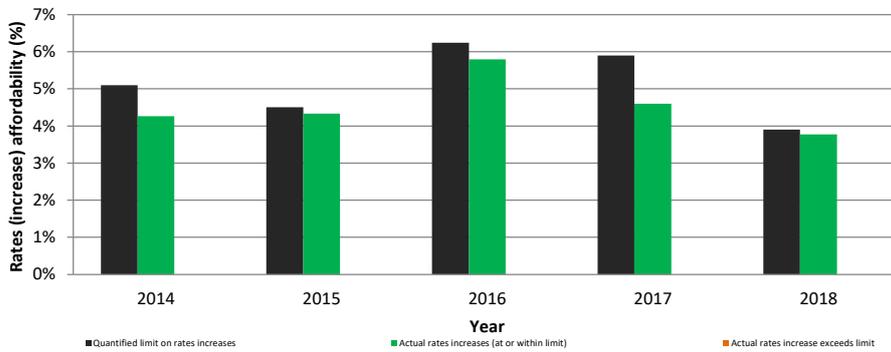
The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. This excludes water by meter. The quantified limit is the indicative rate limit of LGCI plus 4%, measured in million dollars. LGCI is the Local Government Cost Index provided by Business and Economic Research Limited (BERL) each year.



2014 exceeded the limit as a result of subdivisions created after rating models and the Annual Plan adopted but prior to levying the rate. The Annual Plan revenue was \$25.5m within the limit set in the Long Term Plan.

### 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 4%.

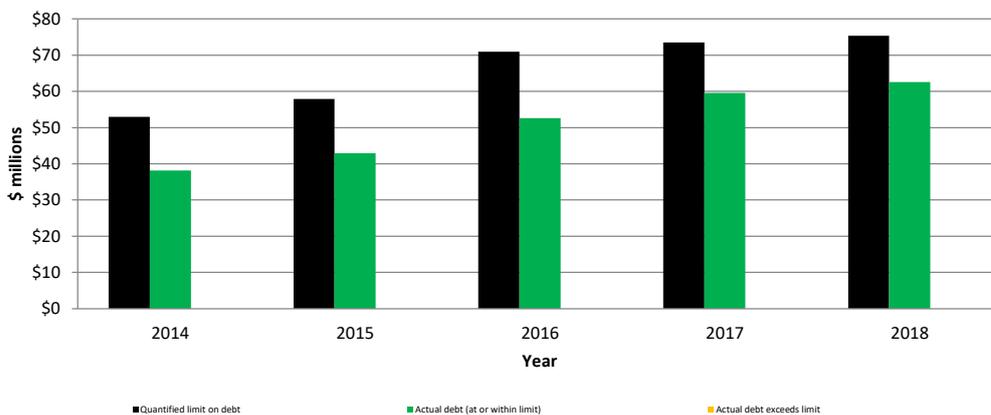


### Debt affordability benchmark

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.

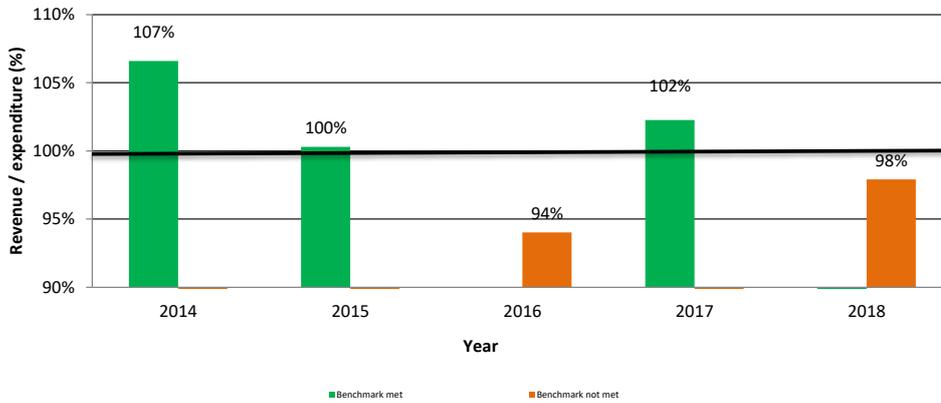
The Council meets the debt affordability benchmark if its actual borrowing is below the maximum debt allowed.



### 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.



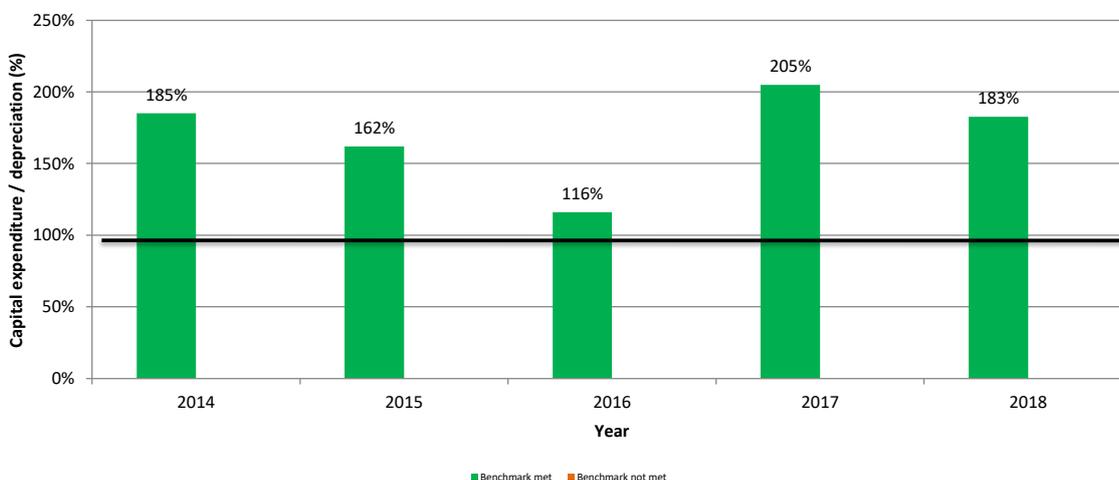
In 2016 operational expenditure included \$962k that related to the June 2015 floods and was not covered by NZTA grant funding. This expenditure was unbudgeted and was funded from the insurance reserve, separate funds or operational funding. Council also gave grants of \$80k to effected parties, funded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

In 2018 Roothing expenditure included \$2.2 million 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.

### 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.

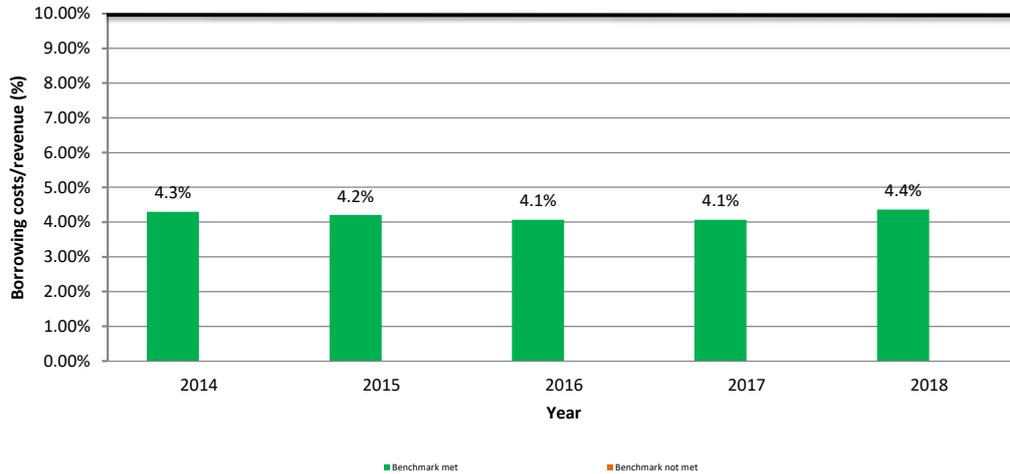


### Debt servicing benchmark

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.

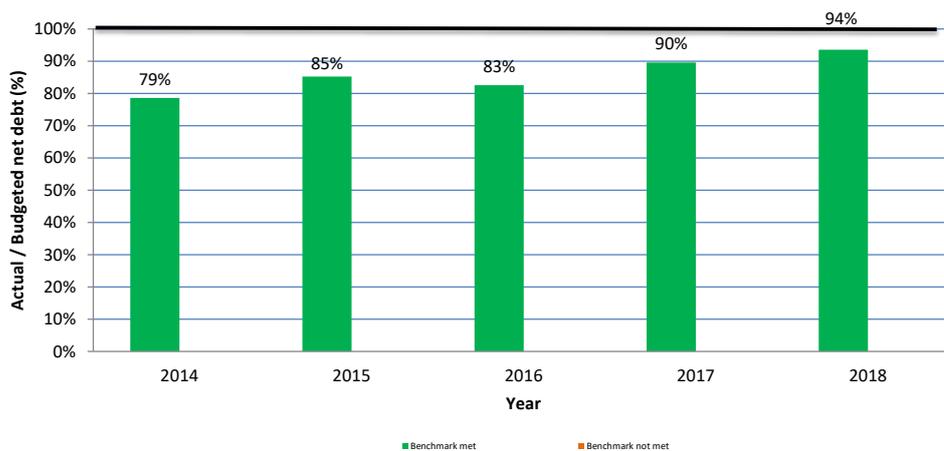
In November 2017 Council adopted a revised Liability Management Policy. The revised policy incorporated new debt limits that reflected the limits required by our external funders, the New Zealand Local Government Funding Agency (LGFA).



### 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).

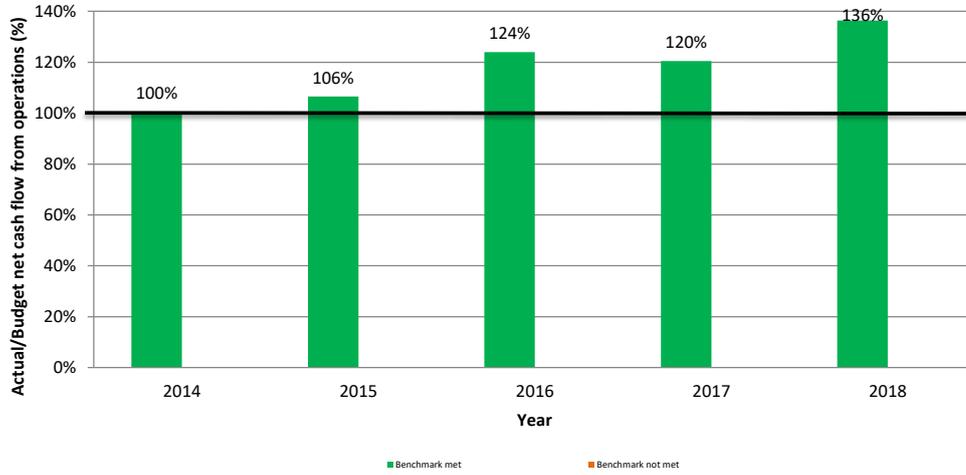
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



### 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.



## Section Four: Other Information

This section of the Annual Report contains the following information:

- Manawatū District Council: Organisation structure
- Manawatū District Council: Activities and functions
- Members' responsibilities
- Equal Employment Opportunities Statement
- Māori Capacity to Contribute to Decision-Making
- Grants 2017/2018
- Glossary



## Executive Team



**Chief Executive**

Dr Richard Templer



**General Manager –  
Community and Strategy**  
Brent Limmer



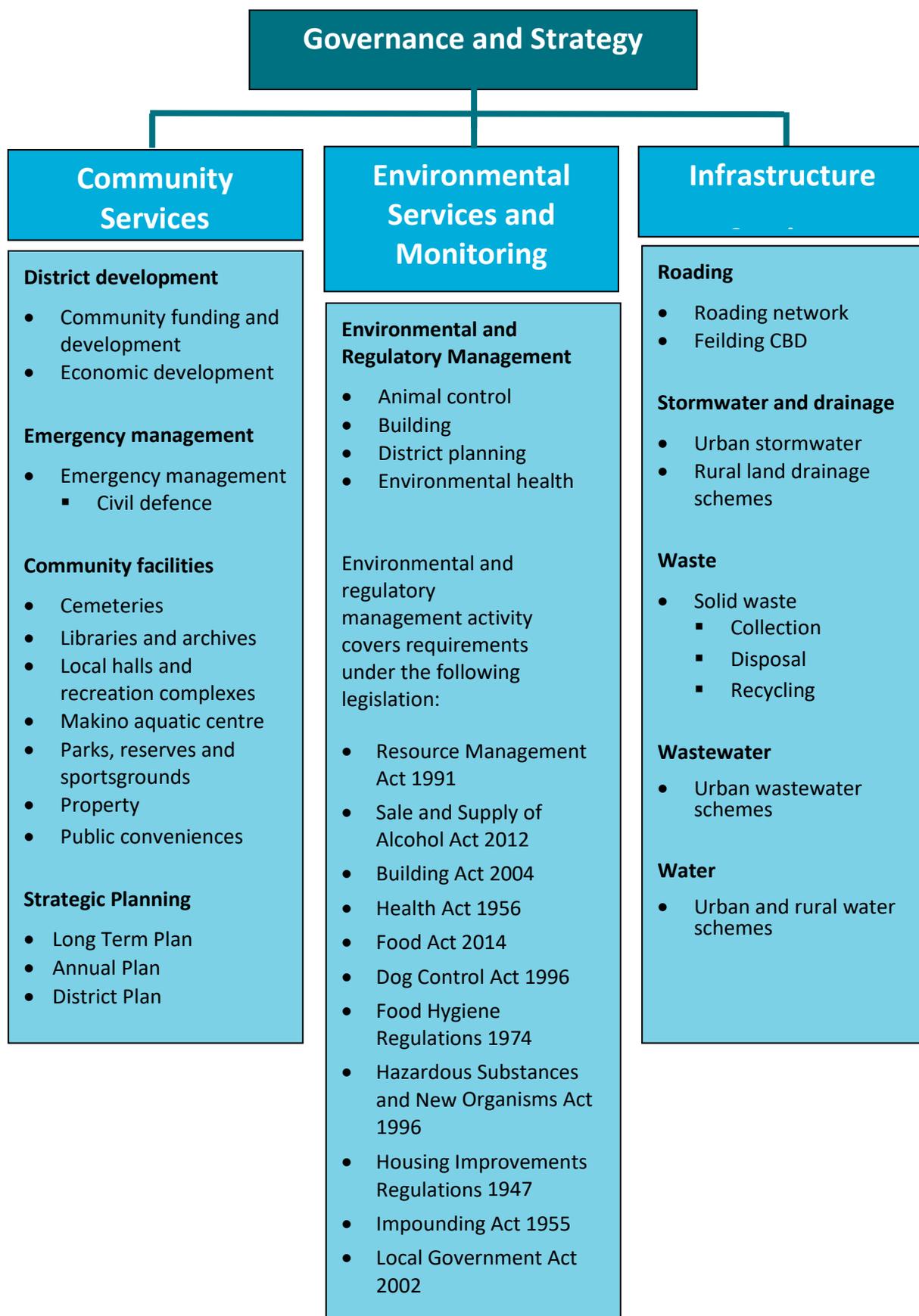
**General Manager –  
Infrastructure**  
Hamish Waugh



**General Manager –  
Corporate and Regulatory**  
Shayne Harris



**General Manager –  
People and Culture**  
Frances Smorti



## Member's responsibilities

### Standing Committee Membership at 30 June 2018

Elected Members	Strategic Planning and Policy	Chief Executive's Employment	Community Funding Committee	Audit and Risk Committee	Hearings Committee	Ngā Manu Tāiko Manawatū District Council	MDC/PNCC Joint Strategic Planning Committee
Mayor		(DC)					
Cr Bielski							
Cr Cameron							
Cr Campbell				(C)			
Cr Casey	(DC)						
Cr Ford		(C)					
Cr Humphrey			(C)				
Cr Marsh	(C)						
Cr Quarrie							
Cr Short						(C)	
Cr Voss					(C)		

Key:



Member of Committee

(C) Chairperson

(DC) Deputy Chairperson

## **Diversification, 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 Manawatū 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 2017/18 Equal Employment Opportunities programme**

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

## **Development of Māori capacity to contribute to decision making**

The Manawatū District is home to a number of Marae. In recognition of the important part they play within the community and because of a request from a Tangata Whenua Representatives Group, Ngā Manu Tāiko Manawatū District Council (previously known as Marae Consultative Standing Committee) was established in 1998. Its principal purpose is to liaise between Council and local Tangata Whenua.

In 2015, Ngā Manu Tāiko Manawatū District Council established Te Kaunihera Working Group as a means of working through specific outcomes. This Working Group reports directly to Ngā Manu Tāiko Manawatū District Council.

The principal purpose of Ngā Manu Tāiko Manawatū District Council is to liaise between Council and local Tangata Whenua.

A continuing focus for Ngā Manu Tāiko Manawatū District Council will be to ensure:

- that all Māori of the district are represented
- that all Māori are able to contribute to Council decision making
- that Council is liaising with the people who have mana whenua

Membership of Ngā Manu Tāiko Manawatū District Council comprises one member from Aorangī, Kauwhata, Parewahawaha, Poupatate, Te Rangimarīe, Taumata O Te Ra, Te Hiiri, Te Tikanga, Kotuku and Te Iwa Marae and the hapū of Ngāti Te Au and Ngāti Turanga, along with three elected members appointed by Council with the Chairperson being appointed by the Committee.

Ngā Manu Tāiko Manawatū District Council meets on a bi-monthly basis, with items of business reflecting Council's current activities and issues identified by committee members.

The committee meetings provide a forum for regular communication and is one avenue for tangata whenua to have input into Council's decision making processes.

The Local Electoral Act 2001 provides for the establishment of Māori Ward(s). In November 2017 the Council resolved to establish a Māori Ward in the Manawatū District for electoral purposes. The public notice detailed the public's right to demand a poll to countermand this decision.

A valid demand was received from electors and a poll held in May 2018 to determine whether Council's decision to establish a Māori Ward was final and would remain in force for the next two triennia (i.e. 2019-2022 and 2022-2025) or be overturned.

The majority of those electors who voted in the poll voted against the proposal to establish a Māori Ward. Under the current legislation the Council cannot consider establishing a Māori Ward in the Manawatū District until November 2023.



## Grants 2017/18

During 2017/2018, Council approved a number of grants from its Community Development Fund and Representative Grant Fund. Council also administered a number of applications to the Robert Dickson Education Trust.

The following schedule is 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 2017/18.

Organisation	Amount of Remission \$
Activate Church Feilding	5,564
Anglican Faith Community of St Simon & St Jude	549
Anglican Parish of Oroua	2,228
Church at Feilding	610
Eden Christian Kindergarten	61
Feilding Baptist Church	610
Feilding Bible Chapel	2,752
Feilding Civic Centre Trust	5,608
Feilding Congregation of Jehovah's Witness	1,324
Feilding Golf Club	1,991
Feilding Guides and Scout Association	2,504
Feilding Life Point Church	1,977
Feilding New Life Centre Charitable Trust	967
Feilding Oroua Presbyterian Parish	610
Feilding Playcentre	1,132
Feilding and District Caledonian Society	2,775
Feilding and District Steam Rail Society Inc	2,446
Foxton Shannon Co-Operating Parish, Himatangi	549
Halcombe Playcentre	435

Halcombe Rugby Football Club	988
Hapaitia Kohanga Reo, Feilding	1,489
Heritage Park Rhododendron Charitable Trust	104
Highland Home Christian Group – Stewards Trust	1,144
IHC NZ Inc	2,187
Manchester House Social Services Society Inc, Feilding	10,478
Manfeild Park Trust, Feilding	7,459
Presbyterian Support Central – Coombrae	1,271
Rangiwahia Environmental Arts Centre Trust Inc	62
Riding for the Disabled Assn. Manawatū Group Inc, Feilding	440
Rongotea Bible Chapel	549
Rongotea Uniting Parish	549
Ruahine Kindergarten Association	2,639
Sanson Playcentre	511
St Brigids Church, Feilding	61
St Marks Methodist Church, Feilding	2,588
St Thomas Anglican Church, Sanson	357
Te Kawau Playcentre, Rongotea	549
Te Manawa Family Services Charitable Trust	2,805
The Order of St John, Feilding	5,569
The Salvation Army Feilding Corps	3,823
Trinity Lutheran Parish	610
	<b>\$80,924</b>

## Urupa/Private Cemetery Fund

Council has a fund to assist with the maintenance of urupa and private cemeteries throughout the District. This is currently funded to the level of \$6,500 per year.

Organisation	Amount of Grant \$
Anglican Parishes of the Oroua – Stanway and Kiwitea Churches	1,000
Aorangi Urupa	2,054
Rongopai Urupa	454
Taumata O Te Ra Marae	197
Te Tikanga Marae	2,000
	<b>\$5,705</b>

## 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 2017/18.

Organisation	Amount of Grant \$
Feilding Brass Inc	3,000
Feilding Community Patrol	3,000
Feilding & District Promotion Inc	165,274
Feilding & District Youth Board	5,000
Manawatū District Neighbourhood Support Inc	20,000
Manawatū Historic Vehicle Collection Trust	10,000
Manawatū Rural Support Service (Inc)	10,000
Manchester House Social Services Society	15,000
Palmerston North Surf Life Saving Club Inc	10,000
Social Issues Network Council of Social Services Inc (SINCOSS)	1,000
SuperGrans Manawatū Charitable Trust	1,000
Te Manawa Services Charitable Trust	47,349
	<b>\$290,623</b>

## Representative Fund

The following is a breakdown of Manawatū District residents who received financial assistance from Council to attend a national or international event during 2017/2018 as a representative of the District or New Zealand.

Organisation / Individual	Amount of Grant \$
Feilding High School – Girls Hockey	1,000
Feilding Road Crash Rescue Team	500
Bailey Jeffery	500
Dane Keyes-Kumeroa	300
Jack Lewer	500
Emily Shearman	500
Feilding High School – U15 Boys Rugby	500
Corey Perrett	500
Jacob Booth	500
Feilding High School – U19 Boys' Rugby 7's	500
Feilding High School – U15 Boys' Rugby 7's	500
Angus Claasen	300
Bradley Aldridge	1,000
Kyle Brown	500
Feilding High School – Operation Wallacea Expedition	1,000
Manchester Street School Robotics Team	3,000
Tessa Webb	1,000
Brooke Fitch	1,000
Matthew Ball	1,000
Matthew Curtis	1,500
Logan McKay	160
Hannah Rushworth	500
Jack Patterson	160
Feilding High School – Teen Ag	2,000
Feilding High School – U15 Boys' Rugby	350
	<b>\$19,770</b>

## 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	Activity/Programme	Amount \$
Timona Park Orchard Trust	Towards improving the Simon Street end of Timona Park through the provision of fruit trees and to reinstate aspects of the park.	500
Apiti & District Show	Towards the cost of providing an all-weather cover over the seating area at the annual Apiti Show.	2,994
Feilding Road Crash Rescue Team	Towards cost of competing in the Australasian Road Crash Rescue Competition.	1,000
Feilding & Districts Community Archives	To purchase a set of metal mobile shelves for the community archives.	2,000
Friends of St Barnabas	Towards the cost of holding a mid-winter Christmas function and Christmas tree decorating competition.	1,000
		<b>\$7,494</b>

## 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	Activity/Programme	Amount \$
Alzheimers Society (Manawatū)	Memory Walk 2017	500
Heritage Park Rhododendron Charitable Trust	Towards cost of hosting the National Conference of the New Zealand Rhododendron Association.	2,800
Kimbolton Art & Sculpture Trust	Seed funding for the establishment of an annual Rural Sculpture and Art Festival.	5,000
NZ School Cycling Association	Towards cost of the New Zealand National School Road Cycling Championships.	5,000
Step 'n Thyme Marching Team	Towards cost of hiring Feilding Civic Centre for Display Day.	250
Valdorines Leisure Marching Team	Towards cost of hiring Feilding Civic Centre for Display Day.	250

Feilding & Districts Art Society	Towards promoting and further develop the Manawatū Art and Garden Trail.	1,200
Manawatū Walking Festival	Towards the marketing and promotion costs of the Manawatū Walking Festival.	1,000
Urban Movement Dance Creative	Towards cost of costumes/ props, hall hire, lighting, promotion and advertising.	1,500
Feilding Rotary	Towards cost of venue hire for the annual Carols by Candlelight.	600
Feilding Rotary	Towards cost of promotion and marketing the Children's Christmas Cave.	1,000
Feilding Rugby Football Club	Towards cost of holding their 140 years celebration.	5,330
Manchester House	Towards cost of the venue hire for a Masquerade Ball.	2,000
Bike Manawatū	Towards cost of venue hire for the Manfeild 6 Hour Cycle Challenge.	2,631
Bike Manawatū	Towards cost of the Feilding Festival of Cycling	3,000
		<b>\$32,061</b>

## 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 2017/2018 financial year were:

Organisation	Amount of Grant \$
Robert Dickson Education Trust Fund	963
	<b>\$963</b>

## Creative NZ: Creative Communities Scheme

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

Organisation	Activity/Programme	Amount \$
Carolynn Koloto	Tangimoana Art and Craft Festival	1,396
Community Arts Palmerston North	Art Trail Manawatū 2017	2,000
Kimbolton Arts and Sculpture Charitable Trust	Kimbolton's Rural Sculpture Festival	3,000
Colyton Community Committee	Mural on Colyton Village Hall	2,500
Christine Casey	Water Tower Mural Project	3,492
Community Arts Palmerston North	Art Trail Manawatū 2018	3,000
Whanau Ataahua Beautiful Families Trust	Matariki Celebration	1,402
Feilding & Districts Arts Society	Manawatū Art Expo	3,000
Celtic Spirit	Manawatū Tattoo 2018	3,767
Toro Pikopiko Puppets	Rock Art Puppet Show and Rock Art Puppetry Workshop	2,100
Feilding Multicultural Group	Multicultural Art Murals	239
		<b>\$25,896</b>

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

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

**Council 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 council community plan and in an annual plan.

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

**Group of Activities** – related activities.

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

**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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