



Manawatu District Council

Annual Report

For the year ended 30 June 2016

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Role of the Annual Report

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

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 2015/16 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:

Section One: Introduction Section one provides an overview of the 2015/16 year including key highlights.

Section Two: Groups of Activities Section two summarises what Council has achieved in each activity group, including performance indicators.

Section Three: Policy Reports Section three provides a financial overview, including financial statements, notes to the accounts and reports against the Revenue and Financing Policy and the Liability Management and Investment Policies.

Section Four: Other Information Section four provides other information, including summary information about the Council, elected representatives, staff and grants.

Section One: Introduction

Our goals — the Mayor's message

Our vision is to be connected, vibrant, thriving Manawatu – the best rural lifestyle in New Zealand. Our purpose is to make this a reality for our residents our businesses in Feilding, our villages and our rural district.

This is the first year of our 2015-2025 Long Term Plan and we have consulted widely with our community as to what was needed. We listened through the Long Term Plan consultation and have implemented many of the submissions throughout the year, and we listened through the Annual Plan process. As a result of submissions we have some additional projects for the coming year sealing Cole road, contribute to Te Manawa Art, Science and History Museum recognising the regional value of this facility for our community, and assist in revitalising the Rongotea Community Pool.

We have focussed on reviewing aspects of our district plan to ensure that what makes Manawatu unique is retained to promote our social and economic wellbeing, now and into the future. We are fortunate that as a community we have the opportunity to identify what we need to protect and project our growth responsibly. We are growing; we are attracting many more residents and businesses, unlike many of our neighbouring territorial authorities.

We have all the ingredients for a flourishing agri-economy: first class soils, disease free status, abundant water, average rainfall and proximity to the university and research centres in Palmerston North.

We have identified our special character areas that will attract tourism. The proposed District Plan revision incorporates these key items to guide our future development, ensuring that we have the space and resources for everything we want to achieve.

When I look around, I see the new faces of individuals and families who are moving into our town and rural communities. In Feilding our residential areas are growing, our schools are growing and producing talented young people who are achieving nationally and internationally.

We have established, in collaboration with Palmerston North City, the Central Economic Development Agency (CEDA) to lead economic development and tourism in the region. We have engaged with central government to create a regional growth strategy and adopted its action plan – Accelerate 25 – to ensure our region can maximize the returns on our resources.

As an agile council we are responding to our community's requests and creating opportunities for growth, while still being on track with our priorities as set out in the Long Term Plan.

We remain mindful of affordability as we commit to ensuring that we deliver quality services in the most cost effective way to our community.



Margaret Kouvelis
Manawatu District Mayor

Our Performance – the Chief Executive’s report

The Manawatu District Council is a complex and dynamic organisation providing services to nearly 30,000 people. During a single term the Council will make hundreds of decisions that affect the lives of district residents.

Our Annual Report looks back over the year at what Council has done, and how it has performed against its goals.

The Council’s aim is to remain an agile and effective organisation that delivers great customer service.

Our projects reflect this aim and include an upgraded Makino Aquatic Centre that is welcoming, with modern facilities and space to learn, a library that emphasises contemporary communication and information, improvements to our information management system and well-designed infrastructure and community facilities that fit the needs of our vibrant community’s future. We have also been dealing with unplanned events that occur, such as flooding and the effects on our communities and infrastructure.

All of these projects keep moving the district towards our vision of being a connected, vibrant and thriving Manawatu.

While this report is looking back at our performance over the previous year, it also informs about what we need to be aware of and areas we can improve our performance for the coming year.

I am always happy to listen to suggestions and comments about what and how we are doing, and to answer questions. My team is dedicated and are prepared to meet the challenge of looking critically at what and how we do things, and make any changes necessary to make a difference in our community.



Richard Templer
Chief Executive

Our District

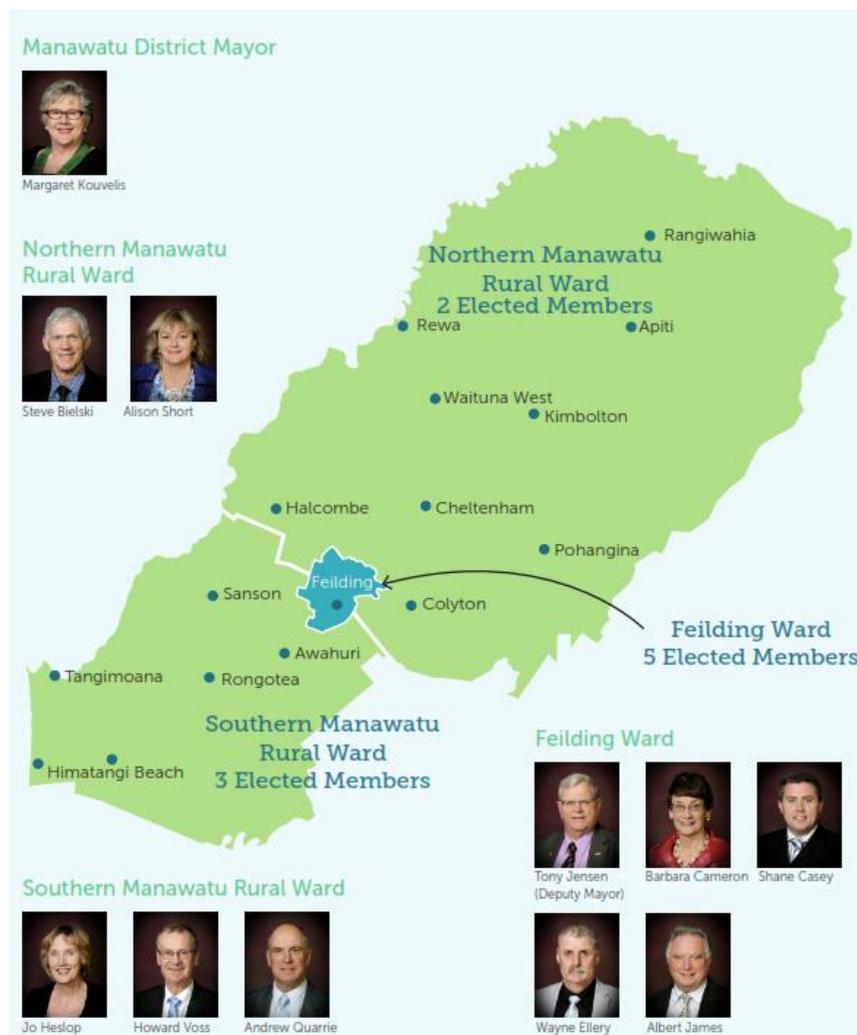
Stretching from the rugged and picturesque Ruahine Ranges in the north to the sands of Himatangi Beach in the south, and most of the area between the Rangitikei River in the west and Manawatu River in the east, the Manawatu District is called home by approximately 29,300¹ people.

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 14 times, is home to iconic attractions including the saleyards 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 Manawatu District is an amalgamation of the five former authorities of Oroua, Kiwitea, Pohangina, Manawatu and Feilding.

The district is experiencing strong population growth, growing by five per cent between 2006 and 2013, adding 1,400 people to the area.

Your Council – who are we?



¹ Infometrics district population 2015 estimate. 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 Manawatu District. It is a stated desire for the future, and helps guide Council with the decisions it needs to make.

Connected, vibrant, and thriving Manawatu – 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 Manawatu District's vision:

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

Our year in review

Makino Aquatic Centre

For just over 10 months the indoor pools at Makino Aquatic Centre were closed while they underwent a major redevelopment. This was a \$6m project delivered on time and on budget. The new look facility will have better sound control, energy efficiency, an indoor wet play area for youngsters and, significantly, a new learn to swim pool. This will enable us to double the number of learn to swim and aquatic programmes when it re-opens at the end of July 2016.

Library

Our Feilding Library has undergone a significant transformation from being a traditional book based facility to being an information hub. We have installed electronic book issue and return that makes it faster to obtain and return books, we have free WiFi that enables people to access information on their own devices, we have more computers that allow access to the databases and information for learning or leisure. We have more programs for the community ranging from sewing, art and music to providing a place where toddlers and their parents to interact.

District Plan

District planning is important so that we have the space to grow and that industry, agriculture and residential spaces are suitable while at the same time ensuring that natural features and important productive land are not lost.

This year we have had conversations with the community about a range of proposals including: Rural Environment, Outstanding Natural Features and Landscapes, Coastal Environment, Natural Hazards, Industrial Zone and District Wide Rules.

Central Economic Development Agency (CEDA) Established

Economic growth in the Manawatu took a step forward with the establishment of the Central Economic Development Agency Ltd to manage economic development and tourism.

The new company is a collaboration between both the Manawatu District and Palmerston North City Councils' with the primary objective to drive and facilitate creation and growth of economic wealth for Manawatu and beyond.

CEDA's role will be to identify and capitalise the resources of the district and the city.

Feilding Waste Water Treatment

The treatment of Feilding's waste water continues to challenge us as we worked through the resource consenting process through the environment court for discharge onto land and into the Oroua River. We are also working on the technology and processes used to ensure the discharge meets the standards required.

Community

We have vibrant positive communities that are actively engaging with Council and taking responsibility for their towns and villages. They have partnered with Council to produce a 10 Year Roadmap for Council contributions to Community Plans.

We have been able to support twenty people in achieving their goal of representing the district or New Zealand through grants from our Representative Fund. This has included attendance at; swimming, canoe polo in Italy, robotics, junior cycling in Switzerland, youth rugby in Japan, Jump Jam in Christchurch and many others in New Zealand and internationally.

We have been strengthening our cultural links with local iwi. Ngā Manu Taiko is the new name for the Council committee that links the Manawatu District Council with local marae and hapu representatives on issues. This will help our community to move forward together.

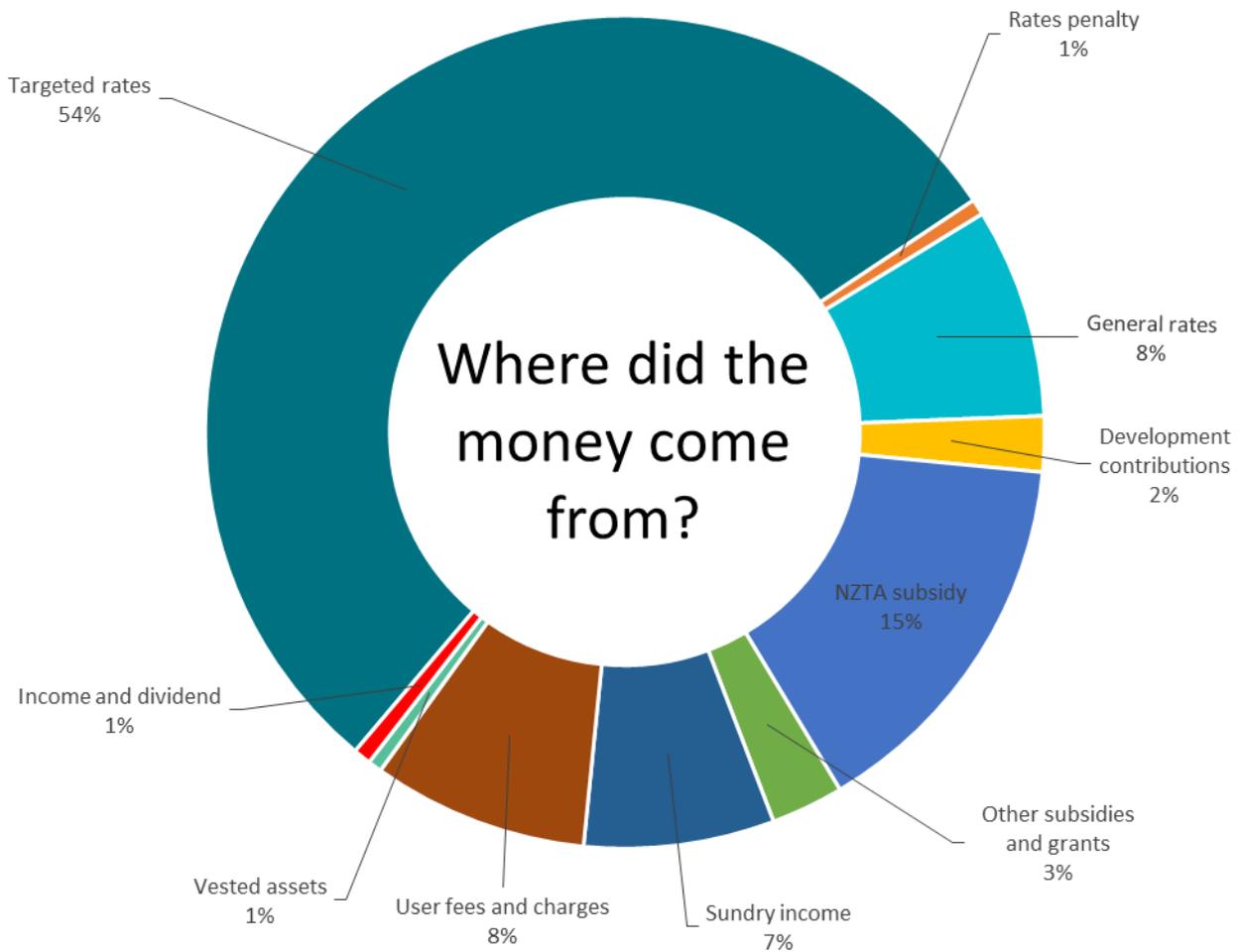
2015 flood recovery

The June 2015 flooding caused extensive damage throughout the district that has disrupted lives both during the event and in the following months. Our Infrastructure team was faced with repairing roads, bridges and retaining walls, clearing slips and reinstating drains.

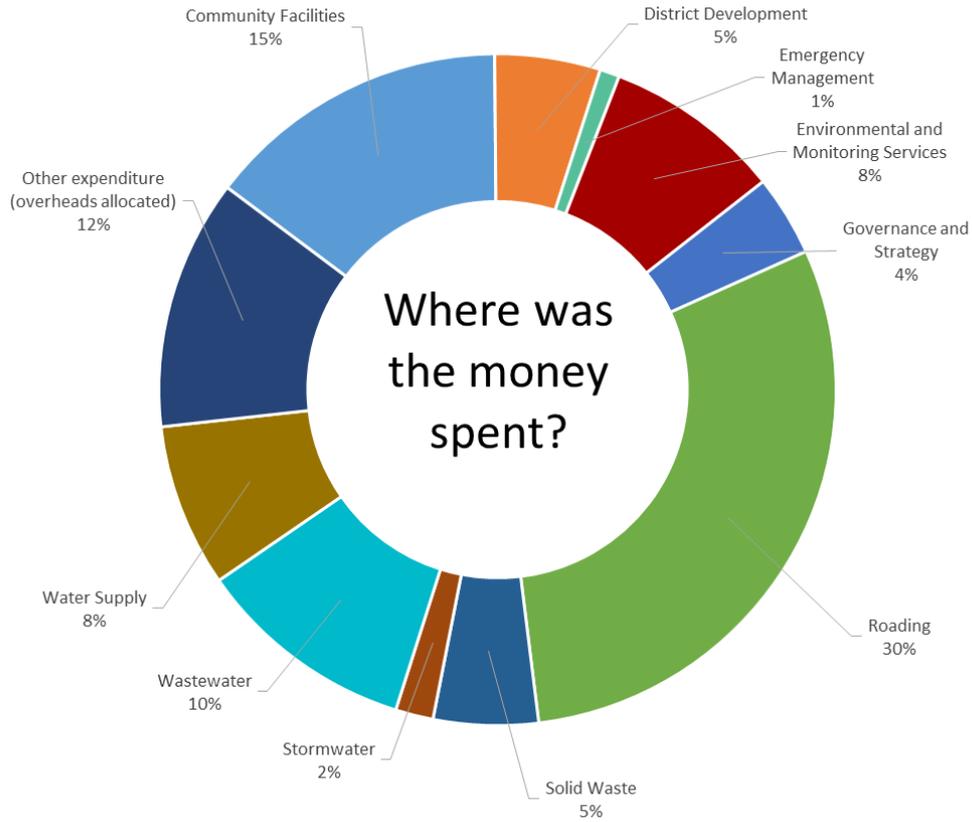
While the work is still to be finished, slips and drainage reinstatement is 99% complete, 95% of the retaining walls have been completed and design and consenting is underway for the replacement of three bridges to be carried out this summer (2016/17).

Financial overview

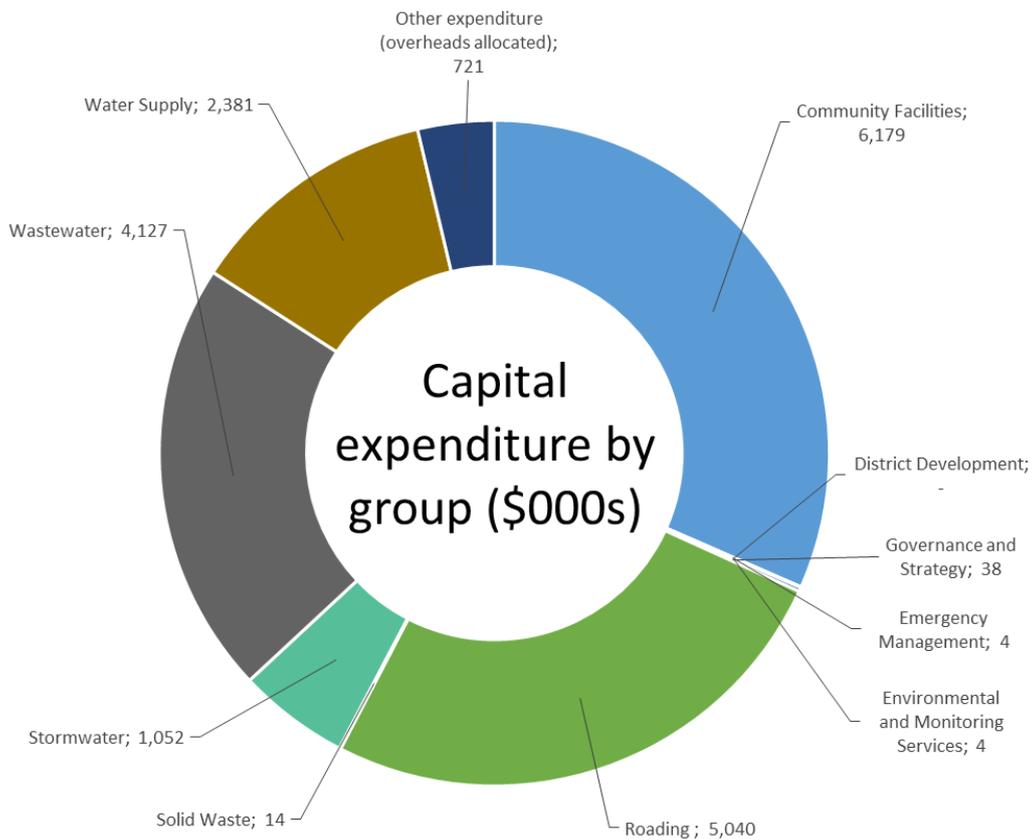
Revenue by source



Operating expenditure



Capital Expenditure



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 2015/16 year, Council reported against 75 KPIs, which are detailed in Section Two of this report. Council has achieved the majority (60%) of the KPIs.



Council has met 60% of its measured performance targets. While this leaves a number of targets not being achieved, the shortfall in achieving some targets is very small. Council acknowledges that these need to be improved and is working towards a better outcome.

In some instances, the target has only just been missed. For example:

For animal control the target is 90% of issues responded to within a set timeframe. We achieved a response of 86.4%. The cause of the failure to meet the target relate to difficulties in contacting, or being able to make appointments to meet with, dog owners.

In other instances, changes are required to achieve KPIs. For example:

The statutory requirement for the issue of building consents and code of compliance is 100% issued within the prescribed timeframes. On a monthly basis we achieved between 76% – 100% due to staffing levels, competing demands for processing officers and an increasing number of consents being received.

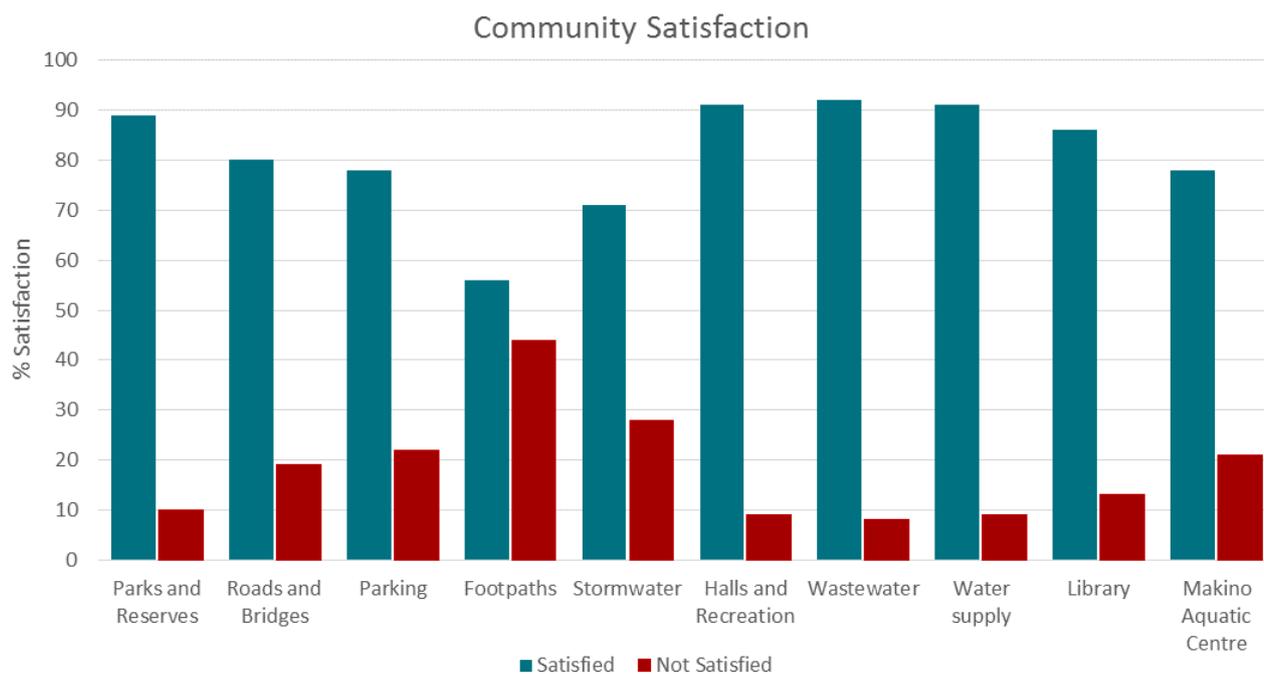
You can view all KPIs in Section Two of this report. All KPIs are reviewed as part of the LTP process to ensure Council is providing the level of service the community wants.

Community survey

The Council uses community surveys to measure a number of KPIs. A panel of Manawatu residents has been recruited to fairly represent the local demographic.

There are currently about 1020 panel members. In the surveys conducted over the past year, the response rate has been approximately 39%.

The surveys looked at the satisfaction levels with ten Council services. All ten services received satisfaction levels between 56% (Footpaths) and 92% (Wastewater).



Note:

- 'Not Applicable' results represent those who do not use the service or have chosen not to quantify their level of satisfaction.
- 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 Manawatu 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 Manawatu District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

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

The Council and management of Manawatu 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 Manawatu District Council, the annual Financial Statements for the year ended 30 June 2016 fairly reflect the financial position and operations of Manawatu District Council.



Dr Richard Templer

Chief Executive

Date:

6-10-16



Margaret Kouvelis

Mayor

Date:

6/10/2016

Independent Auditor's Report

To the readers of Manawatu District Council and group's annual report for the year ended 30 June 2016

The Auditor-General is the auditor of Manawatu District Council (the District Council) and group. The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, on her behalf, to:

- audit the information included in the District Council and group's annual report that we are required to audit under the Local Government Act 2002 (the audited information); and
- report on whether the District Council and group has complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report and the Local Government (Financial Reporting and Prudence) Regulations 2014.

Opinion on the financial statements and other statements required by legislation

In our opinion:

- the financial statements on pages 84 to 149:
 - present fairly, in all material respects:
 - the District Council and group's financial position as at 30 June 2016;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards;
- the funding impact statement on pages 81 to 82, 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 and group's Long-term plan;
- the funding impact statement for each group of activities on pages 29 to 80, 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 and group's Long-term plan; and

- the statement about capital expenditure for each group of activities on pages 29 to 80, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council and group's Long-term plan.

Qualified opinion on the statement of service performance – Our work was limited because the system for response times was not reliable

An important part of the District Council's service provision is the response time it takes to attend to and resolve service and fault requests. This is significant because response times are indicative of the quality of services received by ratepayers.

The District Council reports on a number of response time related performance measures included in its long-term plan in accordance with the *Non-Financial Performance Measures Rules 2013* made by the Secretary for Local Government. The system for recording the data to report on these performance measures for the roading, wastewater and water supply groups of activities was not reliable for most of the year due to inaccurate or omitted source data. As a result, the District Council has been unable to report completely on these response time performance measures for the year. Our work was limited and there were no audit procedures we could apply to the information on response times.

In our opinion, except for the matter explained above for response time performance measures:

- the statement of service provision on pages 17 to 78:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2016, 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.

Compliance with requirements

The District Council and group has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on pages 29 to 162 which are required by the Local Government (Financial Reporting and Prudence Regulations 2014) which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and group's audited information.

Our audit was completed on 6 October 2016. This is the date at which our opinion is expressed.

The basis of our qualified opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

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

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the audited information. We are unable to determine whether there are material misstatements in relation to the statement of service provision because the scope of our work was limited, as we referred to in our opinion.

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

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the information we audited;

- determining the appropriateness of the reported statement of service provision within the District Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the District Council and group complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report, we limited our procedures to making sure the annual report included the required information and identifying material inconsistencies, if any, with the information we audited. We carried out this work in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We believe we have obtained sufficient and appropriate audit evidence to provide an unmodified opinion on the financial statements and other legislative disclosure and qualified opinion on the statement of service provision.

Responsibilities of the Council

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 ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the annual report in accordance with the reporting requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out our audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

In addition to this audit, which includes our report on the Compliance with Requirements, we have carried out an independent assurance review of the District Council's Debenture Trust Deed, which is compatible with those independence requirements. Other than these assignments we have no relationship with or interests in the District Council or any of its subsidiaries

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

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 2015/16 financial year for Council's Groups of Activities. In 2015/16, Council provided various services organised into ten Groups of Activities. These are:

Community Facilities	Page 19
District Development	Page 31
Emergency Management	Page 36
Environmental Services and Monitoring	Page 41
Governance and Strategy	Page 51
Roading	Page 55
Solid Waste	Page 62
Stormwater	Page 66
Wastewater	Page 70
Water Supply	Page 75

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

Contribution to community 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 – Manawatu 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 – Manawatu District will attract and retain residents.



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



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



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



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

What has Council achieved in 2015/16?

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 2015/16 financial year. For comparison purposes, the first column contains actual data for 2015/16 and the last two columns contain information from the Long Term Plan for 2015/16 and 2014/15 financial years.

The Overall Funding Impact Statement on page 81 presents the actual financial results for the 2015/16 and 2014/15 financial years, compared against the annual plans (i.e. annual plan budgets) for those years.

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 Districts Cemeteries were noted throughout the District with the introduction of Council's new Parks and Open Spaces Contractor Recreational Services Limited for cemeteries late in the third quarter.

A new access road at Halcombe Cemetery was constructed this year and planning work for the development of the southern area of the Feilding Cemetery was also undertaken, in anticipation of new cemetery beams and an access way being constructed in the 2016/17 year.

What has Council achieved in 2015/2016?

Level of Service: Satisfaction with the maintenance of our cemeteries		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
90% of customers are satisfied with maintenance of cemeteries	Target met	<p>Survey responses were received from 367 ratepayers. For this measure those that "don't know/don't use" have been excluded from the results as they are not considered to be from customers of the service.</p> <p>92% of 209 customers strongly agreed or somewhat agreed that they were satisfied with the maintenance of cemeteries.</p> <p>The survey results were: 19% very satisfied 73% satisfied 8% not satisfied</p> <p>Many positive comments note an increase in the levels of maintenance since the introduction of Council's Parks and Open Spaces Contractor, Recreational Services, to the district.</p> <p>A considerable number of the unsatisfied comments seek higher levels of service, particularly relating to non-catcher mowing in the rural cemeteries.</p> <p>Source – PublicVoice survey June 2016 <i>(This is a new measure this year)</i></p>

Level of Service: Professional and timely interment services		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
No complaints about late or inadequate interment services	Target met	No complaints about late or inadequate interment services have been received. <i>(This is a new measure this year)</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 (3hrs/week), Kimbolton (1.5hrs/week), Pohangina (5hr/week), Rongotea (12.5hrs/week) and Tangimoana (2hrs/week).

How we do it:

Our main library provides:

- 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

A large amount of development was achieved in the Districts Libraries over the last 12 months, following on from the completion of a review of Library services in November 2014.

A new library management system and a new Radio Frequency Identification (RFID) self-service and issuing system have been installed producing new efficiencies and improved services.

Aotearoa Peoples Network Kaharoa (APNK), a free community internet service provided by the National Library Service was also installed, providing our community with free and fast Wi-Fi and internet access 24/7. The target was 10,000 digital users, in 9 months the usage was with 36,521 digital users.

New furniture and a number of new programmes and activities were also introduced to the service this year. While the target for programmes and issues in Year one was not achieved, the activity is on target to exceed both of these targets for the 2016/17 year.

Since 12 months ago, the foot traffic in the service has increased as well as registered library members.

What has Council achieved in 2015/2016?

Level of Service: Access to a range of information		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
11 issues per capita	Target not met	<p>During the year 291,431 issues were made. This represents 10.23 issues per capita.</p> <p>This year saw a change in how issues were measured. Community library loans were previously issued to community libraries, and are no longer being included in this measure.</p> <p>E-book issues are recorded for the first time and are included in the issues above (3,336 issued this year).</p> <p>Our focus for the coming year is to increase our e-book issues (checkouts) by making borrowers aware of this service through marketing and staff training.</p> <p><i>(Last year – target attained with 13.59 issues per capita)</i></p>
10,000 digital users	Target met	<p>A total of 36,521 digital users have accessed a range of information via APNK (Aotearoa Peoples Network Kaharoa).</p> <p>20,419 logged onto one of the computers located in the library space.</p> <p>16,102 used their own device.</p> <p><i>(This is a new measure this year)</i></p>

Level of Service: A range of activities and learning opportunities		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
480 events / 11,000 participants	Target not met	<p>364 library events were conducted in the library space with 6,385 people participating in these events.</p> <p>The shortfall of 116 events and 4,165 participants was caused by the late recruitment of key personnel, for example the Planning and Business Lead, and not having an effective events programmes in place. Our focus for the coming year is to increase the number of events and participants through a well-planned events programme and marketing/communication.</p> <p><i>(This is a new measure this year)</i></p>

Makino Aquatic Centre (MAC)

What we do:

Provide 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

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
- '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
- Host Makino Aquatic Challenges and community events
- Work with after-school and school holiday programme providers
- 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
- Host local, regional and national water events

Overview

For just over 10 months the indoor pools at Makino Aquatic Centre were closed while they underwent a major redevelopment. This was a \$6m project expected to be delivered on time and on budget.

This project over ten years in development saw the demolition of the old reception, offices and change rooms and construction of new reception, meeting rooms, and changing rooms and amenities. A new learn to swim pool and additional change rooms, splash pad and the renewal and seismic strengthening of the main pool hall was also undertaken. The facility will also have better sound control, energy efficiency.

The construction phase began in October 2015 and with completion expected in July 2016. While the indoor complex was closed, temporary change rooms and services were operated with the outdoor complex.

What has Council achieved in 2015/2016?

Level of Service: Safe pools		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
100% Pool Safe accreditation retained	Target met	Poolsafe accreditation was attained on 6 March 2015 and was valid until April 2016. The pool was closed from



Level of Service: Safe pools

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
		<p>1 May to the end of the financial year. Accreditation was valid when the pool was open to the public.</p> <p>Reassessment has been postponed until after the redevelopment project has been completed.</p> <p><i>(Last year – 100% compliance)</i></p>



Level of Service: Quality experiences

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
90% of customers are satisfied overall with their experience at the complex	Target met	<p>A customer survey was carried out by staff in March 2016 and had 32 respondents.</p> <p>100% satisfaction with their overall experience at the complex was achieved.</p> <p>During the year the facility operated under temporary conditions and comments were mostly positive. Comments received were not part of the survey process. Remedial action was carried out immediately if required.</p> <p><i>(Last year a survey was carried out by MAC staff which resulted in 98% satisfaction – from 133 respondents)</i></p>



Level of Service: A variety of water activities

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
More than 5,000 participants	Target met	<p>Current individual participation numbers in MAC activities from 1 July 2015 to 24 June 2016 was 15,270.</p> <p>Swim lessons – 4,145 Swim squad – 1,192 Aqua Fitness – 2,483 Schools/groups – 2,355 Canoe Polo - 575 Clubs – 4,520</p> <p>Note: The outdoor pools closed on 1 May 2016, with the entire complex unavailable for the remainder of the year. The swim squad operated from the Lido Aquatic Centre and Palmerston North Boys High School during May and June.</p> <p><i>(This is a new measure this year)</i></p>

Parks and sports grounds

What we do:

Provide parks and sports grounds including camping grounds, open spaces, gardens, trees and play grounds 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 Manawatu 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: Leisure and Recreation Action Plan, Open Spaces Framework and Feilding Cycle Network
- Fulfilling our legal requirements to have Reserve Management Plans in place identifying how Council intends to manage reserves.

Overview

The feature of this year for Parks and Sportsgrounds was the procurement of the Parks and Open Spaces Contract. This contract had not been market tested in over 10 years, with the procurement process attracting a number of quality and reputable national contracting companies. Following a two-stage procurement process managed by an external procurement specialist, Recreational Services Limited were selected as the Districts new Parks and Open Spaces Contractor, beginning work in the District on 29 February 2016.

During the year a number of projects were completed including the first stage of the Victoria Park Fitness trail, the Sanson Recreation Reserve walkway and the Kowhai Park Rose gardens.

There were two health and safety injuries from inadequately or poorly maintained parks and sportsgrounds. Both of these incidents related to built structures, where a greater emphasis will need to be placed for future asset management renewal planning to mitigate avoidable injury.

What has Council achieved in 2015/2016?

Level of Service: Satisfaction with Council's parks and sports grounds		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
90% of customers are satisfied with their overall experience of parks and sports grounds	Target met	<p>Survey responses were received from 393 ratepayers. For this measure those that "don't know/don't use" have been excluded from the results as they are not considered to be from customers of the service.</p> <p>90% of 342 customers strongly agreed or somewhat agreed that they were satisfied with their overall experience of the parks and sports grounds.</p> <p>The survey results were:</p>

Level of Service: Satisfaction with Council's parks and sports grounds

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
		<p>27% strongly agree 63% somewhat agree 6% somewhat disagree 4% strongly disagree</p> <p>A number of unsatisfied comments relate to the levels of maintenance in areas outside of Feilding CBD, including Timona Park and some rural areas of the District.</p> <p>Many comments have been received about the increase in the levels of maintenance since the introduction of Council's Parks and Open Spaces Contractor, Recreational Services, to the district.</p> <p>Source – PublicVoice survey May 2016</p> <p><i>(Last year - target of 85% was met with 90% satisfaction from 563 respondents for the range and affordability of the facilities provided.)</i></p>
Less than 10 closures or parks and sports grounds.	Target met	<p>There were closures of two parks (Kitchener Park and parts of Timona Park) in July 2015 following the June 2015 flooding event.</p> <p><i>(This is a new measure this year)</i></p>

Level of Service: Safe parks and sports grounds

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
No reports of health and safety incidents or injuries due to inadequate or poor maintenance in our parks and sports grounds.	Target not met	<p>There were two health and safety incidents or injuries due to inadequate or poor maintenance in our parks and sportsgrounds.</p> <p>Both incidents related to assets at Kowhai Park. The first incident related to a child falling from a bridge when the handrail gave way. The bridge has since been removed. The second incident related to a person falling through a rotten board on a section of boardwalk on the northern boundary of the park. The boardwalk section has since been inspected and the rotten boards repaired.</p> <p><i>(This is a new measure this year)</i></p>

Property

What we do:

Manage, support and administer the property portfolio.

How we do it:

- Managing 17 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

Seismic strengthening of the Feilding Community Centre and preliminary design work for the redevelopment has been completed and strengthening of the Feilding Little Theatre begun.

A new target for the use of the rural halls (26 times/year) saw a number of halls exceed the target with some halls achieving 72 uses per year. Data was received from 11 of Councils 21 Halls.

Overall the property activity achieved a high percentage of customer satisfaction with their overall experience with property facilities for the year.

What has Council achieved in 2015/2016?

Level of Service: Satisfaction with our property facilities		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
80% of surveyed customers are satisfied with their overall experience of property facilities	Target met	<p>Survey responses were received from 401 ratepayers. For this measure those that “don’t know/don’t use” have been excluded from the results as they are not considered to be from customers of the service.</p> <p>91% of 267 customers who use the service were satisfied with the halls and recreation complexes within the district.</p> <p>The survey results were: 12% very satisfied 79% satisfied 9% not satisfied</p> <p>A considerable proportion of the unsatisfied comments seek the upgrading of facilities such as the Feilding Civic Centre and a greater focus on funding and maintenance of rural halls.</p> <p>Source – PublicVoice survey May 2016</p> <p><i>(This is a new measure this year)</i></p>

Level of Service: Property facilities to be well used		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Each hall is used on average 26 times a year	Target met	<p>11 halls were used on average 72 times a year. The lowest hall use was zero and the highest was 138.</p> <p>This information is provided from the rural hall reports submitted by the Hall Committees.</p> <p>Council has 21 rural halls, 10 of which have not forwarded their report to Council. These halls are expected to have lower usage.</p> <p><i>(This is a new measure this 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 constructed this year at Kimbolton Domain, Bartletts Ford and Putai Ngahere Reserve (Vinegar Hill), with the replacement of all the toilet doors at Himatangi Beach also occurring.

The introduction of Council's new Parks and Open Spaces Contractor Recreational Services Limited, saw a dramatic reduction in the number of complaints about inadequate maintenance or poor cleaning of Public Conveniences.

What has Council achieved in 2015/2016?

 Level of Service: Satisfaction with public toilets		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Less than 35 complaints received	Target not met	<p>A total of 45 complaints were received for the year.</p> <p>The introduction of Recreational Services to the district has seen a dramatic reduction in the number of complaints (three in the last quarter of the year compared with 21 in the first quarter).</p> <p>The three complaints received during last quarter related to maintenance of taps and water, and will be addressed as more proactive maintenance of assets continues. This is in contrast to the beginning of the</p>



Level of Service: Satisfaction with public toilets

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
		year where complaints related largely to poor cleaning. <i>(Last year -41 complaints or requests were received)</i>

Manawatu District Council

Funding Impact Statement for the year ended 30 June 2016

Community Facilities

	Actual 2016 \$000	LTP 2016 \$000	LTP 2015 \$000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	636	631	250
Targeted rates	5,228	5,282	5,184
Subsidies and grants for operating purposes	11	4	2
Fees and charges	781	818	1,200
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	58	10	2
Total operating funding	6,714	6,745	6,637
Applications of operating funding			
Payments to staff and suppliers	4,487	4,664	4,252
Finance costs	823	1,096	630
Internal charges and overheads applied	551	939	1,051
Other operating funding applications	0	0	0
Total applications of operating funding	5,861	6,699	5,933
Surplus (deficit) of operating funding	853	46	704
Sources of capital funding			
Subsidies and grants for capital expenditure	1,115	1,350	0
Development and financial contributions	119	90	142
Increase (decrease) in debt	4,192	3,712	(802)
Gross proceeds from sale of assets	0	2,050	1,500
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	5,426	7,202	840
Applications of capital funding			
Capital expenditure			
- to meet additional demand	89	349	0
- to improve the level of service	5,433	6,827	358
- to replace existing assets	657	1,840	261
Increase (decrease) in reserves	100	(1,768)	926
Increase (decrease) of investments	0	0	0

Total application of capital funding	6,279	7,248	1,544
Surplus (deficit) of capital funding	(853)	(46)	(704)
Funding balance	0	0	0
Community Facilities Internal Borrowings			
Opening balance 1 July	7,807		
Internal loans raised during the year	4,302		
Internal loans repaid during the year	(110)		
Closing balance at 30 June	11,999		
Community Facilities External Borrowings			
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	1,873		

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

The finance cost above includes \$721,000 interest expense in relation to loans raised internally from Council's treasury and \$102,000 interest expense charged on external loan raised directly by Community Facilities group of activities, for the year ended 30 June 2016.

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 community development initiatives, events and programmes
- Providing a pool of funding for individuals and teams that will be representing the Manawatu 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, Rangiwahia, Kimbolton, Waituna West, Halcombe, Sanson, Tangimoana, Rongotea, Pohangina and Himatangi Beach.

Overview

Community plans have been developed and owned by Apiti, Halcombe, Himatangi Beach, Kimbolton, Pohangina, Rangiwahia, Rongotea and Sanson. All communities have partnered with Council to produce a 10 Year Roadmap for Council contributions and support to Community Plans.

Completed community plan projects include the Halcombe Walkway, two walkways in Sanson as well as the river access walkway in Pohangina and the beautification of Fowlers Reserve in Kimbolton.

Another highlight was the Council's contribution of \$10k to the Himatangi Beach Community Patrol which has enabled them to purchase a 4WD vehicle to patrol the beach.

The Representative Fund grants enabled 20 recipients to attend national and international events such as World Duathlon championships, New Zealand Future Black Sticks women's hockey team to compete in the Volvo International Tournament, New Zealand Secondary School Swimming Championships in Hamilton.

Nga Manu Taiko is the new name for the Council committee that links the Manawatu District Council with local Marae and Hapu representatives on issues that may help guide our community to move forward together.

The clarification of the meaning of "charitable organisation" in the Rate Remission policy resulted in organisations that used to receive a rate remission no longer qualifying.

What has Council achieved in 2015/2016?

Level of Service: Relevant community development services		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
100% satisfaction from Council that the outcomes set in the community development policy are being delivered	Target met	All funding has been allocated in accordance with the policy. Reports are received from partnership funding and have been accepted by the Council.

Level of Service: Relevant community development services		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
		<i>(This is a new measure this year)</i>

Level of Service: Satisfaction with community development services		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
90% of customers are satisfied with community development services	Target not met	<p>Survey responses were received from 373 ratepayers. For this measure those that “don’t know/don’t use” have been excluded from the results as they are not considered to be from customers of the service.</p> <p>51% of 202 respondents who knew about or used the community development services strongly agreed or somewhat agreed that they were satisfied with those services.</p> <p>The survey results were: 4% strongly agree 47% somewhat agree 29% somewhat disagree 20% strongly disagree</p> <p>Source – PublicVoice survey June 2016 <i>(This is a new measure this year)</i></p>

Economic Development

What we do:

Promote and grow the local economy through business support services, investment, 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 and others to implement the Regional Development Strategy goal of “Manawatu, the best place to raise a family”
- Implementing the Manawatu District Economic Development Strategy
- Working with our partners in the Horizons (Manawatu-Wanganui Regional Council) region to develop the Regional Growth Study (April 2015), to develop the Central New Zealand Agribusiness Strategy (June 2015) and implement its findings which are aimed at doubling agribusiness exports by 2025
- Working in partnership with our neighbouring councils to implement opportunities in the Regional Growth Strategy
- Advocating on behalf of the District and promoting Manawatu as a central location to do business
- Funding security guard services in the Feilding Central Business District.

Overview

The establishment of the Central Economic Development Agency Ltd. unified economic development for Manawatu when both the Manawatu District and Palmerston North City Councils’ agreed on a single Council Controlled Organisation (CCO) to manage economic development and tourism.

These core activities have the potential for value-add through agri-tech and innovative niche services for growth in our beef, dairy, sheep and tourism sectors. The new company has a 50/50 shareholding between the two councils with the primary objective to drive and facilitate creation and growth of economic wealth for Manawatu and beyond.

What has Council achieved in 2015/2016?

Level of Service: Relevant economic development services		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
100% satisfaction from Council that economic development strategies are being delivered	Target met	All Economic Development funded agencies provide monitoring reports to Council. These were accepted by MDC or the Joint Strategic Planning Committee with Palmerston North City Council. <i>(This is a new measure this year)</i>

Level of Service: Satisfaction with economic development services		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
80% of customers are satisfied with economic development services	Target not met	Survey responses were received from 377 ratepayers. For this measure those that “don’t know/don’t use” have been excluded from the results as they are not considered to be from customers of the service. 63% of 261 respondents who knew about or used the economic development services strongly agreed or somewhat agreed that they were satisfied with those services. The survey results were: 6% strongly agree 57% somewhat agree 23% somewhat disagree 14% strongly disagree Source – PublicVoice survey June 2016 <i>(This is a new measure this year)</i>

Manawatu District Council

Funding Impact Statement for the year ended 30 June 2016

District Development

	Actual 2016 \$000	LTP 2016 \$000	LTP 2015 \$000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	2,217	2,203	2,092
Targeted rates	63	63	63
Subsidies and grants for operating purposes	25	55	33
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	3	75	108
Total operating funding	2,307	2,396	2,296
Applications of operating funding			
Payments to staff and suppliers	2,022	2,078	1,851
Finance costs	283	281	236
Internal charges and overheads applied	134	295	288
Other operating funding applications	0	0	0
Total applications of operating funding	2,439	2,654	2,375
Surplus (deficit) of operating funding	(132)	(258)	(78)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	137	40	(96)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	137	40	(96)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase (decrease) in reserves	228	(110)	(174)

Increase (decrease) of investments	(223)	(108)	0
Total application of capital funding	5	(218)	(174)
Surplus (deficit) of capital funding	132	258	78
Funding balance	0	0	0
District Development Internal Borrowings			
Opening balance 1 July	4,586		
Internal loans raised during the year	271		
Internal loans repaid during the year	(134)		
Closing balance at 30 June	4,723		

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 2016 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 an Emergency Management (Civil Defence and Rural Fire) Service Agreement with Horizons (Manawatu-Wanganui Regional Council)
- Administering the Civil Defence Emergency Act 2002
- Working with our neighbouring territorial authorities
- Working with organisations like Neighbourhood Support to promote Civil Defence in neighbourhoods
- Following the Manawatu-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
- Recovery, reviewing recovery plan, coordinating and promoting recovery
- Monitoring and evaluating, including compliance monitoring, risk reduction monitoring, and a Civil Defence exercise programme
- Management and governance activities including co-ordination of a regional Co-Executive Group and a Welfare Advisory Group. A joint Civil Defence Emergency Management Committee is in place to support this collaborative approach.

Overview

This has been an active period for the Civil Defence team. Civil Defence Community Response Plans completed for Tangimoana and commenced for Rangiwahia and Pohangina Valley.

Recovery work continued for the damage caused by the significant June 2015 flood event – clean-up, property inspections and infrastructure repair work were key features of the recovery work. Flood related road network repairs have continued throughout the year.

Staff training in the use of the Emergency Management Information System (EMIS) system with at least 95% of staff now trained in EMIS use to a basic level. District Emergency Management Officer continued to be actively involved in National EMIS Users Group (NEUG).

A 24/7 emergency management duty officer Civil defence capability was maintained throughout the year. District Emergency Management Officer continued regular attendance at Community Committee meetings to update communities on Civil Defence actions and activities and to provide advice and guidance as required.

CDEM Group Tsunami Signage and Public Education Project implementation steps agreed for MDC with implementation set for 2016/17.

What has Council achieved in 2015/2016?

Level of Service: The community is informed about civil defence		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
90% of feedback received demonstrates that the community is	Target not met	Survey responses were received from 399 ratepayers. For this measure those that “don’t know/don’t use” have been excluded from the results as they are not considered to be from customers of the service.

Level of Service: The community is informed about civil defence

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
satisfied with this service		<p>Council is looking to increase the awareness as normal part of our civil defence activity.</p> <p>On average 69% of 307 respondents that were aware of our civil defence strongly agree or somewhat agree that they are satisfied with service provided.</p> <p>The average survey results were:</p> <ul style="list-style-type: none"> 11% strongly agree 58% somewhat agree 24% somewhat disagree 7% strongly disagree <p>These results are the average of the following four questions</p> <ul style="list-style-type: none"> - civil defence education information to residents - access to civil defence information that identifies risk and readiness - promotion of preparedness initiatives - used technology to keep residents informed and advised during an event <p>Source – PublicVoice survey May 2016</p> <p>Civil Defence also uses Facebook as a mechanism to receive feedback and disseminate feedback to our community.</p> <p><i>(This is a new measure this year)</i></p>

Rural fire

What we do:

Issue fire permits and respond to rural fires. We also monitor fire indices and advise the community about fire risk prevention.

How we do it:

- Through an Emergency Management (Civil Defence and Rural Fire) Service Agreement with Horizons (Manawatu-Wanganui Regional Council)
- Fulfilling Council’s statutory obligations under the Forest and Rural Fires Act 1977, Civil Defence Emergency Management Act 2002; Health Act 1956; and Resource Management Act 1991
- Monitoring fire indices and implementing fire restrictions if and when required and advertising those restrictions
- Issuing permits during restricted fire seasons
- Talking with the community about fire risk prevention
- Training to ensure we are ready to respond to rural fires.

What has Council achieved in 2015/2016?

Level of Service: The community is informed about rural fire risk		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
90% of feedback received demonstrates that the customers are satisfied with the service	Target not met	<p>Survey responses were received from 395 ratepayers. For this measure those that “don’t know/don’t use” have been excluded from the results as they are not considered to be from customers of the service.</p> <p>On average 65% of 293 respondents that were aware of our rural fires service strongly agree or somewhat agree that they are satisfied with service provided.</p> <p>The average survey results were:</p> <ul style="list-style-type: none"> 14% strongly agree 51% somewhat agree 24% somewhat disagree 11% strongly disagree <p>These results are the average of the following three questions</p> <ul style="list-style-type: none"> - the amount of fire prevention, risk and education information received - advertising and promoting any change to fire indices such as a restricted season or a prohibited - using technology to alert the public to any change in fire indices <p>Source – PublicVoice survey May 2016</p> <p><i>(This is a new measure this year)</i></p>
Level of Service: Response to rural fire callouts		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
100% response to a rural fire callout	Target met	<p>There has been 100% response to Rural Fire callouts.</p> <p>During the year 161 rural fire incidents were reported and responded to (not including false alarms).</p> <p>The MDC rural fire tanker turned out in response to 55 of these incidents and the Manawatu Rural Fire Force attended 18 of the incidents.</p> <p><i>(This is a new measure this year)</i></p>

Manawatu District Council

Funding Impact Statement for the year ended 30 June 2016

Emergency Management

	Actual 2016 \$000	LTP 2016 \$000	LTP 2015 \$000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	220	218	139
Targeted rates	178	178	190
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	36	0	4
Total operating funding	434	396	333
Applications of operating funding			
Payments to staff and suppliers	387	317	316
Finance costs	0	0	0
Internal charges and overheads applied	58	73	14
Other operating funding applications	0	0	0
Total applications of operating funding	445	390	330
Surplus (deficit) of operating funding	(11)	6	3
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	0	0	0
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	4	5	0
Increase (decrease) in reserves	(15)	1	3

Increase (decrease) of investments	0	0	0
Total application of capital funding	(11)	6	3
Surplus (deficit) of capital funding	11	(6)	(3)
Funding balance	0	0	0

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 regulations, Dog Control Policy and Council's Animal Control and Dog bylaws
- Providing access to a 24 hour 7 day a week Animal Control Service
- Ensuring dogs are registered and controlled throughout the District
- Offering dog owners a "preferred ownership" status
- Delivering dog owner 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 the Rangitikei District Council. A joint service agreement is provided in partnership with Rangitikei and the Manawatu 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 1027 complaints, but did not initiate any prosecutions.

What has Council achieved in 2015/2016?

Level of Service: Timely response to requests for service		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
90% of requests for service are responded to or caller contacted within timeframe set:		
- Urgent requests about a dog attack or wandering stock; within 15 minutes of receiving request	Target met	281 urgent requests were received. 95% were responded to with 15 minutes of receiving the request. <i>(Last year – target not met. First nine month 325 calls were received and we were unable to measure response time. In the last three months 49 calls were received and 80% responded to within 15 minutes)</i>
- Notification of a roaming dog; next	Target met	176 requests were received relating to roaming dogs.. 96% were responded to within the timeframe set.

Level of Service: Timely response to requests for service

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
work business day of receiving request		<i>(Last year – this was recorded in routine calls below)</i>
- Routine animal control issues; next working business day of receiving notification	Target not met	<p>229 requests were received relating routine animal control issues. 77% were responded to within the timeframe set.</p> <p>Delays in response time relate to difficulties in contacting, or being able to make appointments with, dog owners and staff having to visit locations over a period of days in an attempt to locate barking dogs.</p> <p><i>(Last year – target not met. 570 complaints were received and 553 (97%) were responded to within one day.)</i></p>

Building Control

What we do:

Process building consent applications for compliance with the Building Act, issue code compliance certificates, undertake inspections during construction 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 six years from drowning
- Developing policies for earthquake-prone buildings and 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 year they processed 94% of the Building Consent applications, and 90% of the Code compliance certificates within the statutory time frames.

What has Council achieved in 2015/2016?

Level of Service: A responsive building control service		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
The requests for service are responded to within the timeframes set:		
90% of inspections can be booked within four days of the request	Target met	<p>The waiting time for the first available inspection ranged between 1 and 4 days, with an average of 2.7 days (100% compliance).</p> <p>In many instances inspections are booked weeks in advance.</p> <p><i>(Last year – the average waiting time for an inspection was 2.4 days)</i></p>
90% of complaints about our building control service are responded to within ten working days	Target met	<p>54 complaints were received during the year and 50 were resolved within 10 working days - 93% compliant.</p> <p><i>(Last year – 47 complaints received, 98% 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.	Target not met	<p>636 building consents were issued, of which 94% were issued within the 20 working day timeframe.</p> <p>803 code of compliance certificates were processed, of which 90% were issued within the 20 working day timeframe.</p> <p>The primary reason for not meeting timeframes was due to staffing constraints and the increasing number of building consents received.</p> <p><i>(Last year – 570 consents processed, 95% within statutory timeframe. This included 334 fixed fees building consents)</i></p>
100% of fixed fee (small works) building consents applications are processed and approved within 10 working days.	Target not met	<p>350 fixed fee building consents were issued, of which 92% were issued within the 10 working day timeframe.</p> <p>The primary reason for not meeting timeframes was due to staffing constraints and the increasing number of building consents received.</p> <p><i>(Last year – this was included in the measure above)</i></p>

Level of Service: Commercial and public buildings are safe

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
5% of the District's commercial and public buildings that hold current compliance schedules are audited.	Target met	There are 385 buildings that hold a current compliance schedule. 24 audits were completed during the year which represents 6%. <i>(Last year – 328 buildings with compliance schedules and 41 were audited – 12.5%)</i>

Environmental Health

What we do:

Work to keep residents, visitors and the environment safe by monitoring, mitigating and minimising potential harmful activities. 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 NZFS
 - Conducting annual inspections of licensed premises to ensure they comply with licence conditions
 - Establishing Feilding Central Business District as an 'alcohol free' area
 - 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

In February 2016 a new Environmental Health Officer (EHO) was appointed and has caught up on the backlog of audits and inspections following a four month vacancy caused by a resignation. During this time no audits or inspections of food premises were able to be undertaken, and a number of Food hygiene complaints were required to be passed onto the Primary Health Unit at Mid Central health in lieu of Council having an internal resource to undertake such investigations.

During this period of time the Food Act 2014 was implemented which saw Council's enforcement powers moved to the Ministry of Primary Industries. Council's EHO is working towards achieving qualifications from the Ministry of Primary Industries to be a 'Food Inspector' which conveys investigation powers on food hygiene complaints.

The districts 54 licensed premises continue to retain their liquor licenses, and all premises were inspected over the performance year. One premises failed after a controlled purchase operation was conducted with Police and enforcement action commenced through the Police.

The team successfully investigated repeat litter complaints through to a successful prosecution at the District Court. The number of complaints regarding nuisances within the community are increasing and as a result the team are looking to take on more prosecutions for repeat offenders.

Noise Complaints continue to be the highest type of activity attended by the Compliance and Enforcement Team. After-hour service for noise complaints is conducted by a contractor, with serial offenders are being managed more effectively and efficiently.

What has Council achieved in 2015/2016?

Level of Service: Ensure a high standard of hygiene is maintained in food premises and other registered premises		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
100% of all food premises and registered premises are inspected annually.	Target not met	<p>There are currently 125 registered food premises in the district of which 114 were inspected – 91% compliance.</p> <p>During this reporting year food premises began transitioning to new provisions under the Food Act 2014. To date 47 premises have transitioned.</p> <p>Council was without an Environmental Health Officer for four months during the year which impacted on our inspection capability.</p> <p><i>(This is a new measure this year)</i></p>

Level of Service: A timely response to requests for service		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
90% of the following requests for service are responded and contacted with the timeframes set:		
- Issues endangering public health are responded to within 24 hours of notification.	Target not met	<p>Nine food complaints were received during the year, six of which were responded to within 24 hours – 67% compliance. The remaining three were responded to within 48 hours.</p> <p>Council was without an Environmental Health Officer for four months during the year. During this time two complaints were responded to by the Compliance Officer but not within the set timeframe. One complaint was referred to the Ministry of Primary Industries and the Public Health Unit for investigation and advice but took longer than the set timeframe.</p> <p><i>(This is a new measure this year)</i></p>
- Urban noise complaints are responded to within	Target met	644 urban noise complaints were received, of which 610 were responded to within one hour – 95% compliance.

Level of Service: A timely response to requests for service		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
one hour of notification.		<i>(Last year – 621 noise complaints received and 78% responded to within one hour)</i>
- Other issues that are not endangering public health are responded to within 48 hours of notification.	Target not met	447 requests for service were received, of which 394 were responded to within 48 hours – 88% compliance. <i>(This is a new measure this year)</i>

Level of Service: All licensed premises selling alcohol comply with the appropriate alcohol license they have been issued		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
100% of all licensed premises are inspected annually	Target met	All 54 licensed premises selling alcohol were inspected during the year – 100% compliance <i>(Last year – 48 out of 52 premises were inspected – 92%)</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 (Manawatu-Wanganui 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 all building consents to ensure they meet the provisions of the District Plan
- Responding to Horizons (Manawatu-Wanganui 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 significant increase in workload over the previous financial year that has necessitated the outsourcing of approximately 65% of consent processing to external consultants for 2-3 months. As a result it has been difficult to achieve the 10 day timeframe for controlled activities, with several consents failing to achieve the 20 day timeframe.

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.

The clause 5 notification was notified but subsequently withdrawn after the required advertising failed to be printed.

What has Council achieved in 2015/2016?

Level of Service: A responsive district planning service		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
100% of resource management applications are processed and approved as per statutory timeframes specified within the Resource Management Act.		
- 70 working days for notified and limited notified consents	Target met	There were no limited or publicly notified consents processed during the year that required a hearing <i>(Last year – No consents required a hearing)</i>
- 20 working days for non-notified resource consents	Target met	There were 134 non-notified resource consents processed during the year. All were processed within the required 20 working days – 100% compliance. <i>(Last year – 178 consents processed, 177 within 20 working days.)</i>
- 50 working days for notified and limited notified resource consents not requiring a hearing	Target met	There was one limited or publicly notified consent processed during the year that did not require a hearing. The application was processed within 50 working days – 100% compliance. <i>(Last year – Two limited notified consents and both were processed within 50 days. No notified consents)</i>
- 10 working days for controlled activities resource consents	Target not met	66 controlled consent applications were processed during the year, of which only 16% met the target. Of the 84% that did not meet the target, extenuating circumstances delayed the achievement of the target such as the increased number of applications necessitating the use of consultants and the generally more complex nature of subdivision applications e.g.

Level of Service: A responsive district planning service

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
		<p>multiple lots and National Environmental Standards assessments.</p> <p>100% of the controlled activities were processed within the statutory timeframes under the Resource Management Act 1991 (20 working days)</p> <p><i>(This is a new measure this year)</i></p>

Manawatu District Council

Funding Impact Statement for the year ended 30 June 2016

Environmental and Monitoring Services

	Actual 2016 \$000	LTP 2016 \$000	LTP 2015 \$000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	517	512	481
Targeted rates	1,825	1,821	1,811
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,553	1,476	1,550
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	36	23	8
Total operating funding	3,930	3,832	3,850
Applications of operating funding			
Payments to staff and suppliers	2,210	2,000	2,324
Finance costs	0	0	0
Internal charges and overheads applied	1,898	2,030	1,412
Other operating funding applications	0	0	0
Total applications of operating funding	4,108	4,030	3,737
Surplus (deficit) of operating funding	(178)	(199)	113
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	0	0	0
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	4	0	0

Increase (decrease) in reserves	(182)	(199)	113
Increase (decrease) of investments	0	0	0
Total application of capital funding	(178)	(199)	113
Surplus (deficit) of capital funding	178	199	(113)
Funding balance	0	0	0

Environmental & 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, Kiwitea/Pohangina (northern district) and Kairanga (southern district))
- 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 Manawatu District
- Having four standing committees and a number of subcommittees
- Working with our community committees
- Working to promote the best interests of the District at Regional and Central Government levels
- Managing finances responsibly.

What has Council achieved in 2015/2016?

 Level of Service: Responsible management of finance		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Zero breaches of rating or debt levels set in the Financial Strategy	Target met	<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 was 6.24%. The rates levied resulted in a 5.3% increase.</p> <p>The borrowing limit in the Financial Strategy for the 2015/16 year is \$72 million. The proposed year end borrowing for year one of the 2015-25 Long Term Plan was \$58 million. The actual borrowing at 30 June 2016 totalled \$53 million.</p> <p><i>(Last year – no breached occurred)</i></p>

 Level of Service: Opportunities for community involvement in decision-making.		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
80% customer satisfaction with the opportunities Council provides for community involvement in decision-making.	Target not met	<p>48% of 397 respondents strongly agreed or somewhat agreed that they have the opportunity to participate in decision making.</p> <p>The survey results were:</p> <ul style="list-style-type: none"> 7% strongly agree 41% somewhat agree 21% somewhat disagree 13% strongly disagree 18% don't know/don't use



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

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
		<p>If responses 'don't know/don't use' were excluded an average of 58% of the 324 respondents were satisfied.</p> <p>Source – PublicVoice survey June 2016</p> <p><i>(This is a new measure this year)</i></p>

Manawatu District Council

Funding Impact Statement for the year ended 30 June 2016

Governance and Strategy

	Actual 2016 \$000	LTP 2016 \$000	LTP 2015 \$000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	0	0	0
Targeted rates	1,868	1,864	1,324
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	1,868	1,864	1,324
Applications of operating funding			
Payments to staff and suppliers	681	576	500
Finance costs	0	0	0
Internal charges and overheads applied	1,198	1,288	824
Other operating funding applications	0	0	0
Total applications of operating funding	1,879	1,864	1,324
Surplus (deficit) of operating funding	(11)	0	0
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	0	0	0
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	38	51	11
Increase (decrease) in reserves	(49)	(51)	(11)
Increase (decrease) of investments	0	0	0

Total application of capital funding	(11)	0	0
Surplus (deficit) of capital funding	11	0	0
Funding balance	0	0	0

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:

- 1,364 km of roads
- 380 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.

As a result of the wide spread regional devastation caused by the June 2015 storm event renewal and improvement expenditure was down by \$3.2 million compared to previous years

The majority of the permanent reinstatement of under-slips required the construction of 32 retaining walls, 31 of which have been completed. Three bridges were severely damaged. A temporary Bailey bridge is in place on Arapata Road. Reu Reu Bridge and Nannestad/Rongotea are passable but with restrictions. The physical works for these bridges are programmed to commence in the 2016/17 Financial Year.

This was caused by the regional demand on contracting and consultancy services during the immediate response and recovery phases following the June 2015 Storm Event.

Minor improvements have been carried out in conjunction with rehabilitation work to remove roadside objects that contribute to the high personal risk assessment of Manawatu District roads.

Chip seal and asphaltic concrete (AC) re-surfacing and has been completed for 65 km the district as part of the on-going renewal programme. AC re-surfacing in urban areas and cost fluctuations were factored into the annual fixed budget.

Main South Road, Apiti, seal extension is now complete. This was part of a three year project to complete an 8km seal extension and provide an alternative all weather road circuit in the northern part of the region.

Feilding Urban Growth works continue with the development of Pharazyn Street. Increasing growth in Feilding is placing demand on the development of urban sections and the works are in response to the demand.

What has Council achieved in 2015/2016?

Level of Service: Road users can get to where they need to go safely using our road network		
Key Performance Indicator and Target	Target Attained	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.	Target met	<p>The Police Crash Analysis System (CAS) is only available to 1 February 2016.</p> <p>For the period 1 July 2015 to 1 February 2016 there were three fatal crashes (with three fatalities) and eight serious injury crashes (with nine serious injuries).</p> <p>During the same period last year there were three fatal crashes (with three fatalities) and 15 serious injury crashes (with 15 serious injuries).</p> <p>This represents a reduction in the number of fatalities and serious injury crashes on the Council's road network.</p> <p><i>(This is a new measure this year.)</i></p>
90% customer satisfaction that our roading network was safe to use (customer satisfaction survey)	Target not met	<p>85% of 401 respondents strongly agreed or somewhat agreed that the road will get them safely to their destination.</p> <p>The survey results were:</p> <ul style="list-style-type: none"> 29% strongly agree 56 somewhat agree 8% somewhat disagree 6% strongly disagree 0.5% don't know/don't use <p>Source – PublicVoice survey May 2016</p> <p><i>(This is a new measure this year)</i></p>

Level of Service: Road to be in good condition		
Key Performance Indicator and Target	Target Attained	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>	Target met	<p>The STE index for:</p> <ul style="list-style-type: none"> urban roads – 95% rural roads – 99% all roads – 98% <p><i>(This is a new measure this year)</i></p>

Level of Service: Road to be in good condition

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
90% customer satisfaction that the quality of the ride is as they would expect.	Target not met	<p>76% of 402 respondents strongly agreed or somewhat agreed that the roads are in good condition and their journey is what they would expect.</p> <p>The survey results were: 24% strongly agree 52% somewhat agree 14% somewhat disagree 10% strongly disagree 0.2% don't know/don't use</p> <p>Source – PublicVoice survey May 2016</p> <p><i>(This is a new measure this year)</i></p>

Level of Service: The roading network to be well maintained

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
5% of the sealed local road network is resurfaced each year.	Target met	<p>Council maintains a sealed roading network of 983 km. This year 65.6 km or 6.7% have been resealed.</p> <p><i>(This is a new measure this year)</i></p>

Level of Service: Well maintained footpaths

Key Performance Indicator and Target	Target Attained	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.	Target met	<p>98.0% 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 condition 2 – good condition 3 – satisfactory condition 4 – poor (showing deterioration but not hazardous) condition 5 – trip hazards exist</p> <p><i>(Last year, based on a 2013 survey there was 95% compliance, against a 96% target)</i></p>

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

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
90% customer satisfaction that the network was accessible, easy to navigate and there was adequate signage.	Target not met	<p>86% of 401 respondents strongly agreed or somewhat agreed that the road network has enough signage and is easy to navigate.</p> <p>Source – PublicVoice survey May 2016</p> <p>The survey results were:</p> <ul style="list-style-type: none"> 29% strongly agree 56% somewhat agree 8% somewhat disagree 6% strongly disagree 0.5% don't know/don't use <p><i>(This is a new measure this year)</i></p>

Level of Service: Timely response to requests for service

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
90% of requests for service are responded and contacted within the timeframes set:		<i>(These are new measures this year)</i>
- Urgent requests for service responded to within one hour of Council receiving the request.	Target not met	<p>Until 4 May 2016 145 urgent requests were received by Council. While systems are in place to automatically forward requests to our contractor, processes were not in place to record this action. Consequently we are unable to report against this target.</p> <p>New systems were introduced during the year and since 5 May 2016 23 urgent requests were received and 100% of these were responded to within one hour of Council receiving the request.</p>
- Contracted service personnel are on site for urgent requests within one hour of the contractor receiving Council's notification.	Target not met	<p>Until 4 May 2016 145 urgent requests were received by Council systems were not in place to accurately record the time the contractor arrived on site. Consequently we are unable to report against this target.</p> <p>New systems were introduced during the year and since 5 May 2016, of the 23 urgent requests received, 61% had personnel on site within one hour of the contractor receiving notification.</p>
- For urgent requests the road network reinstated as soon as possible.	Target met	<p>For all the urgent requests, the road network was reinstated as soon as possible.</p> <p>The initial response normally occurs within two hours. If practical the contractor will remedy the situation</p>

Level of Service: Timely response to requests for service

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
		immediately. If this cannot be done the site will be made safe and work will commence as agreed with Council.
<p>- Notifying customers when the road network has been reinstated within one hour of Council receiving confirmation from contracted service personnel.</p>	<p>Target not met</p>	<p>Until 4 May 2016, processes were not in place to notify the customers that the road network had been reinstated. Consequently we are unable to report against this target.</p> <p>New processes were introduced during the year and since 5 May 2016 when a customer lodges a request are asked if they require notification when the system has been reinstated. There were 15 requests for notification and two (13%) were actioned within the required timeframe.</p>
<p>- Responding, acknowledging and resolving non-urgent requests within five days of receipt.</p>	<p>Target not met</p>	<p>Until 4 May 2016 852 non-urgent requests were received. However the response and resolution time was not recorded for all requests. Consequently we are unable to report against this target.</p> <p>New systems were introduced during the year and since 5 May 2016, 194 non-urgent requests were received and 68 (35%) were resolved within five working days. For many requests it is more effective to schedule the repair with other routine maintenance work.</p>

Manawatu District Council

Funding Impact Statement for the year ended 30 June 2016

Roading Network

	Actual 2016 \$000	LTP 2016 \$000	LTP 2015 \$000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	56	55	0
Targeted rates	5,996	5,913	6,135
Subsidies and grants for operating purposes	4,236	2,187	1,750
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	267	184	223
Total operating funding	10,555	8,339	8,109
Applications of operating funding			
Payments to staff and suppliers	7,472	4,292	3,872
Finance costs	181	197	223
Internal charges and overheads applied	(61)	346	(96)
Other operating funding applications	0	0	0
Total applications of operating funding	7,592	4,835	3,999
Surplus (deficit) of operating funding	2,963	3,504	4,109
Sources of capital funding			
Subsidies and grants for capital expenditure	2,727	3,692	4,044
Development and financial contributions	160	131	318
Increase (decrease) in debt	(49)	33	(74)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	2,838	3,856	4,288
Applications of capital funding			
Capital expenditure			
- to meet additional demand	89	1,381	908
- to improve the level of service	158	887	415
- to replace existing assets	4,793	6,965	8,201
Increase (decrease) in reserves	761	(1,873)	(1,126)
Increase (decrease) of investments	0	0	0

Total application of capital funding	5,801	7,360	8,398
Surplus (deficit) of capital funding	(2,963)	(3,504)	(4,109)
Funding balance	(0)	0	0
Roading Network - Internal Borrowings			
Opening balance 1 July	2,808		
Internal loans raised during the year	31		
Internal loans repaid during the year	(80)		
Closing balance at 30 June	2,758		

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 2016 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 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 was up 43% over previous year, due to more commercial waste being consolidated at Feilding Transfer Station. Kerbside recycling tonnages collected was up 1% over previous year (total collected 1,272 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.

What has Council achieved in 2015/2016?

Level of Service: Access to waste management services		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
90% of rural residents have convenient council refuse bag drop-off points less than 10km from their homes.	Target met	94% of rural residents are within 10 km of a rural refuse collection point <i>(This is a new measure this year)</i>
100% mobile recycling centres (MRC) are conveniently located in identified villages.	Target met	MRCs are conveniently located in identified villages. (i.e. within 5km of village centre) Identified villages are based on historic submission and requests – Sanson, Himatangi Beach, Pohangina, Tangimoana and Rongotea. <i>(This is a new measure this year)</i>

Level of Service: Waste education programmes to encourage recycling

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Two waste education programmes delivered per annum	Target met	<p>Seven schools and one early childhood centre received waste minimisation programmes from Waste Education NZ -Feilding Intermediate, Oroua Downs, Apiti, Bainesse, Secret Garden, Rongotea, Colyton and Kimbolton schools.</p> <p>There are 10 schools enrolled in the EnviroSchools programme. Activities this year included:</p> <ul style="list-style-type: none"> - Kimbolton School had a sharing and reflection day. The school maintained its Green-Gold status. - A Manawatu Cluster workshop was held at Ngileah Farm - An inter-district Early Childhood Education workshop was held at Linton Early Childhood Centre - An introductory meeting was held at Bainesse School, and Secret Garden - Apiti School had a Global Environmental Issues workshop in June - Mount Biggs School had a Kaupapa workshop in June <p><i>(Last year 14 schools participated in the Zero Waste Education programme, seven schools were EnviroSchools and four schools were Friends of EnviroSchools)</i></p>

Level of Service: Cost effective solid waste services

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Solid waste service costs are within 10% per tonne to landfill of the average of neighbouring communities		<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>Rangitikei – 16% less. Horowhenua – 16% more Palmerston North – 30% more Tararua – 9% less Whanganui – 36% more</p> <p><i>(This is a new measure this year)</i></p>

Manawatu District Council

Funding Impact Statement for the year ended 30 June 2016

Solid Waste

	Actual 2016 \$000	LTP 2016 \$000	LTP 2015 \$000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	0	0	0
Targeted rates	1,647	1,644	1,148
Subsidies and grants for operating purposes	105	91	98
Fees and charges	811	652	454
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	1	1	0
Total operating funding	2,564	2,388	1,700
Applications of operating funding			
Payments to staff and suppliers	2,080	1,832	1,506
Finance costs	62	69	3
Internal charges and overheads applied	262	402	132
Other operating funding applications	0	0	0
Total applications of operating funding	2,404	2,303	1,641
Surplus (deficit) of operating funding	160	85	59
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(59)	(59)	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	(59)	(59)	0
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	14	5	0
- to replace existing assets	0	0	0
Increase (decrease) in reserves	87	21	59
Increase (decrease) of investments	0	0	0

Total application of capital funding	101	26	59
Surplus (deficit) of capital funding	(160)	(85)	(59)
Funding balance	0	0	0
Solid Waste - Internal Borrowings			
Opening balance 1 July	304		
Internal loans raised during the year	0		
Internal loans repaid during the year	(59)		
Closing balance at 30 June	245		

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 2016 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
- Maintaining shared stormwater assets in Himatangi Beach, Halcombe, Apiti, Kimbolton, Pohangina, Rangiwahia and Cheltenham.

Overview

There have been no incidents relating to contaminated stormwater discharges to streams or watercourses. MDC have investigated a couple of issues where apparent trade waste was discharged to stormwater drains, these were caught and isolated before there were any discharges to streams.

This was the first year of the Feilding Stormwater discharge consent. This required a number of base-line samples to be taken during particularly sized storm events. No such events occurred and no samples were taken which resulted in non-compliance for the stormwater consent. This is being rectified by taking baseline samples during random rain events to establish some comparative data.

What has Council achieved in 2015/2016?

Level of Service: Stormwater system adequacy		
Key Performance Indicator and Target	Target Attained	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.	Target met	No flooding of habitable floors was reported during the year. There was one reported flooding event reported relating to a garage (non-habitable). <i>(This is a new measure this year)</i>

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

Level of Service: Comply with discharge consent conditions

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
breaches of resource consent.		<i>(This is a new measure this year)</i>
Zero infringement notices, enforcement orders or convictions received advising breaches of resource consent conditions per scheme.	Target met	No infringement notices, enforcement orders or convictions were received during the year. <i>(This is a new measure this year)</i>

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

Key Performance Indicator and Target	Target Attained	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.	Target met	No flooding events occurred during the year. At the beginning of the year there were a number of calls relating to the June 2016 floods. These were related to standing water. <i>(This is a new measure this year)</i>

Level of Service: Satisfaction with stormwater service

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Less than six complaints per annum, per 1,000 property connections.	Target met	During the year Council received 35 complaints relating to the stormwater service. This represents 5.3 complaints per 1,000 property connections. <i>(This is a new measure this year)</i>

Manawatu District Council

Funding Impact Statement for the year ended 30 June 2016

Stormwater

	Actual 2016 \$000	LTP 2016 \$000	LTP 2015 \$000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	167	166	192
Targeted rates	622	635	626
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	789	801	818
Applications of operating funding			
Payments to staff and suppliers	241	298	288
Finance costs	198	302	221
Internal charges and overheads applied	11	42	58
Other operating funding applications	0	0	0
Total applications of operating funding	450	642	567
Surplus (deficit) of operating funding	339	159	251
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	85	240	61
Increase (decrease) in debt	964	1,930	872
Gross proceeds from sale of assets	130	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	1,179	2,170	933
Applications of capital funding			
Capital expenditure			
- to meet additional demand	1,013	1,989	1,186
- to improve the level of service	21	0	94
- to replace existing assets	19	349	39
Increase (decrease) in reserves	465	(10)	(135)
Increase (decrease) of investments	0	0	0
Total application of capital funding	1,518	2,329	1,184

Surplus (deficit) of capital funding	(339)	(159)	(251)
Funding balance	0	0	0
Storm Water - Internal Borrowings			
Opening balance 1 July	3,063		
Internal loans raised during the year	1,013		
Internal loans repaid during the year	(49)		
Closing balance at 30 June	4,027		

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 2016 is disclosed above under finance costs.

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. New wastewater pipes continue to be laid to provide infrastructure to new development in north Feilding.

MDC is working with Horizons (Manawatu-Wanganui Regional Council) to make improvements to all plants that improve water quality. Many of the treatment plants have floating wetlands or improved aeration which have made a significant difference to performance.

The process of obtaining the resource consent for the Feilding Wastewater Treatment Plant continues. The Commission's decision to grant a resource consent for a period of 10 years for discharge to river and 35 years for discharge to land was appealed by a number of parties, including MDC. The appeal was heard by the Environment Court in February 2016. A draft decision has been released by the Court to all parties and the submission period has closed. The final decision of the Environment Court has yet to be released.

Consent renewal applications were lodged for the Cheltenham and Halcombe wastewater treatment plants. Both are still awaiting the outcome of consultation.

On-line reporting and monitoring of all plants has enabled MDC to improve the management of these plants and allows full transparency to Horizons (Manawatu-Wanganui Regional Council) for their own monitoring. However, few of the MDC wastewater treatment plants are fully compliant with all consent conditions.

New Bylaws for Trade Waste and Drainage came into effect in December and these are being applied to help improve the quality of water being discharged to rivers and streams.

What has Council achieved in 2015/2016?

Level of Service: Adequate management of wastewater system		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Less than six dry weather overflows per scheme from Council's sewerage system reported per scheme.	Target met	<p>During the year there were five dry weather overflows in the Feilding sewerage system and one in Sanson.</p> <p>The represent 0.9 overflows per 1,000 connections across the district (target 6.9 per 1,000 connections).</p> <p>In total, 15 manhole or pump station overflows were recorded (both dry and wet weather).</p>

Level of Service: Adequate management of wastewater system

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
		<i>(This is a new measure this year)</i>

Level of Service: Discharge compliance

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Less than two abatement notices received advising of breaches of resource consent conditions.	Target met	No abatement notices were received. <i>(This is a new measure this year)</i>
Zero infringement notices, enforcement orders or convictions received advising of breaches of resource consent conditions.	Target met	No infringement notices, enforcement orders or convictions received. <i>(This is a new measure this year)</i>

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

Key Performance Indicator and Target	Target Attained	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.	Target not met	There were 15 overflows during the year. Based on our system of recording data received from our contractor at the time we were not in the position to report response time for the full year. Data was accurately received for three of these instances and the median response time was 53 minutes. <i>(Last year the target response time was two hours. – 24 urgent requests and 90% compliance)</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.	Target not met	There were 15 overflows during the year. Based on our system of recording data received from our contractor at the time we were not in the position to report response time for the full year. Data was accurately received for eight of these instances and the median resolution time was 23 hours. <i>(This is a new measure this year)</i>

Level of Service: Satisfaction with wastewater service

Key Performance Indicator and Target	Target Attained	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>Target met</p>	<p>During the year 46 complaints were received. This represent 6.6 complaints per 1,000 connections (the overall target for all categories is 24 per 1,000 connections).</p> <ul style="list-style-type: none"> - 26 relating to system failures (3.9 per 1,000 connections) - 2 relating to the level of response (0.3 per 1,000 connections) - 15 relating to blockages (2.2 per 1,000 connections) - 3 relating to odour (0.5 per 1,000 connections) <p><i>(Last year – 24 complaints were received and target was met.)</i></p>

Manawatu District Council

Funding Impact Statement for the year ended 30 June 2016

Wastewater

	Actual 2016 \$000	LTP 2016 \$000	LTP 2015 \$000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	0	0	0
Targeted rates	4,470	4,510	3,331
Subsidies and grants for operating purposes	0	0	0
Fees and charges	729	708	681
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	10	0	0
Total operating funding	5,209	5,218	4,012
Applications of operating funding			
Payments to staff and suppliers	2,371	2,823	2,370
Finance costs	1,267	1,404	790
Internal charges and overheads applied	59	33	125
Other operating funding applications	0	0	0
Total applications of operating funding	3,697	4,260	3,285
Surplus (deficit) of operating funding	1,512	958	728
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	322	268	424
Increase (decrease) in debt	494	3,195	152
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	816	3,463	576
Applications of capital funding			
Capital expenditure			
- to meet additional demand	1,024	1,477	44
- to improve the level of service	1,221	2,361	563
- to replace existing assets	1,881	3,889	636
Increase (decrease) in reserves	(1,799)	(3,306)	61
Increase (decrease) of investments	0	0	0

Total application of capital funding	2,327	4,421	1,304
Surplus (deficit) of capital funding	(1,512)	(958)	(728)
Funding balance	0	0	0
Waste Water - Internal Borrowings			
Opening balance 1 July	22,817		
Internal loans raised during the year	980		
Internal loans repaid during the year	(486)		
Closing balance at 30 June	23,310		

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 2016 is disclosed above under finance costs.

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 a potable water supply to meet residential, industrial/commercial, fire-fighting and agricultural needs via Council's six water schemes: Feilding, Himatangi Beach, Sanson, Rongotea and 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

The Rongotea water supply scheme came on line in October 2015. This is a new water supply that provides sufficient water for residents as well as firefighting capability for the town.

Work began on upgrading the storage and taste of water in Himatangi Beach. The old tanks have been removed and the site cleared ready for a new reservoir to be built.

The UV treatment was installed on the Feilding water supply that is taken from the Oroua River. This will help the water supply meet bacteria and protozoa compliance in accordance with the drinking water standards.

Asbestos cement water mains in Feilding were renewed in several areas. Mains in South Street and West Street were up-sized to cater for the growth areas and provide improved pressures and firefighting capability to the South and West of the town.

What has Council achieved in 2015/2016?

Level of Service: Potable water supply is safe to drink.		
Key Performance Indicator and Target	Target Attained	Comments (if applicable)
100% New Zealand Drinking Water Standard Compliance		
- Criteria for bacteria are met.	Target not met	Feilding supply did not comply (Technical non-compliance as not enough samples were taken from the reticulation system to meet compliance criteria – this has been addressed by increasing the frequency of sampling.) All other water supplies (Waituna West, Sanson, Himatangi Beach, Rongotea* and Stanway-Halcombe) were compliant.

		<p>* Rongotea scheme came on line in October 2015. The Water Safety Plan and secure bore status still being assessed.</p> <p><i>(Last year – all supplies were compliant but there was a period where this could not be demonstrated for the Feilding distribution zone as E.coli samples were not taken.)</i></p>
- Criteria for protozoa are met	Target not met	<p>Feilding and Waituna West supplies were compliant.</p> <p>Sanson supply did not comply. There was no treatment for Protozoa other than chlorination. 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>Himatangi Beach supply did not comply. There was no treatment for protozoa as deep bore and secure bore status is being sought.</p> <p>Rongotea supply did not comply. There was no treatment for protozoa as deep bore and secure bore status is being sought.</p> <p>Stanway – Halcombe supply did not comply. The rural water supply is predominantly for stock watering. Treatment is being investigated for village supply. The bore is not secure and obtaining secure bore status is unlikely.</p> <p><i>(Last year – Feilding Water supply was compliant. Himatangi Beach and Waituna West Supplies were awaiting a secure bore status before compliance can be demonstrated. Sanson and Stanway–Halcombe supplies could not demonstrate compliance)</i></p>

Level of Service: Water reticulation network is well maintained

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Zero increase in the 35% of real water lost per water supply scheme	Target met	<p>Water loss in Feilding is calculated at 12.9%.</p> <p>We are unable to calculate the water losses on the smaller schemes due to</p> <ul style="list-style-type: none"> - Seasonal fluctuation in population at Himatangi Beach - Tankered water top ups in Sanson were not captured in the metered flow. - Rongotea was not online for the full year. <p>Feilding water system provides 80–90% of the reticulated water used within the district.</p> <p><i>(This is a new measure this year)</i></p>

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

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
<p>Median attendance time within 1 hour (urgent) – from the receipt of the notification to the time service personnel reach the site.</p>	<p>Target not met</p>	<p>There were 119 urgent requests during the year.</p> <p>Based on our system of recording data received from our contractor at the time we were not in the position to report response time for the full year.</p> <p>Data was accurately received for 38 of these instances and the median response time was 46 minutes.</p> <p><i>(Last year the target response time was one day – 127 urgent requests and 100% compliance)</i></p>
<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>	<p>Target not met</p>	<p>During the year there were 425 non-urgent requests.</p> <p>Based on our system of recording data received from our contractor at the time we were not in the position to report response time for the full year.</p> <p>Data was accurately received for 299 of these instances and the median response time was 21 hours.</p> <p><i>(This is a new measure this year)</i></p>
<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>	<p>Target not met</p>	<p>During the year there were 119 urgent requests.</p> <p>Based on our system of recording data received from our contractor at the time we were not in the position to report response time for the full year.</p> <p>Data was accurately received for 54 of these instances and the median resolution time was 4 hours.</p> <p><i>(This is a new measure this year)</i></p>
<p>Median resolution time within 5 working days (non-urgent) – from the receipt of the notification to the time service personnel confirm the resolution of the fault or interruption.</p>	<p>Target not met</p>	<p>During the year there were 425 non-urgent request.</p> <p>Based on our system of recording data received from our contractor at the time we were not in the position to report response time for the full year.</p> <p>Data was accurately received for 291 of these instances and the median response time was 25 hours.</p> <p><i>(This is a new measure this year)</i></p>

Level of Service: Satisfaction with water supply service

Key Performance Indicator and Target	Target Attained	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 about clarity, taste, odour, pressure or flow and continuity of supply</p>	<p>Target met</p>	<p>In total there were 134 complaints were received during the year. This represent 21.6 complaints per 1,000 connection (target 90 per 1,000 connection). .</p> <ul style="list-style-type: none"> - 12 relating to taste (1.9/1,000 connections) - 23 relating to dirty water (3.6/1,000 connections) - 27 relating to low pressure (4.2/1,000 connections) - 70 relating to no water (10.8/1,000 connections) - 2 relating to odour (0.3/1,000 connections) - 0 relating to clarity <p><i>(This is a new measure this year)</i></p>

Level of Service: Manage the demand for water

Key Performance Indicator and Target	Target Attained	Comments (if applicable)
<p>Average consumption of drinking water per day, per resident within Council's area is 650 litres / person / day.</p> <p>Subsequent redefined as less than 650 litres / person / day.</p>	<p>Target met</p>	<p>Water consumption for Feilding (including all water used by industrial and commercial customers) was 557 litres / person / day.</p> <p>If metered water is excluded this reduces to 310 litres / person / 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 scheme.</p> <p><i>(This is a new measure this year)</i></p>

Manawatu District Council

Funding Impact Statement for the year ended 30 June 2016

Water Supply

	Actual 2016 \$000	LTP 2016 \$000	LTP 2015 \$000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	0	0	0
Targeted rates	3,736	3,707	3,299
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	218
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	3,736	3,707	3,517
Applications of operating funding			
Payments to staff and suppliers	1,657	1,679	1,932
Finance costs	273	417	509
Internal charges and overheads applied	357	241	136
Other operating funding applications	0	0	0
Total applications of operating funding	2,287	2,337	2,577
Surplus (deficit) of operating funding	1,449	1,370	940
Sources of capital funding			
Subsidies and grants for capital expenditure	54	0	0
Development and financial contributions	322	232	170
Increase (decrease) in debt	222	1,399	2,344
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding	598	1,631	2,513
Applications of capital funding			
Capital expenditure			
- to meet additional demand	404	1,176	2,379
- to improve the level of service	520	963	321
- to replace existing assets	1,456	1,924	1,805
Increase (decrease) in reserves	(333)	(1,062)	(1,052)
Increase (decrease) of investments	0	0	0

Total application of capital funding	2,047	3,001	3,453
Surplus (deficit) of capital funding	(1,449)	(1,370)	(940)
Funding balance	0	0	0
Water Supply - Internal Borrowings			
Opening balance 1 July	4,265		
Internal loans raised during the year	404		
Internal loans repaid during the year	(182)		
Closing balance at 30 June	4,487		

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 2016 is disclosed above under finance costs.

Manawatu District Council

Funding Impact Statement (Whole of Council)

For the year ended 30 June 2016

	Actual 2016 \$000	Annual Plan 2016 \$000	Actual 2015 \$000	Annual Plan 2015 \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	4,102	4,090	3,708	3,729
Targeted rates	25,633	25,617	23,311	23,464
Subsidies and grants for operating purposes	4,377	2,337	2,363	2,064
Fees and charges	3,891	3,677	5,078	4,832
Interest and dividends from investments	316	276	311	321
Local authorities fuel tax, fines, infringement fees and other receipts	3,428	3,454	3,812	3,553
Total operating funding	41,747	39,451	38,583	37,964
Applications of operating funding				
Payments to staff and suppliers	32,563	30,127	29,144	28,472
Finance costs	1,895	3,039	1,954	2,906
Other operating funding applications	0	0	0	0
Total applications of operating funding	34,458	33,166	31,098	31,378
	7,289	6,285	7,485	6,586
Surplus (deficit) of operating funding				
Sources of capital funding				
Subsidies and grants for capital expenditure	3,896	5,042	5,628	5,406
Development and financial contributions	1,007	960	1,364	821
Increase (decrease) in debt	9,702	15,451	4,724	7,345
Gross proceeds from sale of assets	186	2,050	56	1,500
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding	14,791	23,503	11,772	15,073

Applications of capital funding				
Capital expenditure				
- to meet additional demand	2,619	6,373	1,266	5,569
- to improve the level of service	7,720	11,705	5,620	6,630
- to replace existing assets	9,268	15,520	12,039	14,936
Increase (decrease) in reserves	2,696	(3,702)	(2,168)	(7,909)
Increase (decrease) of investments	(223)	(108)	2,500	2,433
Total application of capital funding	22,080	29,788	19,257	21,659
Surplus (deficit) of capital funding	(7,289)	(6,285)	(7,485)	(6,586)
Funding balance	0	0	0	0

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

Manawatu District Council
Statement of Comprehensive Revenue and Expense
For the year ended 30 June 2016

		Actual 2016 \$000	Council Budget 2016 \$000	Actual 2015 \$000	Group Actual 2016 \$000	Actual 2015 \$000
	Notes					
Revenue						
Rates revenue	3	29,569	29,707	27,785	29,371	27,763
Financial revenue	4	316	276	311	228	256
Subsidies and grants	5	8,273	7,380	7,991	9,186	8,101
Development and financial contributions		1,007	680	1,364	1,007	1,364
Other revenue	6	7,537	7,826	8,500	9,066	9,659
Total revenue	2	46,703	45,868	45,951	48,859	47,143
Expenses						
Personnel costs	7	9,547	9,464	8,942	9,775	9,177
Depreciation and amortisation	8	11,859	12,086	12,073	12,376	12,548
Finance costs	9	1,895	3,039	1,954	1,994	1,958
Other operating expenses	10	25,066	20,663	20,949	25,538	21,174
Total operating expenditure	2	48,367	45,252	43,918	49,683	44,856
Share of associate's surplus / deficit	15	-	-	-	(9)	-
Surplus/(deficit) before tax		(1,663)	616	2,034	(833)	2,287
Income tax expense	11	-	-	-	-	-
Surplus/(deficit) after tax		(1,663)	616	2,034	(833)	2,287
Other comprehensive revenue & expense						
Gains/(losses) on the revaluation of property, plant and equipment	25	1,203	11,256	24,757	1,203	24,757
Impairment losses on restricted buildings through other comprehensive revenue and expense	25	-	-	-	-	-
Gains/(losses) on financial assets at fair value through other comprehensive revenue and expense	25	41	-	(61)	41	(61)
Total other comprehensive revenue and expense		1,244	11,256	24,696	1,244	24,696
Total comprehensive revenue and expense		(419)	11,873	26,730	411	26,983

Explanations of major variances against budget are provided in note 35

The accompanying notes form part of these financial statements.

Manawatu District Council
Statement of Financial Position

As at 30 June 2016

		Actual 2016 \$000	Council Budget 2016 \$000	Actual 2015 \$000	Group Actual 2016 \$000	Actual 2015 \$000
	Notes					
Assets						
Current assets						
Cash and cash equivalents	12	11,216	1,275	5,409	11,911	8,024
Debtors and other receivables	13	5,755	6,583	5,392	5,889	5,454
Investments in council organisations and similar entities	14	232	141	218	-	-
Other financial assets	16	95	338	162	95	162
Non-current assets held for sale	17	717	634	720	717	720
Total current assets		18,015	8,971	11,901	18,611	14,361
Non-current assets						
Property, plant and equipment	18	617,064	643,906	608,044	636,419	622,079
Intangible assets	19	193	1,145	166	193	166
Forestry assets	20	-	40	56	-	56
Investment in associate	15	1	-	-	(8)	-
Investments in council organisations and similar entities	14	4,045	4,544	4,060	1,122	946
Other financial assets	16	1,585	3,658	3,679	1,585	3,679
Total non-current assets		622,888	653,293	616,006	639,312	626,926
Total assets		640,903	662,264	627,907	657,923	641,287
Liabilities						
Current liabilities						
Creditors and other payables	21	11,166	7,973	7,432	11,441	7,872
Provisions	22	60	69	44	60	44
Employee entitlements	23	983	738	1,017	997	1,039
Borrowings	24	1,873	1,873	-	2,089	-
Total current liabilities		14,082	10,653	8,492	14,587	8,955
Non-current liabilities						
Provisions	22	609	661	612	609	612
Borrowings	24	50,728	56,496	42,900	54,085	43,490
Total non-current liabilities		51,337	57,157	43,512	54,694	44,102
Total liabilities		65,419	67,810	52,004	69,281	53,057
Equity						
Retained earnings	25	462,063	458,936	463,470	473,144	473,721
Other reserves	25	113,421	135,518	112,433	115,498	114,509
Total equity		575,484	594,454	575,903	588,642	588,230
Total Liabilities and Equity		640,903	662,264	627,907	657,923	641,287

The accompanying notes form part of these financial statements.

Manawatu District Council
Statement of Changes in Net Assets / Equity
For the year ended 30 June 2016

		Council		Group		
	Notes	Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Balance at 1 July		575,903	582,581	549,173	588,231	561,247
Total comprehensive revenue/(expense) for the year		(419)	11,873	26,730	411	26,983
Balance as at 30 June	25	575,484	594,454	575,903	588,642	588,230

The accompanying notes form part of these financial statements.

Manawatu District Council
Statement of Cash Flows
For the year ended 30 June 2016

	Notes	Council			Group	
		Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Cash flows from operating activities						
Receipts from rates revenue		29,599	29,707	26,971	29,400	26,786
Interest received		280	258	336	192	282
Dividends received		36	18	16	36	16
Receipts from other revenue		16,823	15,470	17,453	19,175	18,753
Payments to suppliers and employees		(29,556)	(30,093)	(29,191)	(30,342)	(29,638)
Interest paid		(1,742)	(3,039)	(1,827)	(1,835)	(1,831)
Goods and services tax (net)		(169)	-	(20)	(136)	(56)
Net cash from operating activities	26	15,271	12,321	13,738	16,490	14,312
Cash flows from investing activities						
Receipts from sale of property, plant and equipment		141	2,050	55	141	55
Receipts from sale of forestry assets		134	90	218	134	218
Receipts from sale of investments		671	309	671	453	603
Purchase of intangibles assets		(117)	(665)	(10)	(117)	(10)
Purchase of property, plant and equipment		(19,507)	(32,933)	(19,048)	(25,474)	(20,172)
Acquisition of investments		(487)	(247)	(3,325)	(487)	(825)
Net cash from investing activities		(19,165)	(31,397)	(21,439)	(25,350)	(20,131)
Cash flows from financing activities						
Proceeds from borrowing		11,701	15,451	14,300	14,864	14,300
Repayment of borrowings		(2,000)	-	(9,576)	(2,117)	(9,584)
Net cash from financing activities		9,701	15,451	4,724	12,747	4,716
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		5,807	(3,625)	(2,977)	3,887	(1,103)
Cash, cash equivalents and bank overdrafts at the beginning of the year		5,409	4,900	8,386	8,024	9,127
Cash, cash equivalents and bank overdrafts at the end of the year	12	11,216	1,275	5,409	11,911	8,024

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Statement of Accounting Policies

Reporting entity

Manawatu 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 Manawatu District Council, which is the controlling entity and four controlled entities; The Feilding Civic Centre Trust, the Manawatu 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 Manawatu 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 2016. The financial statements were authorised for issue by Council on 6 October 2016.

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 will be rounding discrepancies in the financial statements.

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

Standards issued and not yet effective and not early adopted

In 2015, the External Reporting Board issued Disclosure Initiative (Amendments to PBE IPSAS 1), 2015 Omnibus Amendments to PBE Standards, and Amendments to PBE Standards and Authoritative Notice as a Consequence of XRB A1 and Other Amendments. These amendments apply to PBEs with reporting periods beginning on or after 1 January 2016. Council will apply these amendments in preparing its 30 June 2017 financial statements. Council expects there will be no effect in applying these amendments.

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 intragroup 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 year one of the 2015-25 Long Term 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.

Revenue

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

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

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.

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.
- 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.
- Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its rates remission policy.
- 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 statement of comprehensive revenue and expense.

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 derecognition 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 2014. Council's policy is to revalue land and buildings every three years.

- 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 2015.

- 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.

Forestry assets

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

The forestry crop is independently revalued to fair value by Alan Bell of Alan Bell & Associates as at 30 June annually. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate, less estimated point of sale costs. Gains or losses arising from a change in fair value less estimated point of sale costs are recognised in the surplus or deficit.

Costs of a capital nature are capitalised each year and the costs to maintain the forestry assets are included in the surplus or deficit.

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;

- 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.

2 Summary Cost of Services

	Actual 2016 \$000	Council only Budget 2016 \$000	Actual 2015 \$000
Revenue*			
Community Facilities	7,949	8,735	6,705
District Development	2,307	2,389	2,220
Emergency Management	434	395	540
Environmental and Monitoring Services	3,930	3,832	3,684
Governance and Strategy	1,868	1,864	1,648
Roading	13,488	12,162	12,633
Solid Waste	2,565	2,388	2,111
Stormwater	883	1,041	1,034
Wastewater	5,705	5,486	5,623
Water Supply	4,117	3,938	5,969
Total activity revenue	43,246	42,230	42,168
Other revenue	3,457	3,638	3,783
Total operating revenue	46,703	45,868	45,951
Expenditure*			
Community Facilities	7,056	7,964	7,340
District Development	2,439	2,653	2,216
Emergency Management	456	395	589
Environmental and Monitoring Services	4,116	4,108	3,631
Governance and Strategy	1,880	1,864	1,841
Roading	14,414	11,697	12,217
Solid Waste	2,422	2,364	2,048
Stormwater	872	1,104	896
Wastewater	5,090	5,450	4,975
Water Supply	3,795	3,946	4,351
Total activity expenditure	42,540	41,546	40,104
Other expenditure/ (overheads allocated)	5,827	3,706	3,814
Total operating expenditure	48,367	45,252	43,918

*** 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 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Total revenue comprises of:				
Revenue from exchange transactions	2,357	2,624	4,513	3,856
Revenue from non-exchange transactions	44,346	43,327	44,346	43,287
Total operating revenue	46,703	45,951	48,859	47,143

3 Rates Revenue

	Council	
	Actual 2016 \$000	Actual 2015 \$000
General Rates attributable to Activities:		
Roading	56	0
Community Facilities	636	496
District Development	2,217	2,134
Emergency Management	220	200
Environmental and Monitoring Services	517	473
Stormwater	167	169
Total General Rates	3,813	3,472
Uniform Targeted Rates (UTR) and Targeted Rates attributable to Activities:		
Community Facilities	5,228	4,960
District Development	63	62
Emergency Management	178	156
Environmental and Monitoring Services	1,825	1,761
Governance and Strategy	1,868	1,648
Roading	5,996	6,023
Solid Waste	1,647	1,352
Stormwater	622	595
Wastewater	4,470	4,121
Water	3,736	3,563
Total Uniform Targeted Rates and Targeted Rates	25,633	24,241
plus Rates Penalties	290	236
less Internal Rates Charged	(166)	(164)
Total Revenue from Rates	29,569	27,785

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 2016 \$000	Actual 2015 \$000
Rates and penalties levied	30,551	28,858
less Rates Remissions	(816)	(909)
less Internal Rates Charged	(166)	(164)
Rates Revenue Net of Remissions	29,569	27,785

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 \$000	The total land value of rating units within the district \$000
At the end of the preceding financial year (i.e. 30 June 2015)	14,540	7,224,723	4,215,429

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income 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 income of the Council for the year ended 30 June 2016 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below

	Council	
	Actual 2016 \$000	Actual 2015 \$000
Total Revenue from Rates	29,569	27,785
Add back Internal Rates Charged	166	164
Add RDC Shared Service Revenue	2,041	2,313
Total Annual Rates Income	31,776	30,262

4 Financial Revenue

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Interest revenue for financial assets not at fair value through surplus or deficit	280	295	192	240
Dividend revenue	36	16	36	16
Total Financial Revenue	316	311	228	256

5 Subsidies and Grants

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
New Zealand Transport Agency subsidies	6,963	6,288	6,963	6,288
Grants received	1,140	58	2,053	168
Other subsidies	170	1,645	170	1,645
Total Subsidies and Grants	8,273	7,991	9,186	8,101

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 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
User fees and charges	3,890	4,807	3,890	4,807
Shared service revenue	2,041	2,313	2,041	2,313
Petrol tax	189	186	189	186
Vested assets	234	527	234	527
Other revenue	1,198	654	2,727	1,813
Gain on changes in fair value of forestry assets (note 20)	0	11	0	11
Gain on disposal of property, plant and equipment	(16)	2	(16)	2
Total Other Revenue	7,537	8,500	9,066	9,659

7 Personnel Costs

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Salaries and wages	9,228	8,434	9,456	8,669
Employer contributions to defined contribution plans	321	300	321	300
Increase/(decrease) in employee entitlement liabilities	(3)	208	(3)	208
Total Personnel Costs	9,547	8,942	9,775	9,177

8 Depreciation and Amortisation

	Council	
	Actual 2016 \$000	Actual 2015 \$000
Depreciation and Amortisation Expense per Group of Activities		
Community Facilities	1,194	1,351
District Development	-	-
Emergency Management	11	11
Environmental and Monitoring Services	8	8
Governance and Strategy	-	-
Roading Network	6,823	6,848
Solid Waste	60	59
Stormwater and Drainage	422	416
Wastewater	1,392	1,193
Water Supply	1,508	1,397
Support Services	442	791
	11,859	12,073

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Depreciation (note 18)	11,770	11,583	12,287	12,058
Amortisation (note 19)	89	490	89	490
Total Depreciation & Amortisation	11,859	12,073	12,376	12,548

9 Finance Costs

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Interest Expense				
Interest on borrowings	1,852	1,908	1,951	1,912
Provisions: discount unwinding (note 22)	43	46	43	46
Total Finance Costs	1,895	1,954	1,994	1,958

10 Other Operating Expenses

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Fees to principal auditor				
- Audit fees for financial statement audit MDC	123	117	123	117
- Audit fees for AP/ LTP and amendments / Debenture Trust	4	90	4	90
- Audit fees for Manawatu Community Trust	0	0	18	16
Fees to other auditors				
Audit fees for Feilding Civic Centre Trust	0	0	3	2
Impairment of Community Investments	1,979	200	1,979	200
Impairment of Accounts Receivable	56	5	56	5
Loss on disposal of property, plant and equipment	1	741	1	741
Minimum lease payments under operating leases	40	26	40	26
Legal fees	136	100	136	100
Other operating expenses:				
Chemicals	664	711	664	711
Consultants and Consultant Costs	458	1,088	458	1,088
Contract Payments	4,809	4,359	4,809	4,359
Energy - Electricity and Gas	869	882	878	891
Grants Made to other Organisations	1,832	1,921	1,751	1,833
Insurance	372	424	496	435
Maintenance and Materials	2,248	2,149	2,486	2,364
Operational Projects	8,809	5,742	8,822	5,742
Rates Paid	227	229	246	266
Refuse Disposal Costs	336	252	345	261
Other expenses	2,103	1,912	2,223	1,926
Total Other Expenses ^(note 1)	25,066	20,949	25,538	21,174

^{note 1} 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 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Surplus/(deficit) before tax	(1,663)	2,034	(833)	2,287
Tax at 28%	(466)	569	(233)	640
Plus/(less) tax effect of:				
Non-deductible expenditure	-	-	-	-
Non-taxable revenue	458	(577)	225	(648)
Taxation loss not recognised	8	8	8	8
Prior year adjustment	-	-	-	-
Tax losses utilised	-	-	-	-
Tax Expense	-	-	-	-

Income tax recognised directly in equity

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

Components of Tax Expense

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$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)
Income Tax Expense	-	-	-	-

	Property Plant and Equipment	Unused tax losses	Total
Deferred tax assets/(liabilities)			
Council and Group			
Balance at 1 July 2014		9	-
Charged to surplus or deficit		8	-
Charged / credited to other comprehensive revenue and expense		-	-
Balance at 30 June 2015		17	-
Charged / credited to surplus or deficit		8	-
Charged to other comprehensive revenue and expense		-	-
Balance at 30 June 2016		25	-

Additional disclosure

Council has unrecognised tax losses of \$579,000 (Last year: \$551,000) with a tax effect of \$162,000 (Last year: \$154,000), 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 \$579,000, 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 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Cash at bank and in hand	7,216	3,409	7,761	5,874
Short term deposits with a term of three months or less	4,000	2,000	4,150	2,150
Total Cash and Cash Equivalents	11,216	5,409	11,911	8,024

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 \$100,000 (last year: \$181,000). Refer to note 25 for detail of trust funds.

13 Debtors and other receivables

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Rates receivables	1,533	1,495	1,533	1,495
New Zealand Transport Agency Subsidy	1,148	1,050	1,148	1,050
Other receivables	2,034	1,465	2,201	1,569
Related party receivables	35	42	0	0
Accrued revenue	285	1,167	285	1,167
GST receivable	879	315	881	315
Prepayments	163	155	163	155
Less provision for impairment of receivables	(322)	(297)	(322)	(297)
Total	5,755	5,392	5,889	5,454
Total receivables comprise:				
Receivables from non-exchange transactions <i>(includes amounts outstanding from rates, grants, infringements and fees and charges partly subsidised by rates)</i>	3,598	2,914	3,598	2,914
Receivables from exchange transactions <i>(includes amounts outstanding for fees and charges not subsidised by rates)</i>	2,157	2,478	2,291	2,540
Total	5,755	5,392	5,889	5,454

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 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
As at 1 July	297	292	297	292
Additional provisions made during the year	25	5	25	5
Receivables written off during period	-	-	-	-
As at 30 June	322	297	322	297

As at 30 June 2016, 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 2016 \$000	Net 2015 \$000
Not past due - current year	1,075	(13)	1,062	1,048
Past due by 1 year	251	(10)	241	244
Past due by 2 years+	103	(23)	80	117
Total	1,429	(46)	1,383	1,409

Council - Other receivables and Related party receivables

	Gross \$000	Impairment \$000	Net 2016 \$000	Net 2015 \$000
Not past due	825	-	825	700
Past due 1-30 days	270	-	270	199
Past due 31-61 days	197	-	197	219
Past due > 61 days	777	(276)	501	178
Total	2,069	(276)	1,793	1,296

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 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Investments in Council Controlled Organisations and similar entities classified as current				
<i>Loans and receivables</i>				
Community loans - Manawatu Community Trust	232	218	-	-
Total Current Portion	232	218	-	-
Investments in Council Organisation and similar entities classified as non-current				
<i>Loans and receivables</i>				
Community loans - Manawatu Community Trust	2,923	3,113	-	-
NZ Local Government Funding Agency borrower's notes	816	656	816	656
<i>Fair value through other comprehensive revenue and expense</i>				
Unlisted shares in Manawatu - Wanganui LASS Limited	16	1	16	1
Unlisted shares in NZ Local Government Insurance Corp 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	-	-	-	-
Manawatu Community Trust	-	-	-	-
Feilding Civic Centre Trust	-	-	-	-
Awahuri Forest / Kitchener Park Trust	-	-	-	-
Total Non-Current Portion	4,045	4,060	1,122	946
Total Investments in Council Organisation and similar entities	4,277	4,278	1,122	946

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% interest in Manawatu Community Trust. Manawatu 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 Manawatu Community Trusts. With the exception of the loan for the Feilding Integrated Family Health Centre (FIFHC) the interest rate for these loans is Council's external borrowing rate. The amount of the loan borrowed represents fair value based on Council's external borrowing rate.

The interest rate for the \$2.5 million loan for the FIFHC is 50% Council's external borrowing rate and 50% interest free. Council has adjusted 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.

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Face value of the loan	2,500	2,500	-	-
Opening balance of the loan	2,141	-	-	-
Loan Raised		2,500	-	-
Grant expenditure from low interest loans	41	(350)	-	-
Repaid this year	(141)	(9)	-	-
Fair value - loan to MCT for the FIFHC included above	2,041	2,141	0	0

Council has a 100% interest in 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% interest in 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 NZ Local Government Insurance Corp Ltd (trading as Civic Assurance), whose shareholders are local government authorities. NZ Local Government Insurance Corp 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 \$80,000 (Last year: \$304,000) at a fixed interest rate of 3.16% per annum (Last year: 3.59% to 5.21%) and NZLGFA borrower's notes of a face value of \$80,000 (Last year: \$352,000) at a floating rate of 2.81% as at 30 June 2016 (Last year: 3.55% to 4.09%). The NZLGFA borrower's notes are recognised at amortised cost. The face value of NZLGFA borrower's notes as at 30 June 2016 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 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Non Current Portion				
Investment in Central Economic Development Agency Ltd (at cost)	1		1	-
Increase from share of associate's (surplus / deficit)		-	(9)	-
Total non current portion	1	0	(8)	0

MDC's 50% share of associate's summarised financial information

Assets	3
Liabilities	12
Revenues	74
Surplus / (Deficit)	(9)
Group's interest	50%
Share of contingent liabilities incurred jointly with other investors	-

16 Other financial assets

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Current Portion				
<i>Loans and receivables</i>				
Community loans - other	4	3	4	3
Community loan - Manfeild Park Trust	-	-	-	-
Himatangi Beach Sewerage Scheme Contributions	59	131	59	131
Rongotea Water Supply Scheme Contributions	32	28	32	28
<i>Held to maturity investments</i>				
Term deposits with maturity less than one year	-	-	-	-
Total Current Portion	95	162	95	162
Non-Current Portion				
<i>Loans and receivables</i>				
Community loans - other	84	89	84	89
Community loan - Manfeild Park Trust	-	2,020	-	2,020
Himatangi Beach Sewerage Scheme Contributions	295	413	295	413
Rongotea Water Supply Scheme Contributions	130	162	130	162
<i>Held to maturity investments</i>				
Term deposits with maturity of over one year	699	699	699	699

<i>Fair value through other comprehensive revenue and expense</i>				-
Listed Shares in Fonterra	377	297	377	297
Total Non-Current Portion	1,585	3,679	1,585	3,679
Total Other Financial Assets	1,680	3,841	1,680	3,841

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 4.68% (Last year: from 0% to 5.96%).

The fair value of community loans is \$88,328 (last year: \$2,111,946). The face value of community loans is \$5,012,031 (last year: \$5,015,671). 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.

The Council has a \$2,500,000 community loan to the Manfeild Park Trust. Loan funds were used to finance the building of the 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. The fair value of this loan has been amended to reflect this and in 2016 it was decided the loan would be impaired in full and recorded at \$nil (Last year: \$2,019,978).

	Council		Group	
	Actual 2016	Actual 2015	Actual 2016	Actual 2015
	\$000	\$000	\$000	\$000
Face Value of the Manfeild Park Trust Loan	2,952	2,952	2,952	2,952
Opening book value of the loan	2,020	1,870	2,020	1,870
Loan Raised	-	-	-	-
Repaid this year	-	-	-	-
Impairment this year	(2,020)	150	2,020	150
Fair value of Manfeild Park Trust loan above	0	2,020	0	2,020

Community Loans at nil fair value

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

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.

Listed shares

Listed shares are recognised at fair value. The fair value of listed shares are determined by reference to published current bid quotations in an active market.

Impairment

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

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

17 Non-Current Assets Held for Sale

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Non-Current Assets held for Sale are:				
Land held for sale	333	336	333	336
Buildings and improvements held for Sale	384	384	384	384
	717	720	717	720
Current Portion	717	720	717	720
Term Portion	-	-	-	-
Total	717	720	717	720
Opening balance assets for sale	720	634	720	634
Assets classified as held for sale during the period	-	86	-	86
Assets revalued or reclassified during the year	-	-	-	-
Less assets transferred or sold during the year	(3)	-	3	-
Closing balance assets held for sale	717	720	717	720

In prior years the Council approved the sale of land and buildings, related to the Sanson Hotel and adjacent land. The contract for sale and purchase did not take place as planned however property is being actively advertised on the market.

On 18 June 2015 Council approved the sale of a link strip in Shelton Place and the disposal of the Clydesdale Hall land, following demolition of the hall.

The accumulated property revaluation reserve recognised in equity for the current assets held for sale is \$28,900 (Last year: \$28,900).

18 Property, Plant and Equipment

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

2016	Cost/ Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount
	\$000	\$000	\$000
Council			
Operational assets			
Land	15,161	-	15,161
Buildings and Improvements	7,969	(610)	7,359
Library Books	3,093	(2,410)	683
Plant , Equipment and Furniture	8,669	(2,064)	6,605
Motor Vehicles	1,346	(573)	773
Total operational assets	36,238	(5,657)	30,581
Infrastructural assets			
Land	3,113	-	3,113
Solid Waste	443	(212)	231
Wastewater	62,484	(1,384)	61,100
Stormwater and Drainage	23,521	(422)	23,099
Water Supply	55,017	(1,544)	53,473
Roads and Footpaths	357,570	(6,823)	350,747
Land Under Roads	65,077	-	65,077
Total infrastructural assets	567,225	(10,385)	556,840
Restricted assets			
Land	14,465	-	14,465
Buildings and Improvements	15,715	(1,013)	14,702
Plant and Equipment	1,467	(991)	476
Total restricted assets	31,647	(2,004)	29,643
Total Council	635,110	(18,047)	617,064
Other Group Assets			
Manawatu Community Trust - Land	3,474	-	3,474
Manawatu Community Trust - Buildings and Improvements	15,945	(418)	15,527
Manawatu Community Trust - Equipment	33	(19)	14
Feilding Civic Centre Trust - Furniture, Equipment and Leasehold Improvements	993	(618)	340
Total	20,445	(1,055)	19,355
Group Assets	655,555	(19,102)	636,419

2015

	Cost/ Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount
	\$000	\$000	\$000
Council			
Operational assets			
Land	15,062	-	15,062
Buildings and Improvements	7,396	(302)	7,094
Library Books	2,902	(2,329)	573
Plant , Equipment and Furniture	3,162	(1,838)	1,324
Motor Vehicles	1,139	(458)	681
Total operational assets	29,661	(4,927)	24,734
Infrastructural assets			
Land	2,844	-	2,844
Solid Waste	429	(152)	277
Wastewater	56,478	(1,186)	55,292
Stormwater and Drainage	20,825	(416)	20,409
Water Supply	53,287	(1,544)	51,743
Roads and Footpaths	365,042	(6,848)	358,194
Land Under Roads	65,077	0	65,077
Total infrastructural assets	563,982	(10,146)	553,836
Restricted assets			
Land	14,454	-	14,454
Buildings and Improvements	15,512	(1,013)	14,499
Plant and Equipment	1,512	(991)	521
Total restricted assets	31,478	(2,004)	29,474
Total Council	625,121	(17,078)	608,044
Other Group Assets			
Manawatu Community Trust - Land	3,474	-	3,474
Manawatu Community Trust - Buildings and Improvements	10,593	(418)	10,175
Manawatu Community Trust - Equipment	31	(19)	12
Feilding Civic Centre Trust - Furniture, Equipment and Leasehold Improvements	993	(618)	374
Total	15,091	(1,055)	14,035
Group Assets	640,212	(18,133)	622,079

2016

	Carrying Amount 1 July 2015	Revaluation Movement	Additions	Reclassification	Disposals	Impairment of Assets	Current Year Depreciation	Carrying Amount 30 June 2016
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council								
Operational assets								
Land	15,062	-	99	-	-	-	-	15,161
Buildings and Improvements	7,094	-	573	-	-	-	(308)	7,359
Library Books	573	-	191	-	-	-	(81)	683
Plant , Equipment and Furniture	1,324	-	5,507	-	-	-	(226)	6,605
Motor Vehicles	681	-	300	-	(93)	-	(115)	773
Total operational assets	24,734	-	6,670	-	(93)	-	(730)	30,581
Infrastructural assets								
Land	2,844	-	269	-	-	-	-	3,113
Solid Waste	277	-	14	-	-	-	(60)	231
Wastewater	55,292	3,575	3,617	-	0	-	(1,384)	61,100
Stormwater and Drainage	20,409	2,050	1,062	-	-	-	(422)	23,099
Water Supply	51,743	1,184	2,053	-	-	-	(1,507)	53,473
Roads and Footpaths	358,194	(5,607)	4,983	-	-	-	(6,823)	350,747
Land Under Roads	65,077	-	0	-	-	-	-	65,077
Total infrastructural assets	553,836	1,202	11,998	-	0	-	(10,196)	556,840
Restricted assets								
Land	14,454	-	11	-	-	-	-	14,465
Buildings and Improvements	14,499	-	851	-	0	130	(778)	14,702
Plant and Equipment	521	-	21	-	-	-	(66)	476
Total restricted assets	29,474	-	883	-	-	130	(844)	29,643
Total Council	608,044	1,202	19,551	-	(93)	130	(11,770)	617,064
Other Group Assets								
Manawatu Community Trust - Land	3,474	-	-	-	-	-	-	3,474
Manawatu Community Trust - Buildings and Improvements	10,175	-	5,816	-	-	-	(464)	15,527
Manawatu Community Trust - Equipment	12	-	8	-	-	-	(6)	14
Feilding Civic Centre Trust - Furniture, Equipment and Leasehold Improvements	374	-	13	-	-	-	(47)	340
Total	14,035	-	5,837	-	-	-	(517)	19,355
Group Assets	622,079	1,202	25,388	-	(93)	130	(12,287)	636,419

Included above is work in progress	Actual 2016 \$000
Operational Buildings and Improvements	174
Plant , Equipment and Furniture	5,050
Restricted land	41
Restricted Buildings and Improvements	315
Solid Waste	17
Wastewater	3,737
Stormwater and Drainage	1,559
Water Supply	2,147
Roading and Footpaths	563
Total Council	13,603
Manawatu Community Trust - Buildings	6
Group Assets	13,609

2015

	Carrying Amount 1 July 2014	Revaluation Movement	Additions	Reclassification	Disposals	Impairment of Assets	Current Year Depreciation	Carrying Amount 30 June 2015
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council								
Operational assets								
Land	14,342	-	742	(3)	(19)	-	-	15,062
Buildings and Improvements	6,708	-	688	-	-	-	(302)	7,094
Library Books	702	-	148	-	-	-	(277)	573
Plant , Equipment and Furniture	797	-	698	-	-	-	(171)	1,324
Motor Vehicles	660	-	173	-	(32)	-	(120)	681
Total operational assets	23,209	-	2,449	(3)	(51)	-	(870)	24,734
Infrastructural assets								
Land	2,844	-	-	-	-	-	-	2,844
Solid Waste	330	-	6	-	-	-	(59)	277
Wastewater	54,654	(1,064)	2,898	-	(10)	-	(1,186)	55,292
Stormwater and Drainage	18,760	1,730	335	-	-	-	(416)	20,409
Water Supply	39,505	8,858	5,403	-	(626)	-	(1,397)	51,743
Roads and Footpaths	341,855	15,233	7,954	-	-	-	(6,848)	358,194
Land Under Roads	65,077	-	0	-	-	-	-	65,077
Total infrastructural assets	523,025	24,757	16,596	-	(636)	-	(9,906)	553,836
Restricted assets								
Land	14,524	-	13	(83)	-	-	-	14,454
Buildings and Improvements	15,009	-	339	-	(108)	-	(741)	14,499
Plant and Equipment	566	-	21	-	-	-	(66)	521
Total restricted assets	30,099	-	373	(83)	(108)	-	(807)	29,474
Total Council	576,333	24,757	19,418	(86)	(795)	-	(11,583)	608,044
Other Group Assets								
Manawatu Community Trust - Land	3,474	-	-	-	-	-	-	3,474
Manawatu Community Trust - Buildings and Improvements	8,951	-	1,642	-	-	-	(418)	10,175
Manawatu Community Trust - Equipme Feilding Civic Centre Trust - Furniture, Equipment and Leasehold Improvements	18	-	-	-	-	-	(6)	12
Total	12,849	-	1,661	-	-	-	(475)	14,035
Group Assets	589,182	24,757	21,079	(86)	(795)	-	(12,058)	622,079
Included above is work in progress								
		Actual 2015						
		\$000						
Plant , Equipment and Furniture		317						
Restricted land		30						
Restricted Buildings and Improvements		211						
Solid Waste		10						
Wastewater		5,866						
Stormwater and Drainage		800						
Water Supply		3,038						
Roading and Footpaths		0						
Total Council		10,272						
Manawatu Community Trust - Buildings		1,464						
Group Assets		11,736						

Core Infrastructural Assets

These include 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.

2016	Assets Constructed by Council	Assets Transferred to Council	Carrying Amount 30 June 2016	Replacement Cost 30 June 2016
	\$000	\$000	\$000	\$000
Wastewater of which:				
Treatment Plant and Facilities	2,390	-	21,344	33,912
Other Assets (Reticulation Systems)	1,052	175	39,756	57,582
	3,442	175	61,100	91,494
Flood protection and control works	-	-	-	-
Stormwater drainage	1,053	9	23,099	44,546
Water Supply of which:				
Treatment Plant and Facilities	435	-	9,195	18,093
Other Assets (Reticulation Systems)	1,613	5	44,278	76,608
	2,048	5	53,473	94,701
Roads and Footpaths	4,937	46	350,747	566,791

2015	Assets Constructed by Council	Assets Transferred to Council	Carrying Amount 30 June 2015	Replacement Cost 30 June 2015
	\$000	\$000	\$000	\$000
Infrastructural assets				
Wastewater of which:				
Treatment Plant and Facilities	1,502	-	22,270	30,039
Other Assets (Reticulation Systems)	1,189	207	33,022	52,001
	2,691	207	55,292	82,040
Flood protection and control works	-	-	-	-
Stormwater drainage	129	206	20,409	41,342
Water Supply of which:				
Treatment Plant and Facilities	599	-	9,122	16,692
Other Assets (Reticulation Systems)	4,689	115	42,621	74,714
	5,288	115	51,743	91,406
Roads and Footpaths	7,954	-	358,194	571,236

Insurance Cover	16,062	528	485,638	786,024
		Insurance Deductible*	Replacement Cover	Replacement Cover
		\$	Council \$000	Group \$000

Insurance Arrangements

At 30 June 2016 Council had the following insurance cover in place for the following assets:

Material damage cover - buildings (operational and restricted)	\$100,000	63,933	78,933
Material damage cover - plant and equipment	\$100,000	8,632	33,632
Motor vehicle cover	1% sum insured	944	964
Material damage cover - water and wastewater - treatment and supply	\$100,000	55,301	55,301

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

Council has 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 \$596,700 applies.

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).

Impact of the 20 June 2015 Flood Event

On 20th June 2015 a significant flood event occurred in the district. This event caused the damage to our assets that were not repaired by 30 June 2016.

	Estimated unrepaired damage	Third Party Funding expected	Funded from Council's insurance and other reserves	Funded from activities
	\$000	\$	\$	\$
- Roading network	2,911	1,543	1,368	0

The damage to the assets is not considered significant in terms of the asset value and therefore Council has elected not to revalue the assets at balance date. Due to the net cost of the damages (net of other funding sources) Council has also not impaired the asset.

The repairs to the roading has been approved by the New Zealand Transport Agency who will partially fund these repairs in line with our approved financial assistance rate.

19 Intangible Assets

	Council and Group	
	Actual 2016 \$000	Actual 2015 \$000
Balance at 1 July		
Cost	2,316	2,436
Accumulated amortisation and impairment	(2,151)	(1,791)
Opening carrying amount	166	645
Additions	117	11
Less disposals at cost	-	(131)
Accumulated amortisation on disposals	-	131
Less amortisation charge	(89)	(490)
Closing carrying amount	193	166
Balance at 30 June		
Cost	2,433	2,316
Accumulated amortisation and impairment	(2,240)	(2,151)
Closing carrying amount	193	166

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 Forestry Assets

	Council and Group	
	Actual 2016 \$000	Actual 2015 \$000
Balance at 1 July	56	142
Increases due to purchases	0	0
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	0	10
Decreases due to harvest	(56)	(96)
Balance at 30 June	0	56

The Gordon Kear Forest was a jointly controlled asset with the Palmerston North City Council (PNCC). Council owned 23.3% of the first rotation of this forest.

Future Commitments

In accordance with the afforestation agreement entered into in 1976, Council has an obligation to meet 23.3% of all future costs associated with the first harvest of the forest and will receive 23.3% of all revenue. The first harvest rotation has been completed and therefore Council has no further commitment.

Joint Assets

In 2015 the Gordon Kear Forest crop was valued at \$0.2m. Council's portion was \$56k as detailed above. Harvesting the first rotation commenced during the 2006/07 financial year and was completed in the 2015/16 year. During the 2016 year 41.2 hectares were harvested, ending Council's involvement in the joint venture. PNCC owns 100% of the Gordon Kear forest land and site improvements.

Independent registered valuer, Alan Bell of Alan Bell & Associates, were used to value the forestry assets as at 30 June 2015. A pre-tax discount rate of 10% was used in discounting the present value of expected cash flows. The valuation was based on a going concern basis and only includes the value of the current crop.

Joint venture commitments and contingencies

There are no commitments or contingent liabilities arising from Council's involvement in the joint venture.

Council's share of operations during the year

	Council and Group	
	Actual 2016 \$000	Actual 2015 \$000
Proceeds from harvesting	134	217
Expenses paid	(30)	(34)
Cost of bush harvested	(56)	(96)
Increase/(decrease) in asset value	0	10
	48	97

Financial risk management strategies

With the end of the first rotation harvest, Council has withdrawn from the joint venture. Historically the joint venture was exposed to financial risks arising from changes in timber prices.

21 Creditors and Other Payables

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Trade payables	7,929	3,833	8,142	4,273
Deposits and bonds	1,474	1,738	1,536	1,738
Accrued expenses	1,016	1,169	1,016	1,169
Amounts due to related parties (note 30)	-	-	-	-
Revenue in advance	747	691	747	691
Total creditors and other payables	11,166	7,432	11,441	7,872
Total creditor and other payables comprise:				
Creditors / other payables from exchange transactions	10,419	6,741	10,694	7,181
Creditors / other payables from non-exchange transactions	747	691	747	691
Total creditors and other payables	11,166	7,432	11,441	7,872

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

22 Provisions

	Council and Group	
	Actual 2016 \$000	Actual 2015 \$000
Current Provisions are represented by:		
Financial guarantees	-	-
Landfill aftercare provision	60	44
Total Current Provisions	60	44

Non-Current Provisions are represented by:		
Financial guarantees	-	-
Landfill aftercare provision	609	612
Total Non-Current provisions	609	612

	Council and Group	
	Actual 2016	Actual 2015
	\$000	\$000
Opening balance	656	778
Additional provisions made during the year	13	(131)
Amounts used during the year	(43)	(37)
Unused amounts reversed during the year	0	0
Discount unwinding	43	46
Closing Balance	669	656

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 grasscover, drainage systems and fencing

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

The following major assumptions have been made in the

- * 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 6.5%
- * Aftercare period of 30 years after closure

Other Landfills

Provision has been made for the ongoing aftercare of the Kimbolton and Tangimoana landfills that are no longer in use. Ongoing monitoring and maintenance expenditure has been allowed for these sites.

23 Employee Entitlement Liabilities

	Council and Group		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Accrued pay	206	249	216	261
Annual leave	777	768	781	778
Total Employee Entitlement Liabilities	983	1,017	997	1,039
Comprising:				
Current	983	1,017	997	1,039
Non-current	-	-	-	-
Total Employee Entitlement Liabilities	983	1,017	997	1,039

24 Borrowings

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Opening Balance of Term Borrowings	42,900	38,175	42,900	38,175
Loans raised during the year	11,701	14,025	14,801	14,025
Loans repaid during the year	(2,000)	(9,300)	(2,333)	(9,300)
Closing Balance of Term Borrowings	52,601	42,900	55,368	42,900
Current				
Secured loans	1,873	0	2,089	0
Total current borrowings	1,873	0	2,089	0
Non-current				
Secured loans	50,728	42,900	54,085	43,490
Total non-current borrowings	50,728	42,900	54,085	43,490

As at 30 June 2016 there is a credit card facility in place with Bank of New Zealand for a limit of \$30k (last year: \$30k). There is a "multi-option" facility - treasury solution of \$10 million of which \$1.9m (last year: \$1.9 million) used as of balance date.

Fixed-rate debt

\$27 million of debt has been issued at floating interest rate and the remainder is at fixed rates of interest. The borrowing rates range from 2.85% to 3.50% (last year: 3.00% to 7.19%).

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 \$274,422. The face value of fixed rate debt is \$25.6m.

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.

25 Equity

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Retained Earnings				
As at 1 July	463,470	461,398	473,721	471,398
Transfers to:				
From Restricted reserves	414	321	414	321
Transfers from:				
To Restricted reserves	(157)	(362)	(157)	(365)
Property revaluation reserves on disposal	0	80	0	80
Surplus/(deficit) for the year	(1,663)	2,034	(833)	2,287
As at 30 June	462,063	463,470	473,144	473,721
Restricted Reserves				
As at 1 July	1,925	1,885	1,928	1,885
Transfers to:				
From Retained earnings	157	362	157	365
Transfers from:				
To Retained earnings	(412)	(321)	(412)	(321)
As at 30 June	1,670	1,925	1,673	1,928
Asset Revaluation Reserves				
As at 1 July	110,486	85,806	112,559	87,882
Revaluation gains/(losses) Revaluation portion on disposed assets	1,203	24,760	1,203	24,757
	0	(80)	0	(80)
Impairment loss on restricted buildings through other comprehensive revenue and expense				
As at 30 June	111,690	110,486	113,763	112,559
Fair value through other comprehensive revenue and expense As				
at 1 July	22	83	22	83
Net revaluation gain/(losses)	41	(61)	41	(61)
As at 30 June	62	22	62	22
Total Other Reserves	113,422	112,433	115,498	114,509
Total Equity	575,485	575,903	588,642	588,230

Retained Earnings

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

General funds

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Opening balances	455,055	451,492	465,305	461,492
Transfers from restricted reserves	412	321	412	321
Transfers to restricted reserves	(157)	(362)	(157)	(362)
Property revaluation reserve on disposal	0	80	0	80
Transfers to General funds	2,707	3,524	3,542	3,774
Closing Balance	458,017	455,055	469,103	465,305

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 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Opening balances	(240)	740	(240)	740
Transfers to Separate Funds	258	200	258	200
Transfers from Separate Funds	(866)	(1,179)	(866)	(1,179)
Closing Balance	(848)	(240)	(848)	(240)

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 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Opening balances	469	774	469	774
Transfers to Growth Funds	382	612	382	612
Transfers from Growth Funds	(1,427)	(917)	(1,427)	(917)
Closing Balance	(576)	469	(576)	469

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 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Opening balances	8,186	8,392	8,186	8,392
Transfers to Depreciation Fund	8,204	8,413	8,204	8,413
Transfers from Depreciation Fund	(10,920)	(8,619)	(10,920)	(8,619)
Closing Balance	5,470	8,186	5,470	8,186
Total Retained Earnings	462,063	463,470	473,149	473,721

Restricted funds

Trust funds

	Council and Group			
	Opening Balance \$000	Transfers in \$000	Transfers out \$000	Closing Balance \$000
2016				
Hook Bequest	11	1	-	12
Trewin Bequest	1	-	-	1
Wakerill Trust	1	-	-	1
Robert Dickson Library Trust	4	-	-	4
P.A. Broad Memorial Trust	6	1	-	7
Historical Trust	3	-	-	3
Robert Dickson Educational Trust	19	-	(5)	14
Museum Trust	2	-	-	2
Feilding and District Relief Trust	134	3	(81)	56
	181	5	(86)	100
2015				
Hook Bequest	11	-	-	11
Trewin Bequest	1	-	-	1
Wakerill Trust	1	-	-	1
Robert Dickson Library Trust	4	-	-	4
P.A. Broad Memorial Trust	6	-	-	6
Historical Trust	3	-	-	3
Robert Dickson Educational Trust	18	1	-	19
Museum Trust	2	-	-	2
Feilding and District Relief Trust	136	5	(7)	134
	182	6	(7)	181

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			
	Opening	Transfers in	Transfers out	Closing Balance
	Balance			
	\$000	\$000	\$000	\$000
2016				
General Purpose Special Fund	81	102	(151)	32
Land Subdivision Reserve Special Fund	659	22	(129)	552
Insurance Fund	1,006	29	(48)	987
	1,746	153	(328)	1,571
2015				
General Purpose Special Fund	95	300	(314)	81
Land Subdivision Reserve Special Fund	637	22		659
Insurance Fund	972	34		1,006
	1,704	356	(314)	1,746

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 2016	Actual 2015	Actual 2016	Actual 2015
	\$000	\$000	\$000	\$000
Trust Funds	100	181	100	181
Special Funds	1,571	1,746	1,571	1,746
Total Trust and Special Funds	1,671	1,927	1,671	1,927

Asset Revaluation Reserves

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Operational assets				
Land	2,116	2,116	2,116	2,116
Buildings & Improvements	680	680	680	680
Land	540	540	540	540
Utilities (Water, Stormwater, Wastewater and Solid Waste)	33,076	26,266	33,076	26,266
Roding network	68,011	73,615	68,011	73,615
Restricted assets				
Land	4,442	4,442	6,225	6,225
Buildings & Improvements	2,825	2,825	3,117	3,117
Total	111,689	110,483	113,765	112,559

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

	Council		Group	
	Actual 2016	Actual 2015	Actual 2016	Actual 2015
	\$000	\$000	\$000	\$000
Surplus/(deficit) after tax	(1,663)	2,034	(833)	2,287
Add/(less) non-cash items:				
Depreciation and amortisation	11,859	12,073	12,376	12,548
Vested assets	(234)	(527)	(234)	(527)
Grant expenditure from low interest loans	1,979	200	1,979	200
(Gains)/losses in fair value of forestry assets	0	(11)	0	(11)
(Gains)/losses on disposal of forestry assets	(78)	(122)		
(Gains)/losses on disposal of property, plant and equipment	16	739	16	739
Add/(less) items classified as investing or financing activities:				
Investment revenue direct to investment			(5)	0
Add/(less) movements in working capital items:				
(Increase)/decrease in accounts receivable	292	(717)	301	(663)
Increase (decrease) in accounts payable	3,289	4	3,055	(255)
Increase (decrease) in provisions	13	(123)	13	(123)
Increase (decrease) in employee benefits	(33)	207	(41)	207
Net GST	(169)	(20)	(137)	(91)
Net cash from operating activities	15,271	13,738	16,490	14,312

27 Capital Commitments and Operating Leases

Capital Commitments

	Council		Group	
	Actual 2016	Actual 2015	Actual 2016	Actual 2015
	\$000	\$000	\$000	\$000
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment				
- Buildings	976	-	976	5,223
- Roothing	11,000	16,500	11,000	16,500
- Stormwater	187	0	187	0
- Wastewater	1,318	190	1,318	190
- Water Supply	472	190	472	190
Total Capital Commitments	13,953	16,880	13,953	22,103

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, \$5.8m (last year: \$8.3m) 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 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Non-cancellable operating leases as lessee				
Not later than one year	85	91	85	91
Later than one year and not later than two years	67	91	67	91
Later than two years and not later than five years	56	124	56	124
Later than five years	25	30	25	30
Total non-cancellable operating leases	233	336	233	336

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 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Non-cancellable operating leases as lessor				
Not later than one year	133	146	133	146
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	833	966	833	966
Total non-cancellable operating leases	1,499	1,645	1,499	1,645

28 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 was one claim filed with the Weathertight Homes Tribunal. This matter has not progressed sufficiently to quantify Council's liability and therefore we are recognising this as a contingent liabilities.

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 2016, the NZLGFA had borrowings totalling \$6.501 billion (last year: \$5.0 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 \$1.97m (last year: \$1.97m).

29 Related Party Transactions

Council is the ultimate parent of the group and controls four entities, being Heartland Contractors Ltd, the Feilding Civic Centre Trust, the Awahuri Forest/Kitchener Park Trust and the Manawatu 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 2016 \$000	Actual 2015 \$000
Heartland Contractors Limited (Non Trading)	Nil	Nil
The Mayor, Deputy Mayor and Chief Executive are directors of this company		
Feilding Civic Centre Trust		
Grant provided by MDC	76	75
Services provided by MDC	0	22
Amounts payable to MDC at year end		
Amounts receivable by MDC at year end	5	5

Manawatu Community Trust

Services provided by MDC (provided on a cost recovery only)	14	80
Interest paid to MDC (refer note below)	111	77
Amounts payable to MDC at year end	35	37
Loans repaid to the MDC	218	67
Loans drawn down from MDC during the year	0	2,500
Loan owing to MDC (as at balance date)	3,463	3,682

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 28 for further details.

Awahuri Forest / Kitchener Park Trust

Grant provided by MDC	76	40
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Central Economic Development Agency Limited

Grant provided by MDC	74	-
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Council is also a related party in a joint venture forestry asset with Palmerston North City Council. Related party transactions within the joint venture asset have been disclosed in note 20 - Forestry Assets.

Council has impaired the loan given to Manawatu Community Trust to fair value. The reduction total of \$308,982 (last year \$349,945) 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 2016 \$000	Actual 2015 \$000
Salaries and other short term employee benefits - elected members	386	383
Salaries and other short term employee benefits - Executive Team including the Chief Executive	969	863
Post employment benefits - Executive Team including the Chief Executive	41	36
Termination benefits	-	-
	1,396	1,282
Full time equivalents		
Elected Members*	11	11
Executive Team including the Chief Executive	5	5

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

30 Remuneration

Elected Members

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

	Actual 2016 \$	Actual 2016 \$	Actual 2015 \$	Actual 2015 \$
	Salary	Meeting Allowances	Salary	Meeting Allowances
Mayor Margaret Kouvelis	94,219		93,431	
Councillor Steve Bielski	26,301		26,084	
Councillor Barbara Cameron	32,876	289	32,605	794
Councillor Shane Casey	26,301	300	26,084	80
Councillor Wayne Ellery	26,301		26,084	
Councillor Jocelyn Heslop	26,301	213	26,084	629
Councillor Albert James	26,301		26,084	
Councillor Tony Jensen (Deputy Mayor)	43,396	598	43,038	2,591
Councillor Andrew Quarrie	26,301		26,084	
Councillor Alison Short	26,301		26,084	
Councillor Howard Voss	31,561	375	31,301	1,580
	386,159	1,774	382,963	5,674

Chief Executive

- Lorraine Vincent was paid \$311,888 for the period 1 July 2015 to 8 April 2016 (Last year - \$242,386 for the full year). In addition, the value of the motor vehicle benefits received was \$7,700 (Last year - \$10,000 for the full year).

- Shayne Harris acted in the position for the period 9 April 2016 to 8 May 2016 and was paid \$19,698. In addition, the value of the motor vehicle benefits received was \$833.

- Richard Templer was paid \$44,887 for the period 9 May 2016 to 30 June 2016.

Council employees

	Actual 2016 as at 30 June	Actual 2015 as at 30 June
The number of employees employed by the Council:	141	140
The number of full-time employees:	114	109
The full-time equivalent number of all other employees:	15	21
Number of employees receiving total annual remuneration of		
- less than \$60,000	68	69
- between 60,001 and \$80,000	36	42
- between \$80,001 and \$100,000	22	14
- between \$100,001 and \$120,000	9	8
- between 120,001 and \$260,000	0	7
- between 120,001 and \$300,000	6	0
A full-time employee is determined on the basis of a 40-hour working week.		
	141	140

31 Severance Payments

For the year ended 30 June 2016, the Council made two (2015 nil) severance payments to employees totalling \$17,731 (2015 nil). The value of each of the severance payments was \$5,000 and \$12,731.

32 Events after the Balance Sheet Date

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

33 Financial Instruments

Financial instrument categories

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

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
FINANCIAL ASSETS				
Loans and receivables				
Cash and cash equivalents	11,216	5,409	11,911	8,024
Debtors and other receivables	5,755	5,392	5,889	5,434
Term deposits - Other	699	699	699	699
Notes - NZ Local Government Funding Agency	816	656	816	656
Community loans	604	2,845	604	2,845
Community loans - related party	3,155	3,331	-	-
Total loans and receivables	22,244	18,333	19,919	17,659
Total held to maturity				
Other financial assets	-	-	-	-
Total held to maturity	-	-	-	-
Available for sale				
Unlisted shares in NZ Local Government Funding Agency (NZLGFA)	100	100	100	100
Unlisted shares in NZ Local Government Insurance Corp Ltd (NZIG)	190	190	190	190
Unlisted shares in Manawatu-Wanganui LASS Limited (LASS)	16	1	16	1
Listed shares in Fonterra	377	297	377	297
Total available for sale	683	588	683	588
Total financial assets	22,927	18,921	20,601	18,247
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
Creditors and other payables	11,166	7,432	11,441	7,872
Borrowings				
- Bank overdraft	-	-	-	-
- Secured loans	52,601	42,900	55,368	42,900
Total financial liabilities at amortised cost	63,767	50,332	66,809	50,772

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 \$000	Quoted market price (Level 1) \$000	Observable inputs (Level 2) \$000	Significant non- observable inputs (Level 3) \$000
30 June 2016 - Council				
Financial assets				
Community Loan	-		-	
Listed shares - Fonterra Group	377	377		
30 June 2016 -Group				
Financial assets				
Community Loan	-		-	
Listed shares - Fonterra Group	377	377		
30 June 2015 - Council				
Financial assets				
Community Loan	2,022		2,022	
Listed shares - Fonterra Group	297	297		
30 June 2015 -Group				
Financial assets				
Community Loan	2,022		2,022	
Listed shares - Fonterra Group	297	297		

The fair value of Fonterra Co-operative Group Ltd as at 30 June 2016 has been determined with reference to the NZX share price on 30 June 2016. The changes in fair value of shares has been recognised in Other comprehensive revenue and expense.

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

Financial instrument risks

Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Council is exposed to equity securities price risk on its investments, which are classified as financial assets available for sale. This price risk arises due to market movements in listed securities. This price risk is managed by diversification of Council's investment portfolio in accordance with the limits set out in Council's Investment policy.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Council is not exposed to currency risk, as it does not enter into foreign currency transactions.

Interest rate risk

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates exposes the Council to fair value interest rate risk. Council's Liability Management policy outlines the type of borrowing allowed.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk.

Credit risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

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

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

Maximum exposure to credit risk

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

	Council		Group	
	Actual 2016 \$000	Actual 2015 \$000	Actual 2016 \$000	Actual 2015 \$000
Balance as at 30 June				
Cash at bank and term deposits	11,915	6,109	12,610	8,724
Debtors and other receivables	5,755	5,392	5,889	5,434
Community loans	3,758	6,176	604	2,845
Local authority stock and other investments	1,499	1,244	1,499	1,244
Financial guarantees	-	-	-	-
Total credit risk	22,927	18,921	20,601	18,247

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	
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
Balance as at 30 June				
Counterparties with credit ratings				
<i>Cash and term deposits</i>				
Cash at bank and bank term deposits (AA- rated)	11,915	6,109	12,610	8,724
NZLGFA borrower's notes (AA rated)	816	656	816	656
Total cash at bank and term deposits	12,731	6,765	13,426	9,380
<i>Other investments</i>				
Unlisted shares in NZ Local Government Funding Agency (NZLGFA) (AA Rated)	100	100	100	100
Total other investments	100	100	100	100
Counterparties without credit ratings				
Local authority stock, community loans				
Existing counterparty with no defaults in the past	4,341	6,664	1,187	3,333
Existing counterparty with defaults in the past	-	-	-	-
Total local authority stock and community loans	4,341	6,664	1,187	3,333

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
Council 2016					
Creditors and other payables	11,166	11,166	11,166	-	-
Secured loans	52,601	60,647	1,915	32,849	25,883
Financial guarantees	-	-	-	-	-
	63,767	71,813	13,081	32,849	25,883
Group 2016					
Creditors and other payables	11,441	11,441	11,441	-	-
Secured loans	55,368	64,912	2,304	36,725	25,883
Financial guarantees	-	-	-	-	-
	66,809	76,353	13,745	36,725	25,883
Council 2015					
Creditors and other payables	7,432	7,432	7,432	-	-
Secured loans	42,900	52,689	1,981	28,463	22,245
Financial guarantees	-	-	-	-	-
	50,332	60,121	9,413	28,463	22,245
Group 2015					
Creditors and other payables	7,872	7,872	7,872	-	-
Secured loans	42,900	52,689	1,981	28,463	22,245
Financial guarantees	-	-	-	-	-
	50,772	60,561	9,853	28,463	22,245

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
Council 2016					
Cash and cash equivalents	11,216	11,216	11,216	-	-
Debtors & other receivables	5,755	5,755	5,755	-	-
Other financial assets:					
- Term deposits	699	699		699	
- LGFA Borrower notes	816	897	64	596	237
- Community loans	604	5,650	167	1,061	4,422
- Community loans - related party	3,155	4,506	329	1,317	2,860
	22,244	28,722	17,530	3,673	7,519
Group 2016					
Cash and cash equivalents	11,911	11,911	11,911	-	-
Debtors & other receivables	5,889	5,889	5,889	-	-
Other financial assets:					
- Term deposits	699	699	-	699	-
- LGFA Borrower notes	816	897	64	596	237
- Community loans	604	5,650	167	1,061	4,422
	19,919	25,045	18,030	2,356	4,659
Council 2015					
Cash and cash equivalents	5,409	5,409	5,409	-	-
Debtors & other receivables	5,392	5,392	5,392	-	-
Other financial assets:					
- Term deposits	699	699	-	699	-
- LGFA Borrower notes	656	897	64	596	237
- Community loans	2,845	5,650	167	1,061	4,422
- Community loans - related party	3,331	4,506	329	1,317	2,860
	18,333	22,553	11,361	3,673	7,519
Group 2015					
Cash and cash equivalents	8,024	8,024	8,024	-	-
Debtors & other receivables	5,434	5,434	5,434	-	-
Other financial assets:					
- Term deposits	699	699	0	699	0
- LGFA Borrower notes	656	897	64	596	237
- Community loans	2,845	5,650	167	1,061	4,422
	17,659	20,704	13,689	2,356	4,659

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.

2016	-100bps		+100bps	
	Profit \$000	Other Equity \$000	Profit \$000	Other Equity \$000
INTEREST RATE RISK				
Financial assets				
Cash and cash equivalents	(72)	-	72	-
Other financial assets:				
- Term deposits	-	-	-	-
- LGFA Borrower notes	(3)	-	3	-
- Community and related party loans	(28)	-	28	-
- Other investments	(1)	-	1	-
Financial liabilities				
Secured loans	270	-	(270)	-
Total sensitivity to interest rate risk	166	-	(166)	-
EQUITY PRICE RISK				
	-10%		10%	
Financial assets				
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	-
- Shares in Manawatu-Wanganui LASS Limited	-	-	-	-
- Shares in NZ Local Government Funding Agency	-	-	-	-
- Shares in Fonterra	-	(4)	-	4
Total sensitivity to equity price risk	-	(4)	-	4

2015	-100bps		+100bps	
	Profit \$000	Other Equity \$000	Profit \$000	Other Equity \$000
INTEREST RATE RISK				
Financial assets				
Cash and cash equivalents	(34)	-	34	-
Other financial assets:				
- Term deposits	-	-	-	-
- LGFA Borrower notes	(3)	-	3	-
- Community and related party loans	(25)	-	25	-
- Other investments	(4)	-	4	-
- Local authority stock	-	-	-	-
Secured loans	220	-	(220)	-
Total sensitivity to interest rate risk	154	-	(154)	-
EQUITY PRICE RISK				
	-10%		10%	
Financial assets				
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	-
- Shares in Manawatu-Wanganui LASS Limited	-	-	-	-
- Shares in NZ Local Government Funding Agency	-	-	-	-
- Shares in Fonterra	-	(3)	-	3
Total sensitivity to equity price risk	-	(3)	-	3

Explanation of sensitivity analysis - Council

Financial Assets

1 Cash and cash equivalents

Cash and cash equivalents include deposits on call totalling \$7,208,682 (last year: \$3,386,760) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$72,087 (last year: \$33,868).

2 Community loans

Council has floating rate community advances with a principal amount totalling \$8,376,345 (last year: \$2,528,158). A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$83,763 (last year: \$25,281).

3 Local authority stock and other investments

Council has floating rate term bonds and deposits totalling \$80,000 (last year: \$252,000) that are held to maturity. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$800 (last year: \$3,520).

Financial Liabilities

4 Secured loans

Council has a floating rate debt with a principal amount totalling \$27,000,000 (last year: \$22,000,000). A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$270,000 (last year: \$220,000).

Equity

5 Unlisted shares

Council holds unlisted equity instruments in NZ Local Government Insurance Corp Ltd, which are not traded and will continue to be held by Council. The market value of these shares is difficult to determine, but the net asset backing of this shareholding was \$295,748 at 31 December 2015. 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 purchased during the year 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.

6 Listed shares

Council holds listed shares in Fonterra Group, which are not traded and will continue to be held by Council. The sensitivity for listed shares has been calculated based on a -10%/+10% movement in the quoted bid share price at year-end for the listed shares.

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.

2016	-100bps		+100bps	
	Profit \$000	Other Equity \$000	Profit \$000	Other Equity \$000
INTEREST RATE RISK				
Financial assets				
Cash and cash equivalents	(78)	-	78	-
Other financial assets:				
- Term deposits	-	-	-	-
- LGFA Borrower notes	(3)	-	3	-
- Community loans	(1)	-	1	-
- Other investments	(1)	-	1	-
Financial liabilities				
Secured loans	270	-	(270)	-
Total sensitivity to interest rate risk	187	-	(187)	-
EQUITY PRICE RISK				
-10%				
10%				
Financial assets				
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	-
- Shares in Manawatu-Wanganui LASS Limited	-	-	-	-
- Shares in NZ Local Government Funding Agency	-	-	-	-
- Shares in Fonterra	-	(4)	0	4
Total sensitivity to equity price risk	0	(4)	0	4
2015				
	-100bps		+100bps	
	Profit \$000	Other Equity \$000	Profit \$000	Other Equity \$000
INTEREST RATE RISK				
Financial assets				
Cash and cash equivalents	(56)	-	56	-
Other financial assets:				
- Term deposits	-	-	-	-
- LGFA Borrower notes	(3)	-	3	-
- Community loans	(1)	-	1	-
- Other investments	(4)	-	4	-
Financial liabilities				
Secured loans	220	-	(220)	-
Total sensitivity to interest rate risk	156	-	(156)	-
EQUITY PRICE RISK				
-10%				
10%				
Financial assets				
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	0
- Shares in Manawatu-Wanganui LASS Limited	-	-	-	0
- Shares in NZ Local Government Funding Agency	-	-	-	0
- Shares in Fonterra	-	(3)	-	3
Total sensitivity to equity price risk	-	(3)	-	3

Explanation of sensitivity analysis - Group

Financial Assets

1 Cash and cash equivalents

Cash and cash equivalents include deposits on call totalling \$7,753,682 (last year: \$5,647,760) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$77,537 (last year: \$56,478).

2 Community loans

The Group has floating rate community advances with a principal amount totalling \$88,328 (last year: \$91,968). A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$883 (last year: \$920).

3 Local authority stock and other investments

The Group has floating rate term bonds and deposits totalling \$80,000 (last year: \$352,000) that are held to maturity. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$800 (last year: \$3,520).

Financial Liabilities

4 Secured loans

The Group has a floating rate debt with a principal amount totalling \$27,000,000 (last year: \$22,000,000). A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$270,000 (last year: \$220,000).

Equity

5 Unlisted shares

The Group holds unlisted equity instruments in NZ Local Government Insurance Corp 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 \$295,748 at 31 December 2015. 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 purchased during the year 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.

6 Listed shares

Group holds listed shares in Fonterra Group, which are not traded and will continue to be held by the Group. The sensitivity for listed shares has been calculated based on a -10%/+10% movement in the quoted bid share price at year-end for the listed shares.

34 Capital Management

The Council's capital is its equity (or ratepayers' funds), which comprises retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 [the Act] requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

Council has the following Council created reserves:

- * Trust and bequest funds
- * Special Funds

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

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

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

35 Explanation of Major Variances

Explanations for major variations between the actual results and the estimated figures in the 2014/15 Annual Plan, which is the third year of the Long Term Plan 2012-2022, are detailed below.

Statement of Comprehensive Revenue and Expense

The operating deficit for the year is \$1.7 million, against a budgeted surplus of \$0.6 million. The following are the most significant variances:

- Revenue from development contributions is \$267,000 above budget. This reflects the building activity within the district.
- Finance costs are \$1.1 million lower than budgeted. The external loans raised for the year were 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 \$2.9 million expenditure as a result of the June 2015 floods. This is offset by an increase in the subsidy from NZTA.
- As a result of past decisions to extend the interest and principal holiday, the loan to Manfeild Park Trust was impaired by \$2 million to \$nil. The amount owing by the Trust at balance date remains at \$2.9 million.

Statement of Financial Position

The most significant movements are:

- Capital expenditure is only 58% of the work planned at the beginning year. A number of projects have been carried forward to the 2016/17 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.
- Council revalued its infrastructural assets on 1 July 2015. This revaluation resulted in an increase in the asset value \$10 million less than budgeted. As a result both the asset value and the asset revaluation reserve are lower than expected.
- Cash and cash equivalents are \$9.9 million greater than planned. This is primarily a result of reduced capital expenditure and the timing of raising loans. The movements are documented in the Statement of Cash Flows.

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 repaid \$2 million of debt, raised \$12 million of debt, resulting in an increase of debt from \$42.9 million at the start of the financial year to \$52.6 million at 30 June 2016.

Key Statistics

	Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000
Gross interest expense compared to operating revenue not to exceed 10%	4.1%	6.6%	4.2%
Gross interest expense compared to rates revenue not to exceed 20%	6.4%	10.2%	7.2%
Net cash flows from operating activities to exceed gross interest expense by 1.5 times	8.1	4.1	7
Net Working Capital Ratio is greater than 1 (current assets compared to current liabilities excluding current portion of debt and properties for sale)	1.42	0.95	1.32
Total debt compared to total assets	8.2%	8.8%	6.8%

Measure: no more than 35% of net term debt planned to be refinanced in any financial period without pre-arranged facility being in place.

Result: Loans are due for repayment between April 2017 and April 2023. No more than 35% of the current loans fall due in any one year. Therefore the measure is complied with.

Council has complied with all aspects of its 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 \$280,000 was slightly down on last year's \$295,000 due to a change in the market interest rates and the amounts invested.

Other Equity Investments

At the 30 June 2016 the last harvest in the joint forestry with Palmerston North City Council was completed. Council is not involved in the second rotation crop. Council also has an historical investment in Local Government Insurance Corp Ltd.

Council has become a shareholder of the New Zealand Local Government Funding Agency Limited (NZLGFA) in December 2012.

Council complied with its Investment Management Policy during the year.

Report on Revenue and Financing Policy

Introduction

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 s 103 (3) of the Local Government Act 2002 specifies that every local authority must provide in its annual report sufficient information about the Revenue and Financing Policy to enable an informed assessment of the extent to which the objectives and provisions of the policy have been met during the year.

This report summarises progress against the policy for the year ended 30 June 2016.

Group of Activities	Function	ACTUAL		FUNDING POLICY	
		Public	Private	Public	Private
Community Facilities	District Libraries	95%	5%	95%	5%
	Makino Aquatic Centre	48%	52%	65%	35%
	Parks and Reserves	92%	8%	95%	5%
	Property	61%	39%	50%	50%
	Local Halls and complexes	100%	0%	100%	0%
	Public Conveniences	100%	0%	100%	0%
District Development	Community Development	100%	0%	100%	0%
	Economic Development	100%	0%	100%	0%
	Feilding CBD Security	20%	80%	20%	80%
Emergency Management	Civil Defence	100%	0%	100%	0%
	Rural Fire	86%	14%	100%	0%
Environmental and Monitoring Service	Animal Control	31%	69%	40%	60%
	Building Control	39%	61%	40%	60%
	District Planning	81%	19%	80%	20%
	Environmental Health	98%	2%	95%	5%
	Alcohol Licensing	30%	70%	50%	50%
Governance and Strategy	Governance and Strategy	100%	0%	100%	0%
Roading Network	Roading	44%	56%	55%	45%
	Feilding CBD Redevelopment	10%	90%	10%	90%
Solid Waste	Solid Waste Collection and Disposal	43%	57%	50%	50%
	Feilding Kerbside Collection	100%	0%	0%	100%
Stormwater	Urban Stormwater	20%	80%	20%	80%
	Rural Land Drainage	0%	100%	0%	100%
Wastewater	Wastewater	0%	100%	0%	100%
Water Supply	Water Supply	0%	100%	0%	100%

Report on Council Controlled Organisations

Manawatu Community Trust

The Manawatu Community Trust was formed on 23 June 2008. The purpose of the Trust is the provision of housing for the elderly and disabled of the Manawatu district, the promotion of health and wellbeing services for the residents of the Manawatu district, as well as promotion of any purposes within the Manawatu 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 2016.

Manawatu Community Trust

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2016

	Actual 2016 \$000	Actual 2015 \$000
Revenue		
Interest	17	13
Other revenue	2,433	1,368
Total Revenue	2,450	1,381
Employee benefit expenses	195	200
Depreciation	470	424
Finance costs	218	81
Other expenses	723	735
Loss on assets disposal	-	-
Property, plant and equipment impairment loss	-	-
Total Operating Expenditure	1,606	1,440
Operating Surplus/(Deficit)	844	(59)
Other comprehensive revenue and expense	-	-
Net Surplus/(Deficit)	844	(59)

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

Central Economic Development Agency Limited

Statement of Comprehensive Revenue and Expense for the nine months ended 30 June 2016

	Actual 2016
	\$000
Revenue	
Council funding	148
Interest	1
Other revenue	
Total Revenue	149
Directors' fees	83
Other expenses	87
Loss on assets disposal	-
Property, plant and equipment impairment loss	-
Total Operating Expenditure	170
Operating Surplus/(Deficit)	(21)
Other comprehensive revenue and expense	-
Net Surplus/(Deficit)	(21)

Reporting against the Statement of Intent Manawatu Community Trust: for the year ended 30 June 2016

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

	Target	Results
Housing Portfolio		
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: 4 flats per annum	Five flats have been refurbished, these being Fitzroy 24,30 and 31 , Puriri 7 and 11. Other work carried out was the internal painting and minor repairs to three flats at Shelton Place (flats 7, 10) and Puriri (flat 12). <i>(Last year four flats upgraded and four flats refurbished)</i>
Housing Maintenance		
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 21.5. Response times have been met. <i>(Last year 23.8 requests)</i>
	Resident safety needs are responded to within 12 hours	Response times have been met.
Housing Occupancy		
Maintain a high occupancy level	Annual average occupancy level is 95% per annum	The average occupancy level for the 2015/16 year was 94%. A number of flats, where long term tenants were accommodated, were vacated in the first six months with either the tenant moving to a rest home or through death. Many of these flats needed a great deal of work and therefore they remained vacant for longer than normal. Work has started to clear the backlog of these flats with two completed by year end and tenanted immediately they were finished. <i>(Last year 94%)</i>
Health Services		
Facilitate the construction of the Integrated Family Health Centre complex in Feilding.	Code of Compliance Certificate and/or Certificate of Public Use issued. Constructions to be completed by 28 February 2016.	Construction was completed on schedule on 26 February 2016. The Certificate of Public Use was issued. The Feilding Health Centre opened and commenced the delivery of primary health services on Monday 29 February 2016.

Target**Results****Manawatu Community and Development Research project**

The Manawatu Community and Development Research project funded by the Department of Internal Affairs is managed by the Trust.

Project progress reports are produced, published and shared with key stakeholders including the Manawatu Community Trust Board. Three educational training seminars offers by 29 January 2016.

Three training workshops were held for social service organisations toward the end of the 2015 calendar year.

1. An information session on services to be offered from Feilding Health Care.
2. A presentation on Whanau Ora Navigation Services.
3. Supervision workshop conducted by Karen Shephard.

The final report was produced and distributed to organisations in March 2016. A meeting of interested parties was held in April 2016 to consider the finding of the research. This concluded the research project.

(Last year the Community and Social Services reports were completed in draft)

Compliance with current accounting policies

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 50%

The level of rental income spent on capital work and major maintenance was 13.02%. The percentage is lower than anticipated due to expenditure required for constructing the Feilding Health Care facility which was complete on 27 February 2016.

(Last year 46.46% of rental income was spent on capital improvements)

Provide financial reporting to Manawatu 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 2015 was submitted to Council by 25 September 2015 and presented on Thursday 15 October 2015.

Report as at 30 June 2016 and 31 December 2015 to be reported by 30 September 2015 and 31 March 2016 respectively

The six month report for the period ended 31 December 2015 was submitted to Council on 29 February 2016 and presented on 17 March 2016.

(Last year reports were submitted on 23 September 2015 and 19 March 2015)

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

Actual percentage as evidenced in the annual financials as at the 30 June 2016

The percentage of consolidated trust funds in relation to total assets is 63.52%.

(Last year 89%)

Central Economic Development Agency Limited: for the year ended 30 June 2016

The key objective for the 2015/16 year was to put in place the necessary infrastructure to establish CEDA. The SOI for 2015/16 outlined the initial development phase would focus on four areas:

	Target	Results
CEO recruitment	Achieved	Appointed in May 2016 and started in July 2016 (post balance date)
Developing a deep understanding of current economic development in Palmerston North and Manawatu	Achieved	Presentations received from: <ul style="list-style-type: none"> - Vision Manawatu - Destination Manawatu - Feilding Promotion - Spearhead Manawatu - Accelerate25
Community and stakeholder engagement	Achieved	<ul style="list-style-type: none"> - Chamber of Commerce - BCC (Building Clever Companies)
Dialogue with Vision Manawatu and Destination Manawatu to ensure continuity of existing services	Achieved	Dialogue occurred in 2015/16 to enable the organisations be transitioned into CEDA in September 2016 (post balance date)

Annual Report Disclosure Statement for year ending 30 June 2016

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.

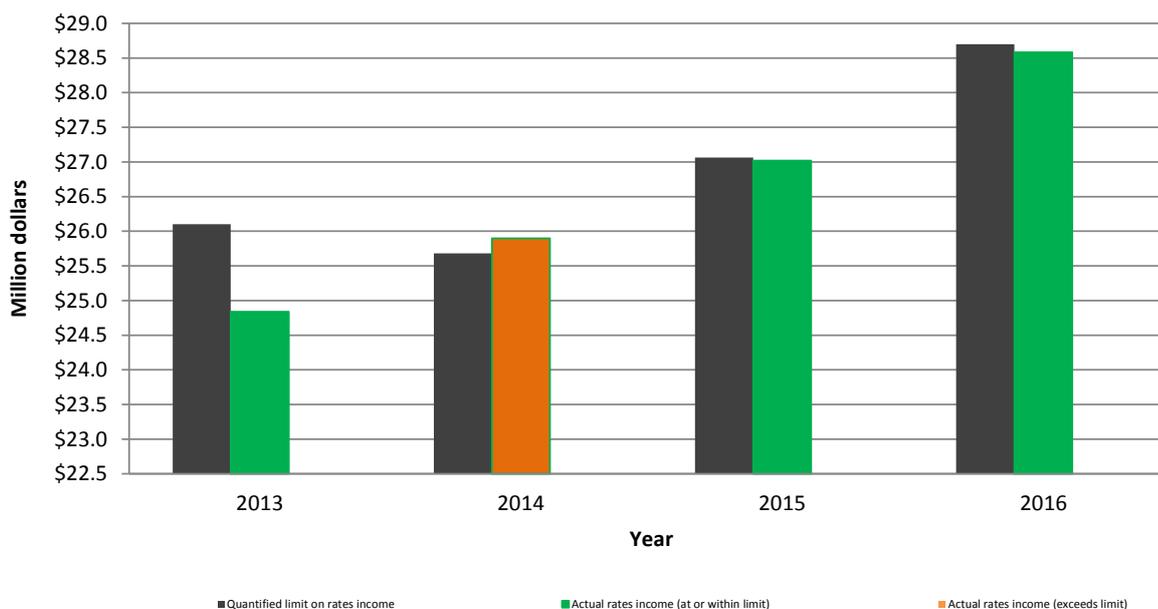
Rates affordability benchmark

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. 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.

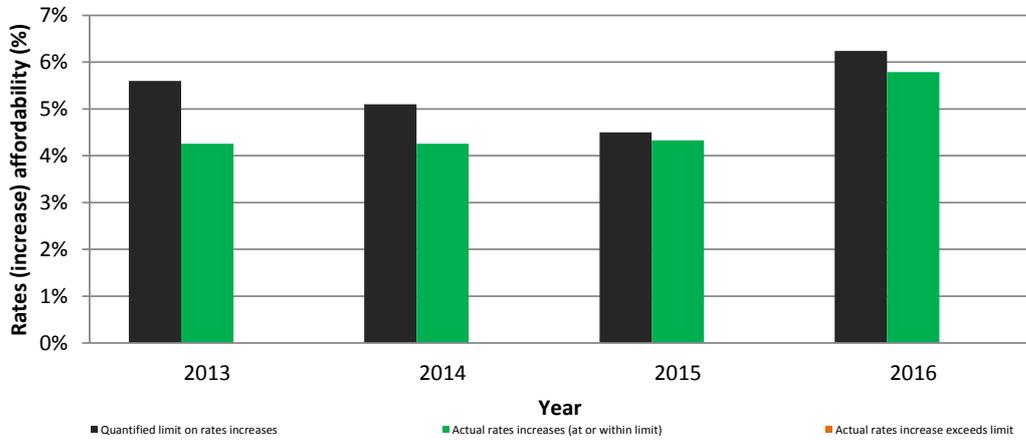


There were no quantified limits on rates income for financial years prior to the 2013 financial year.

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. The quantified limit is based on the Local Government Consumer Index plus 4%.



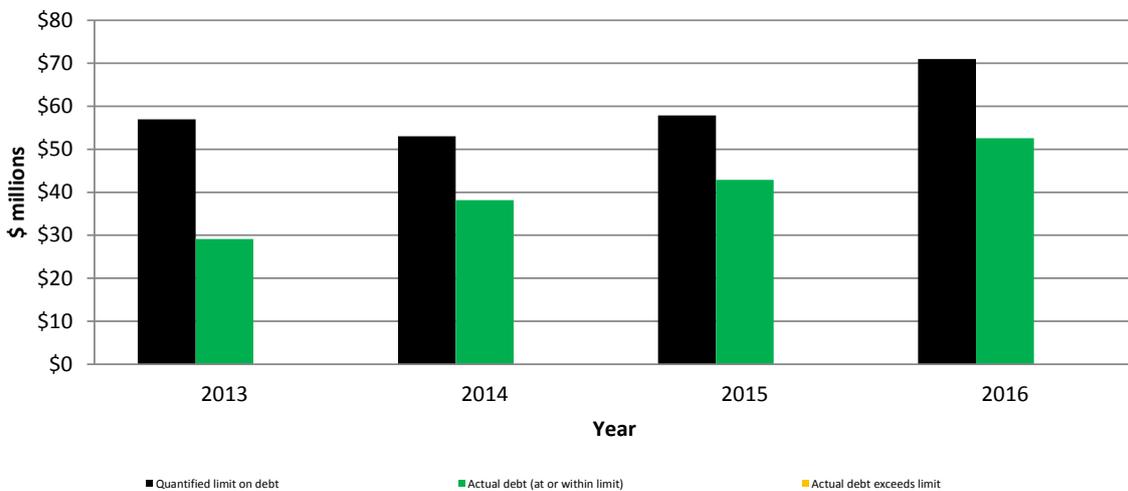
There were no quantified limits on rates income for financial years prior to the 2013 financial year.

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.

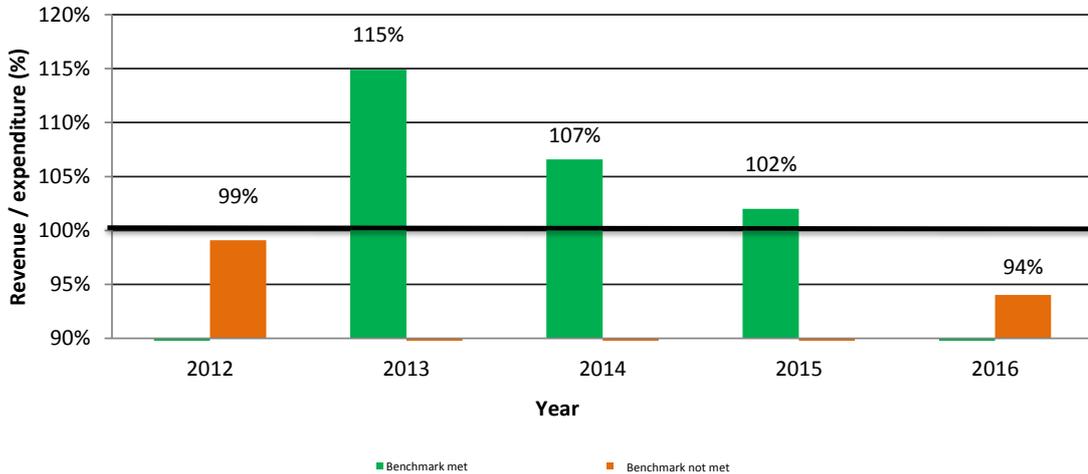
The Council meets the debt affordability benchmark if its actual borrowing is below the maximum debt allowed.



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.



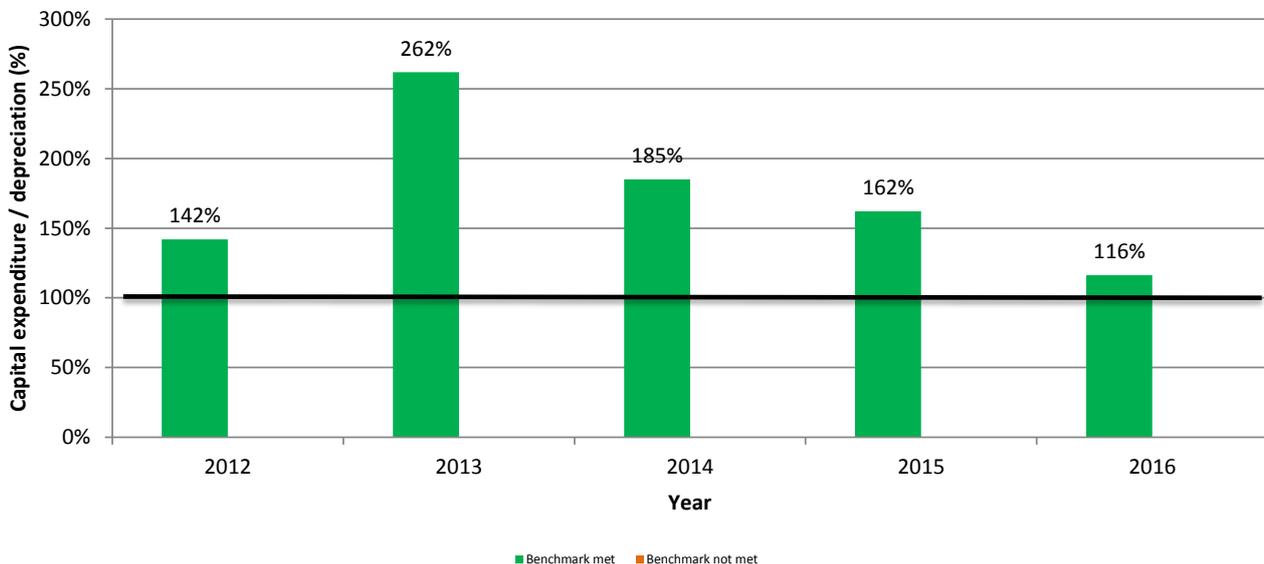
In 2012 there was a \$1m expense as a result of the transfer of Totara Reserve to Horizons Regional Council. The benchmark was not met.

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.

Essential Services Benchmark

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

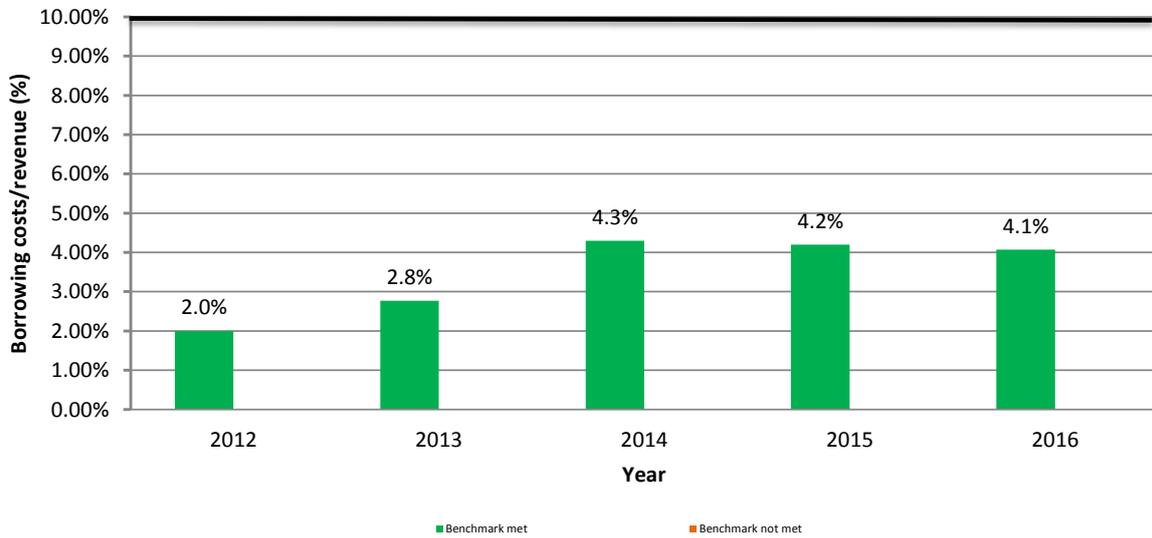
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

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

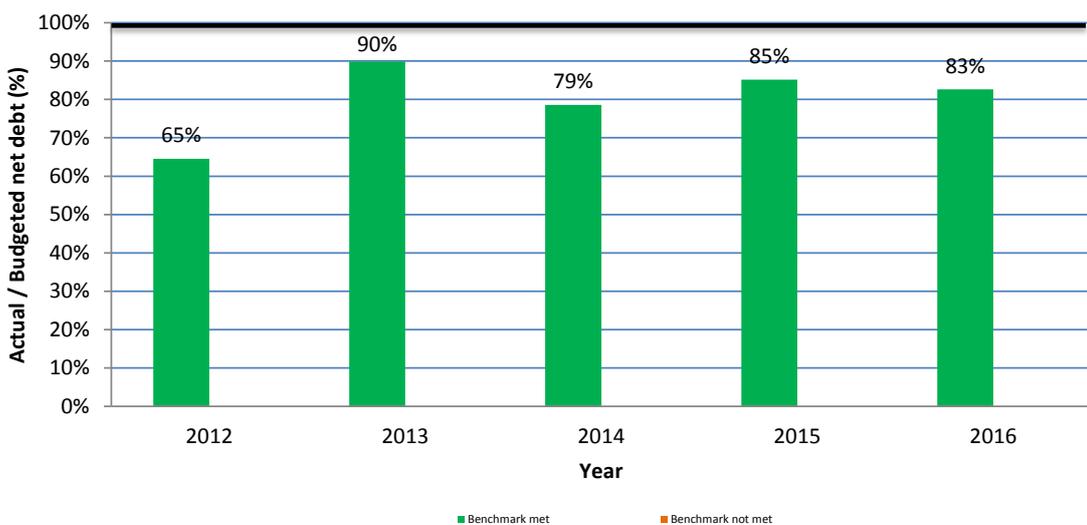
Because Statistics New Zealand projects the Council’s population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



Debt control benchmark

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

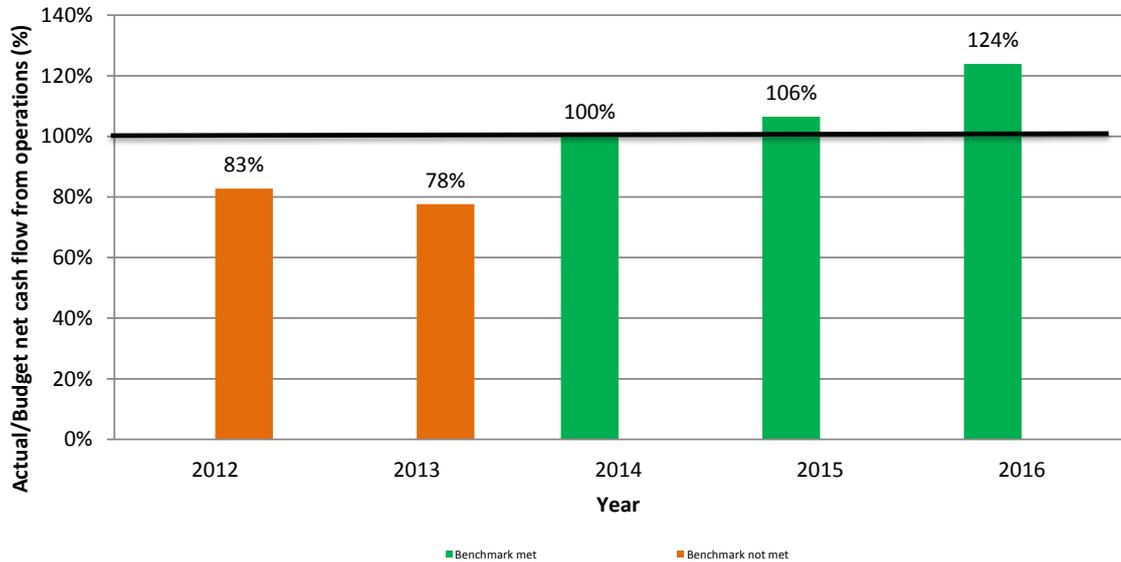
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control benchmark

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

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



Notes:

- for year 2012: Subsidies for the Himatangi Community Sewerage Scheme (\$2.0m) and the Rongotea Water Supply Scheme (\$2.3m) were included in the budgeted operational revenue. Work on these schemes was delayed and consequently the subsidy was not received during the year. Development contributions are included in the budgeted operational revenue, however there were fewer applications for the subdivisions received than budgeted for.
- for year 2013: Capital subsidies for the Himatangi Community Sewerage Scheme (\$3.2m) and Rongotea Water Supply Scheme (\$1.2m) were included in the budgeted operational revenue for the 2013 year. Work for Himatangi Community Sewerage Scheme has been delayed and only \$1.1m was actual received. Work on Rongotea Water Supply Scheme was postponed and consequently the subsidy was not received.
- for year 2014: The Annual Plan included a capital subsidy for the Rongotea Water Supply Scheme of \$1.1m. Due to the delay in the commencement of this project the actual subsidy received was only \$54,000. The project has now commenced and the unspent capital expenditure and associated subsidy has been carried forward to the 2014/15 financial year.

Section Four: Other Information

This section of the Annual Report contains the following information:

- Manawatu District Council: Organisation structure
- Manawatu District Council: Activities and functions
- Members' responsibilities
- Equal Employment Opportunities Statement
- Māori Capacity to Contribute to Decision-Making
- Grants 2015/2016
- Glossary

Executive Team



Chief Executive
Dr Richard Templer



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



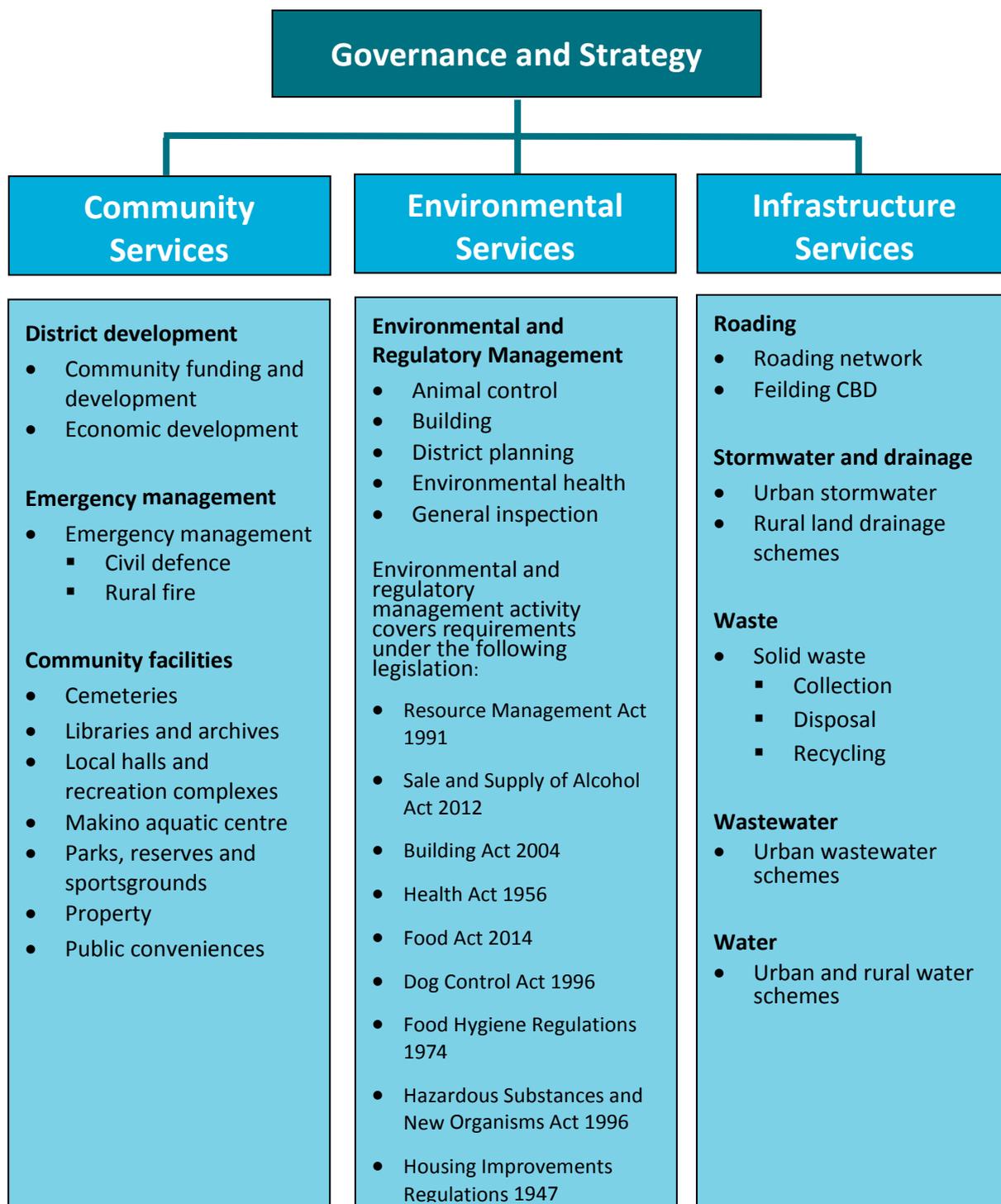
**General Manager –
Infrastructure**
Hamish Waugh



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



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



Member's responsibilities

Standing Committee Membership at 30 June 2016

Elected Members	Strategic Planning and Policy	Workshop Meeting Committee	Hearings Committee	Ngā Manu Tāiko Manawatū District Council	MDC/PNCC Joint Strategic Planning Committee
Mayor		(C)		(C)	
Cr Bielski					
Cr Cameron			(DC)		
Cr Casey					
Cr Ellery					
Cr Heslop					
Cr James					
Cr Jensen	(C)				
Cr Quarrie					
Cr Short		(DC)			
Cr Voss	(DC)		(C)		

Subcommittee Membership at 30 June 2016

Elected Members	Community Funding	Chief Executive's Employment	Key:
Mayor		(C)	Member of Committee
Cr Bielski			(C) Chairperson
Cr Cameron	(C)		(DC) Deputy Chairperson
Cr Casey			
Cr Ellery			

Cr Heslop		
Cr James		
Cr Jensen		 (DC)
Cr Quarrie		
Cr Short	 (DC)	
Cr Voss		

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

An ongoing programme of action is put in place that aims to prevent discrimination because of:

- Gender
- Race
- Family responsibilities
- Employment Status
- Marital status
- Sexual preference
- Religious, cultural or political belief
- Disability
- Age

The programme is ongoing and is incorporated into our policies and practices. All appropriate Manawatu District Council employment policies reflect our ongoing commitment to EEO with regular reviews and staff education to promote an organisation that values diversity and prevents discrimination. In particular the following policies reflect EEO principles:

- Recruitment policy and procedures
- Remuneration strategy
- Harassment policy

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

Summary of the 2015/16 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 Manawatu 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, a Marae Consultative Standing Committee was established in 1998. Its principal purpose is to liaise between Council and local Tangata Whenua.

Membership of the Committee initially comprised one member from Aorangi, Kauwhata, Parewahawaha, Poupatate, Te Rangimarie, Taumata O Te Ra, Te Hiiri and Te Tikanga Marae, along with three elected members appointed by Council with the Chairperson being appointed by the Committee. The Marae of Kotuku and Te Iwa were added shortly after the Committee was established.

In May 2014, the Committee requested that Council give consideration to extending the membership of the Committee to include representation from the hapu of Ngati Te Au, Ngati Rakau (Motuiti Marae) and Ngati Turanga (Paranui Marae) as although they are located in the Horowhenua District, they have mana whenua status within the Manawatu District. This is a similar situation to Parewahawaha Marae which is located in the Rangitikei District but who have mana whenua status in the Manawatu District. Council accepted the Committee's request and invited representation from the three suggested hapu. The hapu of Ngati Te Au and Ngati Turanga took up Council's invitation and are now represented on the Committee.

In November 2015, the Committee was renamed "Ngā Manu Tāiko Manawatū District Council".

A continuing focus for Ngā Manu Tāiko Manawatū District Council will be to ensure that all Māori of the district are represented, and are able to have a say in Council decision making and that Council is liaising with the people who have mana whenua.

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). Consideration of the establishment of a Māori ward in the Manawatu District is required to be done before 23 November, two years prior to the next election.

The Committee has previously established a Māori Representation Working Party tasked with the purpose of providing input to the Manawatu District Council representation review by considering the usefulness of a Māori ward or wards for the purpose of achieving effective Maori contribution to decision making at Manawatu District Council.

The Working Party last met in 2011 and voted not to establish a Māori Ward at that time but will be revisited in the future.

Ngā Manu Tāiko Manawatū District Council continues to represent the interests of Tangata Whenua — the people of the land, as well as those with mana whenua status within the Manawatu District and is inclusive of all Māori in our community.

Grants 2015/16

During 2015/2016, Council approved a number of grants from its Community Development Fund, General Grant Fund and Event 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.

Community rates support

The following organisations were assessed and approved by Council's Community Funding Subcommittee to receive multi-year community rates support in the form of a Rates Remission as per the Community Rates Support Policy. The following organisations received support in the second year 2015/2016.

Organisation	Amount of Remission \$
Activate Church Feilding	6,013.69
Anglican Faith Community of St Simon & St Jude	220.87
Anglican Parish of Oroua	264.00
Church at Feilding	404.87
Eden Kindergarten Trust Board, Feilding	1585.74
Feilding Brass Incorporated	563.17
Feilding & Districts Art Society (FADAS)	2,956.91
Feilding Baptist Church	404.87
Feilding Bible Chapel	1,730.08
Feilding Golf Club (Inc)	2,127.99
Feilding Gospel Trust	1,046.61
Feilding Guides & Scout Association	2,175.12
Feilding Lawn Tennis Club	2,177.07
Feilding Life Point Church	1,245.22
Feilding New Life Centre Charitable Trust	625.74
Feilding Oroua Presbyterian Parish	404.87
Feilding Playcentre	705.74
Feilding Squash Rackets Club Inc	722.09
Foxton Shannon Co-Operating Parish, Himatangi	361.74
Halcombe Playcentre	296.70
Hapaitia Kohanga Reo, Feilding	1,135.31
Himatangi Beach Bowling Club	1,536.53
Johnston Park Bowls Inc, Feilding	2,779.83
Manawatu Naturist Club, Himatangi Beach	263.16
Manchester House Social Services Society Inc, Feilding	7,042.22
Manfeild Park Trust, Feilding	7,145.27
Plunket – Rongotea & Feilding	2,522.58
Riding for the Disabled Assn. Manawatu Group Inc, Feilding	1,002.86
Rongotea Bible Chapel	220.87
Rongotea Returned Servicemen's Association Inc	582.98
Rongotea Uniting Parish	220.87
Sanson Playcentre	775.30

SPCA, Feilding	1,237.39
St Brigids Church, Feilding	481.39
St Marks Methodist Church, Feilding	625.74
Taumata O Te Ra Marae, Halcombe	3,174.61
Te Kawau Playcentre, Rongotea	220.87
The Manawatu Historic Vehicle Collection Trust, Feilding	7,058.00
The Order of St John, Feilding	3,285.74
The Salvation Army, Feilding	3,364.86
	\$70,709.47

Urupa/Private Cemetery Fund

Council has a fund to assist with the maintenance of urupa and private cemeteries throughout the District. This is currently funded to the level of \$2,500 per year.

Organisation	Amount of Grant \$
Anglican Parishes of the Oroua – Stanway and Kiwitea Churches	1,000.00
Taumata O Te Ra Marae	296.05
Hikungarara Whanau Trust	500.00
Aorangi Urupa	2,160.00
Rongopai Cemetary Committee	300.00
Te Tikanga Marae Reservation Trust	2,500.00
	\$6,756.05

Partnership Fund

The following organisations were assessed and approved by Council's Community Funding Subcommittee 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 the second year, 2014/2015, of their two year service agreements.

Organisation	Amount of Grant \$
Feilding & District Youth Board	5,000.00
Feilding Brass Inc	3,000.00
Manawatu District Neighbourhood Support Inc	20,000.00
Manawatu Historic Vehicle Collection Trust	10,000.00
Manawatu Rural Support Service (Inc)	10,000.00
Manchester House Social Services Society	15,000.00
Palmerston North Surf Life Saving Club Inc	15,000.00
Social Issues Network Council of Social Services Inc (SINCOSS)	1,000.00
Te Manawa Services Charitable Trust	25,000.00
Whanau Ataahua Beautiful Families Trust	8,000.00
	\$112,000.00

Representative Fund

The following is a breakdown of Manawatu District residents who received financial assistance from Council to attend a national or international event during 2015/2016 as a representative of the District or New Zealand.

Organisation / Individual	Amount of Grant \$
Aimee Perrett, Feilding	500.00
Alex Nieuwenhuis, Palmerston North	1,000.00
Brook Fitch, Palmerston North	1,000.00
Chris Smithers, Feilding	500.00
Emily Shearman, Palmerston North	1,000.00
Feilding High School Girls Rugby	2,000.00
Feilding High School National Condors 7's	1,000.00
Feilding High School Robotics Team	2,000.00
Feilding High School Swimming Team	500.00
Feilding High School Track & Field Team	1,000.00
Feilding Intermediate Jump Jam	1,000.00
Kelly Carter, Ashhurst	500.00
Kyle Brown, Feilding	500.00
Mya Rae Rasmussen, Feilding	500.00
Mya Rae Rasmussen, Feilding	1,000.00
Neon Fusion Feilding High School Jazz Band	1,000.00
Olivia Shannon, Feilding	500.00
Poppy McKay, Feilding	500.00
	\$16,000.00

Community Development Fund

The following organisations were assessed and approved by Council's Community Funding Subcommittee 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	Amount \$	Activity/Programme
Accolade Grove Society Inc	800.00	Towards cost of mowing a picnic area used by residents at 38 Accolade Street.
Apiti and Districts Show	700.00	Towards costs of staging the annual show.
Beef Expo Society	3,000.00	Towards the "Beef Expo 2016" at Manfeild Park.
Bike Manawatu	2,000.00	Towards the "Manfeild 6 Hour Cycle Challenge" at Manfeild Park, 8 May 2016.
Bike Manawatu	4,800.00	Towards the Gravel and Tar cycling event 17 January 2016.
Bike Manawatu Inc	1,150.00	Assist with costs of staging the Feilding Festival of Cycling, 19-20 September 2015.
Dressage New Zealand	1,300.00	Towards the Bates National Dressage championships at

EVENTO Wearable Art Awards	4,905.06	Manfeild Stadium, 4-7 February 2015. Towards the staging of the EVENTO Wearable Art Awards at Manfeild Event Centre, 29-30 June 2016.
Feilding and District Rose Society Inc	1,700.00	Towards the "2016 National Spring Rose Show and Convention" at the Feilding Civic Centre 18-20 November 2015.
Feilding Bluelight	2,500.00	Towards the National Bluelight Rainbows End Weekend for 40 children on 10-11 September.
Feilding Civic Centre Trust	350.00	Towards the "Will Martin Concert" on 14 February 2016.
Feilding High School	250.00	Towards "FAHS War Years" performance, 9-12 March 2016
Feilding Industrial, Agricultural and Pastoral Association	2,000.00	Towards the costs of holding their show 4-5 December 2015.
Feilding Steam Rail Society Inc	2,000.00	Towards running the steam train as part of the Feilding Christmas Parade and Carnival.
Fitzherbert Lions Club	1,000.00	Towards the Tour de Manawatu Charity Cycle Challenge, 1 November 2015.
Friends of St Barnabas	500.00	Towards community event held at the Rangiwahia Hall, 2 April 2016.
Future Beef Charitable Trust	2,000.00	Towards staging a "Country Extravaganza" as part of 2016 Beef Expo.
Highland Dancing Association of Manawatu, Rangitikei & Wanganui	1,200.00	Towards the Scottish Official Board of Highland Dancing Competition, March 2016.
Himatangi Beach Community Trust	500.00	Towards costs of holding a Community Open Day to celebrate the new Community Hall.
Himatangi Beach Community Trust	2,500.00	Towards the "Light up Himatangi" festival, 4-6 June 2016.
Hiwinui School	2,000.00	Towards the school and community's 125 year celebration, 28-29 October 2016.
Keep Feilding Beautiful	1,000.00	<i>Towards the Annual Garden Competition, November 2015.</i>
Kiwitea Garden Group	1,000.00	<i>Towards the school's gardening project being run outside of school curriculum.</i>
Manawatu & West Coast A&P Association	4,370.00	Towards the Manawatu A&P Show, at Manfeild Park 7-8 November 2015.

Manawatu Garden Festival Inc	2,000.00	Towards the Manawatu Garden & Lifestyle Festival in May 2016.
Manawatu Historic Vehicle Collection Trust	500.00	Towards the annual ANZAC Concert.
Manawatu Oroua Boys & Girls Agricultural Club	500.00	Towards the 85 th anniversary of the club.
Manawatu Rugby Union	4,000.00	Towards the Mitre 10 Cup pre-season rugby match between the Manawatu Turbos and Wellington Lions, 7 August 2016.
Manchester House Social Services Society Inc	1,500.00	Assist with lighting costs of staging "Dancing with the Feilding Stars" at the Feilding Civic Centre, 19 June 2015.
Manchester House Social Services Society Inc	1,500.00	Towards venue hire, and table and chairs for the Dancing with the Feilding Stars, 9-10 June 2016.
NZ Miniature Horse Association Inc	2,500.00	Towards the NZ Miniature Horse Nationals, 31 March – 3 April.
NZ School Cycling Association	3,000.00	Towards the Cycling New Zealand Schools Road Cycling Championships, 25-28 September 2015.
Palmerston North Bird Club (Inc)	2,260.00	Towards the National Bird Show, 28-31 July 2016.
Palmerston North Off Road Racing Club	1,667.50	Towards the 3 rd National Round of Off Road Racing on 27 August 2016.
Rotary Club of Feilding	500.00	Towards "Carols by Candlelight", 20 December 2015.
Royal NZ Pipe Bands Association Wellington Hawkes Bay Centre Inc	20,000.00	Towards the 2016 NZ Pipe Band Championships, March 2016.
Sanson Community Advancement Trust	500.00	Towards "Celebrate Sanson Day"
Step 'N Thyme Senior Leisure Marching	250.00	Towards marching display at the Feilding Civic Centre, 21 November 2015.
Tangimoana Community Centre	300.00	Towards "Big Day Out" on 24 April 2016 at Tangimoana School.
Taranaki Manawatu Young Farmers Regional Final Committee	3,000.00	Towards the Regional Young Farmers Final at Manfeild Park, 5 March 2016.
Team Ashhurst Sports Cycling Trust	2,000.00	Towards the Manawatu Cycle Challenge on 20 February 2016.
Whanau Ataahua Beautiful Families Trust	1,200.00	Towards the "Matariki Celebration" on 17 June 2016.
	\$90,702.56	

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 2015/2016 financial year were:

Organisation	Amount of Grant \$
Children's Welfare Trust	316.55
Feilding & District Relief Fund	80,658.41
Hook Bequest Trust	0
Robert Dickson Trust Fund	4,883.48
	\$85,858.44

Creative NZ: Creative Communities Scheme

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

Organisation	Amount \$	Activity/Programme
Dance Unlimited Travel Group 2015	900.00	"Dance Experience Sydney 2015" – three Feilding teenagers to attend the event in Sydney, October 2015.
EVENTO	4,000.00	"Evento Wearable Art Awards" – secondary school student performing arts event, focusing on wearable arts competition.
FAHS Neon Fusion	2,500.00	"Neon Fusion to Montreux Jazz Festival" – attend Montreux Jazz Festival in Switzerland then travel to Germany to perform and attend workshops.
Feilding Civic Centre Trust	1,200.00	"Star Search Manawatu 2016" – talent quest for 8-18 year olds.
Feilding Writers' Circle	200.00	Publicity material to increase active membership to the Feilding Writers' Circle.
Halcombe Community Development Group	556.00	"Halcombe Ceramic Poppy Project" – 8 workshops on the making of ceramic poppies to display in the 'Somme Poppy Field' on ANZAC Day 2016.
Highland Dancing Association of Manawatu, Rangitikei, and Whanganui.	50.00	"1st Scottish Official Board of Highland Dancing competition" - assist with the cost of producing the programme. Event held in conjunction with the National Pipe Band Championships at Kowhai park 12-13 March 2016.

Organisation	Amount \$	Activity/Programme
Irene Collins	560.00	“Ohingaiti 1850 – 2016” – publish the history of Ohingaiti and district.
Little Dog Barking Ltd	1,000.00	“Little Kowhai Tree Tours Manawatu” – offer lower decile schools the opportunity to have live theatre in their schools with music, sounds, song and action.
Manawatu Historic Vehicle Collection Trust	740.00	“Coach House Museum Children’s Holiday Programme” – weekly art workshops for 4-7 year olds during school holidays in 2016.
Pohangina Art Group	1,500.00	“Pohangina Art Workshops” – 10 art workshops engaging rural adult participation in visual arts.
Rangiwahia Environmental Art Centre Trust Inc	1,860.32	“Have a Recycled Christmas” – three workshops held in November making Xmas packaging and gifts from repurposed materials.
Rangiwahia Environmental Arts Centre Trust (REACT)	2,800.00	“Mana Whenua” – create large puppets with local community to represent them at pending Treaty Settlement events and other public community events.
T & C Promotions and Events	6,000.00	“Feilding’s Front The Band” concerts – 12 free public performances aimed at providing youth some grounding in live public performance.
Te Kiko Trust	3,500.00	“Maori Role Models on Tour 2015” – visits to primary and intermediate schools by Maori artist Wi Taepa conducting workshops on art, Maori sculpture and pottery.
	\$27,366.32	

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 and facilities owned by Council.

Asset Management Plan – plans that detail the future development and maintenance of Council's infrastructural assets to a specified level of service.

Baby Boomer – this is a term used to describe a person who was born during the demographic [*Post-World War II baby boom*](#).

Community – a network of people and organisations linked together by common factors. This might refer to a network of people linked by place (that is, a geographic community), common interest or identify (for example, a hapu, a voluntary organisation or society), an administrative community (such as a district).

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

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

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

Council Organisation (CO) – any organisation in which one or more local authorities own or control any proportion of the voting rights or has the right to appoint one or more of the directors, trustees, etc.

Council Controlled Organisation (CCO) – any organisation in which one or more local authorities own or control 50 per cent or more of the voting rights or have the right to appoint 50 per cent or more of the directors of the organisation. The following organisations are specifically excluded from being CCOs: Local Government New Zealand; Civic Assurance; Infrastructure Auckland; Watercare Services; and port, energy or electricity companies.

Decision – a resolution or agreement to follow a particular course of action, including an agreement not to take any action in respect of a particular matter.

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

Funding Impact Statement (FIS) – written information that sets out the funding mechanisms that a local authority will use, their level, and the reason for their selection in terms of the principles of financial management. Funding impact statements must be included in a long term council community plan and in an annual plan.

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

Group of Activities – two or more related activities.

Long Term 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.

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.

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

Pavement – in the context of roads, pavement refers to the sealed part of the road that vehicles drive on. This is not to be confused with footpaths which some people refer to as pavements.

Service Levels – the defined service parameters or requirements for a particular activity or service areas against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.

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