

Manawatu District Council

Annual Report 2011-2012

Summary

Introduction from the Mayor and Chief Executive

The last 12 months have been full of planning, project implementation, new thinking and plenty of change.

For much of 2011/12, elected members and Council officers put many hours into shaping the Long Term Plan (LTP). A key part of that sculpturing work was the development of a new Council vision and outcomes that will guide future decision-making. Council adopted the LTP in June after consideration of some excellent public submissions. It was also delighted to receive an unqualified audit opinion.

In September last year, Manawatu District and Palmerston North City Councils, Destination Manawatu and Vision Manawatu endorsed the Regional Development Strategy (RDS). The RDS, developed as a recommendation of the 2009 Economic Development Review, has 16 ambitious goals. Underpinning these goals is the theme that Manawatu will be the best place to raise a family. Each of the four agencies, as well as many other organisations, is now working towards achieving these goals, which weave through respective strategic plans.

A key milestone in the collaborative Regional Archives project was also reached – the fit-out of the old Coach House building to create a state-of-the-art archives building, now the home of local authority archives within the region. The formal opening occurred 4 October 2012.

Former Mayor Ian McKelvie, elected in November 2011 as Member of Parliament for Rangitikei, was formally farewelled February 2012. Just a month later, the district welcomed new Mayor, Margaret Kouvelis. The election of Mayor Kouvelis left a vacancy in the Feilding Ward. Following its second By-Election, Councillor Wayne Ellery joined Council's governance team.

The year's momentum continued with the final decision received from the Local Government Commission on the boundary change with Palmerston North. The original proposal was adopted largely unchanged, taking effect 1 July 2012.

Other milestones from the year include:

District Plan Review

Council launched its District Plan review, agreeing to review the plan section by section and starting with the Feilding town centre and growth areas around Feilding. Currently, informal feedback is being sought on what the Central Business District (CBD) should look like and how people feel about ideas mooted for residential and industrial growth. Council will take these comments and use them to assist drafting revised sections of the District Plan. They will be released for formal public consultation early 2013.

Communitrak Survey

Improvement in almost every area of Council service was a pleasing result to the latest Communitrak survey. The survey gauges views of 400 randomly selected residents about Council services. A number of services recorded 90% plus satisfaction. Of particular note were library (98%), sewage disposal (96%), water supply (96%), parks and reserves (94%) and satisfaction with the state of the district's footpaths and car parks (94%).

Infrastructure Projects

Work continued on a number of major infrastructure upgrades, including the Feilding Wastewater Treatment Plant. Plenty was achieved last year and funding was carried over to the present year for this vital project to continue. A top priority for Council is to work through its resource consent applications and ensure the districts' wastewater infrastructure is sustainable and as clean as possible.

Details on these significant works, and much more, is available in this Annual Report summary. This is Council's key document in which we tell our district what we have achieved, spent and received during the year against work outlined in the LTP.

Having reported on a fast-paced year that was, we look forward to a year ahead that will undoubtedly involve change by us and change to us.



Margaret Kouvelis

Margaret Kouvelis
Mayor



Lorraine Vincent

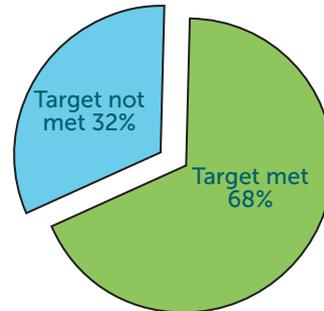
Lorraine Vincent
Chief Executive

Key Trends

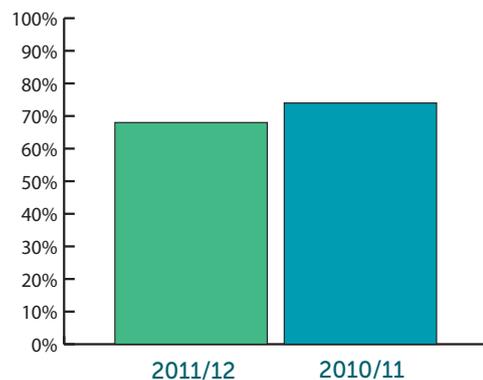
Council includes Key Performance Indicators (KPIs) in its Long Term and Annual Plans to assess how well we are delivering services to the community. We report on these KPIs in the Annual Report.

In 2011/12 Council met the majority of its KPIs (indicated by the term Target Met).

How many targets did we meet in 2011/2012?

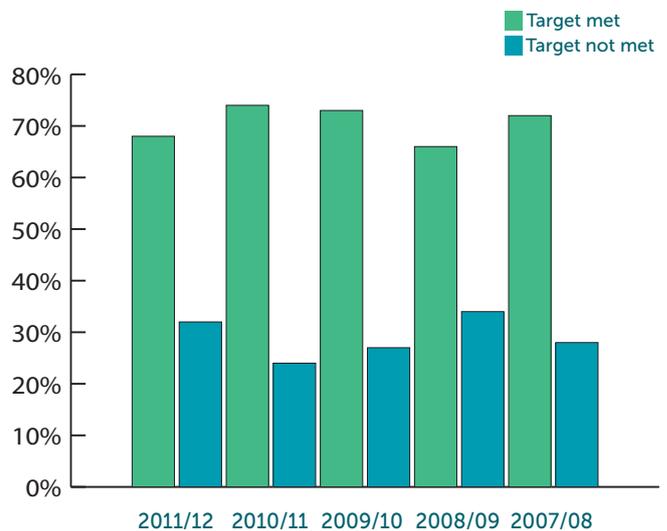


However, the number of targets met has declined on last year:



Of the 25 targets we did not meet, 12 only just missed the mark. Many of these were Communitrak survey results, which were 1 or 2% short of the target. Another two were for KPIs concerning time to issue building consents, which again were only a few percentage points short of the 100% target.

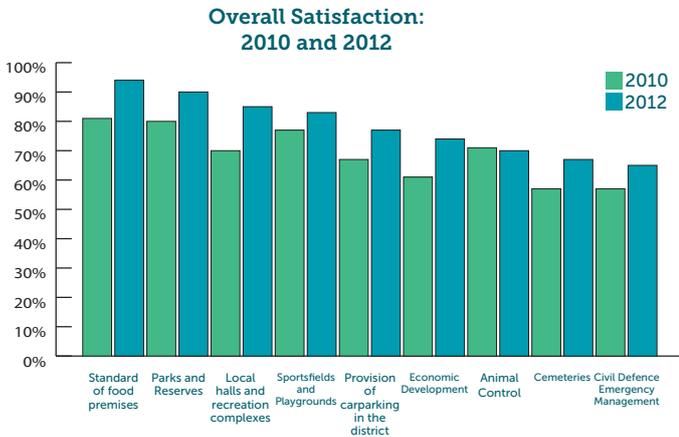
In the last five years the percentage of targets Council has met has consistently been in the high 60s to mid 70s, as the chart below shows:



The community also expressed satisfaction with the Mayor and Councillors – up from 81% to 87% – compared to the previous survey.

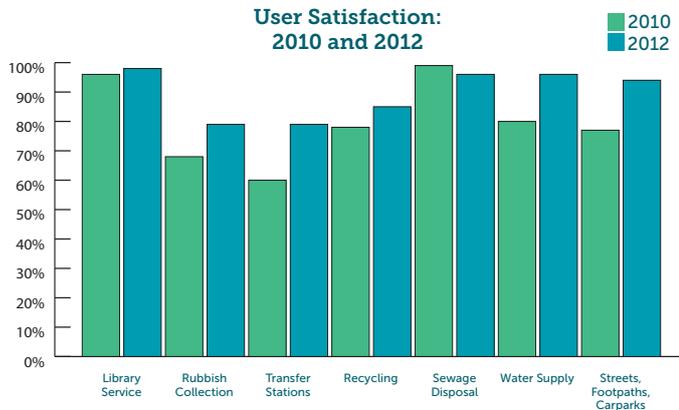
Communitrak

We use the Communitrak survey to measure a number of our KPIs. Commentary on each Communitrak result is contained in the next section of this report. Overall* satisfaction has increased in each area, except in animal control which has remained stable at around 70% – see chart below.



*Overall satisfaction measures the satisfaction rating of everyone involved in the survey, whether or not they have used the service during the last year.

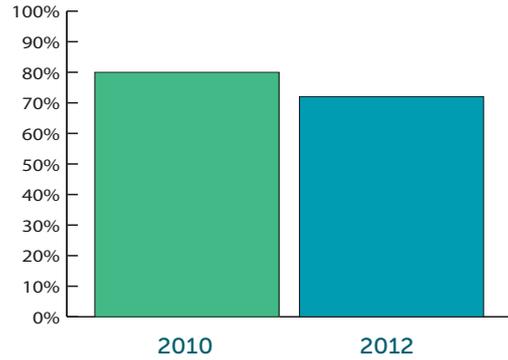
User* satisfaction has also increased, except in Sewage Disposal, which has dropped from 99% to 96%. – see chart below.



*User satisfaction measures the satisfaction of those who have used the service in the last year.

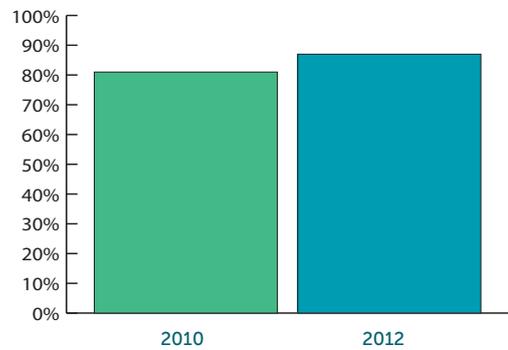
One area of concern is public conveniences – see chart top right. Satisfaction ratings slipped 8% from the previous survey. Most of the comments relate to the state of the toilets – cleanliness, standard, availability of soap, toilet paper. Overall, the 72% satisfaction rating is only slightly lower than the average rating over the last 12 years of 75%. Specific details are contained under the public conveniences section in the next section.

Public Conveniences



The community also expressed satisfaction with the Mayor and Councillors – up from 81% to 87% – compared to the previous survey:

Mayor and Councillors



About this Summary

This summary provides an overview of the Manawatu District Council's and groups' activities for the year to June 30 2012. The information is extracted from the Annual Report, which is available from the Council office, 135 Manchester Street, Feilding, or online at www.mdc.govt.nz. This summary fairly and consistently represents the matters dealt with in the Annual Report.

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

About Council

The statutory role of the Manawatu District Council is to promote the wellbeing of Manawatu District and to provide for effective democratic decision making. Council has 11 elected representatives, comprising a mayor and 10 councillors. Their role is to make policy and bylaws, and determine the overall strategic direction of the district. The Council's Chief Executive, with 114 staff members, is responsible for implementing Council's decisions and looking after the day-to-day operations.



The overall goal of Community Facilities is to provide and maintain cemeteries and public conveniences to standards that enhances community wellbeing and maintains public health and safety.

Highlights of the Year

Introduction

Council carries out work in nine areas, known as groups of activities. These are: Democracy; Community Facilities; District Development; Emergency Management; Environmental and Regulatory Management; Leisure Resources; Roading; Waste; and Water.

Highlights and key issues from the Annual Report:

Community Facilities

The overall goal of Community Facilities is to provide and maintain cemeteries and public conveniences to standards that enhances community wellbeing and maintains public health and safety. The following are the highlights and key issues for the year:

Cemeteries

Council received 13 complaints about the state of the district cemeteries (target: no more than 10 complaints). Nine of these complaints were received during a wetter than usual summer/autumn, and mainly concerned long grass. Mowing was difficult at this time. The contractor remedied the issues once conditions improved.

The other four complaints concerned sunken graves. This was addressed by the application of topsoil to the graves.

Overall* satisfaction (as measured by the Communitrak Survey) was 67%, 10% higher than the previous survey (57% satisfaction). A fall in the number of 'don't knows' – from 38% to 30% - is likely to have boosted the satisfaction rating from the last survey.

This result is higher than the long-term trend for the past 12 years – mid 50s to mid 60s.

Visitor** satisfaction (as measured by the Communitrak Survey) continues to be high at 89% (target 90%). This is a continuation of a strong satisfaction rating over the past five years.

*Overall satisfaction measures the satisfaction rating of everyone involved in the survey, whether or not they have visited a cemetery during the last year.

**Visitor satisfaction measures the satisfaction of those who have visited a cemetery in the last year.

Public Conveniences

There were 21 complaints about toilets not being available for the period ending 30 June 2012. These complaints usually concern toilets that are unusable, for example, they are too dirty to use, there are broken toilets and/or sinks, no toilet paper etc.

In 2010/11 there were seven complaints about non-availability. However, the sharp increase on last year may have more to do with the way complaints were categorised rather than an increase in complaints. For example, last year there were 35 complaints about the state of toilets. It is possible that some of these should have been assigned to the non-availability category.

There were 24 complaints about toilets being unclean/untidy for the period ending 30 June 2012. (2010/11: 35)

As with the above comments, these complaints relate to toilets that are dirty, and/or have broken facilities. Please note that complaints in this category may also be included in the above category.

Council has taken action to address these issues. Signs have been put up encouraging members of the public to report any untidy/unclean toilets, and this may in part be responsible for the increase in complaints. It does however enable Council to remedy the situation more quickly. Also, a night toilet has been completed in Feilding CBD so that the main toilets can be closed, resulting in a decrease in vandalism.

Democracy

The overall goal of Democracy is to respond efficiently, effectively and fairly to community needs. This activity includes provision of representative local government and community leadership, policy and strategy development and consultation with the community. The following are the highlights and issues for the year:

The Communitrak Survey measured 54% satisfaction with the way Council involves the public in decision making. The lower number of satisfied respondents maybe due to the relatively low numbers of people who actively participate in Council decision-making – i.e. through submission processes, public meetings and so forth. Only a small amount of those questioned – 13% were actually dissatisfied.

In the same survey, 69% of respondents rated the Mayor and Councillors as very/fairly good and 18% as acceptable. Taken together this constitutes a satisfaction rating of 87%.

Only 6% of respondents rated the Mayor/Councillor performance as not very good/poor and 7% had no opinion.

Council adopted the Long Term Plan on 21 June. The Plan received a clear Audit opinion.

District Development

The overall goal of District Development is to support the economic and social development of Manawatu district communities. This is achieved within the following areas: community funding and development; economic development; and Feilding Central Business District (CBD) redevelopment. The following are the highlights and issues for the year:

Community Funding and Development

Council awarded \$231,121 of Community Development funds. Organisations funded include Neighbourhood Support, Manchester House Social Services, Te Manawa, Social Issues Network Council of Social Services, Manawatu Rural Support and Feilding and Districts Youth Board.

Council held the final Youth Forum on 26 April. Young people from around the district presented ideas and feedback on the draft Long Term Plan.

Council made a number of other grant payments to various organisations:

- Sport Manawatu: \$69,972
- Te Manawa Museums Trust (different organisation to the Te Manawa named above): \$20,000
- New Zealand Rugby Museum: \$10,000
- Rugby World Cup contribution: \$15,000
- Photovoice – the organisation that facilitated the Youth Forum, mentioned above: \$30,000

At the request of the Manawatu Community Trust, Council, in its 2012-22 Long Term Plan, decided to carry funding for the Feilding Integrated Family Health Centre over to 2012/13.

Economic Development

Council made a number of payments to key agencies and other organisations to deliver economic development services, during the year:

- Vision Manawatu: \$171,806
- Destination Manawatu: \$251,768
- Feilding Promotion: \$161,498
- Bio Commerce Centre: \$20,000
- Manfeild Park: \$250,000

The Communitrak Survey measured 74% satisfaction with Economic Development (2010 61%). This is a significant increase on the last survey but might be more due to the fact that the 'don't know' category almost halved: 14% in 2012 and 27% in 2010.

Over the last five years, satisfaction has tracked upwards. Those not satisfied tend to cite a lack of promotion by Council regarding employment opportunities.

Feilding CBD Redevelopment

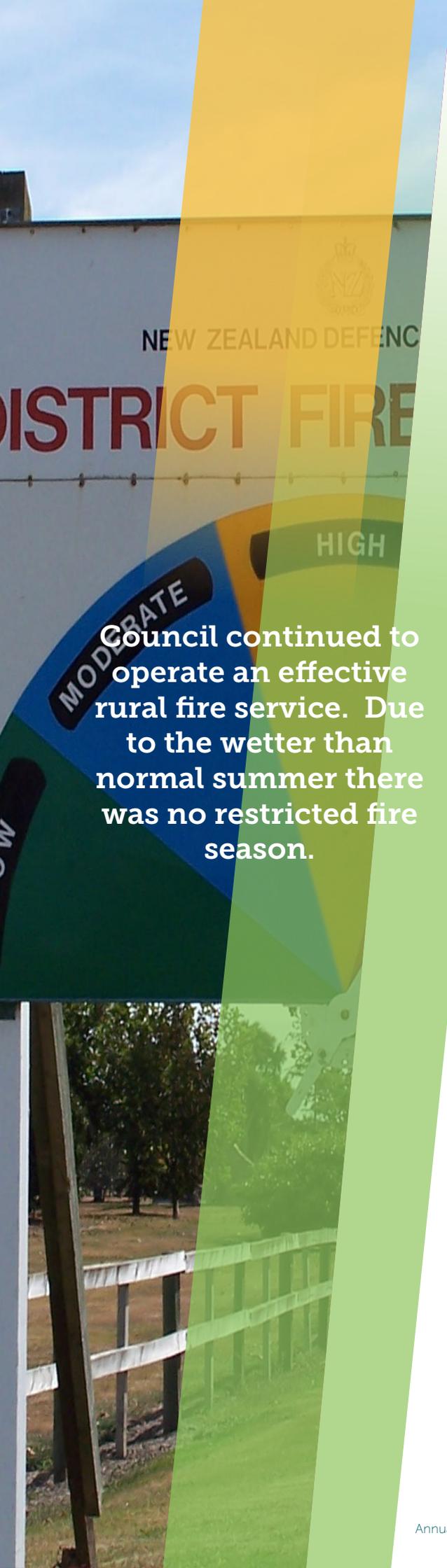
During the year streets have been kept clear of dirt and litter and street furniture has been kept safe and functional. Council completed the Fergusson Street upgrade (Manchester Square to Warwick Street) – part of the CBD Redevelopment Plan.

Emergency Management

The Emergency Management group comprises Civil Defence and Rural Fire. It aims to minimise risk to people and property through the provision of effective emergency management services before, during and after an event. The following are the highlights and issues for the year:

Civil Defence

Council met the 65% satisfaction target in the Communitrak Survey (2010: 57%). The satisfaction



Council continued to operate an effective rural fire service. Due to the wetter than normal summer there was no restricted fire season.

rating is up on the previous survey and has been tracking between the high 50s and low 60s.

Much criticism of this service concerns perceptions of a lack of emergency management visibility. Some respondents also expressed concerns about experiences during the 2004 storm event. The jump in satisfaction from 2010 might have something to do with the number of comments concerning unmaintained drains and potential flooding. These comments were not present in the 2012 survey.

Also of note is the consistently high number of 'don't knows'.

As part of long term plan development, Council reviewed the civil defence activity. Some new initiatives arising from the review are:

- Regular MDC CDEM Management Team meeting
- Refresher training for all staff on Coordinated Incident Management .
- Implementation of new Emergency Management Information System (EMIS) and associated training
- A review initiated of the Standard Operating Procedures for the MDC Emergency Operations Centre.

There were 24 advertising and/or education events during the year (2010/11: 26). Full details of these are contained within the Annual Report.

Rural Fire

Council continued to operate an effective rural fire service. Due to the wetter than normal summer there was no restricted fire season. While there was an unrestricted fire season during the summer, there is a permanent fire restriction within 3km of the coast. There were no callouts to this coastal area regarding unpermitted fires. In 2010/11: there 26 unpermitted fires during the restricted fire season: 26 December 2010 to 11 February 2011, many of which were accidental.

Environmental and Regulatory Management

This group of activities seeks to meet legislative requirements and community expectations by:

- Ensuring a healthy environment through appropriate development, sustainable use and protection of environmental resources
- Helping safeguard public and environmental health and safety through effective regulatory controls, education and other methods
- Acknowledging and taking cultural issues into account

The following are the highlights and issues for the year:

Animal Control

Council met the 70% satisfaction target for Animal Control (2010: 71%). The satisfaction rating for Animal Control has fallen a little over the last three years, following a sharp increase of 20% between 2008 and 2009. Generally, satisfaction has been between the

mid 60s and mid 70s. Most comments from survey respondents concern dangerous dogs, stray dogs, complaints not dealt with effectively and more policing required.

There were 63 dog attacks and 153 complaints about wandering stock for the year ending 30 June 2012 (2010/11: 63 dog attacks and 178 wandering stock complaints). Currently there is no way to measure response times. A new system has been put in place so that response times can be measured in future.

The dog education programme was delivered to five schools: St. Josephs; Feilding Intermediate; Kairanga; Kiwitea; and Kimbolton. In total, 296 children attended the programme. The children are taught the dos and don'ts about what to do if approached by a dog, dog owner responsibilities, and community responsibilities.

Building Control

Council issued 675 building consents during the year, of which 648 (96%) were issued within the 20 day target timeframe. Staff resourcing issues meant a number of consents went over time. This is being addressed and should improve in future.

Of the 618 Code of Compliance Certificates issued, 98% (605) were issued within the 20-day timeframe. We did not reach the 100% target due to staff resourcing issues.

All Council building inspections were carried out within two and a quarter working days of receipt of request. The target is 85% within three days of receipt of request. The quicker turnaround time reflects the fact that there were less inspections during the year. This is possibly down to poor weather and economic conditions.

This service is provided by Palmerston North City Council on behalf of Council.

Council gained Building Control Accreditation in October 2011.

Environmental Health

The Communitrak Survey measured 94% satisfaction with the state of food premises (2010: 81%). The target is 80%. Satisfaction has trended upwards over the last few years and is 13% up on the last survey.

This upward trend is associated with the decrease in 'don't knows' in response to the question. The number of people 'not satisfied' has been steady since 2003 – between 3% and 6%.

Due to issues with staffing resources, only 55% of inspections were undertaken. A change in regulations means that large organisations, such as supermarkets, will have their own inspectors. This will mean Council will have more resources to undertake the remaining inspections.

Council received 974 complaints during the year, and responded to 97% (945) of them within one working day (target 95%). Council received 147 permit applications during the year, 98% of them (144) were

processed within 20 working days (target: 90%).

440 of the 458 noise complaints (96%) were responded to within one hour (2011: 93%). The target is 95%.

District Planning

Total resource consents for the year were 166 (2010/11: 196). There has been a decline in consents over the past two years, likely due to deteriorating economic conditions.

A total of 98 land use consents were processed between 1 July 2011 and 30 June 2012. 94 land use consents were non-notified with four being limited notified. 97 (99%) land use consents met the statutory time frames under the Resource Management Act 1991.

A total of 68 subdivision consents were processed between 1 July 2011 and 30 June 2012. 67 subdivision consents were non-notified with one limited notified subdivision consent.

68 (100%) subdivision consents met statutory timeframes set by the Resource Management Act 1991.

Timeframes were extended under Section 37 of the Resource Management Act 1991 for one land use consent and one subdivision consent.

Timeframes for the different types of consents are as follows:

- Notified and limited notified consents requiring a hearing: 70 working days
- Non-notified consents: 20 working days
- Notified and limited notified consents not requiring a hearing: 50 working days

Council received 22 complaints. The complaints were resolved or actioned within one month. One complaint is ongoing and an abatement notice has been served.

Complaints concern both the service – for example, complaints about decisions made, length of time process applications – and breaches of consents.

The District Plan review is underway as a sectional review. Feedback is being sought on the Feilding town centre and Feilding's future growth areas. These sections will be notified in February 2013.

Council made public the following plan changes and notified consents:

- A notice of requirements for a new designation and an alteration of a designation - Feilding Wastewater Treatment Plan - was posted on Council's web page on 1 March 2012.
- Council initiated Plan Change 35 - Manfield Park Plan Change was posted on the web page on 22 March 2012.

Due to the timing of the notification they were not included on Council's weekly Bulletin page in the Feilding Herald. They were advertised in the Public Notices section of the local newspapers – 1 March 2012 for the designation and 22 March 2012 for the



Council continues to maintain the integrity of the roading network. Council undertook \$3.8m of maintenance, including sealed (\$1.2m) and unsealed (\$406,765) pavement maintenance.

Manfeild Park change.

Liquor Licensing

Council inspected 47 out of 55 premises during the year (85%). Eight premises were not inspected because they only operate for part of the year and inspection was not undertaken when they were open. The target is that all premises are inspected (2010/11: 57% of premises inspected).

Council approved 214 liquor licence applications (116 licence applications and 98 Managers applications), all within the target of 10 working days (2010/11: 102 licence applications and 77 managers applications were issued, all within 10 working days).

Leisure Resources

Council acknowledges that leisure, in all its various forms, is an important component of individual and community life. This group of activities includes: libraries; local halls and recreational complexes; the Makino Aquatic Centre; and parks, reserves and sports grounds. The following are the highlights and issues for the year:

Library

The Communitrak survey recorded 98% satisfaction with the Library (2010: 96%). The target is 95%. Satisfaction for the Library has consistently been in the 90s over the past 12 years.

The library ran five reading programmes during the year, which involved 1,366 enrolments. The target was four programmes. (2010/11: six programmes.)

The Children's Librarian made 31 class visits during the Winter Warmers programme (2010/11: 23 classes).

Local Halls and Recreation Complexes

The Communitrak survey recorded 85% overall and 91% user satisfaction with local halls. The targets are 80% and 85% respectively. For overall satisfaction there was large jump from 70% recorded in 2010. This is associated with the drop in the 'don't know' response than anything else. User satisfaction rose 5% from 86%.

The annual hall meeting took place in September 2011. The meeting provided Council officers with important information, such as the need for building assessments for forward planning purposes.

Council undertook \$49,478 of halls maintenance on district halls during the year.

Funding of \$25,000 for the Palmerston North Surf Life Saving Club has been carried over to 2012/13. The Club has made second attempt funding applications – the Lotteries Commission required more information. It is likely external funding will be available in the 2012/13 financial year.

Total funding in the 2012/13 year for the Palmerston North Surf Life Saving Club is now \$50,000.

Makino Aquatic Centre

The Makino Aquatic Centre (MAC) recorded 95% satisfaction in the internal customer survey (2010/11: 90%).

Programmes carried out during the year include: Flippaball, Canoe polo, Youth Nights, Schools Water Safety and Nanny Water Safety Training.

During the year we received three letters of complaint (2010/11: no complaints received). They related to a lack of car parking and the heating of changing rooms. We are investigating these issues and seek to make improvements in the 2012/13 year.

MAC continues to meet NZ Water Quality Standard of 5826/2010 fully. All pools operating well during the year.

The bulk of funding (\$91,000) for the first stage of planning for MAC developments has been carried forward to 2012/13. Planning will continue into the 2012/13 financial year.

The painting of the external pool building, that was due to take place, has been put on hold until redevelopment options have been looked at in more detail.

Parks, Reserves and Sports Grounds

The Communitrak survey recorded 94% visitor satisfaction with parks and reserves. While we have just missed the target of 95%, visitor satisfaction is higher than in previous years. The general trend over the past five years is high 80s to low 90s.

The Communitrak survey recorded 90% overall satisfaction with parks and reserves (2010: 80%). This is a 10% increase on the 2010 survey, associated with the decrease in 'don't know' responses. The Communitrak survey recorded 91% visitor satisfaction with sportsgrounds (2010: 89%). While we have not met the target of 95%, 91% user satisfaction is in line with the trend for the last few years of the mid 80s to low 90s.

The Communitrak survey recorded 83% overall satisfaction with sportsground (2010: 77%). The target is 82%.

Council produced new booklets advising residents about the best kinds of plants to cultivate in the district.

Council met its share of maintenance at Totara Reserve Regional Park. The actual spend was \$46,598, against a budget of up to \$70,000. The formal handover of the park to Horizons Regional Council was 30 June 2012.

Council spent \$117,783 on play equipment. Due to a number of good deals, and the use of bark rather than matting in some playgrounds, this is well under the budget of \$158,806.

The Johnston Park roadway/drainage upgrade, scheduled for 2011/12, has not gone ahead. While some minor work has been carried out on drainage and fencing, Council reprioritised funding as part of LTP deliberations.

Council began a leisure and recreation review. A number of leisure projects were prioritised and included in the Long Term Plan. Consultants have now been engaged to assess future leisure and recreation needs within the district.

Roading

The overall roading goal is to develop and maintain a roading network appropriate to community usage, demand and ability to fund. The following are the highlights and issues for the year:

Council continues to maintain the integrity of the roading network. Council undertook \$3.8m of maintenance, including sealed (\$1.2m) and unsealed (\$406,765) pavement maintenance. Council also undertook \$6.9m of renewal work, much of which was for sealed road resurfacing (\$2.4m) and pavement rehabilitation (\$3.4m).

The Communitrak survey recorded 77% satisfaction with the roading network. The target is 80%. While we have not met this target, 77% satisfaction constitutes a 10% increase on the last survey. Despite analysis of the comments in both surveys, there are no obvious reasons for the 10% increase in satisfaction.

Much of the dissatisfaction recorded in the 2012 survey relates to not enough parking in the CBD, narrow angle parking, loss of parking with street improvements and dangerous parking on narrow one-way streets.

The Communitrak survey recorded 94% satisfaction with the state of streets, footpaths and carparks. This is a very good result for Council. Not only has the 75% target been exceeded by nearly 20%, it's also a 17% increase on the last survey.

There are a number of possible reasons for this and two stand out. The first is the upgrade of Denbigh Street. In previous surveys the state of Denbigh Street featured as a prominent concern.

The second is that two years ago Council changed maintenance contractors. There was a general improvement in all areas of maintenance. The survey took place in the second year of the contract, so it is likely this has contributed to the improvement in satisfaction.

The completion of other streets, such as Stewart Road, Campbell Road, Himatangi Beach Road, and Elizabeth Street, may also have contributed to improved sentiment.

Funding for the reseal of Main South Road has been carried over to 2012/13. The survey, design and drainage renewals were completed in 2011/12. The heavy metal re-build is scheduled for 2012/13 and the seal is scheduled for 2013/14.

Stages one and two of the Denbigh Street rebuild have been completed. Stage 3 is in progress.

Waste

Waste falls into two areas: waste management and waste minimisation. Waste Management seeks to



**Waste Management
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deliver efficient and cost-effective solid waste services to customers while safeguarding public health. It takes into account cultural issues and minimises adverse effects on the environment.

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

The following are the highlights and issues for the year:

Solid Waste

Council recycled 2,638.60 tonnes of material during the year. This has exceeded the target of 1,900 (2010/11: 2,166 tonnes).

There was a large increase in recycled material on last year. While Council did nothing specific to effect this, there are a number of reasons which may explain it. First transfer station fees were increased, which may have encouraged more people to recycle. Tougher economic times may also have encouraged more recycling.

Looking forward, Council has a number of initiatives that should further increase recycling. Education programmes are planned and new wheelie bins will be available in Feilding. There are also plans for the rural areas, for example, education on colour sorting of bottles.

Council received sixty complaints about rubbish collection. (2010/11: 31 complaints).

The number of complaints has doubled since last year as there has been a notable drop in the service provided. This is mainly around missed/late bag collections. In each case we work to remedy the situation as soon as possible. Council is changing contractors shortly this should improve the situation.

The Communitrak Survey recorded 79% satisfaction with rubbish collection. While the target of 80% has not been met, 79% satisfaction is generally at the upper end of the long-term trend. With the exception of 2003-2005, satisfaction has been in the high 60s to high 70s. In the three-year period 2003-2005 it was in the low to mid 80s.

The change in the 'don't know' category – 23% to 16% - likely explains the increase in satisfaction. 'Not very satisfied' has dropped by 4% but there are no obvious reasons from the survey why this should be.

The Communitrak survey recorded 85% satisfaction with recycling services. The target is 90%. (2010: 78%) 85% satisfaction is in line with the long-term trend of mid 80s to low 90s. Dissatisfaction mainly concerns lack of recycling facilities, which has been addressed by a higher level of service in the 2012-2022 Long Term Plan.

The Communitrak survey recorded 79% satisfaction with transfer stations (2010: 60%). While we did not

meet the 80% target, 79% satisfaction constitutes a 19% increase on the last survey. There was also a significant drop in 'not satisfied', from 40% to 17%. Dissatisfaction generally related to cost, standard of facilities, opening hours and location.

Despite analysis of both surveys, there is no obvious reason why satisfaction increased. From 2007 the trend was low to mid 60s. This was a significant drop from 2005 and 2006, when satisfaction was in the mid to high 80s.

Wastewater

Council continues to ensure the integrity of the wastewater system. Council has a 24-hour telephone system for reporting faults. With a few exceptions, Council has met wastewater resource consent limits. Non compliance issues concern ammonia and phosphorous and affected treatment plants in Feilding, Rongotea, Kimbolton, Sanson and Halcombe. There have been no prosecutions.

Funding has been committed in the 2012/13 financial year to deal with the issues at Feilding, Rongotea and Kimbolton. Options will be investigated for Sanson and Halcombe.

Properties were connected to the sewerage network within 10 days of Council receiving payment. There were nine new sewerage connections during the year.

There were 52 high priority callouts, 100% of which were responded to within one hour. Call outs of this type are for incidents like sewer overflows, blockages, sewage in waterways and pump station alarms.

There were no complaints relating to sewerage odours. The target is zero. (2010/11: zero complaints.) To ensure that wastewater odours are kept to a minimum pump stations are routinely cleaned.

The Communitrak survey recorded 96% satisfaction with sewage disposal (2010: 99%). The target is 95%. Satisfaction continues to trend in the 90s.

A number of programmed works are not going ahead due to the boundary change. These are:

- Emptying of Bunnythorpe and Longburn sludge ponds
- Pipe connection to Palmerston North
- Pipework rehabilitation

Work on the Himatangi Beach Sewerage scheme is ongoing. The physical works contract has been awarded, land purchase negotiations concluded - awaiting final documentation - and the Ministry of Health funding has been approved. On-lot investigations are now underway, and physical works were expected to start in September 2012.

Work on the Feilding Wastewater Treatment Plant is ongoing. The anaerobic pond construction is underway. The aerobic pond improvement is due to

commence and the clarifier is on site. Sludge and dewatering has been deferred to 2012/13, to follow capital improvements and the resource consent application process.

Planned irrigation improvements are on hold until the resource consent has been achieved.

Water

The Water Group comprises two areas: Urban Stormwater/Rural Land Drainage and Water Supply. The overall goals of this Group are:

Urban Stormwater/Rural Land Drainage:

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

Land Drainage: To maximise the drainage within the land drainage scheme areas in order to maximise rural production efficiency.

Water Supply:

- To provide an efficient, safe water supply that is sustainable, both in terms of delivery and cost to the community.
- To ensure that the present needs of the community are met without constraining future generations
- To encourage the community to conserve water.

The following are the key highlights of the year:

Stormwater/Land Drainage

There were 10 new stormwater connections, all installed within 10 working days. (2010/11: 18 new connections within 10 working days).

Stormwater systems have remained reliable with no interruptions to service during the year.

Expenditure on general stormwater maintenance activities came in well under budget - \$709,409 against \$958,000. The reasons for this are:

- A number of scheduled loans were not raised, which meant less interest payments
- A number of scheduled assets were not constructed which meant less depreciation payments
- A number of operational savings

The bulk of funding for Feilding Stormwater growth has been carried over to 2012/13 (\$2,380,709).

Water Supply

Water connection applications were processed within the 10 working day target period. There were 19 new water connections during the year. (2010/11: 20 new water connections, all installed within 10 working days.)

The Communitrak survey recorded 96% satisfaction with water supply (2010: 80%). The target is 65%. This



During the year no domestic customer was without water for more than eight hours in one event or 24 hours within a 12 month period.

is a good result for Council, constituting a 16% increase in satisfaction since the last survey.

There are a number of possible reasons why satisfaction has risen so much. In the two years between surveys a number of process improvements have been effected at the water treatment plant. Among other things, processes for chemical dosing have been streamlined, pumps have been upgraded and Council has reduced its reliance on bore water supplies. These improvements may have contributed to the improved satisfaction rating.

Full compliance with NZ Drinking Standards not met (2010/11: compliance not met. See comments below).

Full compliance was not achieved for the Treatment plants due to Protozoa criteria of the standard for all plants and Radiological criteria (for Waituna West) not being met.

Full compliance for Distribution Zones was achieved for Halcombe Stanway but not for Waituna West, which failed the E.coli Criteria. However, this was during the time when the boiled water notice was in place. Since then we have installed a secure bore. This means there is a significantly reduced risk of contaminants getting into the water supply.

The remaining water supply areas are tested against Drinking Water Standards for New Zealand (Revised 2008). Full compliance was achieved for all Treatment plants and Distribution Zones, except Feilding Almadale Treatment plant which did not meet the Bacterial criteria of the standard at the time.

Council does not consider any of this to pose a health risk.

There were 27 scheduled shut downs during the year. In all cases 24-hour notice was provided. (2010/11: 27 shutdowns, all with 24 hours prior notice.)

During the year no domestic customer was without water for more than eight hours in one event or 24 hours within a 12 month period.

There were 136 urgent service complaints. These were for incidents including burst water mains, major water leaks and alarms at pump stations. All were responded to within one hour.

Most of the \$2,900,000 funding for the new Rongotea water supply has been carried over to 2012/13. Discussions with the Ministry of Health about scheme design and capacity are ongoing. Construction is planned for late 2012.

Other Highlights

Rates

The amount of rates revenue during 2011/12 was \$25.3m. This compares to \$24.8m budgeted in the 2009-2019 LTCCP. The budget did not include rates penalties. The actual figure includes rates penalties of

Financial Information

\$353,000.

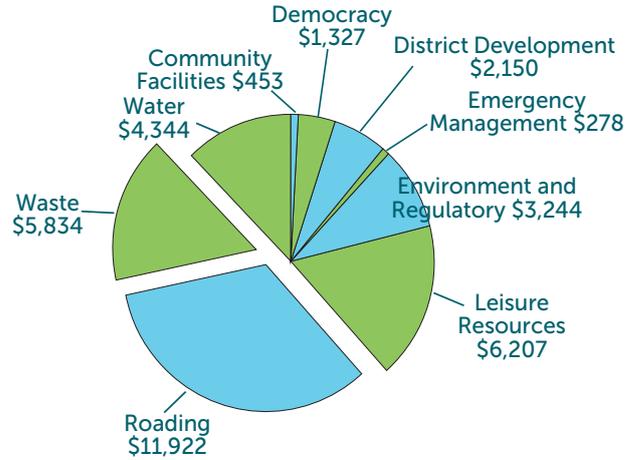
Borrowing

Net borrowings for the year were \$15.4m (2010/11: \$12m). Council made debt repayments totalling \$2.6m (2010/11: \$3.3m).

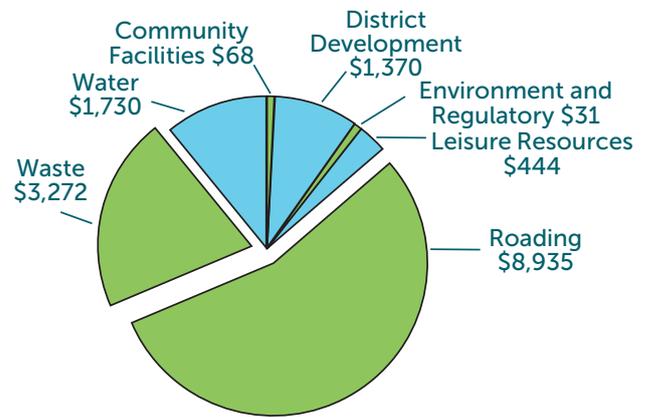
Financial Trends

Where was the money spent?

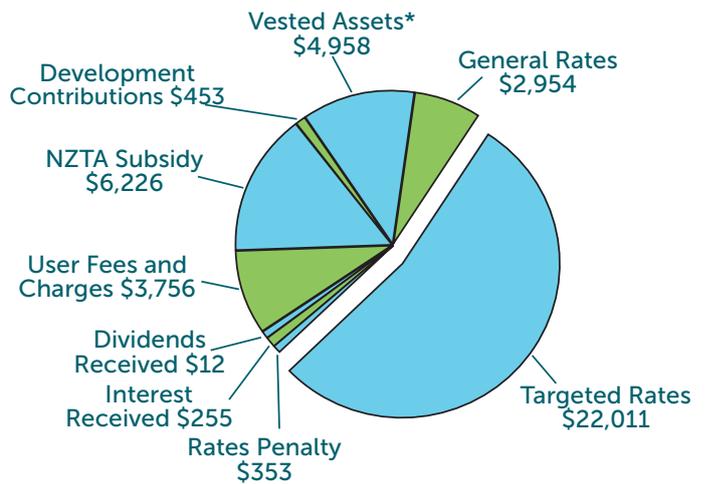
Operating Expenditure by Group (\$000s)



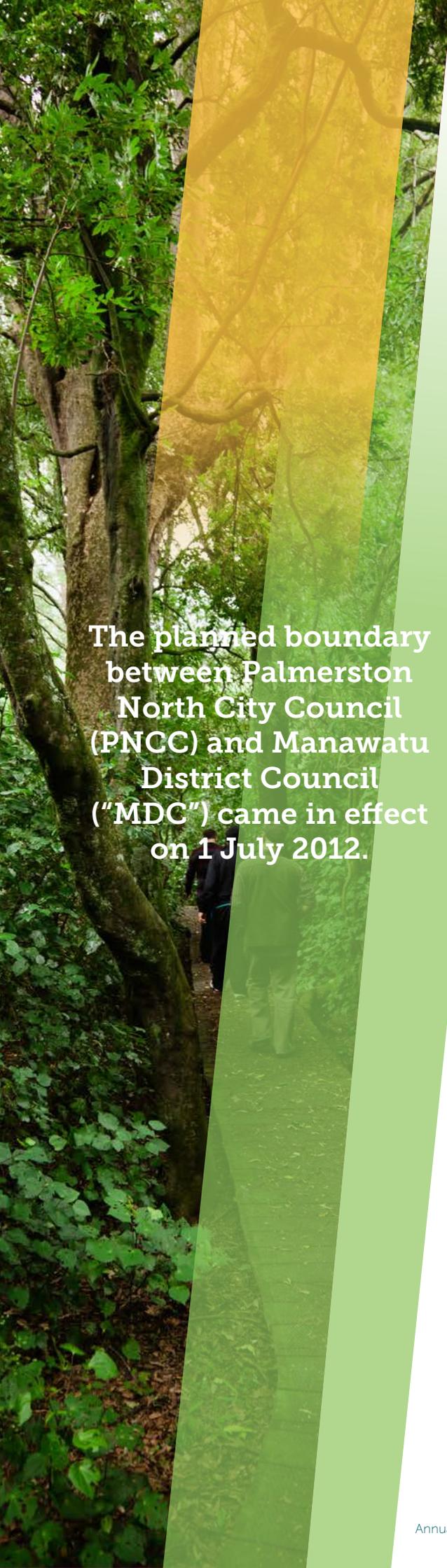
Capital Expenditure by Group (\$000s)



And where did the money come from (000s)?



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



The planned boundary between Palmerston North City Council (PNCC) and Manawatu District Council ("MDC") came in effect on 1 July 2012.

Explanation of Major Variances Against Budget

Detailed below are explanations for major variations from the estimated figures in the 2011/12 Annual Plan.

Income Statement

The net surplus for the year is \$4.10m against a budgeted surplus of \$5.27m. The following are the most significant variances.

- External interest expense is \$954,000 lower than budgeted. Council has elected to fund a portion of its capital work through internal borrowing instead of using external sources. In addition, the loans raised were lower than budgeted (see comment below).
- As a result of using our existing funds to fund capital expenditure our investment balances during the year were lower than expected. As a result interest received is \$321,000 lower than budgeted for.
- Subsidies for the Himatangi Wastewater Scheme (\$2m) and the Rongotea Water Supply Scheme (\$2.32m) were budgeted for. Work on these schemes has been delayed and consequently the subsidy has yet to be received.
- Council has budgeted a grant to the Bunnythorpe Hall Committee for \$240,000 and for the Palmerston North Surf Lifesaving Club of \$25,000. These grants have not yet been uplifted and have been carried forward to the 2012/13 year.
- Due to a higher than expected valuation increase on infrastructural assets (1 July 2011), the depreciation expenditure is higher than budgeted.
- The Parks and Reserves expenditure includes an asset write off of \$999,000 for the transfer of Totara Reserve to Horizons Regional Council. This was included in the 2010/11 budget.
- Assets vesting in Council this year totalled \$4.9m. The main asset received was the Kopane Bridge from Horizons Regional Council.
- Revenue from Development Contributions is \$850,000 below budget. This is a result of fewer subdivision applications being received or approved subdivision consents have not yet been actioned.

Balance Sheet

The most significant movements are:

- Total investments are lower than budgeted for as a result of using existing funds instead of borrowing.
- Not all capital work budgeted for was completed during the year, resulting in both property, plant and equipment and the associated borrowing being lower than budget. Individual variations are documented within the individual activity reports.
- Council revalued its infrastructural assets on 1

July 2011. This resulted in an increase in the asset valuation and corresponding revaluation reserve of \$28.7m. The revaluation increase included in the budget was \$16.3m. When budgeting for revaluation we use the planned inflation rate. The actual revaluation is based on actual contract rates, technology changes and changes in the property market.

Statement of Cash Flows

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

Events after the Balance Sheet Date

The planned boundary between Palmerston North City Council (PNCC) and Manawatu District Council ("MDC") came in effect on 1 July 2012. This means that assets of a net book value of \$30,487,694 have been transferred for nil consideration to PNCC together with the transfer of liabilities totalling \$279,977 related to these assets. As a result, the total net book value of assets transferred has been disclosed as Non-financial asset held for transfer (see Note 15 in the full Annual Report).

Additional Notes

- This summary financial report is for Manawatu District Council and Group and is presented in New Zealand Dollars rounded to \$000s.
- This Annual Report Summary was authorised for issue on 18 October 2012 by the Mayor and Chief Executive. The full Annual Report was authorised for issue on 18 October 2012.
- The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), as appropriate for a public benefit entity. The summary financial statements comply with FRS-43.
- The specific disclosures included in the summary financial report have been extracted from the full financial report.
- These summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements.
- The financial statements comply with NZIFRS and other applicable Financial Reporting Standards as appropriate for Public Benefit Entities.

Summary Statement of Balance Sheet

	Council			Group	
	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
Total Current Assets	36,789	3,837	11,415	37,132	11,886
Total Non-Current Assets	577,498	604,588	567,656	589,982	580,022
Total Assets	614,287	608,425	579,071	627,114	591,908
Total Current Liabilities	9,903	5,203	12,802	10,007	12,964
Total Non-Current Liabilities	12,333	20,342	7,050	12,333	7,050
Total Liabilities	22,236	25,544	19,852	22,340	20,013
Total Equity	592,051	582,881	559,219	604,774	571,892
Total Liabilities and Equity	614,287	608,426	579,071	627,114	591,906

Summary Statement of Comprehensive Income

	Council			Group	
	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
Total Revenue	42,102	44,226	40,680	42,978	41,569
Total Operating Expenditure	37,999	38,951	38,718	38,826	39,524
Operating Surplus/(Deficit) before tax and gifting of Assets	4,103	5,274	1,962	4,152	2,045
Gift of Property to the Manawatu Community Trust	-	-	-	-	-
Income Tax Expense	-	-	-	-	-
Net Surplus/(Deficit) after tax	4,103	5,274	1,962	4,152	2,045
Gains on the Revaluation of Property, Plant and Equipment	28,730	16,394	5,586	28,730	4,356
Total Comprehensive Income for the Year	32,833	21,668	7,548	32,882	6,401
* This consists of finance costs as follows:	856	1,810	959	856	959

Summary Statement of Cash Flows

	Council			Group	
	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
Net Cash from Operating Activities	13,664	16,506	10,766	17,071	11,379
Net Cash from Investing Activities	(21,218)	(46,626)	(11,385)	(24,977)	(11,898)
Net Cash from Financing Activities	3,384	26,752	(2,507)	3,384	(2,507)
Net (Decrease)/Increase in Cash, Cash Equivalents and Bank Overdrafts	(4,170)	(3,368)	(3,126)	(4,522)	(3,026)
Cash, Cash Equivalents and Bank Overdrafts at the beginning of the year	5,760	3,826	8,886	6,292	9,320
Cash, Cash Equivalents and Bank Overdrafts at the end of the year	1,590	458	5,760	1,770	6,292

Summary Statement of Changes in Equity

	Council			Group	
	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
Balance at 1 July	559,218	561,213	551,670	571,892	565,491
Total comprehensive income/(expense) for the year ended 30 June	32,833	21,668	7,548	32,882	6,401
Balance as at 30 June	592,051	582,881	559,218	604,774	571,892

Independent Auditor's Report

To the readers of Manawatu District Council and group's summary of the annual report for the year ended 30 June 2012

We have audited the summary of the annual report (the summary) as set out on pages 1 to 19, which was derived from the audited statements in the annual report of the Manawatu District Council (the District Council) and group for the year ended 30 June 2012 on which we expressed an unmodified audit opinion in our report dated 18 October 2012.

The summary comprises:

- the balance sheet as at 30 June 2012, and summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes to the summary financial statements that include other explanatory information; and
- the summary of the Manawatu District Council and group's non financial performance information and summaries of other information contained in its annual report.

Opinion

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

Basis of opinion

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

The summary and the audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 18 October 2012 on the audited statements.

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

Responsibilities of the Council and the Auditor

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

Other than in our capacity as auditor, which includes obligations to carry out the audit of the annual report and the audit of the long term plan, we have no relationship with, or interests in, the Manawatu District Council or any of its subsidiaries.



Phil Kennerley

Audit New Zealand

On behalf of the Auditor General

Palmerston North New Zealand

18 October 2012

