



# Annual Report 2018/19

For the year ended  
30 June 2019

[www.mdc.govt.nz](http://www.mdc.govt.nz)



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## Role of the Annual Report

The Annual Report compares Manawātū District Council’s (Council) actual performance against what was forecast for year one of the 2018–2028 Long Term Plan (LTP). This report has been prepared under section 98 of the Local Government Act 2002 (and includes the provisions of schedule 10, part 3).

The Annual Report:

- reports against the Council’s key activities, performance indicators and budgets outlined in the 2018–2028 LTP — we are reporting against what we said we would do in the 2018/19 financial year (year one) of the LTP
- reports against Council policies such as the Funding Policy and Borrowing Management and Investment Policies
- outlines how Council has spent money collected from ratepayers, residents, financial institutions and government agencies

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

The report is broken into four sections:

### Section One: Introduction

Section one provides an overview of the 2018/19 year including key highlights.

### Section Two: Groups of Activities

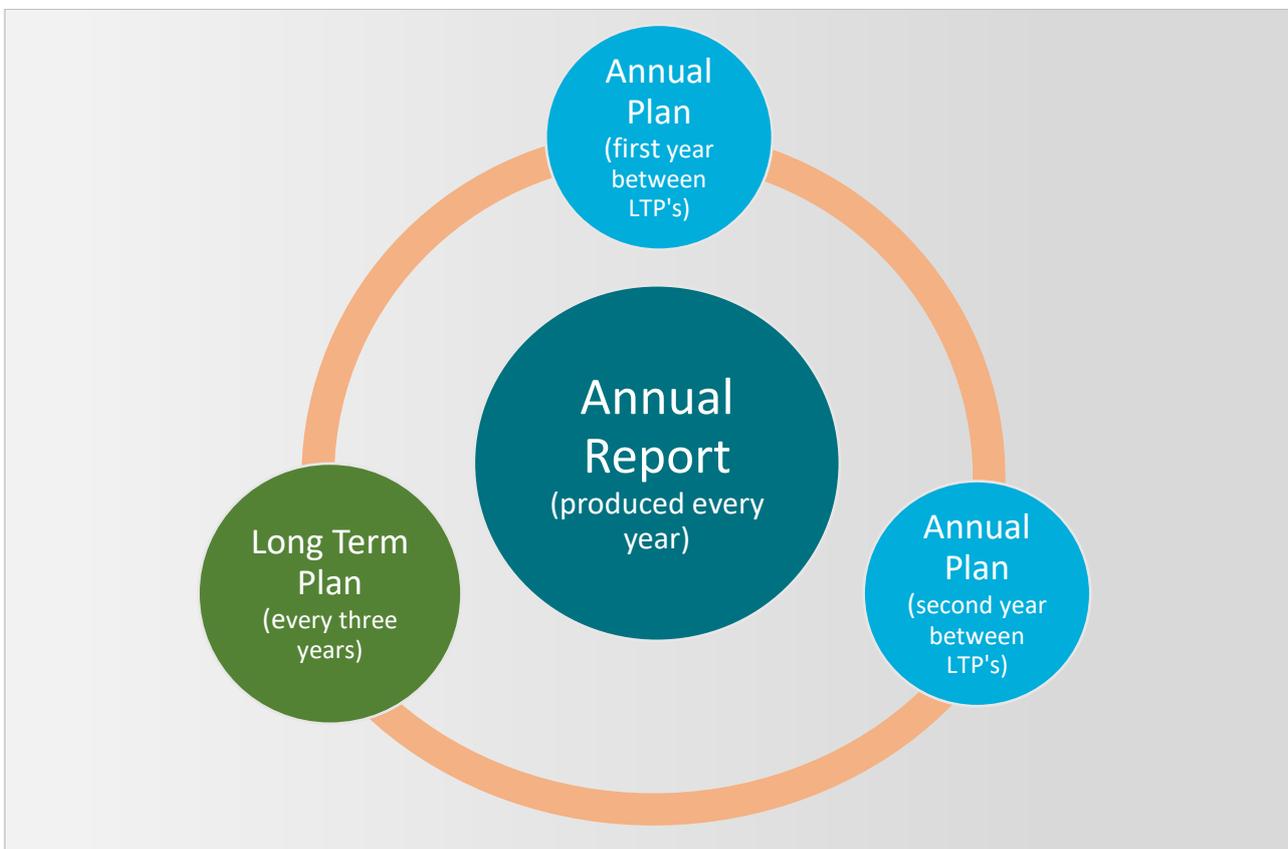
Section two summarises what Council has achieved in each activity group, including performance indicators.

### Section Three: Financial Information

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 achievements — the Mayor's message



Welcome to this Manawatū District Council Annual Report 2018/19. This document provides a detailed review of the year, including the Council's performance against the budgets, project goals, and

performance measures set for 2018/19 in the Long Term Plan 2018-28.

With our strong rural communities and thriving country town, our district is in great shape and we're proud to play our part in this vibrant place.

There are three key elements that make Manawatū successful - the people, the services and the facilities.

We have the volunteers who make up our 16 Community Committees doing great work with projects from the Apiti and Kimbolton Gateways, to village walkways, themed playground, village branding and welcome signage.

We welcomed 66 residents sworn in as New Zealand citizens who have chosen to call Manawatū home, and we have five people who received a community honour for their work in the community, and we assisted 44 talented people through grants to pursue their dreams in their chosen fields.

Our young people participated in the first Council supported CACTUS Youth programme, where 35 young people undertook a challenging 8-week programme to boost their confidence and motivation. Our Youth Ambassadors have also been busy, organising the popular Young Achievers Awards, the Colour Run event, and supporting Whanau Day.

Our people continue to enjoy the Makino Aquatic Centre and Library in the many programmes on offer for fitness and leisure from swimming lessons, learning new skills to community activities.

Much less visible are the things that many people simply use, and often expect that they will be there.

One of Council's core roles, and arguably most expensive, is looking after and creating the Districts' infrastructure that our communities need and expect - the roads and bridges we drive on, the water we drink and what happens when a toilet is flushed.

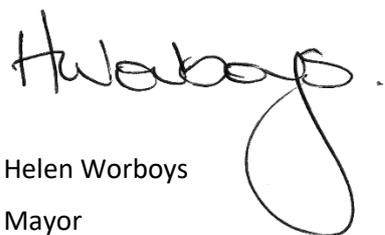
Feilding's new wastewater system is now irrigating treated wastewater onto Council owned farmland. This means that for the first time in 60 years, treated wastewater is no longer being continuously discharged into the Oroua River, significantly improving the river's health.

We're also improving our resilience to weather events. This has meant a new bridge in the Pohangina Valley, repair of the Nannestads Line bridge, the rollout of community response plans and a number of Civil Defence exercises involving all our partner agencies.

The Safer Journeys for Schools programme has seen the speed limits changed and electronic signage installed around the Hiwinui School and pedestrian thresholds being installed at Feilding High School, with safety measures ready for implementation at several other schools.

We've also been working on our customer service. Moving our building and resource consent processes online has made life easier for applicants, we've been improving our Te Reo and our customer contact team ranked second out of 78 councils for their customer service.

We have had a strong year, thank you to the people of the Manawatū District for your contribution to local government and for your contribution to all the organisations that make up our vibrant district community.

A handwritten signature in black ink that reads "Helen Worboys". The signature is written in a cursive style with a large, looping flourish at the end.

Helen Worboys  
Mayor

## Our Performance – the Chief Executive’s report

Kia Ora All

Engagement, service and delivery has been the focus for the Manawatū District Council team this year. Our team consists of councillors, staff and contractors all working together to deliver excellent service for the District.

We have engaged with our community to:

- create a new Community Development strategy,
- envisage what the future of our Town Centre could be,
- consider priority areas for earthquake prone buildings,
- update our by-laws.

We are very grateful to all the members of the public who contributed their thoughts, opinions and ideas as part of these engagements, ensuring that what we are doing and the decisions made take into account the views of the community.

Our regulatory team dealt with over 700 building consents, conducted more than 8,500 building inspections and processed over 350 varied resource consents.

Our Customer Contact Centre has dealt with at least 44,000 phone calls, processed over 7,000 dog registrations, raised over 6,000 action requests for council staff, delivered over 800 rates rebates.

The Makino Aquatic Centre delivered over 20,000 learn-to-swim lessons, and over 7,500 people participated in our aquatic fitness programmes, all the while keeping 1.8 million litres of water clean and safe.

Meanwhile over 10,000, out of over 50,000 items, are checked out of the Library at any given time. That’s not counting the more than 125,000 digital items ranging from e-books to digital magazines, video documentaries and digital newspapers (available in 66 languages). It is easy to see why nearly 1,000 new members joined the Library.

Our most significant project delivery has been the commissioning of our new wastewater treatment system at Feilding. In future years we will build on this delivery by centralising rural village wastewater treatment at our Feilding plant, which will remove treated wastewater from over 65 km of streams.

Council has also delivered numerous park improvements, upgrades for the stormwater system and has built a new water system for Sanson.

While we have delivered on many projects, our capital spend target was not achieved due to factors such as unfavourable weather and unbudgeted emergency works (storm repairs), availability of designers and construction contractors, delays in land purchases and receiving resource consents.

I would like to thank all the members of team MDC for all their hard work this year. Their dedication and effort is the key to our continued delivery for customers and ratepayers.

Nāku noa, nā,



Dr Richard Templer  
Chief Executive

# Manawatū - Our District at a glance

## OUR PEOPLE

(Some people may identify as more than one ethnicity)

|          |              |          |
|----------|--------------|----------|
| European | <b>91.9%</b> | NZ 71.7% |
| Maori    | <b>16.8%</b> | NZ 16.2% |
| Pacific  | <b>2%</b>    | NZ 9.1%  |
| Asian    | <b>4.5%</b>  | NZ 16.4% |



## ECONOMIC NUMBERS



Annual Household Income  
**\$88,600** NZ average \$104,400

### Employment

|          |              |          |
|----------|--------------|----------|
| District | <b>96%</b>   | NZ 95.4% |
| Maori    | <b>92.7%</b> | NZ 90.1% |

## VISITORS TO OUR FACILITIES

### Library

|                      |             |
|----------------------|-------------|
| Visitors             | <b>↓5%</b>  |
| Programmes           | <b>↑17%</b> |
| Programme Attendance | <b>↑24%</b> |

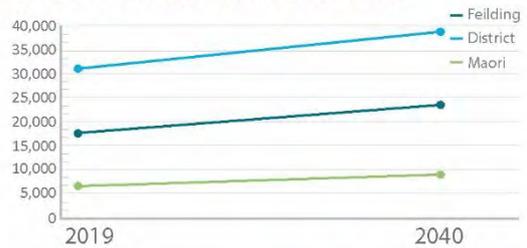


### Makino

|            |                |
|------------|----------------|
| Visitors   | <b>132,967</b> |
| Programmes | <b>↑20%</b>    |



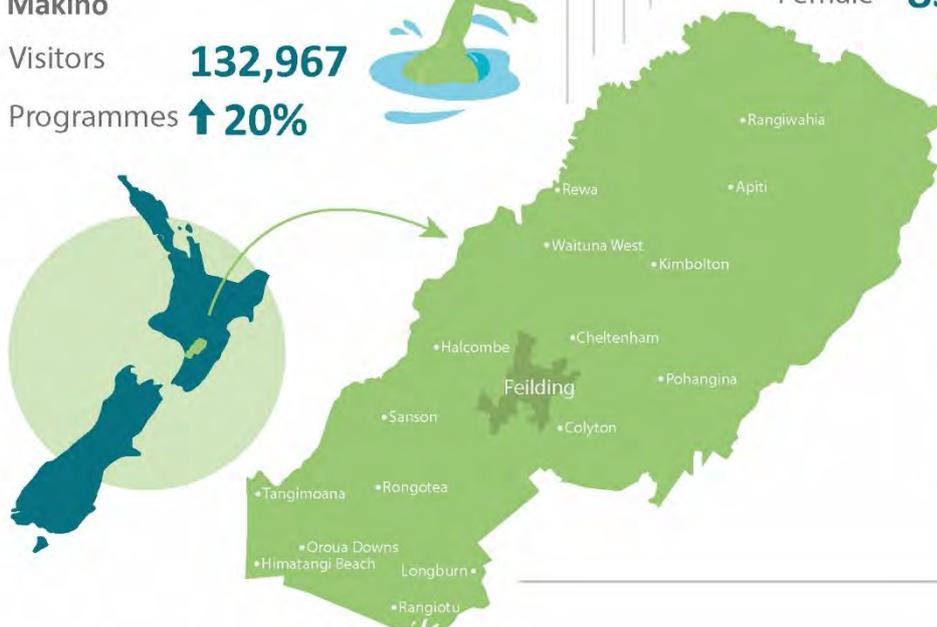
## POPULATION INCREASE



Feilding **↑30%** District **↑23%** Maori **↑79%**  
 (2040)

## LIFE EXPECTANCY

|        |             |         |
|--------|-------------|---------|
| Male   | <b>83.2</b> | NZ 79.6 |
| Female | <b>83.4</b> | NZ 79.5 |



Total Population

**30,300**

Area

**2,624km<sup>2</sup>**

Feilding

**55%**

Rural

**45%**

## Our District

Stretching from the rugged and picturesque Ruahine Ranges in the north to the sands of Himatangi Beach in the south, and most of the area between the Rangitikei River in the west and Manawatū River in the east, the Manawatū District is called home by approximately 30,300<sup>1</sup> people.

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

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

The future looks bright. The ASB quarterly regional scoreboard reports that the Manawatū District

economy, alongside the wider Manawatū-Whanganui regional economy, is outperforming much of New Zealand.

This strong economic performance is being driven by strong global demand for local goods, solid commodity prices, unprecedented levels of central government investment, tourism sector growth, strong growth in jobs and population, and low levels of unemployment.

Looking forward, our agricultural sector will continue to support this strong economic performance with the ASB quarterly regional scoreboard forecasting that the ‘healthy agricultural outlook will translate into healthy results’ for the remainder of 2019. Central Government investment in regional economic development and confirmed Central and Local Government investment in infrastructure will provide additional stimulus to the local economy through 2019 and beyond.

## Your Council – who are we?

**Manawatū District Mayor**

Helen Worboys

Alison Short

Steve Bielski

Michael Ford (Deputy Mayor)

Hilary Humphrey

Phil Marsh

Andrew Quarrie

Howard Voss

Barbara Cameron

Shane Casey

Stuart Campbell

**Northern Manawatū Rural Ward**  
2 Elected Members

**Southern Manawatū Rural Ward**  
3 Elected Members

**Feilding Ward**  
5 Elected Members

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

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

### Village vision

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

### Rural Vision

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

### Feilding vision

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

## Council outcomes

**ENVIRONMENT** - Manawatū District protects the natural environment through stewardship of the District's natural and physical resources

**ATTRACT and RETAIN RESIDENTS** - Manawatū District attracts and retain residents and businesses

**FOCUSSED and EFFICIENT** - Manawatū District Council is a customer-focussed and efficient organisation

**BROAD ECONOMIC BASE** - Manawatū District develops a broad economic base from its solid foundation in the primary sector

**QUALITY INFRASTRUCTURE** - Manawatū District is connected via quality infrastructure, services and technology

**SAFE BUILT ENVIRONMENT** - Manawatū District's built environment is safe, resilient and attractive

## Around our activities

### Our People



With our strong rural communities and thriving country town, our district is in great shape, and this is due to the people who make up our communities. We welcomed 66 new citizens to Manawatū through our Citizenship Ceremonies, awarded five Community Honours, helped 44 of our talented sportspeople pursue their goals and recognised 11 Representative Grant recipients who achieved top three placings. Funding was provided for many community lead projects from toilets and painting to events and the purchase of a defibrillator.

An increased focus on the youth of our District saw Council supporting the CACTUS Youth programme, where 36 young people undertook a challenging 8-week programme to boost their confidence and motivation. The Youth Ambassadors have also been busy, running the popular Young Achievers Awards, the Colour Run, and supporting Whanau Day.

### Community Facilities



Being active has been the focus of work in our parks and reserves by enabling the community to have greater connection to the Makino and Oroua rivers through the “Windows to the River” initiative. New pathways have been created and public toilets installed next to the playground in Timona park. Land was purchased and work begun on the Quail Avenue walkway connecting Mt Taylor with Feilding. The Library and Makino Pool continue to be popular and have been increasing the programmes available for the community. The Makino ran the very popular inaugural ‘Dogs in Toggs’ event which is set to become a permanent end of summer event.

### Water



Often taken for granted until there is too much, or too little, water is a key aspect of Council services. This year we began irrigating to land and have removed over 1,000,000,000 litres of treated wastewater from the Oroua River – that’s over 400,000 Olympic sized swimming pools. Work has begun on centralising wastewater from the villages to Feilding to further reduce flows into our rivers and reduce costs through fewer resource consents.

The majority of the Sanson Water supply construction is complete, the Himatangi Beach Reservoir was commissioned and construction begun on a new reservoir for Feilding as part of the Water Supply Strategy. Stage two of the growth works for the provision of water to the planned new homes in Feilding’s Growth Precinct was completed.

Large diameter stormwater pipes have been installed in Feilding’s Growth Precinct, and work completed to upgrade other parts of the stormwater system that are under pressure due to continued growth.

### Roads



Managing a network of 1,370km of roads, and 373 bridges is always a challenge. Road reinstatement following storms and routine renewals of 49km of road dominated the program along with safety improvements including working on the Safer School project with Hiwinui School. More projects are being prepared for other schools in the district. Work has been progressing with design for the replacement Mangaweka Bridge.

## Financial overview

### WHERE DID COUNCIL GET MONEY?



**\$22.79m**  
Targeted rates



**\$11.36m**  
General Rates

**\$6.47m**

Fees and Charges



**\$8.11m**

Subsidies and grants  
(primarily NZTA)



**\$3.26m**

Sundry income



**\$0.33m**

Interest  
and Dividends



**\$0.37m**

Vested assets



**\$1.54m**

Development and capital  
contributions



Total Revenue

**\$54.49m**

**\$0.28m**

Rates Penalties



**(\$0.02m)**

Gains/(losses)



### HOW DID COUNCIL SPEND MONEY?

#### Key

- Operating expenditure
- Capital expenditure



**\$9.67m**

**\$2.48m**

Community Facilities



**\$15m**

**\$8.06m**

Roding Network



**\$7.66m**

**\$4.52m**

Wastewater



**\$5.49m**

**\$0.01m**

Regulatory



**\$3.63m**

**\$0.40m**

Solid Waste



**\$2.65m**

**\$0m**

District  
Development



**\$4.03m**

**\$1.63m**

Water Supply



**\$2.97m**

**\$0.56m**

Other  
Costs primarily associated  
with shared services



**\$2m**

**\$0m**

Governance  
and Strategy



**\$1.35m**

**\$1.45m**

Stormwater



**\$0.25m**

**\$0.03m**

Emergency  
Management

Total Expenditure

**\$54.70m**

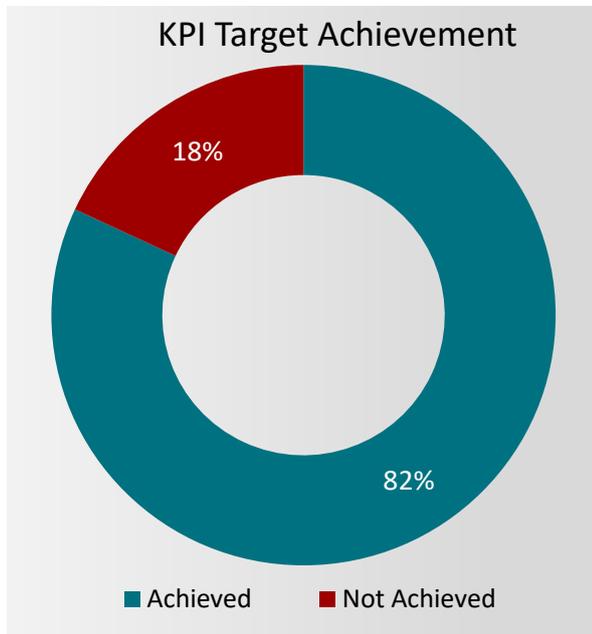
Operating  
expenditure

**\$19.14m**

Capital  
expenditure

## Performance overview

To assess how well Council is delivering services to the community, Key Performance Indicators (KPIs) are included in Long Term and Annual Plans. For the 2018/19 year, Council is reporting against 72 KPIs, which are detailed in Section Two of this report.



Council has achieved the majority (82%) of the KPIs. In the previous years it was 74% (2017/18) and 63% in (2016/17) which shows a year on year improvement, noting that some measures were revised in the 2018-28 LTP.

This shows a continuous improvement on previous years' results, and while it shows that there is still a shortfall, it confirms that Council is working to address these and achieve our desired performance.

We acknowledge that there were 13 instances where we did not achieve the target. In one instance the missed target due to an inconsistency in the interpretation of how waste water is tested, which is being appealed. The majority of the missed targets (5) were in the regulatory area where timeframes have not been met due to very high consenting and inspection (including re-inspections) that volumes have exceeded the capacity of the staff to process them.

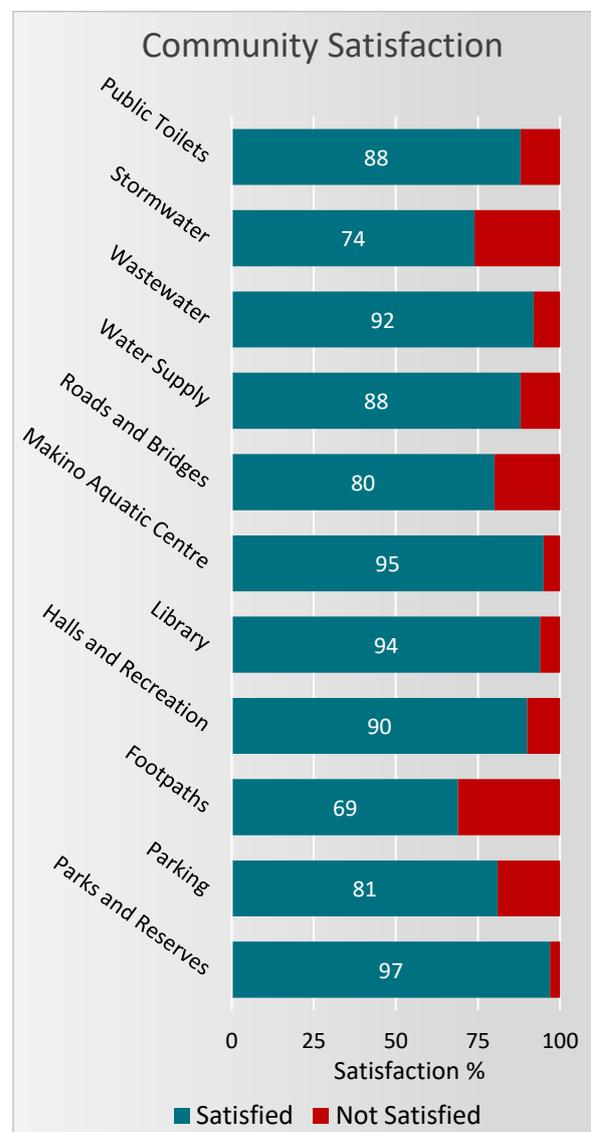
All KPIs are reviewed as part of the LTP process to ensure Council is providing the level of service the community wants.

## Community survey

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

The survey is based on the responses of 452 residents which meets the number required for statistical reliability.

The surveys looked at the satisfaction levels of Council services. All surveyed services received satisfaction levels between 57% (Community Development) and 97% (parks and reserves) from the community.



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

## Statement of Compliance and Responsibility

### Compliance

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

### Responsibility

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

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

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

In the opinion of the Council and management of Manawatū District Council, the annual Financial Statements for the year ended 30 June 2019 fairly reflect the financial position and operations of Manawatū District Council.



Dr Richard Templer  
Chief Executive

Date: 10 October 2019



Helen Worboys  
Mayor

Date: 10 October 2019

## Independent Auditor's Report

### To the readers of Manawatu District Council's annual report for the year ended 30 June 2019

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

We are also required to report on:

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

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

We completed our work on 10 October 2019. This is the date on which we give our report.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 71 to 124:
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2019;
    - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 69, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan;
- the statement of service provision on pages 16 to 67:
  - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2019, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and

- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 26, 33, 36, 39, 47, 53, 56, 59, 63 and 68, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s Long-term plan; and
- the funding impact statement for each group of activities on pages 26, 33, 36, 39, 47, 53, 56, 59, 63 and 68, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s Long-term plan.

## **Report on the disclosure requirements**

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 131 to 134, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

## **Basis for our opinion on the audited information**

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

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

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

## **Responsibilities of the Council for the audited information**

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

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

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

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

## Responsibilities of the auditor for the audited information

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

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

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

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

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

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

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

## **Other Information**

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 9, 14 to 15, 125 to 130 and 135 to 150 but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

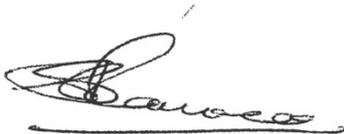
Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

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

## **Independence**

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

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



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

## Our Activities

The following pages provide details about what we have been doing in Manawatū and how we have performed for the 2018/19 year. We have continued to deliver 22 different services and facilities across the District, including...



### Drinking Water

taking away **stormwater**  
**sewerage**



### Animal Control

### Public Toilets



Enabling leisure your

**parks, reserves and playgrounds**  
**swimming pool**  
**library**



District Development

**Community Committees,**  
**Grants, Economic Development**



### Cemeteries



### Building Services



### Emergency Management

Providing

**kerbside rubbish**  
**and recycling**

**street lighting**  
**and footpaths**



Getting you places  
**your roads**

(1002km sealed and 372km unsealed, 1238km rural 136km urban)



## Section Two: Groups of Activities

### Contribution to Council outcomes

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:



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



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



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



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



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



Focused and efficient organisation – Manawatū District Council is a customer-focused and efficient organisation.

### Guide to Section Two: Groups of Activities

This section summarises results from the 2018/19 financial year for Council’s Groups of Activities. In 2018/19, Council provided various services organised into ten Groups of Activities.

The groups are:

- Community Facilities Page 16
- District Development Page 28
- Emergency Management Page 34
- Governance and Strategy Page 37
- Regulatory Page 40
- Roading Page 49
- Solid Waste Page 54
- Stormwater Page 57
- Wastewater Page 60
- Water Supply Page 64

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

### What has Council achieved in 2018/19?

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 2018/19 financial year. For comparison purposes, the first column contains actual data for 2018/19, the second column is the 2018/19 Annual Plan (year one of the Long Term Plan 2018-28) and the last column contains information from the Long Term Plan for 2017/18 financial year.

The Overall Funding Impact Statement on page 69 presents the actual financial results for the 2017/18 and 2018/19 financial years, compared against the annual plan budgets for those years.

### Performance Targets

For this section the results are indicated by:

Target met      Target not met

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

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

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

## Community Facilities

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:

- By managing, maintaining and planning for future improvements, where required, for the following cemeteries: Feilding, Kimbolton, Pohangina, Sandon, Halcombe, Rangiwahia, Rongotea and Waituna West
- By working with the community to meet changing demands and community needs

- By maintaining accurate burial and interment records
- Meeting the requirements of the Burial and Cremations Act 1964
- By ensuring that all cemeteries are maintained to a high standard

#### Overview

The capacity of the rural cemeteries has been expanded with the installation of additional beams at Waituna West and Kimbolton. Beautification work has been carried out at many of the cemeteries which has included removal of overgrown vegetation and major landscaping work at the Feilding cemetery.

### What has Council achieved in 2018/19?

| Level of Service: Satisfaction with the maintenance of our cemeteries |        |                |                |  |        |
|---|--------|----------------|----------------|--|--------|
| Performance Indicator and Target                                      | Target | Result 2017/18 | Result 2018-19 | Comments   | Result |
| Customers are satisfied with maintenance of cemeteries                | 90%    | 93%<br>Met     | 96%            | 452 residents were surveyed.<br>The survey results were:<br>49% very satisfied      3% somewhat dissatisfied<br>44% satisfied            1% very dissatisfied<br>3% somewhat satisfied<br>Source – Public perception surveys |        |

| Level of Service: Professional and timely interment services |        |                |                |          |        |
|--|--------|----------------|----------------|----------|--------|
| Performance Indicator and Target                             | Target | Result 2017/18 | Result 2018-19 | Comments | Result |
| Complaints about late or inadequate interment services       | 0      | 0<br>Met       | 0              |          |        |

## District libraries

### What we do:

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

### How we do it:

By providing at our main library:

- 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
- By supporting community libraries with content
- 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

### Overview

Manawatū District Libraries partnered with Feilding High School this year to give digital access to all students (over 1500 students). The students have access to Manawatū District Libraries' entire digital collection with a library version of their student ID.

We are particularly proud of our programmes and events this year and over-achieving the participation goal. This has been an area of focus over the last two years and our efforts have paid off. The community are increasingly recognising the library as a place to go to discover, create and learn.

We have connected with schools in our district to bring Makerspace programmes and resources to aid in the learning of our district's children.

We also conducted Manawatū District Libraries' first ever stocktake. Physically handling nearly 40,000 items that reside in the library at any one time of the approximate 55,000 total physical items.

An area of concern has been the behaviour of some customers that has required us to ask some to leave due to their behaviour.

## What has Council achieved in 2018/19?

| Level of Service: Access to a range of information |        |                 |                |  |   |
|--|--------|-----------------|----------------|--|---|
| Performance Indicator and Target                   | Target | Result 2017/18  | Result 2018-19 | Comments   | Result  |
| Number of issues per capita                        | 8      | 8.55<br>Not met | 8.01           | During the year 242,852 issues were made. The district population has increased to 30,300 (last year 28,500).<br><br>Last year 243,795 were made but the target was at least 12 issues per capita. The target included loans to community library but these were not included in the actual results. The target was reset in the 2018-28 Long Term Plan and now excludes these issues. |  |

Level of Service: Access to a range of information

| Performance Indicator and Target | Target | Result 2017/18 | Result 2018-19 | Comments  | Result  |
|----------------------------------|--------|----------------|----------------|---|---|
| Number of digital users          | 55,000 | 46,549<br>Met  | 55,012         | <p>A free digital service is provided by APNK (Aotearoa Peoples Network Kaharoa).</p> <p>The total included:</p> <ul style="list-style-type: none"> <li>• Computer reservations (internet) - 21,552</li> <li>• Personal devices Wi-Fi users - 30,621</li> <li>• Chrome book users - 1,110</li> <li>• Other users - 1,729</li> </ul> |  |

Level of Service: A range of activities and learning opportunities

| Performance Indicator and Target                                | Target                      | Result 2017/18                           | Result 2018-19                | Comments   | Result   |
|---|-----------------------------|--|-------------------------------|--|--|
| The number of events carried out and the number of participants | 920 events<br>13,800 people | 1,199 events<br>15,115 people<br>Not met | 1,419 events<br>19,232 people | Last year the target for the participants was 20,200. Participant numbers were purposely reduced to mitigate issues such as noise and availability of space. The target was reset in the 2018-28 Long Term Plan to address these issues. |  |



## Halls and recreational complexes

### What we do:

Provide management and financial support to community organisations in the management of community halls and recreational complexes.

### How we do it:

- Managing 17 Council-owned halls and five community-owned halls
- Working with and supporting hall and community committees across the District to deliver day-to-day hall services
- 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

### Overview

This year has seen a number for maintenance and repairs carried out at a number of halls around the district, including a replacement roof on Awahuri Hall, along with repairs to Halcombe and Rangiotu hall, and providing wheelchair access into the Kiwitea Hall.

Work has also commenced on the development of a Community Facilities Strategy. This strategy will guide Council on the long-term future and development of our Halls and Recreation Facilities.

### What has Council achieved in 2018/19?

| Level of Service: Halls and recreational complexes to be well used |        |                             |                  |   |   |
|--|--------|-----------------------------|------------------|---|---|
| Performance Indicator and Target                                   | Target | Result 2017/18              | Result 2018-19   | Comments  | Result  |
| Average annual use of each rural and community hall                | 26     | Unable to report<br>Not met | Unable to report | Council has 21 rural halls. The information to report against this measure is obtained from hall reports submitted by Hall Committees. As we have not received any hall reports it is not possible to report against this measure.<br><br>The measure specifically excludes the Feilding Little Theatre, Te Kawau Recreation Centre and the Feilding Civic Centre |  |



## Makino Aquatic Centre (MAC)

### What we do:

Provision of a safe, quality aquatic complex including indoor and outdoor swimming pools and swimming programmes for water education, play 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
- Splash Pad and learners pool

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

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

#### General Activities

- Providing 'Learn to Swim', water confidence, recreation programmes and activities for all levels of ability year round
- Providing a variety of quality programmes, experiences focusing on aqua fitness

- Providing supervised water play and swimming space all year round
- Hosting Makino Aquatic Challenges and community events
- Working with after-school and school holiday programme providers
- Providing the opportunity for pool and lane hire
- Providing individual swim coaching, training or learn to swim lessons
- Providing advice and services to community pool providers throughout the District
- Working with the District's schools to deliver 'Water Safety' programmes
- Working with local, regional and national swimming clubs
- Hosting local, regional and national water events

#### Overview

It has been another busy year at the Makino Aquatic Centre with a range of exciting events and programmes. This included our first ever 'Dogs in Toggs' event in partnership with Canine Friends Pet Therapy. The event was very popular; it supported a great charity and will become a regular event in our annual calendar.

We also achieved our annual 'Pool Safe' Accreditation from Recreation Aotearoa. This accreditation assess our ability to run and maintain a high quality, safe aquatic facility.



## What has Council achieved in 2018/19?

| Level of Service: Safe pools            |        |                |                |   |   |
|---|--------|----------------|----------------|---|---|
| Performance Indicator and Target        | Target | Result 2017/18 | Result 2018-19 | Comments  | Result  |
| Annual Pool Safe accreditation retained | 100%   | 100%<br>Met    | 100%           | The annual Pool Safe inspection was carried out on 12 <sup>th</sup> February 2019. Accreditation was renewed on 31 March 2019 and remains valid for one year. |  |

| Level of Service: A variety of water activities       |        |                |                |  |   |
|---|--------|----------------|----------------|--|---|
| Performance Indicator and Target                      | Target | Result 2017/18 | Result 2018-19 | Comments   | Result  |
| Number of people who participated in water activities | 50,000 | 66,145<br>Met  | 58,064         | <p>The following activities were run at the Makino Aquatic Centre during the year:</p> <ul style="list-style-type: none"> <li>• Swim lessons - 20,029</li> <li>• Swim squad – 2,115</li> <li>• Aqua fitness – 7,750</li> <li>• Schools/groups – 14,893</li> <li>• Canoe Polo – 3,426</li> <li>• Flippaball - 907</li> <li>• Clubs – 6,940</li> <li>• Programmes – 2,004</li> </ul> |  |

| Level of Service: Quality experiences                                |        |                |                |   |   |
|--|--------|----------------|----------------|---|---|
| Performance Indicator and Target                                     | Target | Result 2017/18 | Result 2018-19 | Comments  | Result  |
| Customers are satisfied overall with their experience at the complex | 90%    | 96%<br>Met     | 95%            | <p>452 residents were surveyed. The survey results were:</p> <p>52% very satisfied      3% somewhat dissatisfied<br/>           40% satisfied            2% very dissatisfied<br/>           3% somewhat satisfied</p> <p>Source – Public perception surveys</p> <p>Staff also carry out a customer satisfaction survey in February and March. 57 pool users were surveyed resulting in 93% satisfaction.</p> |  |

## Parks, reserves and sports grounds

### What we do:

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

### How we do it:

- Maintaining parks, reserves 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, reserves and sports grounds bookings, fees and charges and liaising with ground staff to ensure facilities are ready for use
- Fostering collaboration between sport and recreation groups to encourage high-use facilities and opportunities for cost efficiencies
- Working with Sport Manawatū and other local sport and recreation clubs and organisations to deliver programmes throughout the District to get ‘everyone active, everyday’
- Liaising with community committees and user groups of parks, reserves and sports grounds
- Planning and providing a walking and cycling network that links neighbourhoods, schools and community facilities

- Developing, promoting and following plans and strategies that guide the development and management of parks, reserves and sports grounds

### Overview

This year has seen the continuation of operational improvements to our Parks and Sports grounds. This has included the extension of the Makino Stream walkway from Manchester Street to the Makino Red Bridge and the creation of access points down to the water, enabling the community to have a greater connection with the Makino Stream.

Timona Park has been further developed with the installation of new public toilets next to the playground. The enhancement of the “Windows to the River” initiative in collaboration with Horizons Regional Council has improved the connection with the Oroua River. Further improvements include, the sealing of the roadway from Timona Park to Johnston Park and through to Awa Street entrance. Walkway linkages across Feilding have been improved including the walkway to the Waugh’s Road Bridge.

Land has been acquired for the construction of a walkway that connects Homelands Avenue with Quail Avenue. Work has begun on this project, however delays in commencing this project mean it will be completed in the new construction season 2019/20

## What has Council achieved in 2018/19?

| Level of Service: Satisfaction with our parks and sports grounds                           |        |                |                |  |   |
|--|--------|----------------|----------------|--|---|
| Performance Indicator and Target   | Target | Result 2017/18 | Result 2018-19 | Comments   | Result  |
| Customers satisfaction with their overall experience of parks, reserves and sports grounds | 90%    | 96%<br>Met     | 97%            | 452 residents were surveyed.<br>The survey results were:<br>35% very satisfied      2% somewhat dissatisfied<br>56% satisfied            1% very dissatisfied<br>6% somewhat satisfied<br>Source – Public perception surveys |  |

Level of Service: Satisfaction with our parks and sports grounds

| Performance Indicator and Target                | Target | Result 2017/18 | Result 2018-19 | Comments | Result  |
|---|--------|----------------|----------------|----------|---|
| Closures of parks, reserves and sports grounds. | <10    | 1<br>Met       | 0              |          |  |

Level of Service: Safe parks, reserves and sports grounds

| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018-19 | Comments | Result  |
|---|--------|----------------|----------------|----------|---|
| Reported health and safety incidents or injuries due to inadequate or poor maintenance in our parks, reserves and sports grounds. | 0      | 0<br>Met       | 0              |          |  |



## Property

### What we do:

Manage, support and administer the wide range of property portfolio assets and services.

### How we do it:

- Managing Council owned property through leasing and general day to day operational functions
- Carrying out renewal and building improvement programmes to ensure our property assets and facilities are well maintained, safe and meet quality standards
- Working with local groups to provide access to community property for a range of community uses
- Regularly reviewing the rationale of holding the property, to consider disposal or repurposing of Council property

- Planning for the future need of property by proposing and implementing development projects

### Overview

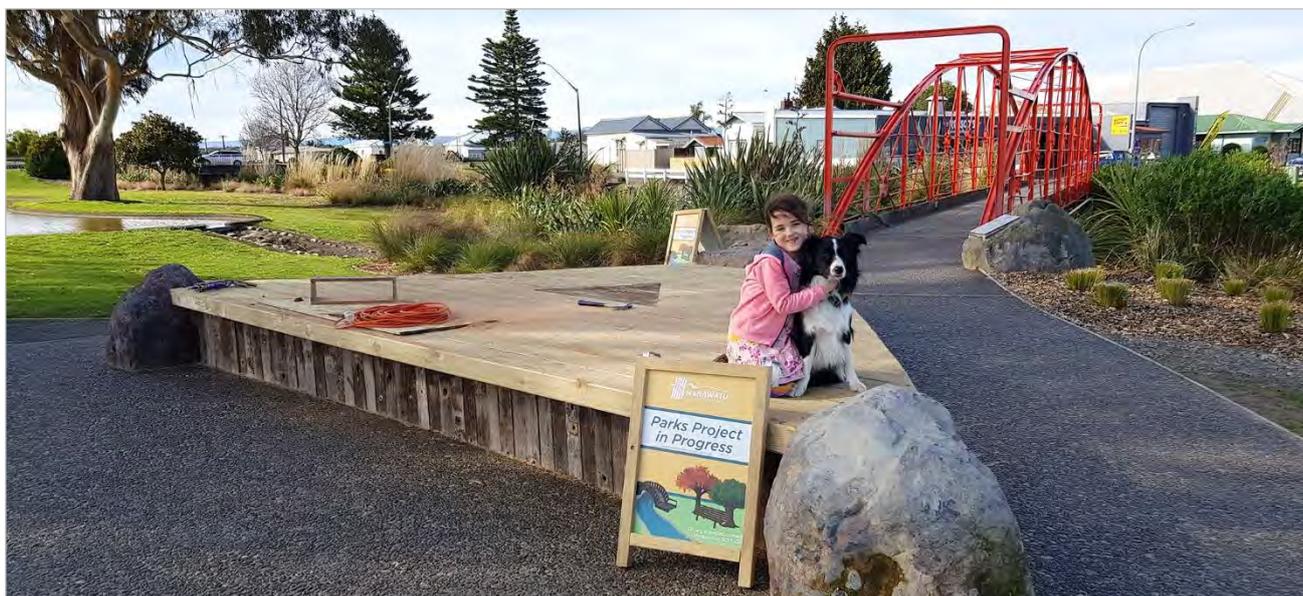
This year has seen a focus on the compliance of council properties with the installation of insulation in a number of buildings.

A number of facilities have had site specific asbestos testing and comprehensive condition assessments. These assessments will enable to better plan for the maintenance required in these facilities.

The old Sanson Library has been removed from the site to make way for the installation of a new playground and public toilet on State Highway 1

## What has Council achieved in 2018/19?

| What has Council achieved in 2018/19? Level of Service: Satisfaction with our property facilities |        |                |                |  |   |
|---|--------|----------------|----------------|--|---|
| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018-19 | Comments   | Result  |
| Surveyed customers are satisfied with their overall experience of property facilities             | 85%    | 93%<br>Met     | 95%            | 452 residents were surveyed.<br>The survey results were:<br>41% very satisfied      4% somewhat dissatisfied<br>48% satisfied            1% very dissatisfied<br>6% somewhat satisfied<br>Source – Public perception surveys |  |



## Public conveniences

### What we do:

Provide and maintain public conveniences.

### How we do it:

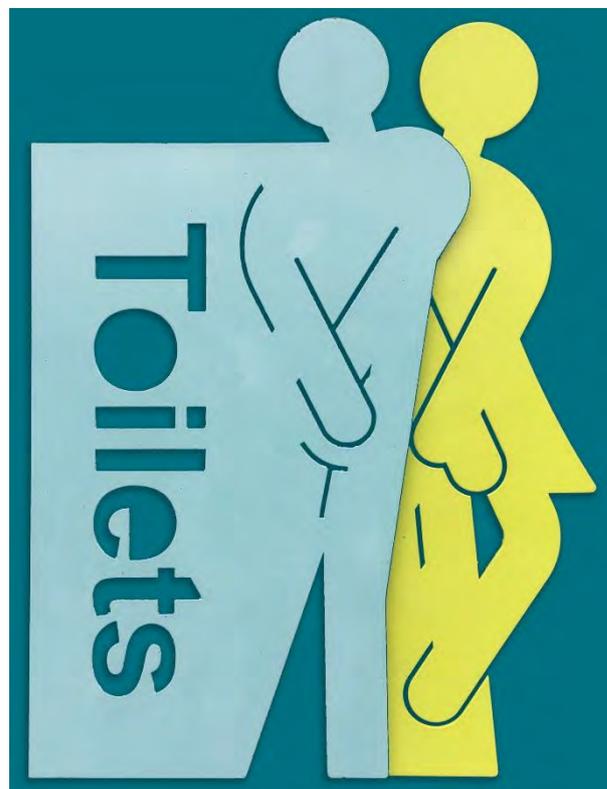
- By providing a network of public toilets in the following business precincts, sports grounds, reserves and tourist routes: Feilding Central Business District, Feilding Railway Station, Pohangina, Apiti, Halcombe, Himatangi Beach, Tangimoana, Rongotea, Sanson, Cheltenham, Kimbolton and Rangiwahia
- Planning to maintain facilities to ensure they are clean, accessible and fit for purpose.

### Overview

This year has seen the acquisition of land in Cheltenham for the provision of new Public toilet and a playground. This has been a collaborative process involving the Community Committee, Council and The Roman Catholic Bishop of the Diocese of Palmerston North.

New public conveniences have been installed on the former library site in Sanson and will replace

the existing toilets currently leased at the Sanson Hotel site.



## What has Council achieved in 2018/19?

| Level of Service: Satisfaction with public toilets  |        |                |                |   |        |
|---|--------|----------------|----------------|---|--------|
| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018-19 | Comments  | Result |
| Number of complaints received about inadequate maintenance and poor cleaning of our toilets | < 10   | 7<br>Met       | 5              | <p>The following complaints have been received during the year:</p> <ul style="list-style-type: none"> <li>• Soap dispenser not working at the Manchester Square toilets</li> <li>• Faulty tap at the Sanson toilets</li> <li>• Lack of cleaning – Raumai Reserve</li> <li>• Lack of cleaning – Cheltenham Hall toilet</li> <li>• Lack of cleaning – Apiti Hall</li> </ul> <p>All complaints were immediately rectified by the Council's contractor.</p> <p>Other complaints received were reactive, caused by users or vandalism, and did not relate to inadequate maintenance or poor cleaning.</p> |        |

**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2019**  
**Community Facilities**

|  | Actual<br>2019<br>\$000 | LTP<br>2019<br>\$000 | LTP<br>2018<br>\$000 |
|--|-------------------------|----------------------|----------------------|
| <b>Sources of operating funding</b>                            |                         |                      |                      |
| General rates, uniform annual general charge, rates            | 1,894                   | 1,885                | 610                  |
| Targeted rates   | 5,984                   | 5,954                | 6,006                |
| Subsidies and grants for operating purposes                    | 3                       | 4                    | 4                    |
| Fees and charges   | 1,160                   | 1,183                | 1,470                |
| Internal charges and overheads recovered                       | 0                       | 0                    | 0                    |
| Local authorities fuel tax, fines, infringement fees and other | 20                      | 30                   | 11                   |
| <b>Total operating funding</b>                                 | <b>9,060</b>            | <b>9,056</b>         | <b>8,101</b>         |
| <b>Applications of operating funding</b>                       |                         |                      |                      |
| Payments to staff and suppliers                                | 6,185                   | 6,213                | 4,916                |
| Finance costs  | 647                     | 803                  | 1,360                |
| Internal charges and overheads applied                         | 1,162                   | 1,531                | 1,186                |
| Other operating funding applications                           | 0                       | 0                    | 0                    |
| <b>Total applications of operating funding</b>                 | <b>7,994</b>            | <b>8,547</b>         | <b>7,462</b>         |
| <b>Surplus (deficit) of operating funding</b>                  | <b>1,066</b>            | <b>509</b>           | <b>639</b>           |
| <b>Sources of capital funding</b>                              |                         |                      |                      |
| Subsidies and grants for capital expenditure                   | 0                       | 0                    | 0                    |
| Development and financial contributions                        | 261                     | 319                  | 93                   |
| Increase (decrease) in debt                                    | 1,513                   | 2,180                | 2,201                |
| Gross proceeds from sale of assets                             | 0                       | 1,800                | 2,684                |
| Lump sum contributions   | 0                       | 0                    | 0                    |
| Other dedicated capital funding                                | 0                       | 0                    | 0                    |
| <b>Total sources of capital funding</b>                        | <b>1,775</b>            | <b>4,300</b>         | <b>4,978</b>         |
| <b>Application of capital funding</b>                          |                         |                      |                      |
| Capital expenditure  |                         |                      |                      |
| - to meet additional demand                                    | 284                     | 1,944                | 350                  |
| - to improve the level of service                              | 1,488                   | 2,812                | 2,138                |
| - to replace existing assets                                   | 708                     | 821                  | 660                  |
| Increase (decrease) in reserves                                | 361                     | (768)                | 2,469                |
| Increase (decrease) of investments                             | 0                       | 0                    | 0                    |
| <b>Total applications of capital funding</b>                   | <b>2,841</b>            | <b>4,809</b>         | <b>5,617</b>         |
| <b>Surplus (deficit) of capital funding</b>                    | <b>(1,066)</b>          | <b>(509)</b>         | <b>(639)</b>         |
| <b>Funding balance</b>   | <b>0</b>                | <b>0</b>             | <b>0</b>             |
| <b>Community Facilities Internal Borrowings</b>                |                         |                      |                      |
| Opening balance 1 July   | 12,356                  |                      |                      |
| Internal loans raised during the year                          | 1,672                   |                      |                      |
| Internal loans repaid during the year                          | (159)                   |                      |                      |
| Closing balance at 30 June                                     | <b>13,869</b>           |                      |                      |
| <b>Community Facilities External Borrowings</b>                |                         |                      |                      |
| Opening balance 1 July   | 1,873                   |                      |                      |
| External loans raised directly by activity during the year     | 0                       |                      |                      |
| Internal loans repaid directly by activity during the year     | 0                       |                      |                      |
| Closing balance at 30 June                                     | <b>1,873</b>            |                      |                      |

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

The finance cost above includes \$563k interest expense in relation to loans raised internally from Council's treasury and \$84k interest expense charged on external loan raised directly by Community Facilities group of activities, for the year ended 30 June 2019.

## District Development

This group of activities relates to the outcomes:



### Community Funding and Development

#### What we do:

Provide funding and support for community organisations and individuals, as well as community development initiative at a grassroots level.

#### How we do it:

- Supporting and fostering investment in the District and Region
- Working with and funding external agencies to develop, improve and promote the local economy
- Working in partnership with Palmerston North City Council and our neighbouring Councils to develop improve and promote the region's economy
- Supporting and promoting community and economic development at grassroots level
- Administer Council Controlled Organisations and Community Organisations for delivery of community and economic development services
- Support identified village community planning projects for implementation
- Administering grants, loans, economic development agency funding, community committee funding, creative communities funding and various trust funds
- Linking actions to policies and strategies that guide economic and community development
- Moving towards outcome based key performance indicator measures for those organisations, social and community groups we fund that are consistent with Council's Vision
- Providing a friendly and supportive environment for local businesses to prosper..

#### Overview

Council considered 25 Community Development Funding applications, 44 Representative Fund

applications and 32 Regional Event Fund applications that included seven Major Regional Events that met the funding policies criteria. A further 11 applications were also considered by the Manawatū District Creative Communities Assessment Committee. Council continued supporting 12 organisations through the Partnership Fund to deliver on specific services for Manawatū District residents (full list of all funding recipients contained in Section 4 of this report).

Council for the first time formally acknowledged 11 Representative Fund recipients who received top three placings at a combined function with the 2018 Community Honours held in September 2018.

Projects that were either started or completed through the community planning programme included a sculpture at the entrance of the Himatangi Beach Village, car parking and improved entrance at the Pohangina Domain, continuation of the development of the Waitohi Walkway in Rongotea, new concrete pad at the Rongotea Playground and the Reids Line East and Watershed Road walkway in Hiwinui to allow for a safer passage of children walking to and from Hiwinui School.

A number of projects were funded through the Community Committee project fund, including new signage in Apiti, Hiwinui and Kimbolton, painting of the Apiti Museum and Apiti Hall toilets, a mural painted on the Colyton Hall, community events which included Apiti Bike Ride, ANZAC Day, official opening of Kimbolton Road beautification, new plaques for the Cheltenham Memorial Wall, installation of community barbeques at Himatangi Beach, Kimbolton Road beautification including plants, community noticeboard and lighting and the purchase of a community defibrillator located at County Fayre in Pohangina.

The Kiwitea Community Committee was formed during the year bringing the total number of active community committees to 16.

## What has Council achieved in 2018/19?

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

| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018-19 | Comments  | Result  |
|---|--------|----------------|----------------|---|---|
| Council is satisfied that the outcomes set in the community development policy are being delivered by funded organisations or individuals | 100%   | 100%<br>Met    | 100%           | <p>Council received the 2017/18 Accountability Reports from the 13 organisations who currently have contracts of service through the Partnership Fund. All organisations had met their obligations under their respective contracts.</p> <p>During the year 19 recipients of a representative grants reported to Council.</p> <p>Council continues to receive monthly meeting minutes from the Community Committees and Manawatū Youth Ambassadors.</p> |  |

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

| Performance Indicator and Target                               | Target | Result 2017/18 | Result 2018-19 | Comments  | Result  |
|--|--------|----------------|----------------|---|---|
| Resident satisfaction rating increases 2% on the previous year | 57%    | 55%<br>Not met | 57%            | <p>452 residents were surveyed.</p> <p>The survey results were:</p> <p>11% very satisfied    23% somewhat dissatisfied<br/>34% satisfied        20% very dissatisfied<br/>12% somewhat satisfied</p> <p>Source – Public perception surveys</p> <p>The question asked in the survey was about satisfaction with the community development services provided to the community.</p> <p>Anecdotal comments received are that organisations are dissatisfied with the level of funding available, rather than the services provided.</p> |  |

## Economic Development

### What we do:

Maximising our key attributes of land, infrastructure and location, through our actions we will build up the District's economic capacity, improve our economic future and increase quality of life for all.

### How we do it:

- Providing regulatory and economic information and support to assist residents and businesses in the district.
- Providing sufficient land, infrastructure and servicing and suitable zoning to support the expansion of economic activity and well-being in the District
- Providing social infrastructure to support the education and general well-being of the community
- Both promoting and providing funding for the promotion of the Manawatū District as a great place to live and do business
- Funding our Central Economic Development Agency (CEDA), Building Clever Companies and Spearhead to undertake business support programmes, including services to support innovation and entrepreneurial activity, and Māori enterprise
- Working in regional and national partners to optimise collective opportunities for economic growth, including access to funding for programmes i.e. Accelerate25
- Supporting the implementation of initiatives through the dedicated Council Economic Development focus Group
- Supporting and funding actions to increase access to new markets and expanded opportunities for growth and job creation
- Advocating for and contributing to efforts to improve pathways to employment for youth and workers, enhancing the prosperity of residents and the provision of skilled staff to support expansion of local industry

- Supporting CEDA to undertake labour market analysis and the establishment of a targeted labour market strategy to match skills development with skills demand in the Manawatū region
- Providing security services to businesses in the CBD

### Overview

The value of the Manawatū District economy grew by 3.3 per cent to reach \$997m to the year ended March 2019. This strong economic performance is driven by population growth, high levels of employment and consumer spending, unprecedented investment and favourable export returns to our agriculture and manufacturing sectors.

While economic conditions are strong, there are aspects of the economy that require additional focus. Firstly, alongside strong growth in jobs unemployment levels have increased as more people enter the workforce. CEDA and Talent Central are working closely with the Ministry of Social Development to develop pathways for matching skills supply with labour demand. Secondly, strong population growth and rising housing costs have led to more families requiring emergency and social housing.

The Manawatū District Council are working with community groups to consider actions to address this growing problem. Thirdly, there are opportunities to support development of lower socio economic groups to grow prosperity across the District. The Council plans to review the Economic Development Strategy starting late 2019 to consider opportunities for youth and Māori economic development.

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

## What has Council achieved in 2018/19?

| Level of Service: Relevant economic development services   |        |                |                |  |   |
|--|--------|----------------|----------------|--|---|
| Performance Indicator and Target   | Target | Result 2017/18 | Result 2018/19 | Comments   | Result  |
| Achievement of activated initiatives in the Economic Development Strategy Action Plan scheduled for completion this year | 100%   | n/a*           | 100%           | <p>Council has set two activated initiatives</p> <ul style="list-style-type: none"> <li>To provide a high quality environment and lifestyle opportunities to retain residents and businesses in the District</li> <li>To support decision making by providing accurate and timely regulatory and economic information to our community</li> </ul> <p>Council continues to invest in social and physical infrastructure to provide a high quality environment and lifestyle opportunities for our residents. The population is estimated to have increased at the national rate of growth of 1.9%. This is the highest rate of growth experienced across the Manawatū-Whanganui Region.</p> <p>The council publishes in-depth quarterly economic data and analysis to support local decision making. Regulatory services provide information to support both residential and commercial investment decisions.</p> <p>* This is a new measure this year.</p> |  |



Level of Service: Satisfaction with economic development services

| Performance Indicator and Target                                 | Target | Result 2017/18 | Result 2018/19 | Comments  | Result  |
|--|--------|----------------|----------------|---|---|
| CEDA's achievement of the targets set in the Statement of Intent | 80%    | n/a*           | 72%            | <p>The CEDA Statement of Intent for 2018/19 comprises four strategic outcomes, 15 service level statements and 25 performance measures.</p> <p>Performance measures results</p> <ul style="list-style-type: none"> <li>• 18 have been achieved</li> <li>• 4 not achieved or partially achieved</li> <li>• 3 have not been measured yet</li> </ul> <p>* This is a new measure this year.</p> |  |



**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2019**  
**District Development**

|  | Actual<br>2019<br>\$000 | LTP<br>2019<br>\$000 | LTP<br>2018<br>\$000 |
|--|-------------------------|----------------------|----------------------|
| <b>Sources of operating funding</b>                            |                         |                      |                      |
| General rates, uniform annual general charge, rates            | 2,763                   | 2,697                | 2,155                |
| Targeted rates   | 102                     | 103                  | 111                  |
| Subsidies and grants for operating purposes                    | 25                      | 25                   | 57                   |
| Fees and charges   | 0                       | 0                    | 0                    |
| Internal charges and overheads recovered                       | 0                       | 0                    | 0                    |
| Local authorities fuel tax, fines, infringement fees and other | 73                      | 84                   | 241                  |
| <b>Total operating funding</b>                                 | <b>2,963</b>            | <b>2,909</b>         | <b>2,564</b>         |
| <b>Applications of operating funding</b>                       |                         |                      |                      |
| Payments to staff and suppliers                                | 2,155                   | 2,687                | 2,053                |
| Finance costs  | 208                     | 275                  | 286                  |
| Internal charges and overheads applied                         | 289                     | 367                  | 391                  |
| Other operating funding applications                           | 0                       | 0                    | 0                    |
| <b>Total applications of operating funding</b>                 | <b>2,652</b>            | <b>3,329</b>         | <b>2,730</b>         |
| <b>Surplus (deficit) of operating funding</b>                  | <b>311</b>              | <b>(420)</b>         | <b>(166)</b>         |
| <b>Sources of capital funding</b>                              |                         |                      |                      |
| Subsidies and grants for capital expenditure                   | 0                       | 0                    | 0                    |
| Development and financial contributions                        | 0                       | 0                    | 0                    |
| Increase (decrease) in debt                                    | (174)                   | 1,051                | (35)                 |
| Gross proceeds from sale of assets                             | 0                       | 0                    | 0                    |
| Lump sum contributions   | 0                       | 0                    | 0                    |
| Other dedicated capital funding                                | 0                       | 0                    | 0                    |
| <b>Total sources of capital funding</b>                        | <b>(174)</b>            | <b>1,051</b>         | <b>(35)</b>          |
| <b>Application of capital funding</b>                          |                         |                      |                      |
| 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                                | 391                     | (134)                | 0                    |
| Increase (decrease) of investments                             | (254)                   | 764                  | (201)                |
| <b>Total applications of capital funding</b>                   | <b>137</b>              | <b>630</b>           | <b>(201)</b>         |
| <b>Surplus (deficit) of capital funding</b>                    | <b>(311)</b>            | <b>420</b>           | <b>166</b>           |
| <b>Funding balance</b>   | <b>0</b>                | <b>0</b>             | <b>0</b>             |
| <b>District Development Internal Borrowings</b>                |                         |                      |                      |
| Opening balance 1 July   | 4,414                   |                      |                      |
| Internal loans raised during the year                          | 0                       |                      |                      |
| Internal loans repaid during the year                          | (174)                   |                      |                      |
| Closing balance at 30 June                                     | <b>4,241</b>            |                      |                      |

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

The interest charged on internal borrowings for the year ended 30 June 2019 is disclosed above under finance costs.

## Emergency Management

This group of activities relates to the outcomes



### Civil Defence

#### What we do:

Provide coordination of response and recovery through a civil defence emergency event. We provide services and information to reduce risk, increase readiness, response and resilience.

#### How we do it:

- Increasing public awareness about disasters and educating communities about preparedness
- Fulfilling Council's statutory obligations under the Civil Defence Emergency Act 2002, including responding to emergencies, planning for and undertaking, coordinating and promoting recovery as required post disaster, and monitoring and evaluating
- Fulfilling the public's expectation that Council will, in conjunction with other emergency service providers including the Police, Fire and Ambulance services, provide leadership in the case of a natural or other disaster that necessitates a Civil Defence emergency response
- Working with our neighbouring territorial authorities
- Working with relevant community organisations to promote Civil Defence in neighbourhoods and the wider community
- Working with the Community Committees to generate points of contact within communities to help enable Civil Defence activities to happen
- By following the Manawatū-Wanganui Civil Defence Emergency Management Group Plan which focuses on:
  - risk reduction
  - identifying risk reduction initiatives
  - risk information exchange
  - risk reduction programming
  - flood plain mapping and modelling
- risk reduction programmes for business, communities and care facilities
- readiness, response and preparedness education
- information activity through marketing opportunities with the support of our national organisation.

#### Management and governance activities including:

- membership of and active participation in the Joint Civil Defence and Emergency Management Committee
- membership of and active participation in the Coordinating Executive Group
- coordination, membership and active participation in the Local Emergency Management Committee
- local Welfare Committee and Rural Coordination Group
- undertaking an Emergency Management and Civil Defence exercise programme
- implementation of an Emergency Management Service Agreement with Horizons Regional Council.

#### Overview

Emergency Operations Centre staff have completed training using the Integrated Training Framework, tabletop exercises and Emergency Management Information System training courses and participated in an annual local major exercise held in March 2019 at RNZAF Base Ohakea. While also hosting National level Civil Defence trainings at Manawatū District Council.

Council has been represented at key meetings including the Coordinating Executive Group, Joint Standing Committee, Welfare Coordination Group, Rural Coordination Group meetings and attended many Community Committee meetings throughout the year. Manawatū Civil Defence specific meetings such as Local Welfare Committee and Emergency Management Committee meetings have been administered throughout the year.

Civil Defence preparedness has been promoted in the community through presentations at Feilding Library and Feilding Farmers Market. To ensure our communities are aware of their hazard scape, are prepared and empowered to respond to and recover from an emergency, a new Community Response and Recovery Plan format and Community Activated Emergency Centre guide have been completed.

We continue to work with partner groups and have drafted MOU's with; Feilding and Himatangi Beach Community Patrols to supply volunteers to assist in emergency events; Fire and Emergency for use of

space in the Feilding Fire Station and with Horizons Regional Council for our local VHF to Digital radio system resilience upgrade.

A trailer based incident management response cache has been established for business continuity purposes to assist both at Emergency Operations Centre level and Civil Defence Centre level during large scale events. This is to ensure we can fulfil our legislative requirements to operate to our fullest extent, albeit at a reduced level during and after an emergency.

### What has Council achieved in 2018/19?

| Level of Service: The community is informed about civil defence         |        |                |                |  |   |
|---|--------|----------------|----------------|--|---|
| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018/19 | Comments   | Result  |
| Residents satisfaction to increase a minimum of 2% on the previous year | 79%    | 77%<br>Not met | 77%            | <p>Residents were asked about their satisfaction with the community preparedness for civil defence emergencies and the response to civil defence emergencies.</p> <p>452 residents were surveyed.</p> <p>The survey results for preparedness were:</p> <p>15% excellent                      8% somewhat poor<br/>47% good                              19% very poor<br/>11% somewhat good</p> <p>The survey results for responding to emergencies were:</p> <p>17% excellent                      8% somewhat poor<br/>54% good                              12% very poor<br/>9% somewhat good</p> <p>Source – Public perception surveys</p> <p>The two surveys were averaged to give the overall result.</p> <p>The survey results last year only related to the preparedness for civil emergencies.</p> |  |

**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2019**  
**Emergency Management**

|  | Actual<br>2019<br>\$000 | LTP<br>2019<br>\$000 | LTP<br>2018<br>\$000 |
|--|-------------------------|----------------------|----------------------|
| <b>Sources of operating funding</b>                            |                         |                      |                      |
| General rates, uniform annual general charge, rates            | 257                     | 258                  | 237                  |
| Targeted rates   | 0                       | 0                    | 192                  |
| 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 | 0                       | 0                    | 0                    |
| <b>Total operating funding</b>                                 | <b>257</b>              | <b>258</b>           | <b>429</b>           |
| <b>Applications of operating funding</b>                       |                         |                      |                      |
| Payments to staff and suppliers                                | 181                     | 194                  | 332                  |
| Finance costs  | 0                       | 0                    | 0                    |
| Internal charges and overheads applied                         | 70                      | 57                   | 89                   |
| Other operating funding applications                           | 0                       | 0                    | 0                    |
| <b>Total applications of operating funding</b>                 | <b>251</b>              | <b>251</b>           | <b>421</b>           |
| <b>Surplus (deficit) of operating funding</b>                  | <b>5</b>                | <b>7</b>             | <b>8</b>             |
| <b>Sources of capital funding</b>                              |                         |                      |                      |
| 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                    |
| <b>Total sources of capital funding</b>                        | <b>0</b>                | <b>0</b>             | <b>0</b>             |
| <b>Application of capital funding</b>                          |                         |                      |                      |
| Capital expenditure  |                         |                      |                      |
| - to meet additional demand                                    | 0                       | 0                    | 0                    |
| - to improve the level of service                              | 32                      | 45                   | 0                    |
| - to replace existing assets                                   | 0                       | 7                    | 8                    |
| Increase (decrease) in reserves                                | (26)                    | (45)                 | 0                    |
| Increase (decrease) of investments                             | 0                       | 0                    | 0                    |
| <b>Total applications of capital funding</b>                   | <b>5</b>                | <b>7</b>             | <b>8</b>             |
| <b>Surplus (deficit) of capital funding</b>                    | <b>(5)</b>              | <b>(7)</b>           | <b>(8)</b>           |
| <b>Funding balance</b>   | <b>0</b>                | <b>0</b>             | <b>0</b>             |

**Emergency Management 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:

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

### How we do it:

- Having an elected Council comprising of 1 Mayor and 10 Councillors. Councillors represent three wards: Feilding, Northern Manawatū Rural and Southern Manawatū Rural
- Providing the community with excellent governance and sound leadership
- Providing multiple opportunities for you to be involved in the important decisions that Council makes about the Manawatū District
- Having six standing committees and a joint standing committee with Palmerston North City Council
- Working with our community committees and Youth Ambassadors
- Working to promote the best interests of the District at Regional and Central Government levels
- Managing finances responsibly
- The Ngā Manu Tāiko Manawatū District Council consists of 12 representatives of Tangata Whenua and (3) appointed representatives of the Manawatū District Council. The Committee meets bi-monthly and serves to facilitate dialogue between the Manawatū District Council and Tangata Whenua on matters of interest to Māori
- Te Kaunihera Working Group reports to Ngā Manu Tāiko Manawatū District Council and has responsibility to build on the framework and to develop an action plan for the four outcomes identified in Ngā Manu Tāiko Manawatū District Council's submission to the Long Term Plan 2015-25, namely: Feilding Library,

Information Centre, town marketing of events and developing shared understandings between Iwi and the Manawatū District Council

- Focus groups and working parties are established from time to time to look at various issues

### Overview

One of the main activities for the year was undertaking the review of representation that is completed every six years. Feedback from pre-consultation with the community helped form the proposal that the Council formally consulted on. The final arrangements will come into effect for the October 2019 elections and will see five Councillors elected from each of two wards: a Feilding Ward covering the urban centre of the district, and a Rural Ward covering the rural parts of the district.

During the year a number of significant projects were completed including the Feilding Town Vision Project (phase one) and following extensive public engagement the draft Community Development Strategy is scheduled for adoption in September. The Annual Plan was adopted without needing public consultation, and the Easter Trading policy was developed which ultimately resulted in no change.

Work continues on the District Plan Changes, including notification of several aspects of the plan including Precinct 4, Boarding and Breeding Kennels, Outstanding Natural Features and Landscapes.

Earthquake Prone Building Priority Thoroughfares were adopted for Feilding and multiple bylaw reviews are underway.

Submissions made to central and local government agencies, including:

- July 2018 - (MfE) Zero Carbon Bill
- Aug 2018 - (MSD) Office for Seniors - Ageing Strategy
- Aug 2018 - (MoH) - Gambling Harm
- Oct 2018 - (MBIE) Healthy Homes
- Feb 2019 - (Productivity Commission) LG Funding and Financing Inquiry
- Mar 2019 - (Creative NZ) Strategic Direction

- Apr 2019 - (Horizons) Annual Plan 2019/20
- May 2019 - (LAPA) Proposal to Revoke Reserves Act Delegations

- May 2019 - (MSD) Better Later Life Strategy
- May 2019 - (Finance and Expenditure Committee) NZ Infrastructure Commission Bill

**What has Council achieved in 2018/19?**

| Level of Service: Responsible management of finance             |        |                |                |  |   |
|---|--------|----------------|----------------|--|---|
| Performance Indicator and Target                                | Target | Result 2017/18 | Result 2018/19 | Comments   | Result  |
| Breaches of rating or debt levels set in the Financial Strategy | 0      | 0<br>Met       | 1              | <p>The limit for rates increases for the year is 5.0% (excluding increases as a result of growth or new levels of service) with a planned 4.8% increase in year one of the 2018-28 Long Term Plan. Actual rates revenue (excluding water by meter and revenue increases resulting of growth) is 5.6% greater than last year. More rates revenue was received due to rating base increase between the time rates were calculated and then being set.</p> <p>The borrowing limit for the year is \$86 million, with \$77 million planned in the Annual Plan. Year-end borrowing is \$70 million.</p> |  |

| Level of Service: Opportunities for community involvement in decision-making.                               |        |                |                |  |   |
|---|--------|----------------|----------------|--|---|
| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018/19 | Comments   | Result  |
| Customer satisfaction with the opportunities Council provides for community involvement in decision-making. | 80%    | 59%<br>Not met | 69%            | <p>452 residents were surveyed.</p> <p>The survey results were:</p> <p>10% very satisfied      14% somewhat dissatisfied<br/>           45% satisfied            17% very dissatisfied<br/>           14% somewhat satisfied</p> <p>Source – Public perception surveys</p> |  |



**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2019**  
**Governance and Strategy**

|  | Actual<br>2019<br>\$000 | LTP<br>2019<br>\$000 | LTP<br>2018<br>\$000 |
|--|-------------------------|----------------------|----------------------|
| <b>Sources of operating funding</b>                            |                         |                      |                      |
| General rates, uniform annual general charge, rates            | 2,049                   | 2,060                | 0                    |
| Targeted rates   | 0                       | 0                    | 2,080                |
| 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 | 1                       | 0                    | 0                    |
| <b>Total operating funding</b>                                 | <b>2,050</b>            | <b>2,060</b>         | <b>2,080</b>         |
| <b>Applications of operating funding</b>                       |                         |                      |                      |
| Payments to staff and suppliers                                | 586                     | 657                  | 553                  |
| Finance costs  | 0                       | 0                    | 0                    |
| Internal charges and overheads applied                         | 1,412                   | 1,404                | 1,521                |
| Other operating funding applications                           | 0                       | 0                    | 0                    |
| <b>Total applications of operating funding</b>                 | <b>1,998</b>            | <b>2,060</b>         | <b>2,074</b>         |
| <b>Surplus (deficit) of operating funding</b>                  | <b>53</b>               | <b>0</b>             | <b>6</b>             |
| <b>Sources of capital funding</b>                              |                         |                      |                      |
| 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                    |
| <b>Total sources of capital funding</b>                        | <b>0</b>                | <b>0</b>             | <b>0</b>             |
| <b>Application of capital funding</b>                          |                         |                      |                      |
| 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                                | 52                      | 0                    | 6                    |
| Increase (decrease) of investments                             | 0                       | 0                    | 0                    |
| <b>Total applications of capital funding</b>                   | <b>52</b>               | <b>0</b>             | <b>6</b>             |
| <b>Surplus (deficit) of capital funding</b>                    | <b>(52)</b>             | <b>0</b>             | <b>(6)</b>           |
| <b>Funding balance</b>   | <b>0</b>                | <b>0</b>             | <b>0</b>             |

**Governance and Strategy - Internal Borrowings**

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

## Regulatory

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 , Council’s Dog Control Policy and Animal Control and Dog Bylaws
- Providing access to a 24 hour 7 day a week Animal Control Service for priority 1 call outs/responses
- Ensuring dogs are registered and controlled throughout the district
- Offering dog owners a “selected ownership” status
- Delivering dog education programmes
- Sponsoring obedience training certificates to the Feilding Dog Training Club
- Impounding nuisance, surrendered or unregistered animals or wandering stock 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

Due to active education and enforcement, less than 10 previously registered dogs remained unregistered at the end of the year.

The District has 11 dogs classified as menacing and no dogs classified as dangerous.

Compared to the previous year we have experienced a 13% increase in the number of responses to priority one call outs, and a 5% increase in the number of responses to priority 2 call outs.

### What has Council achieved in 2018/19?

| Level of Service: Timely response to requests for service  |        |                |                |   |        |
|--|--------|----------------|----------------|---|--------|
| Performance Indicator and Target   | Target | Result 2017/18 | Result 2018/19 | Comments  | Result |
| Urgent requests about a dog attack or wandering stock: responded to or the callers contacted within 15 minutes of receiving request (priority 1) | 90%    | 98.2%<br>Met   | 99.0%          | 191 urgent requests were received (last year 167 were received)     |        |
| Notification of a roaming dog; responded to or the caller contacted the next work business day of receiving request (priority 2)                 | 90%    | 99.6%<br>Met   | 99.6%          | 273 priority 2 requests were received (last year 259 were received) |        |

| Level of Service: Timely response to requests for service  |        |                |                |   |   |
|--|--------|----------------|----------------|---|---|
| Performance Indicator and Target   | Target | Result 2017/18 | Result 2018/19 | Comments  | Result  |
| Routine animal control issues; responded to or caller contacted the next business day of receiving notification (priority 3) | 90%    | 98.3%<br>Met   | 98.8%          | 841 priority 3 requests were received (last year 806 were received) |  |

## Building Control

### What we do:

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

### How we do it:

- Being an accredited Building Consent Authority
- Administering the Building Act 2004
- Responding to earthquake-prone, dangerous or insanitary buildings issues
- Responding to building related complaints and provide advice
- Committing to develop good working relationships with external stakeholders by facilitating key stakeholder meetings for the construction and development industry
- Ensuring buildings provide facilities for people with disabilities where required
- Monitoring swimming pool/spa fencing to protect from drowning
- Assisting in the development of policies for dangerous, affected 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 (printed copy)

- Making building consenting application services accessible and transparent via the GoShift online portal
- Having a building officer on duty during Council business hours to assist with building control advice for new or existing buildings, building consent application lodgements and pre-application meetings to provide clarification / interpretation of the Building Act and Building Code
- Administering the earthquake prone building legislation under the Building Act 2004.

### Overview

An International Accreditation New Zealand (IANZ) audit carried out in April 2019 found no serious non-compliances and identified nine general non-compliances that are being addressed. IANZ have classified Manawatū District Council as a low risk Building Consent Authority.

The 'Simpli' quality management system was implemented prior to the audit and performed well with the auditors making positive references to the system. ("Simpli" is the building consent authority initiative to address national consistency)

There has been an 11% increase in the number of building consent applications compared to the previous year.

A number of the building consent applications received are incomplete with 70% of Building Consent applications suspended pending further information, while approximately 50% of physical inspections fail requiring a re-inspection. This puts

additional pressure on resourcing especially when application numbers are increasing.

As a result, inspection timeframes have increased in the last quarter.

### What has Council achieved in 2018/19?

| Level of Service: A responsive building control service                                   |        |                |                |  |   |
|---|--------|----------------|----------------|--|---|
| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018/19 | Comments   | Result  |
| Responding to complaints relating the building control service within 10 working days     | 90%    | 96%<br>Met     | 90.7%          | There were 54 complaints received during the year (74 last year).  |    |
| Inspections can be booked within four days of the request                                 | 90%    | Met            | 66.7%          | The average waiting time for the first available inspection is was achieved for eight months of the year. Between March and June 2019 the booking time was between 4.5 to 7 working days (last year the average was 3.7 days).<br>The increased timeframe relates to: <ul style="list-style-type: none"> <li>• Increased number of inspections</li> <li>• Re-inspections are at 48%</li> <li>• Staff availability (contractors used where possible)</li> </ul> |    |
| Building consent applications are processed and approved within 20 workings days          | 95%    | 77%<br>Not met | 98.0%          | There were 714 building consent issued during the year (last year 664).<br>The target last year was 100%. The target was revised in the 2018-28 Long Term Plan.  |  |
| Code compliance certificates are processed within 20 working days                         | 95%    | 96%<br>Not met | 95.0%          | There are 704 code compliance certificates issued during the year (last year 751).<br>Last year the target for all code compliance certificates was 100% within 20 working days. The target was revised in the 2018-28 Long Term Plan.   |  |
| Fixed fee (small works) building consents are processed and approved with 10 working days | 95%    | 90%<br>Not met | 97.3%          | There were 339 fixed fee building consents received during the year (last year 339).<br>The statutory timeframe for processing building consents is 20 working days.<br>The target last year was 100%. The target was revised in the 2018-28 Long Term Plan.   |  |

| Level of Service: A responsive building control service   |        |                 |                |  |   |
|---|--------|-----------------|----------------|--|---|
| Performance Indicator and Target  | Target | Result 2017/18  | Result 2018/19 | Comments   | Result  |
| Code compliance certificates for fixed fee building consents are processed within 10 working days | 95%    | 96.2%<br>No met | 90.4%          | <p>There are 314 small works code compliance certificates issued during the year (last year 262).</p> <p>The statutory timeframe for issuing code compliance certificates is 20 working days. Council has imposed a shorter target for the fixed fee building consent.</p> <p>Last year the target for all code compliance certificates was 100% within 20 working days. The target was revised in the 2018-28 Long Term Plan.</p> |  |

| Level of Service: To monitor commercial and public buildings for compliance with the Building Warrant of Fitness |        |                |                |  |   |
|--|--------|----------------|----------------|--|---|
| Performance Indicator and Target   | Target | Result 2017/18 | Result 2018/19 | Comments   | Result  |
| District's commercial and public buildings that hold current compliance schedules that are audited.              | 5%     | 9%<br>Met      | 6.9%           | There are 424 buildings that hold a current compliance schedule (last year 385). |  |

## Compliance and Monitoring

### What we do:

Work to keep residents, visitors and the environment safe by monitoring, mitigating and minimising potential harmful activities. Process alcohol licences, food control plans and monitor licensed and registered 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 and special licences

- Collaborating with New Zealand Police, Mid Central Health and Fire and Emergency New Zealand (FENZ)
- Conducting annual inspections of registered health premises to ensure they comply with licence conditions
- Administering statutory obligations set by the Sale and Supply of Alcohol Act 2012.
- Register and audit premises that prepare and sell food
- Enforce legislation relating to hazardous substances and amusement devices
- Enforce bylaw provisions

- Monitoring and enforce compliance with land use and subdivision consent conditions
- Educate and provide advice to the public and businesses
- Providing a 24 hours, 7 day a week noise response service.

### Overview

There has been an increase in the volume of work attended for the Palmerston North City Council through the litter investigation contract.

Three successful prosecutions were conducted in the 2018/19 year for littering and non-compliance with the Building Act.

### What has Council achieved in 2018/19?

| Level of Service: Ensure a high standard of hygiene is maintained in food premises and other registered premises |        |                |                |   |   |
|--|--------|----------------|----------------|---|---|
| Performance Indicator and Target   | Target | Result 2017/18 | Result 2018/19 | Comments  | Result  |
| Food premises are inspected within stated timeframes   | 100%   | 100%           | 100%           | There are 128 registered food premises in the District (last year 158).<br><br>Some premises do not require inspections while other verification periods are annually or 18 months. There are 14 premises that are on national programmes or are mobile venues and are inspected by the Ministry for Primary Industry.<br><br>This measure includes all premises that were required to be inspected by Council during the 2018/19 year. |    |
| Health registered premises are inspected annually  | 100%   | n/a*           | 100%           | There are 41 health registered premises in the district.<br><br>* This is a new measure this year.  |  |

| Level of Service: A timely response to requests for service                       |        |                |                |  |   |
|---|--------|----------------|----------------|--|---|
| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018/19 | Comments   | Result  |
| Issues endangering public health are responded to within 24 hours of notification | 85%    | 100%           | 93.3%          | There were 75 complaints relating to food hygiene practices received (last year 10). |  |
| Urban noise complaints are responded to within one hour of notification           | 85%    | 93%            | 91.0%          | There were 434 urban noise complaints received (last year 570).                      |  |

### Level of Service: A timely response to requests for service

| Performance Indicator and Target   | Target | Result 2017/18 | Result 2018/19 | Comments  | Result  |
|--|--------|----------------|----------------|---|---|
| Other issues that are not endangering public health are responded to within 48 hours of notification | 85%    | 97%            | 96.7%          | There were 243 enquiries concerning issues that did not endanger public health (last year 432). |  |

### Level of Service: Monitor selected licensed premises selling alcohol for compliance with their license conditions

| Performance Indicator and Target     | Target | Result 2017/18 | Result 2018/19 | Comments   | Result  |
|--------------------------------------|--------|----------------|----------------|--|---|
| Licensed premises inspected annually | 95%    | 100%           | 100%           | There are 53 licensed premises in the district (last year 54). |  |

## District Planning and Policy

### What we do:

Provide planning resource consent guidance and consenting, to help ensure our natural and physical resources are sustainably managed.

### How we do it:

- Applying the District Plan and policies that reflect the direction given by Central Government and Horizons (Manawatū-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 building consents to ensure they meet the provisions of the District Plan
- Responding to Horizons (Manawatū-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 (printed 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

There has been a 15% increase in the number of resource consent applications compared to the previous year.

Applications are increasing in complexity and there are increasing enquiries in relation to the ongoing changes in the District Plan review process. This is putting additional pressure on resourcing and the ability to meet the statutory timeframes.

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

We are in the development and testing stage of introducing a new electronic resource consent application, processing and monitoring system.

The Te Ahu Tūranga - Manawatū Gorge Highway project team has progressed through the hearing held in April. The team are now planning for the processing of the enabling works consents.

#### What has Council achieved in 2018/19?

| Level of Service: A responsive district planning service   |        |                |                |  |   |
|--|--------|----------------|----------------|--|---|
| Performance Indicator and Target   | Target | Result 2017/18 | Result 2018/19 | Comments   | Result  |
| Notified and limited notified consents are processed within 70 working days                                  | 90%    | 100%<br>Met    | 100%           | <p>There was one application received for a notified or limited notified consent that required a hearing. No decision has been made on this consent and it is still within the required timeframe.</p> <p>Last year one application was notified on a limited basis and the hearing was held this year. The applicant waived the requirement to comply with the statutory timeframes.</p>                |    |
| Non-notified resource consents are processed within 20 working days  | 90%    | 89%<br>Not met | 77%            | <p>There were 310 non-notified resource consents processed (last year 243). 70 exceeded the required processing time due to:</p> <ul style="list-style-type: none"> <li>• No subdivision entitlements</li> <li>• Inundation</li> <li>• Poor quality applications</li> <li>• Consultation requirements</li> <li>• Non-complying activities in zone</li> <li>• Increased number of applications</li> </ul> |  |
| Notified and limited notified resource consents not requiring a hearing are processed within 50 working days | 90%    | 100%<br>Met    | 0%             | <p>There was one notified and limited notified resource consents received that did not require a hearing (last year two). This was processed in 65 working days</p>  |  |
| Controlled activities resource consents (excluding subdivisions) are processed within 10 working days        | 90%    | 15%<br>Not Met | 38%            | <p>There were 16 controlled activity resource consents processed. Six were processed within 10 days.</p> <p>Last year's measure included subdivisions resource consents.</p>   |  |

**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2019**  
**Regulatory Group**

|  | Actual<br>2019<br>\$000 | LTP<br>2019<br>\$000 | LTP<br>2018<br>\$000 |
|--|-------------------------|----------------------|----------------------|
| <b>Sources of operating funding</b>                            |                         |                      |                      |
| General rates, uniform annual general charge, rates            | 2,911                   | 2,909                | 587                  |
| Targeted rates   | 0                       | 0                    | 2,085                |
| Subsidies and grants for operating purposes                    | 0                       | 0                    | 0                    |
| Fees and charges   | 2,420                   | 2,063                | 1,554                |
| Internal charges and overheads recovered                       | 0                       | 0                    | 0                    |
| Local authorities fuel tax, fines, infringement fees and other | 78                      | 111                  | 24                   |
| <b>Total operating funding</b>                                 | <b>5,409</b>            | <b>5,082</b>         | <b>4,250</b>         |
| <b>Applications of operating funding</b>                       |                         |                      |                      |
| Payments to staff and suppliers                                | 2,455                   | 2,729                | 1,789                |
| Finance costs  | 0                       | 0                    | 0                    |
| Internal charges and overheads applied                         | 2,984                   | 2,672                | 2,298                |
| Other operating funding applications                           | 0                       | 0                    | 0                    |
| <b>Total applications of operating funding</b>                 | <b>5,439</b>            | <b>5,401</b>         | <b>4,087</b>         |
| <b>Surplus (deficit) of operating funding</b>                  | <b>(30)</b>             | <b>(319)</b>         | <b>163</b>           |
| <b>Sources of capital funding</b>                              |                         |                      |                      |
| 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                    |
| <b>Total sources of capital funding</b>                        | <b>0</b>                | <b>0</b>             | <b>0</b>             |
| <b>Application of capital funding</b>                          |                         |                      |                      |
| Capital expenditure  |                         |                      |                      |
| - to meet additional demand                                    | 0                       | 0                    | 0                    |
| - to improve the level of service                              | 10                      | 10                   | 0                    |
| - to replace existing assets                                   | 3                       | 3                    | 0                    |
| Increase (decrease) in reserves                                | (43)                    | (332)                | 163                  |
| Increase (decrease) of investments                             | 0                       | 0                    | 0                    |
| <b>Total applications of capital funding</b>                   | <b>(30)</b>             | <b>(319)</b>         | <b>163</b>           |
| <b>Surplus (deficit) of capital funding</b>                    | <b>30</b>               | <b>319</b>           | <b>(163)</b>         |
| <b>Funding balance</b>   | <b>0</b>                | <b>0</b>             | <b>0</b>             |

**Regulatory Group - Internal Borrowings**

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



## Roading

This group of activities relates to the outcomes



### What we do:

The maintenance and delivery of a roading network that provides suitable access to business, educational, social and recreational services for the District's residents and businesses.

Continuous improvement in District road safety. Connectivity of key strategic routes within and through the District. Land use planning that proactively responds to demographic change and the impacts of land use change. Encourage the uptake of walking and cycling as transport modes and for recreation. Provide an appropriate network of tourism routes.

### How we do it:

- Optimised maintenance programmes to improve the reliability and cost effectiveness of the road network
- Improving the resilience of the road network to reduce the magnitude and impact of natural hazard events
- Improve the road network to minimise the impacts of forestry harvest on the road network
- Improve the safety of the road network through installing upgrading or amending signage removing roadside hazards, improving sightlines, traffic calming in schools and other minor safety improvements
- Providing access to the residential and industrial growth areas in Feilding.

### Overview

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

- Concrete kerb and channelling to aid urban street drainage
- Stormwater sumps and chambers to manage the removal of surface water

- Small diameter culverts as part of land drainage
- Rural roadside drains as part of land drainage
- Structural retaining walls to support road pavements
- Advisory and safety signage to provide awareness to road users
- Safety lighting for night time driving
- Redevelopment of Feilding Central Business District

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

Reinstatement after the June and September 2018 storm events was completed at a cost of \$2 million, with routine maintenance works carried out at a cost of \$5.3 million. This year road renewals included resurfacing 49km of road, while 3.3km were reconstructed.

Road improvements totalling \$1.8m in value were completed, the projects were:

- Awahuri/Feilding Road opposite Kitchener Park
- Makino and Short Intersection
- Traffic Calming for Schools Programme
- Hiwinui footpath
- Rongotea/Aranui drainage improvements

Urban reconstruction totalling \$1.8 million was completed, for Port Street East Stage 1 and for Kimbolton Road (Kimbolton township).

Bridge strengthening, and resilience work totalling \$500,000 was completed for Mangamako Rd, Otaru Road and Beaconsfield. Other projects currently being developed include design work for the Mangaweka Bridge replacement and the Feilding to Bunnythorpe shared walking, and cycling path.

## What has Council achieved in 2018/19?

| Level of Service: Road users can get to where they need to go safely using our road network   |             |                    |                |   |   |
|---|-------------|--------------------|----------------|---|---|
| Performance Indicator and Target  | Target      | Result 2017/18     | Result 2018/19 | Comments  | Result  |
| The number of fatalities and serious injury crashes on the local road network is lower than the previous financial year, measured on a per capita basis | <<br>0.0007 | 0.00070<br>Not met | 0.00069        | <p>During the year, there were 3 fatal crashes and 18 serious crashes. This is 0.00069 crashes per capita, based on a population of 30,300.</p> <p>Last year there were 5 fatal crashes and 15 serious crashes. This is 0.00070 crashes per capita, based on a population of 28,500.</p> <p>Overall this is an increase of one crash from the prior year.</p> |  |

| Level of Service: Road to be in good condition                                 |        |                           |                |   |  |
|--|--------|---------------------------|----------------|---|--|
| Performance Indicator and Target   | Target | Result 2017/18            | Result 2018/19 | Comments  | Result   |
| The annual average for the Smooth Travel Exposure (STE) index on sealed roads. | 90%    | 94%<br>(All roads)<br>Met | 98%            | <p>The STE index for:</p> <ul style="list-style-type: none"> <li>urban roads – 93% (last year 91%)</li> <li>rural roads – 100% (last year 95%)</li> </ul> |  |

| Level of Service: The roading network to be well maintained               |        |                |                |  |   |
|---|--------|----------------|----------------|--|---|
| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018/19 | Comments   | Result  |
| Percentage of the sealed local road network that is resurfaced each year. | 5%     | 5.2%<br>Met    | 5.0%           | <p>Council maintain a sealed roading network of 998.4 km. This year 49.7 km have been resealed (last year 51.46 km).</p> <p>100% of the re-seal programme was completed this year.</p> |  |

| Level of Service: Well maintained footpaths            |        |                |                |   |   |
|--|--------|----------------|----------------|---|---|
| Performance Indicator and Target                       | Target | Result 2017/18 | Result 2018/19 | Comments  | Result  |
| District's footpaths that are within acceptable defect | 95%    | 99.5%<br>Met   | 99.7%          | Footpaths (by length) are rated as condition 1 – 5. Condition 5 is considered |  |

| Level of Service: Well maintained footpaths   |        |                |                |   |        |
|---|--------|----------------|----------------|---|--------|
| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018/19 | Comments  | Result |
| levels (condition rating 1-4) for example cracking, breaks, high lips, trip hazards). |        |                |                | <p>unacceptable as defects present trip hazards.</p> <p>condition 1 – excellent – 12.1% (last year 24.6%)</p> <p>condition 2 – good – 76.4% (last year 50.4%)</p> <p>condition 3 – satisfactory – 10.8% (last year 21.4%)</p> <p>condition 4 – poor (showing deterioration but not hazardous) – 0.6% (last year 3.1%)</p> <p>condition 5 – trip hazards exist– 0.1% (last year 0.1%)</p> <p>not rated – 0% (last year 0.4%)</p> |        |

| Level of Service: People can easily get to where they want to go                           |        |                |                |   |  |
|--|--------|----------------|----------------|---|--|
| Performance Indicator and Target   | Target | Result 2017/18 | Result 2018/19 | Comments  | Result   |
| Resident satisfaction that the network is easy to navigate and there was adequate signage. | 85%    | 92%<br>Met     | 91%            | <p>452 residents were surveyed.</p> <p>The survey results were:</p> <p>31% very satisfied      4% somewhat dissatisfied</p> <p>53% satisfied            5% very dissatisfied</p> <p>7% somewhat satisfied</p> <p>Source – Public perception surveys</p> |  |

| Level of Service: Timely response to requests for service  |        |                |                |  |   |
|--|--------|----------------|----------------|--|---|
| Performance Indicator and Target   | Target | Result 2017/18 | Result 2018/19 | Comments   | Result  |
| <p>Urgent requests will have service (Council Rooding Team member or contract personnel) on sites within three hours of the request being lodged with Council.</p> <p>If the problem cannot be remedied immediately the site will be made safe and remedial action</p> | 90%    | 74%<br>Not met | 93.9%          | <p>115 urgent requests for service were received (last year 98).</p> <p>Last year this was reported as into two targets;</p> <ul style="list-style-type: none"> <li>Responded to within one hour (100% achieved)</li> <li>Contractor personnel on site within one hour of receiving Council's notification (74% achieved)</li> </ul> |  |

Level of Service: Timely response to requests for service

| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018/19 | Comments   | Result  |
|---|--------|----------------|----------------|--|---|
| carried out as soon as is reasonably practicable.   |        |                |                | <p>Urgent roading call-outs include the following</p> <ul style="list-style-type: none"> <li>• Sealed and unsealed road failures affecting traffic safety and showing signs of rapid deterioration</li> <li>• Removal of offensive graffiti</li> <li>• Replacement and painting (where required) of defective or damaged barriers where traffic or public safety is seriously compromised</li> <li>• Pothole on arterial roads</li> <li>• Removal or offensive and dangerous litter and debris (e.g. dead animals, vomit, excrement, broken glass etc)</li> <li>• Unsealed roads that have subgrade exposure and slippery conditions, where road user safety is at risk</li> </ul> <p>All other roading and footpath requests for service are considered "non-urgent".</p> |   |
| Non-urgent request for service will result in the contractor including the repairs within the three month rolling programme, or as instructed by the Council's Roading Team | 90%    | 68%<br>Not met | 93.5%          | <p>978 non-urgent requests for service were received (last year 1,010).</p> <p>The measure last year was non-urgent requests to be responded to, acknowledged and resolved within five days of receipt.</p>  |  |



**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2019**  
**Roading Network**

|  | Actual<br>2019<br>\$000 | LTP<br>2019<br>\$000 | LTP<br>2018<br>\$000 |
|--|-------------------------|----------------------|----------------------|
| <b>Sources of operating funding</b>                            |                         |                      |                      |
| General rates, uniform annual general charge, rates            | 26                      | 26                   | 57                   |
| Targeted rates   | 6,450                   | 6,362                | 6,254                |
| Subsidies and grants for operating purposes                    | 3,798                   | 2,833                | 2,219                |
| Fees and charges   | 55                      | 68                   | 0                    |
| Internal charges and overheads recovered                       | 0                       | 0                    | 0                    |
| Local authorities fuel tax, fines, infringement fees and other | 224                     | 204                  | 190                  |
| <b>Total operating funding</b>                                 | <b>10,553</b>           | <b>9,493</b>         | <b>8,720</b>         |
| <b>Applications of operating funding</b>                       |                         |                      |                      |
| Payments to staff and suppliers                                | 7,006                   | 5,579                | 4,333                |
| Finance costs  | 174                     | 197                  | 201                  |
| Internal charges and overheads applied                         | (138)                   | (128)                | 455                  |
| Other operating funding applications                           | 0                       | 0                    | 0                    |
| <b>Total applications of operating funding</b>                 | <b>7,042</b>            | <b>5,649</b>         | <b>4,989</b>         |
| <b>Surplus (deficit) of operating funding</b>                  | <b>3,512</b>            | <b>3,844</b>         | <b>3,731</b>         |
| <b>Sources of capital funding</b>                              |                         |                      |                      |
| Subsidies and grants for capital expenditure                   | 4,041                   | 4,550                | 4,543                |
| Development and financial contributions                        | 381                     | 505                  | 135                  |
| Increase (decrease) in debt                                    | 1,333                   | 583                  | 474                  |
| Gross proceeds from sale of assets                             | 0                       | 0                    | 0                    |
| Lump sum contributions   | 0                       | 0                    | 0                    |
| Other dedicated capital funding                                | 0                       | 0                    | 0                    |
| <b>Total sources of capital funding</b>                        | <b>5,755</b>            | <b>5,638</b>         | <b>5,152</b>         |
| <b>Application of capital funding</b>                          |                         |                      |                      |
| Capital expenditure  |                         |                      |                      |
| - to meet additional demand                                    | 979                     | 872                  | 416                  |
| - to improve the level of service                              | 1,455                   | 1,560                | 2,080                |
| - to replace existing assets                                   | 5,622                   | 7,290                | 6,999                |
| Increase (decrease) in reserves                                | 1,211                   | (241)                | (612)                |
| Increase (decrease) of investments                             | 0                       | 0                    | 0                    |
| <b>Total applications of capital funding</b>                   | <b>9,267</b>            | <b>9,482</b>         | <b>8,883</b>         |
| <b>Surplus (deficit) of capital funding</b>                    | <b>(3,512)</b>          | <b>(3,844)</b>       | <b>(3,731)</b>       |
| <b>Funding balance</b>   | <b>0</b>                | <b>0</b>             | <b>0</b>             |
| <b>Roading Network - Internal Borrowings</b>                   |                         |                      |                      |
| Opening balance 1 July   | 3,519                   |                      |                      |
| Internal loans raised during the year                          | 1,455                   |                      |                      |
| Internal loans repaid during the year                          | (121)                   |                      |                      |
| Closing balance at 30 June                                     | <b>4,852</b>            |                      |                      |

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

The interest charged on internal borrowings for the year ended 30 June 2019 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:

- By providing weekly refuse bag collection service to urban and selected rural areas
- By providing kerbside recycling to Feilding residents and businesses
- By providing rural recycling facilities in selected villages
- By providing waste transfer stations
- By providing litterbin services
- By providing bulk rural refuse collection
- By removing fly-tipping
- By reviewing our Waste Minimisation Management Plan
- By 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
- By supporting the EnviroSchools and Maraebased waste minimisation and recycling programmes

- By delivering waste education programmes
- Inspecting solid waste collection points to ensure safety and avoid health risks
- Providing educational material to households, farmers, schools and businesses educating them of the benefits of diverting more waste from landfill through recycling

### Overview

Total waste volumes have increased by 16% on the previous year. This was largely due to more commercial waste being consolidated at Feilding Transfer Station.

Kerbside recycling tonnages collected was similar to the previous year (total collected 1,169 tonnes) and total recyclables collected was down by 4% over previous year (total collected 2,590 Tonnes).

Council has eight Mobile Recycling Centres that provide a low cost community recycling service for our rural communities (Tangimoana, Himatangi Beach, Halcombe, Rongotea, Sanson, Apiti, Kimbolton and Pohangina).

The Enviro Schools programme continues to prove to be popular with one additional school (Hiwinui) joining the program making a total of 11 participating schools. Waste Education NZ visited eight schools providing waste units to 944 students.

### What has Council achieved in 2018/19?

| Level of Service: Access to waste management services   |        |                |                |   |        |
|---|--------|----------------|----------------|---|--------|
| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018/19 | Comments  | Result |
| Rural residents have convenient council refuse bag drop-off points less than 10km from their homes. | 90%    | 94%<br>Met     | 94%            |   |        |
| Mobile recycling centres (MRC) are  | 100%   | 100%<br>Met    | 100%           | MRCs are conveniently located within 5km of village centre. |        |

Level of Service: Access to waste management services

| Performance Indicator and Target             | Target | Result 2017/18 | Result 2018/19 | Comments  | Result |
|--|--------|----------------|----------------|---|--------|
| conveniently located in identified villages. |        |                |                | Identified villages are based on historic submissions and requests – Sanson, Himatangi Beach, Pohangina, Tangimoana, Rongotea, Halcombe, Apiti, and Kimbolton. Last year it was planned to put an MRC in Cheltenham, however, following consultation the residents did not want it. |        |

Level of Service: Waste education programmes to encourage recycling

| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018/19 | Comments   | Result  |
|---|--------|----------------|----------------|--|---|
| Achievement of confirmed participants in the Council-supported waste education programmes | 100%   | n/a            | 100%           | <p>Council support three waste education programmes (last year two).</p> <ul style="list-style-type: none"> <li>• Enviro Schools – 11 schools enrolled</li> <li>• Zero Waste Education – 8 schools with 944 participants</li> <li>• Para Kore – 1 marae</li> </ul> <p>Council has also created a link to website information on rural recycling. Participants of a rural waste survey have been provided more industry specific information.</p> |  |

Level of Service: Cost effective solid waste services

| Performance Indicator and Target                          | Target | Result 2017/18 | Result 2018/19 | Comments   | Result  |
|---|--------|----------------|----------------|--|---|
| Maximum complaints received per 100,000 annual collection | <100   | n/a            | 32.3           | <p>176 complaints were received during the year. There were 545,594 collections made.</p> <p>This is a new measure set in the 2018-28 Long Term Plan. No comparative information is available.</p> |  |

**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2019**  
**Solid Waste**

|  | Actual<br>2019<br>\$000 | LTP<br>2019<br>\$000 | LTP<br>2018<br>\$000 |
|--|-------------------------|----------------------|----------------------|
| <b>Sources of operating funding</b>                            |                         |                      |                      |
| General rates, uniform annual general charge, rates            | 1,074                   | 1,080                | 0                    |
| Targeted rates   | 685                     | 691                  | 1,737                |
| Subsidies and grants for operating purposes                    | 170                     | 112                  | 96                   |
| Fees and charges   | 1,318                   | 1,351                | 677                  |
| Internal charges and overheads recovered                       | 0                       | 0                    | 0                    |
| Local authorities fuel tax, fines, infringement fees and other | 22                      | 0                    | 57                   |
| <b>Total operating funding</b>                                 | <b>3,269</b>            | <b>3,234</b>         | <b>2,567</b>         |
| <b>Applications of operating funding</b>                       |                         |                      |                      |
| Payments to staff and suppliers                                | 3,224                   | 2,872                | 1,954                |
| Finance costs  | 140                     | 63                   | 114                  |
| Internal charges and overheads applied                         | 263                     | 352                  | 432                  |
| Other operating funding applications                           | 0                       | 0                    | 0                    |
| <b>Total applications of operating funding</b>                 | <b>3,627</b>            | <b>3,287</b>         | <b>2,500</b>         |
| <b>Surplus (deficit) of operating funding</b>                  | <b>(358)</b>            | <b>(53)</b>          | <b>67</b>            |
| <b>Sources of capital funding</b>                              |                         |                      |                      |
| Subsidies and grants for capital expenditure                   | 0                       | 0                    | 0                    |
| Development and financial contributions                        | 0                       | 0                    | 0                    |
| Increase (decrease) in debt                                    | 330                     | 3,325                | (77)                 |
| Gross proceeds from sale of assets                             | 0                       | 0                    | 0                    |
| Lump sum contributions   | 0                       | 0                    | 0                    |
| Other dedicated capital funding                                | 0                       | 0                    | 0                    |
| <b>Total sources of capital funding</b>                        | <b>330</b>              | <b>3,325</b>         | <b>(77)</b>          |
| <b>Application of capital funding</b>                          |                         |                      |                      |
| Capital expenditure  |                         |                      |                      |
| - to meet additional demand                                    | 0                       | 0                    | 0                    |
| - to improve the level of service                              | 403                     | 3,485                | 5                    |
| - to replace existing assets                                   | 0                       | 0                    | 0                    |
| Increase (decrease) in reserves                                | (432)                   | (214)                | (15)                 |
| Increase (decrease) of investments                             | 0                       | 0                    | 0                    |
| <b>Total applications of capital funding</b>                   | <b>(29)</b>             | <b>3,271</b>         | <b>(10)</b>          |
| <b>Surplus (deficit) of capital funding</b>                    | <b>358</b>              | <b>53</b>            | <b>(67)</b>          |
| <b>Funding balance</b>   | <b>0</b>                | <b>0</b>             | <b>0</b>             |
| <b>Solid Waste - Internal Borrowings</b>                       |                         |                      |                      |
| Opening balance 1 July   | 278                     |                      |                      |
| Internal loans raised during the year                          | 402                     |                      |                      |
| Internal loans repaid during the year                          | (73)                    |                      |                      |
| Closing balance at 30 June                                     | <b>607</b>              |                      |                      |

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

The interest charged on internal borrowings for the year ended 30 June 2019 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

Growth works have continued in Precinct 4 with the installation of large diameter culverts from Oranga Lane to the Makino Stream, completing the stormwater works on Port Street.

A comprehensive survey was completed of the stormwater system in Tangimoana, Sanson and Cheltenham, with roadside drains and culverts to be upgraded in 2019/20.

New works on Awahuri Road/Satori Way to the Makino Stream completed. Continued growth and development in Feilding, is putting pressure on the existing stormwater systems. An example is the stormwater systems on Aorangi Road and Norfolk Crescent that will need to be upgraded in 2019/20

Renewal works in Derby and North streets have been completed.

### What has Council achieved in 2018/19?

| Level of Service: Stormwater system adequacy  |        |                |                |  |        |
|---|--------|----------------|----------------|--|--------|
| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018/19 | Comments   | Result |
| Habitable floors per 1000 properties affected by flooding per flooding event that occurred in the district. | < 10   | 0<br>Met       | 0              | No flooding of inhabitable floors was reported during the year (last year nil)<br><i>For the purpose of these measures, a flooding event means an overflow from Council's stormwater system that enters a habitable floor. A habitable floor includes a basement but does not include ancillary structures such as stand-alone garden sheds or garages. (Definition from the Non-Financial Performance Measure Rules 2013)</i> |        |

| Level of Service: Comply with discharge consent conditions        |        |                |                |          |        |
|---|--------|----------------|----------------|----------|--------|
| Performance Indicator and Target                                  | Target | Result 2017/18 | Result 2018/19 | Comments | Result |
| Abatement notices received advising breaches of resource consent. | < 2    | 0<br>Met       | 0              |          |        |
| Infringement notices, enforcement                                 | 0      | 0<br>Met       | 0              |          |        |

Level of Service: Comply with discharge consent conditions

| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018/19 | Comments | Result |
|---|--------|----------------|----------------|----------|--------|
| orders or convictions received advising breaches of resource consent conditions per scheme. |        |                |                |          |        |

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

| Performance Indicator and Target   | Target  | Result 2017/18 | Result 2018/19 | Comments  | Result  |
|--|---------|----------------|----------------|---|---|
| Median response times to attend flooding events from the time notification is received to the time the service personnel reach the site. | < 2 hrs | 0<br>Met       | 0              | No flooding events occurred during the year (last year nil) |  |

Level of Service: Satisfaction with stormwater service

| Performance Indicator and Target                      | Target | Result 2017/18 | Result 2018/19 | Comments   | Result  |
|---|--------|----------------|----------------|--|---|
| Complaints per annum, per 1,000 property connections. | < 6    | 3.9<br>Met     | 7.7            | There were 53 complaints received in total (last year 26). |  |



**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2019**  
**Stormwater**

|  | Actual<br>2019<br>\$000 | LTP<br>2019<br>\$000 | LTP<br>2018<br>\$000 |
|--|-------------------------|----------------------|----------------------|
| <b>Sources of operating funding</b>                            |                         |                      |                      |
| General rates, uniform annual general charge, rates            | 181                     | 177                  | 189                  |
| Targeted rates   | 766                     | 768                  | 725                  |
| 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 | 0                       | 12                   | 0                    |
| <b>Total operating funding</b>                                 | <b>947</b>              | <b>957</b>           | <b>914</b>           |
| <b>Applications of operating funding</b>                       |                         |                      |                      |
| Payments to staff and suppliers                                | 153                     | 246                  | 304                  |
| Finance costs  | 310                     | 440                  | 406                  |
| Internal charges and overheads applied                         | 358                     | 179                  | 68                   |
| Other operating funding applications                           | 0                       | 0                    | 0                    |
| <b>Total applications of operating funding</b>                 | <b>821</b>              | <b>866</b>           | <b>778</b>           |
| <b>Surplus (deficit) of operating funding</b>                  | <b>126</b>              | <b>91</b>            | <b>136</b>           |
| <b>Sources of capital funding</b>                              |                         |                      |                      |
| Subsidies and grants for capital expenditure                   | 0                       | 0                    | 0                    |
| Development and financial contributions                        | 212                     | 902                  | 248                  |
| Increase (decrease) in debt                                    | 790                     | 1,466                | 508                  |
| Gross proceeds from sale of assets                             | 0                       | 0                    | 0                    |
| Lump sum contributions   | 0                       | 0                    | 0                    |
| Other dedicated capital funding                                | 0                       | 0                    | 0                    |
| <b>Total sources of capital funding</b>                        | <b>1,003</b>            | <b>2,367</b>         | <b>756</b>           |
| <b>Application of capital funding</b>                          |                         |                      |                      |
| Capital expenditure  |                         |                      |                      |
| - to meet additional demand                                    | 822                     | 1,069                | 594                  |
| - to improve the level of service                              | 100                     | 519                  | 0                    |
| - to replace existing assets                                   | 532                     | 400                  | 396                  |
| Increase (decrease) in reserves                                | (326)                   | 470                  | (98)                 |
| Increase (decrease) of investments                             | 0                       | 0                    | 0                    |
| <b>Total applications of capital funding</b>                   | <b>1,128</b>            | <b>2,458</b>         | <b>892</b>           |
| <b>Surplus (deficit) of capital funding</b>                    | <b>(126)</b>            | <b>(91)</b>          | <b>(136)</b>         |
| <b>Funding balance</b>   | <b>0</b>                | <b>0</b>             | <b>0</b>             |
| <b>Stormwater - Internal Borrowings</b>                        |                         |                      |                      |
| Opening balance 1 July   | 6,238                   |                      |                      |
| Internal loans raised during the year                          | 909                     |                      |                      |
| Internal loans repaid during the year                          | (118)                   |                      |                      |
| Closing balance at 30 June                                     | <b>7,029</b>            |                      |                      |

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

The interest charged on internal borrowings for the year ended 30 June 2019 is disclosed above under finance costs.

## Wastewater

This group of activities relates to the outcomes



### What we do:

Collect, treat and dispose of wastewater, including domestic, commercial and industrial waste.

### How we do it:

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

### Overview

Significant work has been done capturing good data and condition assessments of our existing

assets that will enable a focussed renewal plan based on what needs maintaining, repairing, relining or replacing where required.

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

Feilding Wastewater Treatment Plant upgrade and consent works continued with the installation of a new Digester unit and De-Watering Machine and the completion of the irrigation system. MDC were successful in achieving a full land discharge for the summer months Jan-Mar 2019, resulting in no river discharge, which achieved the resource consent requirements.

Wastewater centralisation project has been delayed due to resource consent constraints.

### What has Council achieved in 2018/19?

| Level of Service: Adequate management of wastewater system                            |        |                |                |  |        |
|---|--------|----------------|----------------|--|--------|
| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018/19 | Comments   | Result |
| Dry weather overflows per scheme from Council's sewerage system per 1,000 connections | < 6    | 0.28<br>Met    | 0.71           | During the year there were five dry weather overflows in Feilding (last year two in Feilding). |        |

| Level of Service: Discharge compliance  |        |                |                |   |        |
|---|--------|----------------|----------------|---|--------|
| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018/19 | Comments  | Result |
| Abatement notices received advising of breaches of resource consent conditions. | < 2    | 0<br>Met       | 1              | An abatement notice, dated 28 June 2019, was received on 3 July 2019. This notice related to the Kimbolton wastewater treatment plant. The resource consent required Council to |        |

| Level of Service: Discharge compliance  |        |                |                |  |   |
|---|--------|----------------|----------------|--|---|
| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018/19 | Comments   | Result  |
|   |        |                |                | complete a water budget, based on at least 12 months of continuous inflow and outflow data, and to provide it to Horizons Regional Council by 31 May 2011. This report was not provided at the time. This report was immediately provided.   |   |
| Infringement notices, enforcement orders or convictions received advising of breaches of resource consent conditions. | 0      | 1<br>Not Met   | 1              | <p>Council has received one infringement notice for exceeding Soluble Inorganic Nitrogen (SIN) consent limits for the in-pipe standard at the Feilding wastewater treatment plant for the months June 2018 – May 2019. Council are in the process of appealing this notice as the assessment methodology Horizons has adopted is not consistent with the Environment Court decision.</p> <p>Last year the same infringement notice was received. Corrective action was taken and output was below the specified standard in July 2018.</p> |  |

| Level of Service: Faults are responded to and resolved in a timely manner   |         |                |                |   |   |
|---|---------|----------------|----------------|---|---|
| Performance Indicator and Target  | Target  | Result 2017/18 | Result 2018/19 | Comments  | Result  |
| Median attendance time to sewage overflows resulting from blockage or other fault in the Council's sewerage system (from the time Council received notification to the time service personnel reach the site) | < 2 Hrs | 0.6 hrs<br>Met | 0.2 hrs        | <p>There were eight overflows during the year (last year eight).</p> <ul style="list-style-type: none"> <li>• 5 dry weather overflows</li> <li>• 3 wet weather overflows</li> </ul> |  |
| Median resolution time to sewage overflows resulting from blockage or other fault in the Council's sewerage   | < 5 Hrs | 2.1 hrs<br>Met | 2.0 hrs        |   |  |

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

| Performance Indicator and Target   | Target | Result 2017/18 | Result 2018/19 | Comments | Result |
|--|--------|----------------|----------------|----------|--------|
| system (from the time Council received notification to the time service personnel confirm resolution of the blockage or other fault) |        |                |                |          |        |

Level of Service: Satisfaction with wastewater service

| Performance Indicator and Target  | Target | Result 2017/18  | Result 2018/19 | Comments   | Result  |
|---|--------|---|----------------|--|---|
| <p>Complaints received (in total) per 1,000 connections per annum</p> <p>Complaints are those relating to</p> <ul style="list-style-type: none"> <li>• sewage odour</li> <li>• sewerage systems faults</li> <li>• sewerage system blockages</li> <li>• Council’s response to issues with its sewerage system</li> </ul> | < 6    | <p>0.4 odour</p> <p>3.7 system</p> <p>3.1 blockage</p> <p>0 response</p> <p>Met</p> | 2.9            | <p>During the year Council received 20 complaints (last year 49). They were categorised as:</p> <ul style="list-style-type: none"> <li>• 0 sewage odour</li> <li>• 3 sewerage systems faults</li> <li>• 17 sewerage system blockages</li> <li>• 0 Council’s response to issues with its sewerage system</li> </ul> <p>The measure last year was less than six complaints per 1,000 connections per category per annum.</p> |  |



**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2019**  
**Wastewater**

|  | Actual<br>2019<br>\$000 | LTP<br>2019<br>\$000 | LTP<br>2018<br>\$000 |
|--|-------------------------|----------------------|----------------------|
| <b>Sources of operating funding</b>                            |                         |                      |                      |
| General rates, uniform annual general charge, rates            | 0                       | 0                    | 0                    |
| Targeted rates   | 5,304                   | 5,291                | 5,346                |
| Subsidies and grants for operating purposes                    | 4                       | 0                    | 0                    |
| Fees and charges   | 1,497                   | 1,764                | 773                  |
| Internal charges and overheads recovered                       | 0                       | 0                    | 0                    |
| Local authorities fuel tax, fines, infringement fees and other | 107                     | 31                   | 0                    |
| <b>Total operating funding</b>                                 | <b>6,912</b>            | <b>7,086</b>         | <b>6,119</b>         |
| <b>Applications of operating funding</b>                       |                         |                      |                      |
| Payments to staff and suppliers                                | 2,923                   | 2,797                | 2,924                |
| Finance costs  | 1,484                   | 1,798                | 1,674                |
| Internal charges and overheads applied                         | 1,122                   | 826                  | 170                  |
| Other operating funding applications                           | 0                       | 0                    | 0                    |
| <b>Total applications of operating funding</b>                 | <b>5,530</b>            | <b>5,421</b>         | <b>4,768</b>         |
| <b>Surplus (deficit) of operating funding</b>                  | <b>1,383</b>            | <b>1,665</b>         | <b>1,351</b>         |
| <b>Sources of capital funding</b>                              |                         |                      |                      |
| Subsidies and grants for capital expenditure                   | 0                       | 0                    | 0                    |
| Development and financial contributions                        | 409                     | 596                  | 289                  |
| Increase (decrease) in debt                                    | 1,281                   | 1,069                | (563)                |
| Gross proceeds from sale of assets                             | 0                       | 0                    | 0                    |
| Lump sum contributions   | 0                       | 0                    | 0                    |
| Other dedicated capital funding                                | 0                       | 0                    | 0                    |
| <b>Total sources of capital funding</b>                        | <b>1,690</b>            | <b>1,665</b>         | <b>(274)</b>         |
| <b>Application of capital funding</b>                          |                         |                      |                      |
| Capital expenditure  |                         |                      |                      |
| - to meet additional demand                                    | 641                     | 458                  | 114                  |
| - to improve the level of service                              | 1,335                   | 1,546                | 131                  |
| - to replace existing assets                                   | 2,543                   | 4,267                | 3,803                |
| Increase (decrease) in reserves                                | (1,447)                 | (2,941)              | (2,971)              |
| Increase (decrease) of investments                             | 0                       | 0                    | 0                    |
| <b>Total applications of capital funding</b>                   | <b>3,072</b>            | <b>3,331</b>         | <b>1,077</b>         |
| <b>Surplus (deficit) of capital funding</b>                    | <b>(1,383)</b>          | <b>(1,665)</b>       | <b>(1,351)</b>       |
| <b>Funding balance</b>   | <b>0</b>                | <b>0</b>             | <b>0</b>             |
| <b>Wastewater - Internal Borrowings</b>                        |                         |                      |                      |
| Opening balance 1 July   | 28,797                  |                      |                      |
| Internal loans raised during the year                          | 2,130                   |                      |                      |
| Internal loans repaid during the year                          | (848)                   |                      |                      |
| Closing balance at 30 June                                     | <b>30,079</b>           |                      |                      |

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

The interest charged on internal borrowings for the year ended 30 June 2019 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 ensure there is enough water for supply.

### How we do it:

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

- Providing water supplies to meet residential, industrial/commercial and fire-fighting needs via Council's four urban drinking water schemes: Feilding, Himatangi Beach, Sanson and Rongotea.
- Providing rural water schemes in Stanway/Halcombe and Waituna West to meet residential and agricultural needs
- 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 meets the appropriate standards

### Overview

As part of the continued growth works in Precinct 4 stage 1 of the Port Street main (Pharazyn to Churcher) was completed with stage 2 to be completed in 2019/20.

Sanson new reservoir and water treatment facility (WTP) was installed. Investigation and design was undertaken to renew a section of water main from the new Sanson WTP on Fagan Street to the corner of Phillips Street and Wellington Road. This will allow the new WTP to feed the reticulated network. The physical works will be done in July 2019.

Following completion of stage one of the Water Strategy, construction of the MacDonald Heights Reservoir has commenced.

Stanway/Halcombe Rural Water Scheme intake works have been completed and rural water schemes monitoring equipment upgrades was also completed.

The Himatangi Beach Reservoir commissioning was completed, however ongoing works are required to manage high silica levels in groundwater source.

### What has Council achieved in 2018/19?

| Level of Service: Potable water supply is safe to drink.                              |        |                |                |  |        |
|---|--------|----------------|----------------|--|--------|
| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018/19 | Comments   | Result |
| No Public health risk with substantiated positive E-coli detected in the water supply | 100%   | Not met        | 100%           | <p>All samples taken showed that water is safe to drink and posed no risk to public health i.e. no E-coli detected in the water supply.</p> <p>Last year there was technical non-compliance for a three-minute period in February 2018 when the continuous monitoring system went off line. Last year's report from the Central North Island Drinking Water Assessment Unit indicated non-compliance at Feilding, Waituna West, Sanson and</p> |        |

|  |      |         |         |   |   |
|--|------|---------|---------|---|---|
|  |      |         |         | Stanway/Halcombe. One of the reasons was that the population numbers that drive the required level of testing did not agree with Council record. Population numbers have since been addressed.  |   |
| Compliance with New Zealand Drinking Water Standard for protozoa are met (with the exception of the Stanway-Halcombe Rural Water Supply) | 100% | Not met | Not met | <p>With the exception of Sanson, all schemes demonstrated protozoa compliance for the year.</p> <p>The new treatment plant at Sanson is scheduled to be commissioned in August 2019 and the new deep bore and storage take will have secure bore status.</p> <p>Himatangi Beach, Rongotea and Waituna West have secure bore status and are not required to demonstrate compliance.</p> <p>Last year Sanson was non-compliant and Feilding was non-compliant for 1.4% of January 2018.</p> |  |

#### Level of Service: Water reticulation network is well maintained

| Performance Indicator and Target               | Target | Result 2017/18 | Result 2018/19 | Comments  | Result  |
|--|--------|----------------|----------------|---|---|
| Estimated real water loss, water supply scheme | < 35%  | < 10%<br>Met   | 24%            | <p>The results are for Feilding, Rongotea and Sanson.</p> <p>We excluded Himatangi Beach and the two rural water schemes due to:</p> <ul style="list-style-type: none"> <li>Seasonal fluctuation in population at Himatangi Beach</li> <li>No applicable methodology to capture data for unmetered rural schemes</li> </ul> <p>Last year's result were for Feilding only.</p> |  |

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

| Performance Indicator and Target  | Target  | Result 2017/18 | Result 2018/19 | Comments   | Result  |
|---|---------|----------------|----------------|--|---|
| Median attendance time for "urgent" call-outs (from the receipt of the notification to the time service personnel reach the site) | < 2 hrs | 0.9 hrs<br>Met | 0.6 hrs        | <p>There were 27 "urgent" call-outs during the year (last year 30).</p> <p>An "urgent" call-out is one in which there is a complete loss of water.</p> |  |

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

| Performance Indicator and Target  | Target            | Result 2017/18  | Result 2018/19 | Comments   | Result  |
|---|-------------------|-----------------|----------------|--|---|
| Median resolution time for “urgent” call-outs (from the receipt of the notification to the time service personnel confirm that the water supply has be reinstated     | < 9 hrs           | 5.2 hrs<br>Met  | 1.3 hrs        |  |    |
| Median attendance time for “non-urgent” call-outs (from the receipt of the notification to the time service personnel reach the site                                  | < 5 working days  | 13.6 hrs<br>Met | 3.6 hrs        | There were 464 “non-urgent” call-outs during the year (last year 434). |    |
| Median resolution time for “non-urgent” call-outs (from the receipt of the notification to the time service personnel confirm that the water supply has be reinstated | < 10 working days | 20.5 hrs<br>Met | 6.6 hrs        |  |  |

Level of Service: Satisfaction with water supply service

| Performance Indicator and Target   | Target | Result 2017/18  | Result 2018/19 | Comments   | Result  |
|--|--------|---|----------------|--|---|
| Complaints received (in total) per 1,000 connections per annum<br><br>Complaints are those relating to drinking water<br><br>• clarity | < 20   | 3.7 clarity<br>1.9 taste<br>1.1 odour<br>1.9 pressure or flow | 14.8           | During the year Council received 108 complaints (last year 90). They were categorised as:<br><br><ul style="list-style-type: none"> <li>• 35 drinking water clarity</li> <li>• 15 drinking water taste</li> <li>• 2 drinking water odour</li> <li>• 29 drinking water pressure or flow</li> <li>• 27 continuity of supply</li> </ul> |  |

Level of Service: Satisfaction with water supply service

| Performance Indicator and Target  | Target | Result 2017/18  | Result 2018/19 | Comments  | Result |
|---|--------|---|----------------|---|--------|
| <ul style="list-style-type: none"> <li>taste</li> <li>odour</li> <li>pressure or flow</li> <li>continuity of supply</li> <li>Council's response to any of these issues</li> </ul> |        | 5.4<br>cont. of supply<br>13.9<br>response<br><br>Met |                | <ul style="list-style-type: none"> <li>0 Council's response to any of these issues</li> </ul> The measure last year was less than 15 complaints per 1,000 connections per category per annum. |        |

Level of Service: Manage the demand for water

| Performance Indicator and Target  | Target | Result 2017/18 | Result 2018/19 | Comments  | Result  |
|---|--------|----------------|----------------|---|---|
| Average consumption of drinking water – litres per person, per day – for domestic supply only | < 250  | 239<br>Met     | 230            | This measures the average consumption in Feilding (based on the population of Feilding at 16,850).<br><br>Due to the reasons noted in the water loss measure above, we are unable to report on the other unmetered schemes. |  |



**Manawatū District Council**  
**Funding Impact Statement for the year ended 30 June 2019**  
**Water Supply**

|  | Actual<br>2019<br>\$000 | LTP<br>2019<br>\$000 | LTP<br>2018<br>\$000 |
|--|-------------------------|----------------------|----------------------|
| <b>Sources of operating funding</b>                            |                         |                      |                      |
| General rates, uniform annual general charge, rates            | 0                       | 0                    | 0                    |
| Targeted rates   | 3,703                   | 3,749                | 4,035                |
| 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 | 0                       | 0                    | 0                    |
| <b>Total operating funding</b>                                 | <b>3,703</b>            | <b>3,749</b>         | <b>4,035</b>         |
| <b>Applications of operating funding</b>                       |                         |                      |                      |
| Payments to staff and suppliers                                | 1,108                   | 1,413                | 1,772                |
| Finance costs  | 241                     | 334                  | 433                  |
| Internal charges and overheads applied                         | 1,115                   | 810                  | 298                  |
| Other operating funding applications                           | 0                       | 0                    | 0                    |
| <b>Total applications of operating funding</b>                 | <b>2,464</b>            | <b>2,557</b>         | <b>2,503</b>         |
| <b>Surplus (deficit) of operating funding</b>                  | <b>1,240</b>            | <b>1,192</b>         | <b>1,533</b>         |
| <b>Sources of capital funding</b>                              |                         |                      |                      |
| Subsidies and grants for capital expenditure                   | 70                      | 214                  | 0                    |
| Development and financial contributions                        | 278                     | 538                  | 253                  |
| Increase (decrease) in debt                                    | (588)                   | 421                  | (51)                 |
| Gross proceeds from sale of assets                             | 0                       | 0                    | 0                    |
| Lump sum contributions   | 0                       | 0                    | 0                    |
| Other dedicated capital funding                                | 0                       | 0                    | 0                    |
| <b>Total sources of capital funding</b>                        | <b>(241)</b>            | <b>1,173</b>         | <b>202</b>           |
| <b>Application of capital funding</b>                          |                         |                      |                      |
| Capital expenditure  |                         |                      |                      |
| - to meet additional demand                                    | 153                     | 328                  | 227                  |
| - to improve the level of service                              | 903                     | 833                  | 457                  |
| - to replace existing assets                                   | 572                     | 3,688                | 2,361                |
| Increase (decrease) in reserves                                | (630)                   | (2,484)              | (1,310)              |
| Increase (decrease) of investments                             | 0                       | 0                    | 0                    |
| <b>Total applications of capital funding</b>                   | <b>999</b>              | <b>2,365</b>         | <b>1,735</b>         |
| <b>Surplus (deficit) of capital funding</b>                    | <b>(1,240)</b>          | <b>(1,192)</b>       | <b>(1,533)</b>       |
| <b>Funding balance</b>   | <b>0</b>                | <b>0</b>             | <b>0</b>             |
| <b>Water Supply - Internal Borrowings</b>                      |                         |                      |                      |
| Opening balance 1 July   | 4,984                   |                      |                      |
| Internal loans raised during the year                          | 760                     |                      |                      |
| Internal loans repaid during the year                          | (1,348)                 |                      |                      |
| Closing balance at 30 June                                     | <b>4,395</b>            |                      |                      |

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

The interest charged on internal borrowings for the year ended 30 June 2019 is disclosed above under finance costs.

**Manawatū District Council**  
**Funding Impact Statement (Whole of Council)**  
For the year ended 30 June 2019

|   | Actual<br>2019<br>\$000 | Annual Plan<br>2019<br>\$000 | Actual<br>2018<br>\$000 | Annual Plan<br>2018<br>\$000 |
|---|-------------------------|------------------------------|-------------------------|------------------------------|
| <b>Sources of operating funding</b>                           |                         |                              |                         |                              |
| General rates, uniform annual general charge, rates penalties | 11,636                  | 11,576                       | 3,922                   | 3,923                        |
| Targeted rates  | 22,993                  | 22,716                       | 28,421                  | 28,394                       |
| Subsidies and grants for operating purposes                   | 4,001                   | 2,974                        | 4,370                   | 3,021                        |
| Fees and charges  | 6,468                   | 6,450                        | 5,875                   | 5,264                        |
| Interest and dividends from investments receipts              | 331                     | 242                          | 192                     | 217                          |
|   | 3,261                   | 3,543                        | 3,187                   | 3,069                        |
| <b>Total operating funding</b>                                | <b>48,690</b>           | <b>47,500</b>                | <b>45,967</b>           | <b>43,888</b>                |
| <b>Applications of operating funding</b>                      |                         |                              |                         |                              |
| Payments to staff and suppliers                               | 37,739                  | 36,563                       | 35,915                  | 34,115                       |
| Finance costs   | 2,437                   | 3,491                        | 2,288                   | 2,969                        |
| Other operating funding applications                          | 0                       | 0                            | 0                       | 0                            |
| <b>Total applications of operating funding</b>                | <b>40,176</b>           | <b>40,054</b>                | <b>38,203</b>           | <b>37,084</b>                |
| <b>Surplus (deficit) of operating funding</b>                 | <b>8,514</b>            | <b>7,446</b>                 | <b>7,764</b>            | <b>6,804</b>                 |
| <b>Sources of capital funding</b>                             |                         |                              |                         |                              |
| Subsidies and grants for capital expenditure                  | 4,111                   | 4,764                        | 4,766                   | 5,010                        |
| Development and financial contributions                       | 1,541                   | 2,860                        | 2,312                   | 1,021                        |
| Increase (decrease) in debt                                   | 7,044                   | 13,906                       | 3,018                   | 10,253                       |
| Gross proceeds from sale of assets                            | 195                     | 1,800                        | 196                     | 2,000                        |
| Lump sum contributions  | 0                       | 0                            | 0                       | 0                            |
| Other dedicated capital funding                               | 0                       | 0                            | 0                       | 0                            |
| <b>Total sources of capital funding</b>                       | <b>12,890</b>           | <b>23,330</b>                | <b>10,292</b>           | <b>18,284</b>                |
| <b>Application of capital funding</b>                         |                         |                              |                         |                              |
| Capital expenditure   |                         |                              |                         |                              |
| - to meet additional demand                                   | 2,878                   | 4,671                        | 3,561                   | 6,987                        |
| - to improve the level of service                             | 5,827                   | 10,916                       | 5,134                   | 6,460                        |
| - to replace existing assets                                  | 10,440                  | 17,049                       | 14,605                  | 17,733                       |
| Increase (decrease) in reserves                               | 2,513                   | (2,624)                      | (5,037)                 | (5,977)                      |
| Increase (decrease) of investments                            | (254)                   | 764                          | (207)                   | (115)                        |
| <b>Total applications of capital funding</b>                  | <b>21,404</b>           | <b>30,776</b>                | <b>18,056</b>           | <b>25,088</b>                |
| <b>Surplus (deficit) of capital funding</b>                   | <b>(8,514)</b>          | <b>(7,446)</b>               | <b>(7,764)</b>          | <b>(6,804)</b>               |
| <b>Funding balance</b>  | <b>0</b>                | <b>0</b>                     | <b>0</b>                | <b>0</b>                     |

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

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

## Section Three: Financial Information

This section of the Annual Report contains the following information:

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



**Manawatū District Council**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 30 June 2019

|  |           | Council                 |                         |                         | Group                   |                         |
|--|-----------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|  | Notes     | Actual<br>2019<br>\$000 | Budget<br>2019<br>\$000 | Actual<br>2018<br>\$000 | Actual<br>2019<br>\$000 | Actual<br>2018<br>\$000 |
| <b>Revenue</b>   |           |                         |                         |                         |                         |                         |
| Rates revenue  | 3         | 34,426                  | 34,291                  | 32,142                  | 34,294                  | 31,933                  |
| Financial revenue  | 4         | 331                     | 242                     | 192                     | 265                     | 122                     |
| Subsidies and grants   | 5         | 8,111                   | 7,738                   | 9,136                   | 8,131                   | 9,258                   |
| Development and financial contributions                            |           | 1,541                   | 2,860                   | 2,312                   | 1,541                   | 2,312                   |
| Other revenue  | 6         | 10,079                  | 11,018                  | 9,689                   | 12,108                  | 11,431                  |
| <b>Total revenue</b>   | <b>2</b>  | <b>54,487</b>           | <b>56,149</b>           | <b>53,471</b>           | <b>56,338</b>           | <b>55,056</b>           |
| <b>Expenses</b>  |           |                         |                         |                         |                         |                         |
| Personnel costs  | 7         | 12,043                  | 12,578                  | 11,375                  | 12,344                  | 11,553                  |
| Depreciation and amortisation                                      | 8         | 14,632                  | 13,211                  | 13,639                  | 15,125                  | 14,469                  |
| Finance costs  | 9         | 2,437                   | 3,491                   | 2,288                   | 2,548                   | 2,412                   |
| Other operating expenses   | 10        | 25,587                  | 23,985                  | 24,282                  | 26,177                  | 24,870                  |
| <b>Total operating expenditure</b>                                 | <b>2</b>  | <b>54,699</b>           | <b>53,265</b>           | <b>51,584</b>           | <b>56,194</b>           | <b>53,304</b>           |
| Share of associate's surplus / deficit                             | 15        | -                       | -                       | -                       | (45)                    | 68                      |
| <b>Surplus/(deficit) before tax</b>                                |           | <b>(211)</b>            | <b>2,884</b>            | <b>1,887</b>            | <b>100</b>              | <b>1,820</b>            |
| Income tax expense   | 11        | -                       | -                       | -                       | -                       | -                       |
| <b>Surplus/(deficit) after tax</b>                                 |           | <b>(211)</b>            | <b>2,884</b>            | <b>1,887</b>            | <b>100</b>              | <b>1,820</b>            |
| <b>Other comprehensive revenue &amp; expense</b>                   |           |                         |                         |                         |                         |                         |
| Gains/(losses) on the revaluation of property, plant and equipment | 25        | 13,024                  | 11,175                  | 10,563                  | 17,305                  | 13,148                  |
| <b>Total other comprehensive revenue and expense</b>               | <b>25</b> | <b>13,024</b>           | <b>11,175</b>           | <b>10,563</b>           | <b>17,305</b>           | <b>13,148</b>           |
| <b>Total comprehensive revenue and expense</b>                     |           | <b>12,813</b>           | <b>14,059</b>           | <b>12,450</b>           | <b>17,405</b>           | <b>14,968</b>           |

Explanations of major variances against budget are provided in note 35

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

**Manawatū District Council**  
**Statement of Financial Position**  
As at 30 June 2019

|   |       | Council                 |                         |                         | Group                   |                         |
|---|-------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|   | Notes | Actual<br>2019<br>\$000 | Budget<br>2019<br>\$000 | Actual<br>2018<br>\$000 | Actual<br>2019<br>\$000 | Actual<br>2018<br>\$000 |
| <b>Assets</b>   |       |                         |                         |                         |                         |                         |
| <b>Current assets</b>                                     |       |                         |                         |                         |                         |                         |
| Cash and cash equivalents                                 | 12    | 4,951                   | 2,196                   | 4,355                   | 5,570                   | 4,871                   |
| Debtors and other receivables                             | 13    | 4,929                   | 6,682                   | 4,535                   | 5,034                   | 4,735                   |
| Investments in council organisations and similar entities | 14    | 362                     | 292                     | 414                     | 104                     | 168                     |
| Inventory   | 16    | 237                     | -                       | -                       | 237                     | -                       |
| Other financial assets                                    | 17    | 39                      | 42                      | 40                      | 39                      | 40                      |
| Non-current assets held for sale                          | 18    | -                       | -                       | -                       | -                       | -                       |
| <b>Total current assets</b>                               |       | <b>10,518</b>           | <b>9,212</b>            | <b>9,344</b>            | <b>10,984</b>           | <b>9,814</b>            |
| <b>Non-current assets</b>                                 |       |                         |                         |                         |                         |                         |
| Property, plant and equipment                             | 19    | 690,970                 | 703,117                 | 673,089                 | 720,045                 | 697,550                 |
| Intangible assets   | 20    | 459                     | 828                     | 552                     | 459                     | 552                     |
| Investment in associate                                   | 15    | 1                       | 1                       | 1                       | 466                     | 510                     |
| Investments in council organisations and similar entities | 14    | 3,673                   | 4,910                   | 3,666                   | 1,139                   | 921                     |
| Other financial assets                                    | 17    | 303                     | 318                     | 376                     | 303                     | 376                     |
| <b>Total non-current assets</b>                           |       | <b>695,407</b>          | <b>709,174</b>          | <b>677,684</b>          | <b>722,413</b>          | <b>699,909</b>          |
| <b>Total assets</b>                                       |       | <b>705,925</b>          | <b>718,386</b>          | <b>687,028</b>          | <b>733,397</b>          | <b>709,723</b>          |
| <b>Liabilities</b>  |       |                         |                         |                         |                         |                         |
| <b>Current liabilities</b>                                |       |                         |                         |                         |                         |                         |
| Creditors and other payables                              | 21    | 7,705                   | 7,629                   | 8,707                   | 7,944                   | 8,855                   |
| Provisions  | 22    | 157                     | 44                      | 142                     | 157                     | 142                     |
| Employee entitlements                                     | 23    | 1,229                   | 797                     | 1,218                   | 1,242                   | 1,233                   |
| Borrowings  | 24    | 6,462                   | 8,359                   | 10,506                  | 9,038                   | 10,722                  |
| <b>Total current liabilities</b>                          |       | <b>15,553</b>           | <b>16,829</b>           | <b>20,573</b>           | <b>18,381</b>           | <b>20,952</b>           |
| <b>Non-current liabilities</b>                            |       |                         |                         |                         |                         |                         |
| Provisions  | 22    | 862                     | 506                     | 845                     | 862                     | 845                     |
| Borrowings  | 24    | 63,200                  | 68,420                  | 52,113                  | 63,482                  | 54,660                  |
| <b>Total non-current liabilities</b>                      |       | <b>64,062</b>           | <b>68,926</b>           | <b>52,958</b>           | <b>64,344</b>           | <b>55,505</b>           |
| <b>Total liabilities</b>                                  |       | <b>79,615</b>           | <b>85,755</b>           | <b>73,531</b>           | <b>82,725</b>           | <b>76,457</b>           |
| <b>Equity</b>   |       |                         |                         |                         |                         |                         |
| Retained earnings   | 25    | 467,554                 | 478,839                 | 468,003                 | 476,387                 | 479,648                 |
| Other reserves  | 25    | 158,755                 | 153,791                 | 145,494                 | 174,284                 | 153,618                 |
| <b>Total equity</b>                                       | 25    | <b>626,310</b>          | <b>632,630</b>          | <b>613,497</b>          | <b>650,671</b>          | <b>633,266</b>          |
| <b>Total Liabilities and Equity</b>                       |       | <b>705,925</b>          | <b>718,386</b>          | <b>687,028</b>          | <b>733,397</b>          | <b>709,723</b>          |

The accompanying notes form part of these financial statements.

**Manawatū District Council**  
**Statement of Changes in Net Assets / Equity**  
For the year ended 30 June 2019

|  |           | Council                 |                         | Group                   |                         |                         |
|--|-----------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|  | Notes     | Actual<br>2019<br>\$000 | Budget<br>2019<br>\$000 | Actual<br>2018<br>\$000 | Actual<br>2019<br>\$000 | Actual<br>2018<br>\$000 |
| Balance at 1 July                                  |           | 613,497                 | 618,572                 | 601,047                 | 633,266                 | 618,298                 |
| Total comprehensive revenue/(expense) for the year |           | 12,813                  | 14,059                  | 12,450                  | 17,405                  | 14,968                  |
| <b>Balance as at 30 June</b>                       | <b>25</b> | <b>626,310</b>          | <b>632,630</b>          | <b>613,497</b>          | <b>650,671</b>          | <b>633,266</b>          |

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

**Manawatū District Council**  
**Statement of Cash Flows**  
For the year ended 30 June 2019

|  | Notes     | Council                 |                         | Group                   |                         |                         |
|--|-----------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|  |           | Actual<br>2019<br>\$000 | Budget<br>2019<br>\$000 | Actual<br>2018<br>\$000 | Actual<br>2019<br>\$000 | Actual<br>2018<br>\$000 |
| <b>Cash flows from operating activities</b>                                  |           |                         |                         |                         |                         |                         |
| Receipts from rates revenue  |           | 34,504                  | 34,291                  | 32,160                  | 34,372                  | 31,951                  |
| Interest received  |           | 155                     | 234                     | 186                     | 87                      | 115                     |
| Dividends received   |           | 176                     | 8                       | 6                       | 176                     | 6                       |
| Receipts from other revenue  |           | 19,043                  | 21,091                  | 21,375                  | 21,099                  | 23,521                  |
| Payments to suppliers and employees  |           | (37,347)                | (36,563)                | (34,208)                | (37,989)                | (34,901)                |
| Interest paid  |           | (2,219)                 | (3,491)                 | (2,107)                 | (2,404)                 | (2,310)                 |
| Goods and services tax (net)   |           | (111)                   | -                       | 156                     | (105)                   | 159                     |
| <b>Net cash from operating activities</b>                                    | <b>26</b> | <b>14,201</b>           | <b>15,570</b>           | <b>17,567</b>           | <b>15,236</b>           | <b>18,540</b>           |
| <b>Cash flows from investing activities</b>                                  |           |                         |                         |                         |                         |                         |
| Receipts from sale of property, plant and equipment                          |           | 159                     | 1,800                   | 123                     | 159                     | 126                     |
| Receipts from sale of investments  |           | 327                     | (1,095)                 | 1,275                   | 78                      | 538                     |
| Purchase of intangibles assets   |           | (74)                    | (99)                    | (135)                   | (74)                    | (135)                   |
| Purchase of property, plant and equipment                                    |           | (20,851)                | (32,537)                | (24,443)                | (21,498)                | (24,876)                |
| Acquisition of investments   |           | (209)                   | 0                       | (325)                   | (209)                   | 173                     |
| <b>Net cash from investing activities</b>                                    |           | <b>(20,648)</b>         | <b>(31,931)</b>         | <b>(23,505)</b>         | <b>(21,544)</b>         | <b>(24,175)</b>         |
| <b>Cash flows from financing activities</b>                                  |           |                         |                         |                         |                         |                         |
| Proceeds from borrowing  |           | 20,500                  | 24,652                  | 8,018                   | 20,750                  | 8,018                   |
| Repayment of borrowings  |           | (13,457)                | (10,746)                | (5,000)                 | (13,743)                | (5,280)                 |
| <b>Net cash from financing activities</b>                                    |           | <b>7,043</b>            | <b>13,906</b>           | <b>3,018</b>            | <b>7,007</b>            | <b>2,738</b>            |
| <b>Net (decrease)/increase in cash, cash equivalents and bank overdrafts</b> |           | <b>596</b>              | <b>(2,454)</b>          | <b>(2,920)</b>          | <b>699</b>              | <b>(2,897)</b>          |
| Cash, cash equivalents and bank overdrafts at the beginning of the year      |           | 4,355                   | 4,650                   | 7,275                   | 4,871                   | 7,768                   |
| <b>Cash, cash equivalents and bank overdrafts at the end of the year</b>     | <b>12</b> | <b>4,951</b>            | <b>2,196</b>            | <b>4,355</b>            | <b>5,570</b>            | <b>4,871</b>            |

The accompanying notes form part of these financial statements.

## Notes to financial statements

### 1. Statement of Accounting Policies

#### Reporting entity

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

The Group consists of Manawatū District Council, which is the controlling entity and four controlled entities; The Feilding Civic Centre Trust, the Manawatū Community Trust, Awahuri Forest / Kitchener Park Trust and Heartland Contractors Ltd (100% owned). The Group also includes Central Economic Development Agency Limited, (50% owned) and Manawatū Wanganui LASS (14.3%). All entities are incorporated and domiciled in New Zealand.

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

The financial statements of Council and Group are for the year ended 30 June 2019. The financial statements were authorised for issue by Council on 10 October 2019.

#### Basis of preparation

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

#### Statement of compliance

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

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

These financial statements comply with the PBE Standards.

The financial statements have been prepared on an historical cost basis, except for assets and liabilities, which are recorded at fair value. These are detailed in the specific policies below.

#### Presentation currency and rounding

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

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



## Summary of significant accounting policies

### Basis of consolidation

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

### Controlled entities

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

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

### Associates

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

Distributions received from an associate reduce the carrying amount of the investment. If the share of deficits of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further deficits. After the Group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the Group will resume recognising its share of those

surpluses only after its share of the surpluses equals the share of deficits not recognised.

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

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

### Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations Council and Group recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture.

### Budget figures

The budget figures are those approved by Council in the 2018/19 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those used for preparing these financial statements.

### Exchange transactions

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

### Non-exchange transactions

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

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

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

## Revenue

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

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

### *Specific revenue policies*

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

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

percentage completion basis with reference to the recoverable costs incurred at balance date.

- Sales of goods are recognised when the goods are delivered.
- Interest revenue is accrued on a time basis, by reference to the investment principal and the effective interest applicable.
- Dividends (net of imputation credits) are recognised when the right to receive payment has been established.
- Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained.
- Revenue derived through acting as an agent for another party is recognised as a commission or fee on the transaction.
- Development contributions are recognised as revenue when Council provides, or is able to provide, the services that gave rise to the charging of the contribution. Otherwise, development contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.

### **Borrowing costs**

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

### **Cost allocation**

Costs directly attributable to an activity are charged directly to that activity. Indirect costs are charged to activities using appropriate cost drivers such as; actual usage, staff numbers and floor area.

### **Foreign currency**

Foreign currency transactions are translated into New Zealand dollars (the functional currency) using the spot exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denomination in foreign currencies are recognised in the surplus or deficit.

### **Grant expenditure**

Non-discretionary grants are those grants that are awarded if the grant application meets a specified criteria. Expenditure is recognised when an application that meets the specified criteria for the grant has been received.

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

### **Income tax**

Income tax expense includes current tax and deferred tax.

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

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

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

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination and, at the time of the transaction,

affects neither accounting surplus nor taxable profit.

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

### **Goods and Service Tax (GST)**

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

### **Financial instruments**

Council is party to financial instruments as part of its normal operations. These include bank accounts, investments, accounts receivable, accounts payables and borrowings. All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the surplus or deficit.

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

### **Cash and cash equivalents**

Cash and cash equivalents 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 2017. Council's policy is to revalue land and buildings every three years.
- Manawatū Community Trust's land and buildings were revalued as at 30 June 2019, the valuation was prepared by independent valuer Morgan Property Advisors.

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

- These assets are revalued annually to fair value on a depreciated replacement cost basis. The valuation was performed internally by engineering staff and will be peer reviewed every three years. The most recent valuation was 1 July 2018. The 2016 valuation was peer reviewed by Pauline True of MWH.

### Land under roads

- Land under roads was valued based on fair value of adjacent land determined by Tony Jones of Quotable Value NZ, effective 1 July 2005. Council has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost. Land under roads is therefore no longer revalued.

## Library collections

- The library collections were initially valued at depreciated replacement cost in accordance with the guidelines released by the New Zealand Library Association and the National Library of NZ. This is considered deemed cost and is no longer revalued.

## Accounting for revaluations

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

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

## Intangible assets

### Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

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

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

Software is amortised on a straight-line basis over the estimated useful life of the asset (usually 5 years). The amortisation charge for each period is recognised in the surplus or deficit.

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

## **Easements**

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

## **Impairment of property, plant and equipment and intangible assets**

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

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

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

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

## **Financial liabilities**

### **Trade payables**

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

### **Loans and borrowings**

Loans/borrowings are initially recognised at their fair value.

Borrowings are classified as current liabilities unless Council or group has an unconditional right

to defer settlement of the liability for at least 12 months after balance date.

## **Short-term employee entitlements**

Employee benefits are expected to be settled within 12 months after the end of the period in which services are rendered for current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned, but not yet taken, at balance date.

Annual leave has been calculated on an actual entitlement basis at current rates of pay. Sick leave has not been included, as the amount of accumulated sick leave that is anticipated to be taken in future periods is not considered to be material.

## **Superannuation schemes**

### **Defined contribution schemes**

Obligations for contributions to Defined Contribution Superannuation Schemes are recognised as an expense in the surplus or deficit as incurred.

### **Defined benefit schemes**

The Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine, from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a Defined Contribution Scheme.

## **Provisions – landfill closure and aftercare costs**

As the previous operator of landfills, Council has a legal obligation to rehabilitate landfill sites post-closure and to provide ongoing maintenance and monitoring services after closure. The costs to

meet these post-closure landfill obligations are recognised within the provision.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

### **Financial guarantee contracts**

A financial guarantee contract is a contract that requires Council and group to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a guarantee contract was issued in a stand-alone arm's-length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based on the probability that Council or economic entity will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, a liability is only recognised when it is probable there will be an outflow under the guarantee. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the higher of:

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

### **Leases**

#### **Finance leases**

A finance lease is a lease which transfers to the lessee substantially all the risks and benefits

incidental to ownership of an asset, whether or not title is eventually transferred.

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

The asset is depreciated over the period Council is expected to gain benefit from the use of the asset.

#### **Operating leases**

An operating lease is a lease where the lessor effectively retains all the risks and benefits of ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

#### **Net assets/equity**

Net assets or equity is the community's interest in Council and is measured as the difference between total assets and total liabilities.

The components of equity are:

Retained earnings

Restricted and Council created reserves

Asset revaluation reserves

#### **Restricted and Council created reserves**

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. These reserves may be legally restricted or created by Council.

Restricted reserves are those subject to specific conditions accepted as binding by Council and which may not be revised without reference to the Courts or a third party. Transfers from these reserves may be made for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

### **Asset revaluation reserves**

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

### **Related parties**

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

### **Critical judgements in applying accounting policies, estimates and assumptions**

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

#### **Properties that receive rent**

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

#### **Landfill aftercare provision**

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

#### **Infrastructural assets**

There are a number of assumptions and estimates used when performing depreciated replacement cost (DRC) valuations over infrastructural assets. These include:

- The physical determination and condition of an asset. For example, Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example, storm water, wastewater and water supply pipes that are underground.

This risk is minimised by Council performing a combination of physical inspections and condition modelling assessment of underground assets;

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

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

To minimise this risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Economic Entity, and have been adjusted for local conditions based on experience.

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

Experienced valuers perform Council's infrastructural asset revaluations.

#### **Comparatives**

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

- where classifications have changed between periods;
- where Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and

- where there has been a change of accounting policy.

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

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

*Interests in other entities*

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

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

*Financial instruments*

In January 2017, the XRB issued PBE IFRS 9 *Financial Instruments*. PBE IFRS 9 replaces PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

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

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



## 2 Summary Cost of Services

|  | Actual 2019   | Council only<br>Budget 2019 | Actual 2018   |
|--|---------------|-----------------------------|---------------|
|  | \$000         | \$000                       | \$000         |
| <b>Revenue*</b>                          |               |                             |               |
| Community Facilities                     | 9,285         | 9,382                       | 8,058         |
| District Development                     | 2,963         | 2,909                       | 2,737         |
| Emergency Management                     | 257           | 258                         | 243           |
| Governance and Strategy                  | 2,050         | 2,060                       | 2,045         |
| Regulatory                               | 5,408         | 5,082                       | 4,649         |
| Roading                                  | 14,989        | 15,567                      | 16,481        |
| Solid Waste                              | 3,269         | 3,234                       | 2,978         |
| Stormwater                               | 1,164         | 1,858                       | 1,237         |
| Wastewater                               | 7,325         | 7,682                       | 7,437         |
| Water Supply                             | 4,412         | 4,500                       | 4,686         |
| <b>Total activity revenue</b>            | <b>51,121</b> | <b>52,533</b>               | <b>50,552</b> |
| Other revenue                            | 3,366         | 3,616                       | 2,919         |
| <b>Total operating revenue</b>           | <b>54,487</b> | <b>56,149</b>               | <b>53,471</b> |
| <b>Expenditure*</b>                      |               |                             |               |
| Community Facilities                     | 9,666         | 10,020                      | 8,945         |
| District Development                     | 2,652         | 3,329                       | 2,293         |
| Emergency Management                     | 253           | 258                         | 220           |
| Governance and Strategy                  | 2,006         | 2,060                       | 1,971         |
| Regulatory                               | 5,490         | 5,417                       | 4,992         |
| Roading                                  | 15,008        | 12,900                      | 15,202        |
| Solid Waste                              | 3,629         | 3,231                       | 3,404         |
| Stormwater                               | 1,350         | 1,368                       | 1,331         |
| Wastewater                               | 7,655         | 7,268                       | 6,836         |
| Water Supply                             | 4,031         | 4,055                       | 3,888         |
| <b>Total activity expenditure</b>        | <b>51,740</b> | <b>49,907</b>               | <b>49,081</b> |
| Other expenditure/ (overheads allocated) | 2,959         | 3,358                       | 2,503         |
| <b>Total operating expenditure</b>       | <b>54,699</b> | <b>53,265</b>               | <b>51,584</b> |

**\* Note:**

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

Each significant activity is stated gross of internal costs and revenues, and includes targeted rates attributable to activities (refer to note 3). In order to fairly reflect the total external operations for the council in the statement of comprehensive revenue and expense, these transactions are eliminated in the other revenue and other expenditure lines.

|  | Council       |               | Group         |               |
|--|---------------|---------------|---------------|---------------|
|  | Actual 2019   | Actual 2018   | Actual 2019   | Actual 2018   |
|  | \$000         | \$000         | \$000         | \$000         |
| <b>Total revenue comprises of:</b>     |               |               |               |               |
| Revenue from exchange transactions     | 2,709         | 2,516         | 4,559         | 4,101         |
| Revenue from non-exchange transactions | 51,779        | 50,955        | 51,779        | 50,955        |
| <b>Total operating revenue</b>         | <b>54,487</b> | <b>53,471</b> | <b>56,338</b> | <b>55,056</b> |

### 3 Rates Revenue

|  | Council              |                      |
|--|----------------------|----------------------|
|  | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| <b>General Rates attributable to Activities:</b>                                   |                      |                      |
| Community Facilities   | 1,894                | 331                  |
| District Development   | 2,763                | 2,566                |
| Emergency Management   | 257                  | 0                    |
| Governance and Strategy  | 2,049                | 0                    |
| Regulatory   | 2,911                | 571                  |
| Roading  | 26                   | 25                   |
| Solid Waste  | 1,074                | 0                    |
| Stormwater   | 181                  | 159                  |
| Other Support Activities   | 204                  | 0                    |
| <b>Total General Rates</b>   | <b>11,359</b>        | <b>3,652</b>         |
| <b>Uniform Targeted Rates (UTR) and Targeted Rates attributable to Activities:</b> |                      |                      |
| Community Facilities   | 5,984                | 6,146                |
| District Development   | 102                  | 81                   |
| Emergency Management   | 0                    | 243                  |
| Governance and Strategy  | 0                    | 2,044                |
| Regulatory   | 0                    | 2,068                |
| Roading  | 6,450                | 6,731                |
| Solid Waste  | 685                  | 1,749                |
| Stormwater   | 766                  | 640                  |
| Wastewater   | 5,304                | 4,966                |
| Water - Rates  | 2,583                | 2,668                |
| Water By Meter   | 1,121                | 1,085                |
| <b>Total Uniform Targeted Rates and Targeted Rates</b>                             | <b>22,993</b>        | <b>28,421</b>        |
| plus rates penalties   | 278                  | 270                  |
| less internal rates charged  | (204)                | (202)                |
| <b>Total Revenue from Rates</b>  | <b>34,426</b>        | <b>32,142</b>        |

#### Rates remissions

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

|  | Council and Group    |                      |
|--|----------------------|----------------------|
|  | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| <b>Rates and penalties levied</b>      | <b>35,920</b>        | <b>33,483</b>        |
| less Rates Remissions                  | (1,290)              | (1,140)              |
| less Internal Rates Charged            | (204)                | (202)                |
| <b>Rates Revenue Net of Remissions</b> | <b>34,426</b>        | <b>32,142</b>        |

In accordance with the Local Government (Rating) Act 2002 certain properties are not rated for general rates. These include schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute a remission under Council's rates remission policy. These and other not-for-profit organisations are not subject to rates.

**Rating base information:**

|  | The number of rating units within the district | The total capital value of rating units within the district | The total land value of rating units within the district |
|--|--|---|--|
| At the end of the preceding financial year (i.e. 30 June 2018) | 14,378   | \$000<br>8,379,522  | \$000<br>4,943,308                                       |

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other local authorities rate. The annual rates revenue of the Council for the year ended 30 June 2019 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

|  | Council              |                      |
|--|----------------------|----------------------|
|  | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| Total Revenue from Rates                                       | 34,426               | 32,142               |
| Add back Internal Rates Charged                                | 204                  | 202                  |
| Add Rangitikei District Council Shared Service Revenue         | 2,379                | 2,309                |
| Add Palmerston North City Council Enforcement Contract Revenue | 29                   | 15                   |
| <b>Total Annual Rates Income</b>                               | <b>37,038</b>        | <b>34,668</b>        |

**4 Financial Revenue**

|  | Council              |                      | Group                |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| Interest revenue for financial assets not at fair value through surplus or (deficit) | 155                  | 186                  | 89                   | 116                  |
| Dividend revenue   | 176                  | 6                    | 176                  | 6                    |
| <b>Total Financial Revenue</b>   | <b>331</b>           | <b>192</b>           | <b>265</b>           | <b>122</b>           |

**5 Subsidies and Grants**

|  | Council              |                      | Group                |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| New Zealand Transport Agency subsidies | 7,839                | 8,624                | 7,839                | 8,624                |
| Grants received                        | 26                   | 13                   | 46                   | 135                  |
| Other subsidies                        | 246                  | 499                  | 246                  | 499                  |
| <b>Total Subsidies and Grants</b>      | <b>8,111</b>         | <b>9,136</b>         | <b>8,131</b>         | <b>9,258</b>         |

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

## 6 Other Revenue

|  | Council              |                      | Group                |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| User fees and charges                                      | 6,468                | 5,875                | 6,468                | 5,875                |
| Shared service revenue                                     | 2,378                | 2,324                | 2,378                | 2,324                |
| Petrol tax   | 220                  | 210                  | 220                  | 210                  |
| Vested assets  | 371                  | 684                  | 371                  | 684                  |
| Other revenue  | 663                  | 653                  | 2,692                | 2,395                |
| Gain / (loss) on disposal of property, plant and equipment | (21)                 | (57)                 | (21)                 | (57)                 |
| <b>Total Other Revenue</b>                                 | <b>10,079</b>        | <b>9,689</b>         | <b>12,108</b>        | <b>11,431</b>        |

## 7 Personnel Costs

|   | Council              |                      | Group                |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| Salaries and wages                                      | 11,974               | 11,362               | 12,278               | 11,542               |
| Employer contributions to defined contribution plans    | 434                  | 392                  | 434                  | 392                  |
| Increase/(decrease) in employee entitlement liabilities | 11                   | 25                   | 8                    | 23                   |
| <b>Total Personnel Costs</b>                            | <b>12,418</b>        | <b>11,779</b>        | <b>12,719</b>        | <b>11,957</b>        |
| Less Salaries and wages capital work                    | ( 375)               | ( 404)               | ( 375)               | ( 404)               |
| <b>Total Operational Personnel Costs</b>                | <b>12,043</b>        | <b>11,375</b>        | <b>12,344</b>        | <b>11,553</b>        |

## 8 Depreciation and Amortisation

|  | Council              |                      |
|--|----------------------|----------------------|
|  | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| <b>Depreciation and Amortisation Expense per Group of Activities</b> |                      |                      |
| Community Facilities   | 1,612                | 1,566                |
| District Development   | -                    | -                    |
| Emergency Management   | 2                    | 6                    |
| Environmental and Monitoring Services                                | 28                   | 27                   |
| Governance and Strategy  | 8                    | 5                    |
| Roading Network  | 7,966                | 7,464                |
| Solid Waste  | 68                   | 63                   |
| Stormwater and Drainage  | 529                  | 511                  |
| Wastewater   | 2,126                | 1,904                |
| Water Supply   | 1,567                | 1,470                |
| Support Services   | 726                  | 623                  |
|  | <b>14,632</b>        | <b>13,639</b>        |

|  | Council              |                      | Group                |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| Depreciation (note 18)                       | 14,465               | 13,534               | 14,958               | 14,364               |
| Amortisation (note 19)                       | 167                  | 104                  | 167                  | 104                  |
| <b>Total Depreciation &amp; Amortisation</b> | <b>14,632</b>        | <b>13,639</b>        | <b>15,125</b>        | <b>14,469</b>        |

## 9 Finance Costs

|  | Council              |                      | Group                |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| <b>Interest Expense</b>                  |                      |                      |                      |                      |
| Interest on borrowings                   | 2,310                | 2,201                | 2,421                | 2,325                |
| Provisions: discount unwinding (note 21) | 127                  | 87                   | 127                  | 87                   |
| <b>Total Finance Costs</b>               | <b>2,437</b>         | <b>2,288</b>         | <b>2,548</b>         | <b>2,412</b>         |

## 10 Other Operating Expenses

|   | Council              |                      | Group                |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| Fees to principal auditor                         |                      |                      |                      |                      |
| - Audit fees for financial statement audit MDC    | 147                  | 145                  | 147                  | 145                  |
| - Audit fees for Long Term Plan / Debenture Trust | 25                   | 120                  | 25                   | 100                  |
| - Audit fees for Manawatū Community Trust         | 0                    | 0                    | 18                   | 18                   |
| Fees to other auditors                            |                      |                      |                      |                      |
| Audit fees for Feilding Civic Centre Trust        | 0                    | 0                    | 3                    | 3                    |
| Impairment of Community Investments               | (43)                 | (31)                 | (43)                 | (31)                 |
| Impairment of Accounts Receivable                 | 6                    | (147)                | 6                    | (147)                |
| Loss on disposal of property, plant and equipment | 3                    | 49                   | 3                    | 49                   |
| Minimum lease payments under operating leases     | 34                   | 28                   | 34                   | 28                   |
| Legal fees  | 142                  | 91                   | 142                  | 91                   |
| <b>Other operating expenses:</b>                  |                      |                      |                      |                      |
| Chemicals   | 915                  | 770                  | 915                  | 770                  |
| Consultants and Consultant Costs                  | 969                  | 650                  | 969                  | 650                  |
| Contract Payments                                 | 4,369                | 4,106                | 4,369                | 4,106                |
| Energy - Electricity and Gas                      | 1,016                | 989                  | 1,026                | 998                  |
| Grants Made to other Organisations                | 2,265                | 1,643                | 2,185                | 1,565                |
| Insurance   | 526                  | 414                  | 669                  | 546                  |
| Maintenance and Materials                         | 2,414                | 2,123                | 2,643                | 2,380                |
| Operational Projects                              | 8,130                | 8,612                | 8,130                | 8,656                |
| Rates Paid  | 271                  | 269                  | 242                  | 231                  |
| Refuse Disposal Costs                             | 757                  | 578                  | 768                  | 588                  |
| Other expenses                                    | 3,641                | 3,873                | 3,926                | 4,124                |
| <b>Total Other Expenses</b> <sup>(note 1)</sup>   | <b>25,587</b>        | <b>24,282</b>        | <b>26,177</b>        | <b>24,870</b>        |

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

## 11 Income tax

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

|                              | Council              |                      | Group                |                      |
|------------------------------|----------------------|----------------------|----------------------|----------------------|
|                              | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| Surplus/(deficit) before tax | (211)                | 1,887                | 100                  | 1,820                |
| Tax at 28%                   | (59)                 | 528                  | 28                   | 509                  |
| Plus/(less) tax effect of:   |                      |                      |                      |                      |
| Non-deductible expenditure   | -                    | -                    | -                    | -                    |
| Non-taxable revenue          | 51                   | (536)                | (36)                 | (517)                |
| Taxation loss not recognised | 8                    | 8                    | 8                    | 8                    |
| Prior year adjustment        | -                    | -                    | -                    | -                    |
| Tax losses utilised          | -                    | -                    | -                    | -                    |
| <b>Tax Expense</b>           | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>             |

### Income tax recognised directly in equity

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

### Components of Tax Expense

|   | Council              |                      | Group                |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| Current tax expense   | -                    | -                    | -                    | -                    |
| Adjustments to current tax in prior years                       | -                    | -                    | -                    | -                    |
| Deferred tax asset arisen from previously unrecognised tax loss | 8                    | 8                    | 8                    | 8                    |
| Deferred tax expense  | (8)                  | (8)                  | (8)                  | (8)                  |
| <b>Income Tax Expense</b>                                       | -                    | -                    | -                    | -                    |

| Deferred tax assets/(liabilities)                             | Property Plant and Equipment | Unused tax losses | Total    |
|---|------------------------------|-------------------|----------|
| <b>Council and Group</b>                                      |                              |                   |          |
| Balance at 1 July 2017  |                              | 33                | -        |
| Charged to surplus or deficit                                 | (8)                          | 8                 | -        |
| Charged / credited to other comprehensive revenue and expense | -                            | -                 | -        |
| <b>Balance at 30 June 2018</b>                                | <b>(41)</b>                  | <b>41</b>         | <b>-</b> |
| Charged / credited to surplus or deficit                      | (8)                          | 8                 | -        |
| Charged to other comprehensive revenue and expense            | -                            | -                 | -        |
| <b>Balance at 30 June 2019</b>                                | <b>(49)</b>                  | <b>49</b>         | <b>-</b> |

### Additional disclosure

Council has unrecognised tax losses of \$664,000 (Last year: \$636,000) with a tax effect of \$186,000 (Last year: \$178,000), 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 \$664,000, 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 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| Cash at bank and in hand                                | 4,951                | 4,355                | 5,440                | 4,691                |
| Short term deposits with a term of three months or less | 0                    | 0                    | 130                  | 180                  |
| <b>Total Cash and Cash Equivalents</b>                  | <b>4,951</b>         | <b>4,355</b>         | <b>5,570</b>         | <b>4,871</b>         |

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

The total value of cash and cash equivalents that can only be used for a specified purpose as outlined in the relevant trust funds is \$98,000 (last year: \$102,000). Refer to note 24 for detail of trust funds.

### 13 Debtors and other receivables

|   | Council              |                      | Group                |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| Rates receivables   | 1,300                | 1,351                | 1,300                | 1,351                |
| New Zealand Transport Agency Subsidy  | 884                  | 410                  | 884                  | 410                  |
| Other receivables   | 2,018                | 1,926                | 2,141                | 2,158                |
| Related party receivables   | 41                   | 32                   | 0                    | 0                    |
| Accrued revenue   | 135                  | 225                  | 135                  | 225                  |
| GST receivable  | 358                  | 480                  | 381                  | 480                  |
| Prepayments   | 295                  | 254                  | 295                  | 254                  |
| <i>Less</i> provision for impairment of receivables   | (104)                | (145)                | (104)                | (145)                |
| <b>Total</b>  | <b>4,929</b>         | <b>4,535</b>         | <b>5,034</b>         | <b>4,735</b>         |
| <b>Total receivables comprise:</b>  |                      |                      |                      |                      |
| Receivables from non-exchange transactions<br><i>(includes amounts outstanding from rates, grants, infringements and fees and charges partly subsidised by rates)</i> | 2,983                | 2,744                | 2,983                | 2,744                |
| Receivables from exchange transactions<br><i>(includes amounts outstanding for fees and charges not subsidised by rates)</i>  | 1,946                | 1,790                | 2,051                | 1,990                |
| <b>Total</b>  | <b>4,929</b>         | <b>4,535</b>         | <b>5,034</b>         | <b>4,735</b>         |

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

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

Council does not provide for any impairment on rates receivable (except for rate penalties and uncollectable Maori land), as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place, debts are discounted to the present value of future payments.

These powers allow Council to commence legal proceedings to recover any rates that remain unpaid five months after the due date for payment. If payment has not been made within three months of the Court's judgement, then Council can apply to the Registrar of the High court to have the judgement enforced by sale or lease of the rating unit.

At balance date each year, all overdue receivables, except for rates receivable, have been assessed for impairment and appropriate provisions applied. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The impairment provision has been calculated based on expected losses for Council's pool of debtors. Expected losses have been determined based on an analysis of Council's losses in previous periods, and review of specific debtors.

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

|  | Council              |                      | Group                |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| As at 1 July   | 145                  | 301                  | 145                  | 301                  |
| Additional / (reductions) in provisions made during the year | (39)                 | (156)                | (39)                 | (156)                |
| Receivables written off during period                        | (2)                  |                      | (2)                  |                      |
| <b>As at 30 June</b>   | <b>104</b>           | <b>145</b>           | <b>104</b>           | <b>145</b>           |

As at 30 June 2019, all overdue debtors and other receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

#### Council - Rates receivables

|                             | Gross<br>\$000 | Impairment<br>\$000 | Net 2019<br>\$000 | Net 2018<br>\$000 |
|-----------------------------|----------------|---------------------|-------------------|-------------------|
| Not past due - current year | 1,048          | (8)                 | 1,040             | 983               |
| Past due by 1 year          | 159            | (10)                | 149               | 218               |
| Past due by 2 years+        | 93             | (32)                | 61                | 89                |
| <b>Total</b>                | <b>1,300</b>   | <b>(50)</b>         | <b>1,250</b>      | <b>1,290</b>      |

#### Council - Other receivables and Related party receivables

|                     | Gross<br>\$000 | Impairment<br>\$000 | Net 2019<br>\$000 | Net 2018<br>\$000 |
|---------------------|----------------|---------------------|-------------------|-------------------|
| Not past due        | 1,481          | -                   | 1,481             | 1,053             |
| Past due 1-30 days  | 59             | -                   | 59                | 111               |
| Past due 31-61 days | 71             | -                   | 71                | 167               |
| Past due > 61 days  | 448            | (5)                 | 443               | 543               |
| <b>Total</b>        | <b>2,059</b>   | <b>(5)</b>          | <b>2,054</b>      | <b>1,874</b>      |

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

### 14 Investments in Council Controlled Organisations and similar entities

|   | Council              |                      | Group                |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| <b>Investments in Council Controlled Organisations and similar entities classified as current</b> |                      |                      |                      |                      |
| <i>Loans and receivables</i>  |                      |                      |                      |                      |
| Community loans - Manawatū Community Trust  | 258                  | 246                  | -                    | -                    |
| NZ Local Government Funding Agency borrower's notes   | 104                  | 168                  | 104                  | 168                  |
| <b>Total Current Portion</b>  | <b>362</b>           | <b>414</b>           | <b>104</b>           | <b>168</b>           |
| <b>Investments in Council Organisation and similar entities classified as non-current</b>         |                      |                      |                      |                      |
| <i>Loans and receivables</i>  |                      |                      |                      |                      |
| Community loans - Manawatū Community Trust  | 2,383                | 2,553                | (151)                | (192)                |
| NZ Local Government Funding Agency borrower's notes   | 984                  | 808                  | 984                  | 808                  |
| <i>Fair value through other comprehensive revenue and expense</i>                                 |                      |                      |                      |                      |
| Unlisted shares in Manawatu - Wanganui LASS Limited   | 16                   | 16                   | 16                   | 16                   |
| Unlisted shares in Civic Financial Services Ltd   | 190                  | 190                  | 190                  | 190                  |
| Unlisted shares in NZ Local Government Funding Agency   | 100                  | 100                  | 100                  | 100                  |
| <i>Investments in subsidiary (at cost)</i>  |                      |                      |                      |                      |
| Heartland Contractors Ltd - shares  | -                    | -                    | -                    | -                    |
| <b>Total Non-Current Portion</b>  | <b>3,673</b>         | <b>3,666</b>         | <b>1,139</b>         | <b>921</b>           |
| <b>Total Investments in Council Organisation and similar entities</b>                             | <b>4,035</b>         | <b>4,080</b>         | <b>1,243</b>         | <b>1,089</b>         |

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

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

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

The interest rate for the \$2.5 million loan for the FIFHC is 50% at Council's external borrowing rate and 50% interest free. Council has impaired the carrying value of the loan to fair value, to recognise the impact of the interest free portion. The term of this loan is 15 years, of which 11 years remain.

|  | Council              |                      | Group                |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| Face value of the loan                                       | 2,050                | 2,202                | -                    | -                    |
| Opening balance of the loan                                  | 1,857                | 1,932                | -                    | -                    |
| Loan Raised  | -                    | -                    | -                    | -                    |
| Grant expenditure from low interest loans                    | 42                   | 76                   | -                    | -                    |
| Repaid this year   | (154)                | (151)                | -                    | -                    |
| <b>Fair value - loan to MCT for the FIFHC included above</b> | <b>1,745</b>         | <b>1,857</b>         | <b>0</b>             | <b>0</b>             |

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

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

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

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

Council acquired 100,000 \$1.00 shares in NZ Local Government Funding Agency (NZLGFA) in December 2012 and is one of 31 shareholders. Refer to Note 29 for more information. NZLGFA is exempt from being a Council Controlled Organisation by section 6(4) of the Local Government Act 2002.

During the year, Council received NZLGFA borrower's notes with a face value of \$112,000 (Last year: \$64,000) at a fixed interest rates of between 2.26% and 2.82% per annum (Last year: 3.58%) and NZLGFA borrower's notes of a face value of \$168,000 (Last year: \$64,000) at floating rates between 1.94% and 2.43% as at 30 June 2019 (Last year: 2.63%). The NZLGFA borrower's notes are recognised at amortised cost. The face value of NZLGFA borrower's notes as at 30 June 2019 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 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| <b>Non Current Portion</b>  |                      |                      |                      |                      |
| Investment in Central Economic Development Agency Ltd<br>(at cost)    | 1                    | 1                    | 1                    | 1                    |
| Increase from share of associate's (surplus / deficit)                | -                    | -                    | 465                  | 509                  |
| <b>Total non current portion</b>                                      | <b>1</b>             | <b>1</b>             | <b>466</b>           | <b>510</b>           |
| MDC's 50% share of associate's summarised financial information       |                      |                      |                      |                      |
| Assets  |                      |                      | 862                  | 722                  |
| Liabilities   |                      |                      | 396                  | 212                  |
| Revenues  |                      |                      | 1,966                | 1,928                |
| Surplus / (Deficit)   |                      |                      | (45)                 | 68                   |
| Group's interest  |                      |                      | 50%                  | 50%                  |
| Share of contingent liabilities incurred jointly with other investors |                      |                      | -                    | -                    |

## 16 Inventory

|                                   | Council              |                      | Group                |                      |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                   | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| Inventory on Hand - Plant Nursery | 237                  |                      | 237                  |                      |
|                                   | <b>237</b>           | -                    | <b>237</b>           | -                    |

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

The write down of inventory during the year was \$nil (2018 \$nil). There have been no reversals of write downs (2018 \$nil). No

## 17 Other financial assets

|  | Council              |                      | Group                |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| <b>Current Portion</b>                         |                      |                      |                      |                      |
| <i>Loans and receivables</i>                   |                      |                      |                      |                      |
| Community loans - other                        | 5                    | 4                    | 5                    | 4                    |
| Himatangi Beach Sewerage Scheme Contributions  | 21                   | 22                   | 21                   | 22                   |
| Rongotea Water Supply Scheme Contributions     | 13                   | 14                   | 13                   | 14                   |
| <i>Held to maturity investments</i>            |                      |                      |                      |                      |
| Term deposits with maturity less than one year | -                    | -                    | -                    | -                    |
| <b>Total Current Portion</b>                   | <b>39</b>            | <b>40</b>            | <b>39</b>            | <b>40</b>            |
| <b>Non-Current Portion</b>                     |                      |                      |                      |                      |
| <i>Loans and receivables</i>                   |                      |                      |                      |                      |
| Community loans - other                        | 71                   | 75                   | 71                   | 75                   |
| Himatangi Beach Sewerage Scheme Contributions  | 170                  | 215                  | 170                  | 215                  |
| Rongotea Water Supply Scheme Contributions     | 62                   | 85                   | 62                   | 85                   |
| <i>Held to maturity investments</i>            |                      |                      |                      |                      |
| Term deposits with maturity of over one year   | -                    | -                    | -                    | -                    |
| <b>Total Non-Current Portion</b>               | <b>303</b>           | <b>376</b>           | <b>303</b>           | <b>376</b>           |
| <b>Total Other Financial Assets</b>            | <b>342</b>           | <b>416</b>           | <b>342</b>           | <b>416</b>           |

## **Fair values**

### ***Term deposits***

The carrying amount of term deposits approximates their fair value.

### ***Community Loans***

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

The fair value of community loans is \$75,426 (last year: \$79,919). The face value of community loans is \$4,999,129 (last year: \$5,003,622). Some of these community loans are only repayable, should the entity concerned cease to operate for the purpose that the loan was given for. Detail of these loans is provided below.

### ***Community Loans at nil fair value***

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

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

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

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

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

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

### ***Himatangi Beach Sewerage Scheme and Rongotea Water Supply Scheme Contributions***

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

## **Impairment**

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

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

## 18 Non-Current Assets Held for Sale

|  | Council              |                      | Group                |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| <b>Non-Current Assets held for Sale are:</b>         |                      |                      |                      |                      |
| Land held for sale                                   | -                    | -                    | -                    | -                    |
| Buildings and improvements held for Sale             | -                    | -                    | -                    | -                    |
| Current Portion                                      | -                    | -                    | -                    | -                    |
| Term Portion   | -                    | -                    | -                    | -                    |
| <b>Total</b>   | -                    | -                    | -                    | -                    |
| Opening balance assets for sale                      | -                    | 497                  | -                    | 497                  |
| Assets classified as held for sale during the period | -                    | -                    | -                    | -                    |
| Assets revalued or reclassified during the year      | -                    | -                    | -                    | -                    |
| Less assets transferred or sold during the year      | -                    | (497)                | -                    | (497)                |
| <b>Closing balance assets held for sale</b>          | -                    | -                    | -                    | -                    |

Council owned land on Kawakawa Road and South Street is currently being marketed for sale through a real estate agency. The land is required to be subdivided before any sales can proceed, therefore it is not in a form where it is able to be immediately sold.

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

## 19 Property, Plant and Equipment

2019

|                                     | Cost/ Revaluation | Accumulated<br>Depreciation and<br>Impairment Charges | Carrying Amount |
|-------------------------------------|-------------------|---|-----------------|
|                                     | \$000             | \$000   | \$000           |
| <b>Council</b>                      |                   |   |                 |
| <b>Operational assets</b>           |                   |   |                 |
| Land                                | 17,629            | -   | 17,629          |
| Buildings and Improvements          | 8,186             | (897)   | 7,294           |
| Library Books                       | 1,461             | (500)   | 961             |
| Plant , Equipment and Furniture     | 4,152             | (2,704)   | 1,448           |
| Motor Vehicles                      | 1,653             | (813)   | 840             |
| <b>Total operational assets</b>     | <b>33,081</b>     | <b>(4,913)</b>  | <b>28,173</b>   |
| <b>Infrastructural assets</b>       |                   |   |                 |
| Land                                | 5,179             | -   | 5,179           |
| Solid Waste                         | 1,029             | (399)   | 630             |
| Wastewater                          | 79,405            | (2,013)   | 77,392          |
| Stormwater and Drainage             | 36,732            | (529)   | 36,203          |
| Water Supply                        | 60,305            | (1,788)   | 58,517          |
| Roads and Footpaths                 | 385,855           | (7,966)   | 377,889         |
| Land Under Roads                    | 65,293            | -   | 65,293          |
| <b>Total infrastructural assets</b> | <b>633,798</b>    | <b>(12,696)</b>                                       | <b>621,103</b>  |
| <b>Restricted assets</b>            |                   |   |                 |
| Land                                | 16,421            | -   | 16,421          |
| Buildings and Improvements          | 26,544            | (1,955)   | 24,549          |
| Plant and Equipment                 | 2,024             | (1,299)   | 725             |
| <b>Total restricted assets</b>      | <b>44,989</b>     | <b>(3,254)</b>  | <b>41,695</b>   |
| <b>Total Council</b>                | <b>711,868</b>    | <b>(20,863)</b>                                       | <b>690,970</b>  |
| <b>Other Group Assets</b>           |                   |   |                 |
| Land                                | 4,168             | 0   | 4,168           |
| Buildings and Improvements          | 24,996            | (469)   | 24,527          |
| Furniture and equipment             | 205               | (6)   | 199             |
| Leasehold Improvements              | 198               | (18)  | 180             |
| <b>Total</b>                        | <b>29,567</b>     | <b>(493)</b>  | <b>29,074</b>   |
| <b>Group Assets</b>                 | <b>741,436</b>    | <b>(21,356)</b>                                       | <b>720,045</b>  |

2018

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

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

| 2019                                | Carrying Amount<br>1 July 2018 | Revaluation<br>Movement | Additions     | Reclassification | Disposals    | Impairment of Assets | Current Year<br>Depreciation | Carrying Amount<br>30 June 2019 |
|-------------------------------------|--------------------------------|-------------------------|---------------|------------------|--------------|----------------------|------------------------------|---------------------------------|
|                                     | \$000                          | \$000                   | \$000         | \$000            | \$000        | \$000                | \$000                        | \$000                           |
| <b>Council</b>                      |                                |                         |               |                  |              |                      |                              |                                 |
| <b>Operational assets</b>           |                                |                         |               |                  |              |                      |                              |                                 |
| Land                                | 17,629                         | -                       | -             | -                | -            | -                    | -                            | 17,629                          |
| Buildings and Improvements          | 7,536                          | -                       | 252           | -                | (37)         | -                    | (456)                        | 7,294                           |
| Library Books                       | 874                            | -                       | 215           | -                | -            | -                    | (128)                        | 961                             |
| Plant , Equipment and Furniture     | 1,618                          | -                       | 315           | -                | (1)          | -                    | (484)                        | 1,448                           |
| Motor Vehicles                      | 921                            | -                       | 206           | -                | (65)         | -                    | (222)                        | 840                             |
| <b>Total operational assets</b>     | <b>28,578</b>                  | <b>-</b>                | <b>989</b>    | <b>-</b>         | <b>(104)</b> | <b>-</b>             | <b>(1,290)</b>               | <b>28,173</b>                   |
| <b>Infrastructural assets</b>       |                                |                         |               |                  |              |                      |                              |                                 |
| Land                                | 4,518                          | -                       | 98            | 563              | -            | -                    | -                            | 5,179                           |
| Solid Waste                         | 292                            | -                       | 402           | -                | -            | -                    | (64)                         | 630                             |
| Wastewater                          | 76,067                         | (227)                   | 4,129         | (563)            | -            | -                    | (2,013)                      | 77,392                          |
| Stormwater and Drainage             | 32,969                         | 2,304                   | 1,459         | -                | -            | -                    | (529)                        | 36,203                          |
| Water Supply                        | 58,007                         | 69                      | 2,007         | -                | -            | -                    | (1,566)                      | 58,517                          |
| Roads and Footpaths                 | 366,931                        | 10,875                  | 8,049         | -                | -            | -                    | (7,966)                      | 377,889                         |
| Land Under Roads                    | 65,297                         | -                       | 6             | -                | (9)          | -                    | -                            | 65,293                          |
| <b>Total infrastructural assets</b> | <b>604,081</b>                 | <b>13,021</b>           | <b>16,149</b> | <b>-</b>         | <b>(9)</b>   | <b>-</b>             | <b>(12,138)</b>              | <b>621,103</b>                  |
| <b>Restricted assets</b>            |                                |                         |               |                  |              |                      |                              |                                 |
| Land                                | 16,380                         | -                       | 41            | -                | -            | -                    | -                            | 16,421                          |
| Buildings and Improvements          | 23,271                         | -                       | 2,229         | -                | -            | -                    | (950)                        | 24,549                          |
| Plant and Equipment                 | 779                            | -                       | 32            | -                | -            | -                    | (86)                         | 725                             |
| <b>Total restricted assets</b>      | <b>40,430</b>                  | <b>-</b>                | <b>2,301</b>  | <b>-</b>         | <b>-</b>     | <b>-</b>             | <b>(1,037)</b>               | <b>41,695</b>                   |
| <b>Total Council</b>                | <b>673,089</b>                 | <b>13,021</b>           | <b>19,439</b> | <b>-</b>         | <b>(113)</b> | <b>-</b>             | <b>(14,465)</b>              | <b>690,970</b>                  |
| <b>Other Group Assets</b>           |                                |                         |               |                  |              |                      |                              |                                 |
| Land                                | 4,168                          | -                       | -             | -                | -            | -                    | -                            | 4,168                           |
| Buildings and Improvements          | 19,955                         | 4,282                   | 760           | -                | (1)          | -                    | (469)                        | 24,527                          |
| Furniture and equipment             | 200                            | -                       | 5             | -                | -            | -                    | (6)                          | 199                             |
| Leasehold Improvements              | 138                            | -                       | 60            | -                | -            | -                    | (18)                         | 180                             |
| <b>Total</b>                        | <b>24,461</b>                  | <b>4,282</b>            | <b>825</b>    | <b>-</b>         | <b>(1)</b>   | <b>-</b>             | <b>(493)</b>                 | <b>29,074</b>                   |
| <b>Group Assets</b>                 | <b>697,550</b>                 | <b>17,303</b>           | <b>20,264</b> | <b>-</b>         | <b>(114)</b> | <b>-</b>             | <b>(14,958)</b>              | <b>720,045</b>                  |

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

| 2018                                | Carrying Amount<br>1 July 2017 | Revaluation<br>Movement | Additions     | Reclassification | Disposals    | Impairment of Assets | Current Year<br>Depreciation | Carrying Amount<br>30 June 2018 |
|-------------------------------------|--------------------------------|-------------------------|---------------|------------------|--------------|----------------------|------------------------------|---------------------------------|
|                                     | \$000                          | \$000                   | \$000         | \$000            | \$000        | \$000                | \$000                        | \$000                           |
| <b>Council</b>                      |                                |                         |               |                  |              |                      |                              |                                 |
| <b>Operational assets</b>           |                                |                         |               |                  |              |                      |                              |                                 |
| Land                                | 17,629                         | -                       | 0             | -                | -            | -                    | -                            | 17,629                          |
| Buildings and Improvements          | 7,918                          | -                       | 63            | -                | -            | -                    | (445)                        | 7,536                           |
| Library Books                       | 766                            | -                       | 213           | -                | -            | -                    | (105)                        | 874                             |
| Plant , Equipment and Furniture     | 1,705                          | -                       | 371           | -                | -            | -                    | (458)                        | 1,618                           |
| Motor Vehicles                      | 904                            | -                       | 353           | -                | (144)        | -                    | (192)                        | 921                             |
| <b>Total operational assets</b>     | <b>28,922</b>                  | <b>-</b>                | <b>1,000</b>  | <b>-</b>         | <b>(144)</b> | <b>-</b>             | <b>(1,201)</b>               | <b>28,578</b>                   |
| <b>Infrastructural assets</b>       |                                |                         |               |                  |              |                      |                              |                                 |
| Land                                | 4,518                          | -                       | -             | -                | -            | -                    | -                            | 4,518                           |
| Solid Waste                         | 212                            | -                       | 142           | -                | -            | -                    | (62)                         | 292                             |
| Wastewater                          | 70,084                         | 2,128                   | 5,700         | -                | -            | -                    | (1,845)                      | 76,067                          |
| Stormwater and Drainage             | 25,403                         | 5,822                   | 2,255         | -                | -            | -                    | (511)                        | 32,969                          |
| Water Supply                        | 55,988                         | 666                     | 2,822         | -                | -            | -                    | (1,469)                      | 58,007                          |
| Roads and Footpaths                 | 362,035                        | 1,956                   | 10,404        | -                | -            | -                    | (7,464)                      | 366,931                         |
| Land Under Roads                    | 65,246                         | -                       | 51            | -                | -            | -                    | -                            | 65,297                          |
| <b>Total infrastructural assets</b> | <b>583,486</b>                 | <b>10,572</b>           | <b>21,374</b> | <b>-</b>         | <b>-</b>     | <b>-</b>             | <b>(11,352)</b>              | <b>604,081</b>                  |
| <b>Restricted assets</b>            |                                |                         |               |                  |              |                      |                              |                                 |
| Land                                | 16,363                         | -                       | 66            | -                | (48)         | -                    | -                            | 16,380                          |
| Buildings and Improvements          | 22,767                         | -                       | 1,400         | -                | -            | -                    | (896)                        | 23,271                          |
| Plant and Equipment                 | 865                            | -                       | -             | -                | -            | -                    | (86)                         | 779                             |
| <b>Total restricted assets</b>      | <b>39,995</b>                  | <b>-</b>                | <b>1,465</b>  | <b>-</b>         | <b>(48)</b>  | <b>-</b>             | <b>(981)</b>                 | <b>40,430</b>                   |
| <b>Total Council</b>                | <b>652,403</b>                 | <b>10,572</b>           | <b>23,840</b> | <b>-</b>         | <b>(192)</b> | <b>-</b>             | <b>(13,534)</b>              | <b>673,089</b>                  |
| <b>Other Group Assets</b>           |                                |                         |               |                  |              |                      |                              |                                 |
| Land                                | 4,168                          | -                       | -             | -                | -            | -                    | -                            | 4,168                           |
| Buildings and Improvements          | 17,889                         | 2,583                   | 268           | -                | -            | -                    | (785)                        | 19,955                          |
| Furniture and equipment             | 184                            | -                       | 22            | -                | -            | -                    | (6)                          | 200                             |
| Leasehold Improvements              | 157                            | -                       | 19            | -                | -            | -                    | (38)                         | 138                             |
| <b>Total</b>                        | <b>22,398</b>                  | <b>2,583</b>            | <b>309</b>    | <b>-</b>         | <b>-</b>     | <b>-</b>             | <b>(829)</b>                 | <b>24,461</b>                   |
| <b>Group Assets</b>                 | <b>674,801</b>                 | <b>13,155</b>           | <b>24,149</b> | <b>-</b>         | <b>(192)</b> | <b>-</b>             | <b>(14,363)</b>              | <b>697,550</b>                  |

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

## Core Infrastructural Assets

Includes roads, water supplies, sewerage treatment infrastructure, stormwater, and drainage works.

The table below reports on the core infrastructural assets as required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

| 2019                                      | Assets Constructed<br>by Council | Assets Transferred<br>to Council | Carrying Amount<br>30 June 2019 | Replacement Cost<br>30 June 2019 |
|---|----------------------------------|----------------------------------|---------------------------------|----------------------------------|
|   | \$000                            | \$000                            | \$000                           | \$000                            |
| <b>Wastewater</b>                         |                                  |                                  |                                 |                                  |
| Treatment Plant and Facilities            | 3,421                            | -                                | 34,758                          | 45,141                           |
| Other Assets (Reticulation Systems)       | 704                              | 4                                | 42,634                          | 70,493                           |
|   | 4,125                            | 4                                | 77,392                          | 115,634                          |
| <b>Flood protection and control works</b> | -                                | -                                | -                               | -                                |
| <b>Stormwater drainage</b>                | 1,454                            | 5                                | 36,203                          | 58,687                           |
| <b>Water Supply</b>                       |                                  |                                  |                                 |                                  |
| Treatment Plant and Facilities            | 1,270                            | -                                | 22,689                          | 22,689                           |
| Other Assets (Reticulation Systems)       | 375                              | 362                              | 35,828                          | 84,850                           |
|   | 1,645                            | 362                              | 58,517                          | 107,539                          |
| <b>Roads and Footpaths</b>                | 8,049                            | 0                                | 377,889                         | 638,032                          |

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

## Insurance Cover

|  | Insurance<br>Deductible*<br>\$ | Replacement<br>Cover<br>Council<br>\$000 | Replacement Cover<br>Group<br>\$000 |
|--|--------------------------------|--|-------------------------------------|
|--|--------------------------------|--|-------------------------------------|

### Insurance Arrangements

At 30 June 2019 Council had the following insurance cover in place for the following assets:

|  |                |         |         |
|--|----------------|---------|---------|
| Material damage cover - buildings (operational and restricted)           | \$100,000      | 71,300  | 84,152  |
| Material damage cover - plant and equipment                              | \$100,000      | 11,321  | 11,321  |
| Motor vehicle cover  | 1% sum insured | 1,289   | 1,289   |
| Material damage cover - water and wastewater - treatment and supply      | \$100,000      | 68,145  | 68,145  |
| Underground assets (water / stormwater/ wastewater) for natural disaster | \$250,000      | 234,352 | 234,352 |

### Assets not covered by insurance

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

Council does not insure land.

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

### Risk Sharing Arrangement

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

\* Loss or damage below the insurance deductible is covered by Council (either as an operating cost is funded from the Insurance Reserve - see note 26).

## 20 Intangible Assets

|   | Council and Group    |                      |
|---|----------------------|----------------------|
|   | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| <b>Balance at 1 July</b>                |                      |                      |
| Cost                                    | 2,957                | 2,822                |
| Accumulated amortisation and impairment | (2,405)              | (2,301)              |
| Opening carrying amount                 | 552                  | 521                  |
| Additions                               | 75                   | 135                  |
| Less disposals at cost                  | (2)                  |                      |
| Accumulated amortisation on disposals   | 1                    |                      |
| Less amortisation charge                | (167)                | (104)                |
| <b>Closing carrying amount</b>          | <b>459</b>           | <b>552</b>           |
| <b>Balance at 30 June</b>               |                      |                      |
| Cost                                    | 3,030                | 2,957                |
| Accumulated amortisation and impairment | (2,571)              | (2,405)              |
| <b>Closing carrying amount</b>          | <b>459</b>           | <b>552</b>           |

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

All intangible assets are software.

## 21 Creditors and Other Payables

|   | Council              |                      | Group                |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| Trade payables  | 4,702                | 5,474                | 4,941                | 5,622                |
| Deposits and bonds  | 1,170                | 1,609                | 1,170                | 1,609                |
| Accrued expenses  | 891                  | 816                  | 891                  | 816                  |
| Amounts due to related parties (note 29)                  | -                    | -                    | -                    | -                    |
| Revenue in advance  | 943                  | 809                  | 943                  | 809                  |
| <b>Total creditors and other payables</b>                 | <b>7,705</b>         | <b>8,707</b>         | <b>7,944</b>         | <b>8,855</b>         |
| <b>Total creditor and other payables comprise:</b>        |                      |                      |                      |                      |
| Creditors / other payables from exchange transactions     | 6,656                | 7,792                | 7,001                | 8,046                |
| Creditors / other payables from non-exchange transactions | 1,050                | 916                  | 943                  | 809                  |
| <b>Total creditors and other payables</b>                 | <b>7,705</b>         | <b>8,707</b>         | <b>7,944</b>         | <b>8,855</b>         |

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

## 22 Provisions

|   | Council and Group    |                      |
|---|----------------------|----------------------|
|   | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| <b>Current Provisions are represented by:</b>     |                      |                      |
| Financial guarantees                              | -                    | -                    |
| Landfill aftercare provision                      | 157                  | 142                  |
| <b>Total Current Provisions</b>                   | <b>157</b>           | <b>142</b>           |
| <b>Non-Current Provisions are represented by:</b> |                      |                      |
| Financial guarantees                              | -                    | -                    |
| Landfill aftercare provision                      | 862                  | 845                  |
| <b>Total Non-Current provisions</b>               | <b>862</b>           | <b>845</b>           |

|  | Council and Group    |                      |
|--|----------------------|----------------------|
|  | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| <b>Opening balance</b>                     | 986                  | 821                  |
| Additional provisions made during the year | (20)                 | 169                  |
| Amounts used during the year               | (76)                 | (91)                 |
| Unused amounts reversed during the year    | 0                    | 0                    |
| Discount unwinding                         | 127                  | 87                   |
| <b>Closing Balance</b>                     | <b>1,018</b>         | <b>986</b>           |

### Provision for landfill aftercare costs

Council has recognised a provision for the aftercare costs of the Feilding landfill and two smaller landfills (located at Kimbolton and Tangimoana) which are no longer operational.

### Feilding Landfill

The resource consent to operate the Feilding landfill expires on 1 July 2029. The Council has a responsibility under the conditions of the resource consent to rehabilitate and restore the landfill site and to provide on going maintenance and monitoring of the site for at least thirty years after closure.

Closure responsibilities include providing for:

- \* additional soil cover
- \* contouring and shaping the site
- \* grassing
- \* drainage structures including berms, chutes and drains

Post closure costs include providing for:

- \* monitoring and treatment of leachate
- \* ground water and surface water monitoring
- \* on-going management including maintenance of grass cover, drainage systems and fencing

The cash outflows for landfill post-closure are expected to occur from 2006 to 2036 (30 years). The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 1.97%. Each year part of the discounted amount will be unwound and recognised as an interest expense in the operating costs while at the same time adding this to the provision.

The following major assumptions have been made in the calculation of

- \* The annual price index used is the Local Government Cost Index as detailed in the 2018-2028 Long Term Plan
- \* An annual discount rate of 1.97%
- \* 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 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| Accrued pay                                   | 351                  | 338                  | 361                  | 346                  |
| Annual leave                                  | 878                  | 880                  | 881                  | 887                  |
| <b>Total Employee Entitlement Liabilities</b> | <b>1,229</b>         | <b>1,218</b>         | <b>1,242</b>         | <b>1,233</b>         |
| <b>Comprising:</b>                            |                      |                      |                      |                      |
| Current                                       | 1,229                | 1,218                | 1,242                | 1,233                |
| Non-current                                   | -                    | -                    | -                    | -                    |
| <b>Total Employee Entitlement Liabilities</b> | <b>1,229</b>         | <b>1,218</b>         | <b>1,242</b>         | <b>1,233</b>         |

## 24 Borrowings

|   | Council              |                      | Group                |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| Opening Balance of Term Borrowings        | 62,619               | 59,601               | 65,382               | 62,644               |
| Loans raised during the year              | 20,544               | 8,018                | 21,008               | 8,018                |
| Loans repaid during the year              | (13,500)             | (5,000)              | (13,869)             | (5,280)              |
| <b>Closing Balance of Term Borrowings</b> | <b>69,662</b>        | <b>62,619</b>        | <b>72,521</b>        | <b>65,382</b>        |
| <b>Current</b>                            |                      |                      |                      |                      |
| Secured loans                             | 6,462                | 10,506               | 9,038                | 10,722               |
| <b>Total current borrowings</b>           | <b>6,462</b>         | <b>10,506</b>        | <b>9,038</b>         | <b>10,722</b>        |
| <b>Non-current</b>                        |                      |                      |                      |                      |
| Secured loans                             | 63,200               | 52,113               | 63,482               | 54,660               |
| <b>Total non-current borrowings</b>       | <b>63,200</b>        | <b>52,113</b>        | <b>63,482</b>        | <b>54,660</b>        |

As at 30 June 2019, there is a credit card facility in place with Bank of New Zealand for a limit of \$188k, which includes a purchase card facility (last year: \$150k). There is a "multi-option" facility - treasury solution of \$10 million of which \$1.9m (last year: \$1.9 million) is used as of balance date.

### Fixed-rate debt

\$32.9 million of debt (last year \$30.9 million) has been issued at floating interest rate and the remainder is at fixed rates of interest. The borrowing rates range from 2.20% to 6.00% (last year: 2.53% to 6.00%).

When Council borrows on a fixed rate that differs from the current market rate offered, we receive a discount or pay a premium on the face value. This discount or premium is apportioned over the term of the loan and the amount repaid is equal to the face value of the loan received. The amounts disclosed above include the discount or premium of \$210k (last year \$254k). The face value of fixed rate debt is \$37.0m.

### Security

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

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

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

### Management

Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy. These policies have been adopted as part of the Council's Long Term Plan.

### Internal borrowings

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

## 25 Equity

2019

|  | Opening Balance<br>\$000 | Net Surplus<br>\$000 | Transfers In<br>\$000 | Transfers Out<br>\$000 | Revaluation<br>Changes<br>\$000 | Closing Balance<br>\$000 |
|--|--------------------------|----------------------|-----------------------|------------------------|---------------------------------|--------------------------|
| <b>Retained Earnings</b>                       |                          |                      |                       |                        |                                 |                          |
| Accumulated General Funds                      | 468,684                  | (211)                | 250                   | 5,842                  |                                 | 474,565                  |
| Separate Funds                                 | (36)                     |                      | 167                   | (2,872)                |                                 | (2,741)                  |
| Growth Funds                                   | (1,883)                  |                      | 907                   | (2,492)                |                                 | (3,468)                  |
| Depreciation Fund                              | 1,239                    |                      | 10,389                | (12,430)               |                                 | (802)                    |
|  | <b>468,004</b>           | <b>(211)</b>         | <b>11,714</b>         | <b>(11,952)</b>        | <b>0</b>                        | <b>467,554</b>           |
| <b>Other Reserves</b>                          |                          |                      |                       |                        |                                 |                          |
| Trust Funds                                    |                          |                      |                       |                        |                                 |                          |
| - Hook Bequest                                 | 12                       |                      |                       |                        |                                 | 12                       |
| - Trewin Bequest                               | 1                        |                      |                       |                        |                                 | 1                        |
| - Wakerill Trust                               | 1                        |                      |                       |                        |                                 | 1                        |
| - Robert Dickson Library Trust                 | 4                        |                      |                       |                        |                                 | 4                        |
| - P A Broad Memorial Trust                     | 7                        |                      |                       |                        |                                 | 7                        |
| - Historical Trust                             | 4                        |                      |                       |                        |                                 | 4                        |
| - Robert Dickson Educational Trust             | 13                       |                      | 1                     |                        |                                 | 14                       |
| - Museum Trust                                 | 2                        |                      |                       |                        |                                 | 2                        |
| - Feilding and District Relief Trust           | 58                       |                      | 1                     |                        |                                 | 59                       |
|  | <b>102</b>               | <b>0</b>             | <b>2</b>              | <b>0</b>               | <b>0</b>                        | <b>104</b>               |
| Special Funds                                  |                          |                      |                       |                        |                                 |                          |
| - General Purpose Special Fund                 | 429                      |                      | 211                   |                        |                                 | 640                      |
| - Land Subdivision Reserve Special Fund        | 531                      |                      | 9                     |                        |                                 | 540                      |
| - Insurance Fund                               | 924                      |                      | 15                    |                        |                                 | 939                      |
|  | <b>1,884</b>             | <b>0</b>             | <b>235</b>            | <b>0</b>               | <b>0</b>                        | <b>2,119</b>             |
| Revaluation Reserves                           |                          |                      |                       |                        |                                 |                          |
| - Operational Land                             | 4,717                    |                      |                       |                        |                                 | 4,717                    |
| - Operational Buildings and Improvement        | 1,560                    |                      |                       |                        |                                 | 1,560                    |
| - Restricted Land                              | 6,505                    |                      |                       |                        |                                 | 6,505                    |
| - Restricted Buildings and Improvement         | 5,659                    |                      |                       |                        |                                 | 5,659                    |
| - Infrastructural Land                         | 919                      |                      |                       |                        |                                 | 919                      |
| - Utilities (water, stormwater and wastewater) | 48,229                   |                      |                       |                        | 2,148                           | 50,377                   |
| - Roading Network                              | 75,920                   |                      |                       |                        | 10,878                          | 86,798                   |
|  | <b>143,508</b>           | <b>0</b>             | <b>0</b>              | <b>0</b>               | <b>13,026</b>                   | <b>156,533</b>           |
| <b>Total Other Reserves</b>                    | <b>145,494</b>           | <b>0</b>             | <b>237</b>            | <b>0</b>               | <b>13,026</b>                   | <b>158,756</b>           |
| <b>Total Council Equity</b>                    | <b>613,497</b>           | <b>(211)</b>         | <b>11,951</b>         | <b>(11,952)</b>        | <b>13,026</b>                   | <b>626,310</b>           |
| <b>Other Entities</b>                          |                          |                      |                       |                        |                                 |                          |
| General Fund                                   | 11,649                   | 101                  |                       |                        |                                 | 11,750                   |
| Restricted Land                                | -                        |                      |                       |                        |                                 | 0                        |
| Restricted Buildings and Improvement           | -                        |                      |                       |                        |                                 | 0                        |
| Revaluation Reserves                           |                          |                      |                       |                        |                                 | 0                        |
| - Operational Land                             | 2,216                    |                      |                       |                        |                                 | 2,216                    |
| - Operational Buildings and Improvement        | 5,905                    |                      | 209                   |                        | 4282                            | 10,396                   |
| <b>Total Group Equity</b>                      | <b>633,266</b>           | <b>(110)</b>         | <b>12,160</b>         | <b>(11,952)</b>        | <b>17,308</b>                   | <b>650,671</b>           |

2018

|  | Opening Balance | Net Surplus  | Transfers In  | Transfers Out   | Revaluation Changes | Closing Balance |
|--|-----------------|--------------|---------------|-----------------|---------------------|-----------------|
|  | \$000           | \$000        | \$000         | \$000           | \$000               | \$000           |
| <b>Retained Earnings</b>                       |                 |              |               |                 |                     |                 |
| Accumulated General Funds                      | 464,712         | 1,887        | 153           | 2,096           | (164)               | 468,684         |
| Separate Funds                                 | (1,942)         |              | (2,001)       | 3,907           |                     | (36)            |
| Growth Funds                                   | 69              |              | 2,114         | (4,066)         |                     | (1,883)         |
| Depreciation Fund                              | 3,789           |              | 9,655         | (12,205)        |                     | 1,239           |
|  | <b>466,627</b>  | <b>1,887</b> | <b>9,921</b>  | <b>(10,268)</b> | <b>(164)</b>        | <b>468,004</b>  |
| <b>Other Reserves</b>                          |                 |              |               |                 |                     |                 |
| Trust Funds                                    |                 |              |               |                 |                     |                 |
| - Hook Bequest                                 | 12              |              |               |                 |                     | 12              |
| - Trewin Bequest                               | 1               |              |               |                 |                     | 1               |
| - Wakerill Trust                               | 1               |              |               |                 |                     | 1               |
| - Robert Dickson Library Trust                 | 4               |              |               |                 |                     | 4               |
| - P A Broad Memorial Trust                     | 7               |              |               |                 |                     | 7               |
| - Historical Trust                             | 3               |              | 1             |                 |                     | 4               |
| - Robert Dickson Educational Trust             | 14              |              |               | (1)             |                     | 13              |
| - Museum Trust                                 | 2               |              |               | (2)             |                     | 0               |
| - Feilding and District Relief Trust           | 56              |              | 2             |                 |                     | 58              |
|  | <b>100</b>      | <b>0</b>     | <b>3</b>      | <b>(3)</b>      | <b>0</b>            | <b>100</b>      |
| Special Funds                                  |                 |              |               |                 |                     |                 |
| - General Purpose Special Fund                 | 19              |              | 478           | (68)            |                     | 429             |
| - Land Subdivision Reserve Special Fund        | 553             |              | 9             | (31)            |                     | 531             |
| - Insurance Fund                               | 961             |              | 16            | (53)            |                     | 924             |
|  | <b>1,533</b>    | <b>0</b>     | <b>503</b>    | <b>(152)</b>    | <b>0</b>            | <b>1,884</b>    |
| Revaluation Reserves                           |                 |              |               |                 |                     |                 |
| - Operational Land                             | 4,754           |              |               | (37)            |                     | 4,717           |
| - Operational Buildings and Improvement        | 1,360           |              | 200           |                 |                     | 1,560           |
| - Restricted Land                              | 6,513           |              |               | (8)             |                     | 6,505           |
| - Restricted Buildings and Improvement         | 5,659           |              |               |                 |                     | 5,659           |
| - Infrastructural Land                         | 919             |              |               |                 |                     | 919             |
| - Utilities (water, stormwater and wastewater) | 39,614          |              |               | (9,709)         | 18,323              | 48,228          |
| - Roading Network                              | 73,964          |              |               |                 | 1,956               | 75,920          |
|  | <b>132,783</b>  | <b>0</b>     | <b>200</b>    | <b>(9,754)</b>  | <b>20,279</b>       | <b>143,508</b>  |
| <b>Total Other Reserves</b>                    | <b>134,416</b>  | <b>0</b>     | <b>706</b>    | <b>(9,909)</b>  | <b>20,279</b>       | <b>145,492</b>  |
| <b>Total Council Equity</b>                    | <b>601,043</b>  | <b>1,887</b> | <b>10,627</b> | <b>(20,177)</b> | <b>20,115</b>       | <b>613,495</b>  |
| <b>Other Entities</b>                          |                 |              |               |                 |                     |                 |
| General Fund                                   | 11,711          | (1,065)      | 993           |                 |                     | 11,639          |
| Restricted Land                                | -               |              |               |                 |                     | 0               |
| Restricted Buildings and Improvement           | -               |              |               |                 |                     | 0               |
| Revaluation Reserves                           |                 |              |               |                 |                     | 0               |
| - Operational Land                             | 2,216           |              |               |                 |                     | 2,216           |
| - Operational Buildings and Improvement        | 3,328           |              |               |                 | 2588                | 5,916           |
| <b>Total Group Equity</b>                      | <b>618,298</b>  | <b>822</b>   | <b>11,620</b> | <b>(20,177)</b> | <b>22,703</b>       | <b>633,267</b>  |

### 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.

### Growth funds

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

### Depreciation fund

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

### Purpose of each Special Fund is detailed below:

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

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

### Purpose of each Trust Fund is detailed below:

|                                    |  |
|------------------------------------|--|
| Hook Bequest                       | Assist poor or needy/charitable purposes in Feilding |
| Trewin Bequest                     | Maintenance of the Trewin monument                   |
| Wakerill Trust                     | Maintenance of the Wackerill 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 |
| Museum Trust                       | Council directs trust to enhance the library's local |
| Feilding And District Relief Trust | Donations from 2004 flood                            |

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

|   | Council       |               | Group         |               |
|---|---------------|---------------|---------------|---------------|
|   | Actual 2019   | Actual 2018   | Actual 2019   | Actual 2018   |
|   | \$000         | \$000         | \$000         | \$000         |
| Surplus/(deficit) after tax                                       | (211)         | 1,887         | 100           | 2,074         |
| Add/(less) non-cash items:  |               |               |               |               |
| Depreciation and amortisation                                     | 14,632        | 13,639        | 15,125        | 14,470        |
| Vested assets   | (371)         | (684)         | (371)         | (684)         |
| Grant expenditure from low interest loans                         | 0             | 0             | 0             | 0             |
| Add/(less) items classified as investing or financing activities: |               |               |               |               |
| Investment revenue direct to investment                           |               |               | 325           | (240)         |
| (Gains)/losses on disposal of property, plant and equipment       | 1             | 83            | 1             | 83            |
| Add/(less) movements in working capital items:                    |               |               |               |               |
| (Increase)/decrease in accounts receivable                        | (601)         | 671           | (849)         | 702           |
| Increase (decrease) in accounts payable                           | 820           | 1,627         | 972           | 1,788         |
| Increase (decrease) in provisions                                 | 32            | 165           | 32            | 165           |
| Increase (decrease) in employee benefits                          | 11            | 24            | 15            | 30            |
| Net GST   | (111)         | 156           | (113)         | 153           |
| <b>Net cash from operating activities</b>                         | <b>14,201</b> | <b>17,567</b> | <b>15,236</b> | <b>18,540</b> |

## 27 Capital Commitments and Operating Leases

### Capital Commitments

|   | Council       |               | Group         |               |
|---|---------------|---------------|---------------|---------------|
|   | Actual 2019   | Actual 2018   | Actual 2019   | Actual 2018   |
|   | \$000         | \$000         | \$000         | \$000         |
| Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment |               |               |               |               |
| - Buildings   | 3,130         | -             | 3,229         | -             |
| - Roading   | 9,279         | 15,622        | 9,279         | 15,622        |
| - Stormwater  | 69            | 733           | 69            | 733           |
| - Wastewater  | 0             | 401           | 0             | 401           |
| - Water Supply  | 2,517         | 99            | 2,517         | 99            |
| <b>Total Capital Commitments</b>  | <b>14,995</b> | <b>16,855</b> | <b>15,094</b> | <b>16,855</b> |

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

In respect to capital commitment for roading maintenance and upgrade, included in the above current commitment figure, \$4.92m (last year: \$7.07m) will be partially financed by way of subsidy from the New Zealand Transport Authority.

### Operating Leases as Lessee

Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

|  | Council     |             | Group       |             |
|--|-------------|-------------|-------------|-------------|
|  | Actual 2019 | Actual 2018 | Actual 2019 | Actual 2018 |
|  | \$000       | \$000       | \$000       | \$000       |
| <b>Non-cancellable operating leases as lessee</b>  |             |             |             |             |
| Not later than one year                            | 21          | 46          | 21          | 49          |
| Later than one year and not later than two years   | 23          | 5           | 23          | 6           |
| Later than two years and not later than five years | 68          | 15          | 68          | 15          |
| Later than five years                              | 11          | 15          | 11          | 15          |
| <b>Total non-cancellable operating leases</b>      | <b>123</b>  | <b>81</b>   | <b>123</b>  | <b>85</b>   |

### Operating Leases as Lessor

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

The Manawatu Community Trust leases the Feilding Integrated Family Health Centre under an operating lease.

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

|  | Council      |              | Group        |              |
|--|--------------|--------------|--------------|--------------|
|  | Actual 2019  | Actual 2018  | Actual 2019  | Actual 2018  |
|  | \$000        | \$000        | \$000        | \$000        |
| <b>Non-cancellable operating leases as lessor</b>  |              |              |              |              |
| Not later than one year                            | 133          | 133          | 133          | 133          |
| Later than one year and not later than two years   | 133          | 133          | 141          | 157          |
| Later than two years and not later than five years | 400          | 400          | 520          | 474          |
| Later than five years                              | 433          | 566          | 1,203        | 1,366        |
| <b>Total non-cancellable operating leases</b>      | <b>1,099</b> | <b>1,232</b> | <b>1,997</b> | <b>2,130</b> |

## 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 are no claims filed with the Weathertight Homes Tribunal.

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

#### Uncalled capital – NZLGFA

The Council is a shareholder of the NZLGFA. The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+. The Council is one of 31 shareholders of the NZLGFA. In that regard, Council has uncalled capital of \$100,000. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event of an imminent default. Together with the other shareholders, the Council is a guarantor to all of NZLGFA's borrowings. At 30 June 2019, the NZLGFA had borrowings totalling \$9.531 billion (last year: \$8.594 billion). The Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of the NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

#### Defined Benefit Scheme

Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

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

#### Guarantees

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

#### Other legal proceedings - unquantified claims

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

### Contingent Assets

#### Buildings on Reserve Land

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

#### Community Loans

A number of loans have been given to community organisations. These loans become repayable only if the organisation ceases to provide a service within the district. At this stage Council is not aware of any circumstance in which the loan becomes repayable. These loans are recorded at fair value (\$nil) in the statement of financial position. These loans total \$4.92m (last year: \$4.92m). Refer to note 17.

## 29 Related Party Transactions

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

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

|   | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
|---|----------------------|----------------------|
| <b>Heartland Contractors Limited (Non Trading)</b><br>The Mayor, Deputy Mayor and Chief Executive are directors of this company   | Nil                  | Nil                  |
| <b>Feilding Civic Centre Trust</b><br>Grant provided by MDC   | 80                   | 78                   |
| <b>Manawatū Community Trust</b>   |                      |                      |
| Interest paid to MDC (refer note below)   | 73                   | 77                   |
| Amounts payable to MDC at year end  | 35                   | 33                   |
| Loans repaid to the MDC   | 249                  | 240                  |
| Loans drawn down from MDC during the year   | 50                   | 0                    |
| Loan owing to MDC (as at balance date)  | 2,792                | 2,992                |
| <b>Manawatu-Wanganui LASS Limited</b><br>The Chief Executive is a director of this company<br>The Council is one of the guarantors to the Deed of Lease for a property leased by the company - see note 27 for further details. |                      |                      |
| <b>Awahuri Forest / Kitchener Park Trust</b><br>Grant provided by MDC   | 92                   | 93                   |
| <b>Central Economic Development Agency Limited</b><br>Contract payment provided by MDC  | 646                  | 634                  |

Council has impaired the loan given to Manawatū Community Trust to fair value. The reduction total of \$151k (last year \$193k) 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 2019<br>\$000 | Actual 2018<br>\$000 |
|--|----------------------|----------------------|
| Salaries and other short term employee benefits - elected members                              | 428                  | 416                  |
| Salaries and other short term employee benefits - Executive Team including the Chief Executive | 990                  | 967                  |
| Post employment benefits - Executive Team including the Chief Executive                        | 41                   | 40                   |
| Termination benefits   | -                    | -                    |
|  | <b>1,459</b>         | <b>1,423</b>         |
| <b>Full time equivalents</b>   |                      |                      |
| Elected Members*   | 11                   | 11                   |
| Executive Team including the Chief Executive   | 5                    | 5                    |

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

### 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 2019<br>\$ | Actual 2019<br>\$  | Actual 2018<br>\$ | Actual 2018<br>\$  |
|--|-------------------|--------------------|-------------------|--------------------|
|  | Salary            | Meeting Allowances | Salary            | Meeting Allowances |
| Mayor Helen Worboys                    | 104,599           |                    | 101,897           |                    |
| Councillor Steve Bielski               | 28,981            |                    | 28,145            |                    |
| Councillor Barbara Cameron             | 28,981            | 255                | 28,145            | 468                |
| Councillor Stuart Campbell             | 28,981            |                    | 28,145            |                    |
| Councillor Shane Casey                 | 28,981            |                    | 28,145            | 356                |
| Councillor Michael Ford (Deputy Mayor) | 40,574            |                    | 39,404            |                    |
| Councillor Hilary Humphrey             | 36,227            |                    | 35,182            |                    |
| Councillor Philson Marsh               | 36,227            |                    | 35,182            |                    |
| Councillor Andrew Quarrie              | 28,981            |                    | 28,145            |                    |
| Councillor Alison Short                | 28,981            |                    | 28,145            | 356                |
| Councillor Howard Voss                 | 36,227            |                    | 35,182            |                    |
|  | <b>427,740</b>    | <b>255</b>         | <b>415,717</b>    | <b>1,180</b>       |

#### Chief Executive

- For the year ended 30 June 2019, the remuneration paid to the Chief Executive, Richard Templer, was \$309,000 (Last year, \$303,450).

#### Council employees

|  | Actual 2019<br>as at 30 June | Actual 2018<br>as at 30 June |
|--|------------------------------|------------------------------|
| The number of employees employed by the Council:                           | 178                          | 181                          |
| The number of full-time employees:   | 133                          | 131                          |
| The full-time equivalent number of all other employees:                    | 28                           | 31                           |
| Number of employees receiving total annual remuneration of                 |                              |                              |
| - less than \$60,000   | 86                           | 96                           |
| - between 60,001 and \$80,000  | 42                           | 41                           |
| - between \$80,001 and \$100,000   | 30                           | 25                           |
| - between \$100,001 and \$120,000  | 10                           | 10                           |
| - between \$120,001 and \$250,000  | 9                            | 8                            |
| - between \$250,001 and \$320,000 (Chief Executive)                        | 1                            | 1                            |
| A full-time employee is determined on the basis of a 40-hour working week. |                              |                              |
|  | <b>178</b>                   | <b>181</b>                   |

### 31 Severance Payments

For the year ended 30 June 2019, the Council made two (2018: one) severance payments to employees, totalling \$17,000 (2018 \$10,000). The value of each of the severance payments was \$12,000 and \$5,000.

### 32 Events after the Balance Sheet Date

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

### 33 Financial Instruments

#### Financial instrument categories

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

|  | Council              |                      | Group                |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| <b>FINANCIAL ASSETS</b>  |                      |                      |                      |                      |
| <b>Loans and receivables</b>                                     |                      |                      |                      |                      |
| Cash and cash equivalents  | 4,951                | 4,355                | 5,570                | 4,871                |
| Debtors and other receivables                                    | 4,929                | 4,535                | 5,034                | 4,735                |
| Term deposits - other  | -                    | (48)                 | -                    | (48)                 |
| Notes - NZ Local Government Funding Agency                       | 1,088                | 976                  | 1,088                | 976                  |
| Community loans  | 342                  | 416                  | 191                  | 224                  |
| Community loans - related party                                  | 2,641                | 2,799                | -                    | -                    |
| <b>Total loans and receivables</b>                               | <b>13,950</b>        | <b>13,032</b>        | <b>11,882</b>        | <b>10,757</b>        |
| <b>Total held to maturity</b>                                    |                      |                      |                      |                      |
| Other financial assets   | -                    | -                    | -                    | -                    |
| <b>Total held to maturity</b>                                    | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>             |
| <b>Available for sale</b>  |                      |                      |                      |                      |
| Unlisted shares in NZ Local Government Funding Agency (NZLGFA)   | 100                  | 100                  | 100                  | 100                  |
| Unlisted shares in NZ Local Government Insurance Corp Ltd (NZIG) | 190                  | 190                  | 190                  | 190                  |
| Unlisted shares in Manawatu-Wanganui LASS Limited (LASS)         | 16                   | 16                   | 16                   | 16                   |
| <b>Total available for sale</b>                                  | <b>306</b>           | <b>306</b>           | <b>306</b>           | <b>306</b>           |
| <b>Total financial assets</b>                                    | <b>14,256</b>        | <b>13,338</b>        | <b>12,188</b>        | <b>11,063</b>        |
| <b>FINANCIAL LIABILITIES</b>                                     |                      |                      |                      |                      |
| <b>Financial liabilities at amortised cost</b>                   |                      |                      |                      |                      |
| Creditors and other payables                                     | 7,705                | 8,707                | 7,944                | 8,855                |
| Borrowings   |                      |                      |                      |                      |
| - Bank overdraft   | -                    | -                    | -                    | -                    |
| - Secured loans  | 69,662               | 62,619               | 72,521               | 65,382               |
| <b>Total financial liabilities at amortised cost</b>             | <b>77,368</b>        | <b>71,326</b>        | <b>80,465</b>        | <b>74,237</b>        |

### Fair Value Hierarchy Disclosures

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

|                               | Valuation technique |                                     |                                   |   |
|-------------------------------|---------------------|-------------------------------------|-----------------------------------|---|
|                               | Total               | Quoted<br>market price<br>(Level 1) | Observable<br>inputs<br>(Level 2) | Significant<br>non-<br>observable<br>inputs |
|                               | \$000               | \$000                               | \$000                             | \$000                                       |
| <b>30 June 2019 - Council</b> |                     |                                     |                                   |   |
| <b>Financial assets</b>       |                     |                                     |                                   |   |
| Community Loan                | -                   |                                     | -                                 |   |
| <b>30 June 2019 -Group</b>    |                     |                                     |                                   |   |
| <b>Financial assets</b>       |                     |                                     |                                   |   |
| Community Loan                | -                   |                                     | -                                 |   |
| <b>30 June 2018 - Council</b> |                     |                                     |                                   |   |
| <b>Financial assets</b>       |                     |                                     |                                   |   |
| Community Loan                | -                   |                                     | -                                 |   |
| <b>30 June 2018 -Group</b>    |                     |                                     |                                   |   |
| <b>Financial assets</b>       |                     |                                     |                                   |   |
| Community Loan                | -                   |                                     | -                                 |   |

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

### Financial instrument risks

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

#### Market risk

##### Price risk

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

##### Currency risk

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

#### Interest rate risk

##### Fair value interest rate risk

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

##### Cash flow interest rate risk

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

#### Credit risk

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

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

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

### Maximum exposure to credit risk

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

|   | Council              |                      | Group                |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | Actual 2019<br>\$000 | Actual 2018<br>\$000 | Actual 2019<br>\$000 | Actual 2018<br>\$000 |
| <b>Balance as at 30 June</b>                |                      |                      |                      |                      |
| Cash at bank and term deposits              | 4,951                | 4,307                | 5,570                | 4,823                |
| Debtors and other receivables               | 4,929                | 4,535                | 5,034                | 4,735                |
| Community loans                             | 2,983                | 3,215                | 191                  | 224                  |
| Local authority stock and other investments | 1,394                | 1,282                | 1,394                | 1,282                |
| Financial guarantees                        | -                    | -                    | -                    | -                    |
| <b>Total credit risk</b>                    | <b>14,256</b>        | <b>13,338</b>        | <b>12,188</b>        | <b>11,063</b>        |

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

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

### 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         |               |
|---|---------------|---------------|---------------|---------------|
|   | 2019<br>\$000 | 2018<br>\$000 | 2019<br>\$000 | 2018<br>\$000 |
| <b>Balance as at 30 June</b>  |               |               |               |               |
| <b>Counterparties with credit ratings</b>                                 |               |               |               |               |
| <i>Cash and term deposits</i>   |               |               |               |               |
| Cash at bank and bank term deposits (AA- rated)                           | 3,951         | 4,307         | 4,570         | 4,823         |
| Cash at bank and bank term deposits (A rated)                             | 1,000         |               | 1,000         |               |
| NZLGFA borrower's notes (AA rated)  | 1,088         | 976           | 1,088         | 976           |
| <b>Total cash at bank and term deposits</b>                               | <b>6,038</b>  | <b>5,283</b>  | <b>6,657</b>  | <b>5,799</b>  |
| <i>Other investments</i>  |               |               |               |               |
| Unlisted shares in NZ Local Government Funding Agency (NZLGFA) (AA Rated) | 100           | 100           | 100           | 100           |
| <b>Total other investments</b>  | <b>100</b>    | <b>100</b>    | <b>100</b>    | <b>100</b>    |
| <b>Counterparties without credit ratings</b>                              |               |               |               |               |
| Local authority stock, community loans                                    |               |               |               |               |
| Existing counterparty with no defaults in the past                        | 3,189         | 3,421         | 397           | 430           |
| Existing counterparty with defaults in the past                           | -             | -             | -             | -             |
| <b>Total local authority stock and community loans</b>                    | <b>3,189</b>  | <b>3,421</b>  | <b>397</b>    | <b>430</b>    |

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

### Liquidity risk

#### Management of liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by maintaining sufficient

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<br>Amount<br>\$000 | Contractual<br>Cash Flows<br>\$000 | Less than<br>1 year<br>\$000 | 1-5 years<br>\$000 | More than<br>5 years<br>\$000 |
|------------------------------|-----------------------------|------------------------------------|------------------------------|--------------------|-------------------------------|
| <b>Council 2019</b>          |                             |                                    |                              |                    |                               |
| Creditors and other payables | 7,705                       | 7,705                              | 7,705                        | -                  | -                             |
| Secured loans                | 69,662                      | 77,840                             | 16,512                       | 35,327             | 26,001                        |
| Financial guarantees         | -                           | -                                  | -                            | -                  | -                             |
|                              | <b>77,368</b>               | <b>85,545</b>                      | <b>24,217</b>                | <b>35,327</b>      | <b>26,001</b>                 |
| <b>Group 2019</b>            |                             |                                    |                              |                    |                               |
| Creditors and other payables | 7,944                       | 7,944                              | 7,944                        | -                  | -                             |
| Secured loans                | 72,521                      | 80,942                             | 17,412                       | 37,439             | 26,091                        |
| Financial guarantees         | -                           | -                                  | -                            | -                  | -                             |
|                              | <b>80,465</b>               | <b>88,886</b>                      | <b>25,356</b>                | <b>37,439</b>      | <b>26,091</b>                 |
| <b>Council 2018</b>          |                             |                                    |                              |                    |                               |
| Creditors and other payables | 8,707                       | 8,707                              | 8,707                        | -                  | -                             |
| Secured loans                | 62,619                      | 72,480                             | 12,396                       | 31,171             | 28,913                        |
| Financial guarantees         | -                           | -                                  | -                            | -                  | -                             |
|                              | <b>71,326</b>               | <b>81,187</b>                      | <b>21,103</b>                | <b>31,171</b>      | <b>28,913</b>                 |
| <b>Group 2018</b>            |                             |                                    |                              |                    |                               |
| Creditors and other payables | 8,855                       | 8,855                              | 8,855                        | -                  | -                             |
| Secured loans                | 65,382                      | 75,519                             | 12,584                       | 34,022             | 28,913                        |
| Financial guarantees         | -                           | -                                  | -                            | -                  | -                             |
|                              | <b>74,237</b>               | <b>84,374</b>                      | <b>21,439</b>                | <b>34,022</b>      | <b>28,913</b>                 |

### 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<br>Amount<br>\$000 | Contractual<br>Cash Flows<br>\$000 | Less than<br>1 year<br>\$000 | 1-5 years<br>\$000 | More than<br>5 years<br>\$000 |
|-----------------------------------|-----------------------------|------------------------------------|------------------------------|--------------------|-------------------------------|
| <b>Council 2019</b>               |                             |                                    |                              |                    |                               |
| Cash and cash equivalents         | 4,951                       | 4,951                              | 4,951                        | -                  | -                             |
| Debtors & other receivables       | 4,929                       | 4,929                              | 4,929                        | -                  | -                             |
| Other financial assets:           |                             |                                    |                              |                    |                               |
| - Term deposits                   | -                           | -                                  | -                            | -                  | -                             |
| - LGFA Borrower notes             | 1,088                       | 1,088                              | 104                          | 464                | 520                           |
| - Community loans                 | 342                         | 93                                 | 7                            | 29                 | 57                            |
| - Community loans - related party | 2,641                       | 3,390                              | 318                          | 1,272              | 1,800                         |
|                                   | <b>13,950</b>               | <b>14,450</b>                      | <b>10,308</b>                | <b>1,765</b>       | <b>2,377</b>                  |
| <b>Group 2019</b>                 |                             |                                    |                              |                    |                               |
| Cash and cash equivalents         | 5,570                       | 5,570                              | 5,570                        | -                  | -                             |
| Debtors & other receivables       | 5,034                       | 5,034                              | 5,034                        | -                  | -                             |
| Other financial assets:           |                             |                                    |                              |                    |                               |
| - Term deposits                   | -                           | -                                  | -                            | -                  | -                             |
| - LGFA Borrower notes             | 1,088                       | 1,088                              | 104                          | 464                | 520                           |
| - Community loans                 | 342                         | 93                                 | 7                            | 29                 | 57                            |
|                                   | <b>12,033</b>               | <b>11,784</b>                      | <b>10,714</b>                | <b>493</b>         | <b>577</b>                    |
| <b>Council 2018</b>               |                             |                                    |                              |                    |                               |
| Cash and cash equivalents         | 4,355                       | 4,355                              | 4,355                        | -                  | -                             |
| Debtors & other receivables       | 4,535                       | 4,535                              | 4,535                        | -                  | -                             |
| Other financial assets:           |                             |                                    |                              |                    |                               |
| - Term deposits                   | -                           | -                                  | -                            | -                  | -                             |
| - LGFA Borrower notes             | 976                         | 976                                | 168                          | 408                | 400                           |
| - Community loans                 | 416                         | 103                                | 7                            | 30                 | 66                            |
| - Community loans - related party | 2,799                       | 3,400                              | 317                          | 1,268              | 1,815                         |
|                                   | <b>13,080</b>               | <b>13,369</b>                      | <b>9,382</b>                 | <b>1,706</b>       | <b>2,281</b>                  |
| <b>Group 2018</b>                 |                             |                                    |                              |                    |                               |
| Cash and cash equivalents         | 4,871                       | 4,871                              | 4,871                        | -                  | -                             |
| Debtors & other receivables       | 4,735                       | 4,735                              | 4,735                        | -                  | -                             |
| Other financial assets:           |                             |                                    |                              |                    |                               |
| - Term deposits                   | 0                           | 0                                  | 0                            | 0                  | 0                             |
| - LGFA Borrower notes             | 976                         | 976                                | 168                          | 408                | 400                           |
| - Community loans                 | 416                         | 103                                | 7                            | 30                 | 66                            |
|                                   | <b>10,997</b>               | <b>10,685</b>                      | <b>9,781</b>                 | <b>438</b>         | <b>466</b>                    |

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

## Sensitivity analysis - Council

The tables below illustrate the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on Council's financial instrument exposures at the balance date.

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

| 2018   | -100bps         |                       | +100bps         |                       |
|--|-----------------|-----------------------|-----------------|-----------------------|
|  | Profit<br>\$000 | Other Equity<br>\$000 | Profit<br>\$000 | Other Equity<br>\$000 |
| <b>INTEREST RATE RISK</b>                      |                 |                       |                 |                       |
| <b>Financial assets</b>                        |                 |                       |                 |                       |
| Cash and cash equivalents                      | (40)            | -                     | 43              | -                     |
| Other financial assets:                        |                 |                       |                 |                       |
| - Term deposits                                | -               | -                     | -               | -                     |
| - LGFA Borrower notes                          | (5)             | -                     | 4               | -                     |
| - Community and related party loans            | (28)            | -                     | 28              | -                     |
| - Other investments                            | (1)             | -                     | 1               | -                     |
| - Local authority stock                        | 0               | -                     | 0               | -                     |
| Secured loans                                  | 320             | -                     | (320)           | -                     |
| <b>Total sensitivity to interest rate risk</b> | <b>246</b>      | <b>-</b>              | <b>(244)</b>    | <b>-</b>              |
| <b>EQUITY PRICE RISK</b>                       |                 |                       |                 |                       |
| <b>Financial assets</b>                        |                 |                       |                 |                       |
| Other financial assets:                        |                 |                       |                 |                       |
| - NZ Local Government Insurance Corp Ltd       | -               | -                     | -               | -                     |
| - Shares in Manawatu-Wanganui LASS Limited     | -               | -                     | -               | -                     |
| - Shares in NZ Local Government Funding Agency | -               | -                     | -               | -                     |
| <b>Total sensitivity to equity price risk</b>  | <b>-</b>        | <b>-</b>              | <b>-</b>        | <b>-</b>              |

## 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.

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

| 2018   | -100bps         |                       | +100bps         |                       |
|--|-----------------|-----------------------|-----------------|-----------------------|
|  | Profit<br>\$000 | Other Equity<br>\$000 | Profit<br>\$000 | Other Equity<br>\$000 |
| <b>INTEREST RATE RISK</b>                      |                 |                       |                 |                       |
| <b>Financial assets</b>                        |                 |                       |                 |                       |
| Cash and cash equivalents                      | (45)            | -                     | 45              | -                     |
| Other financial assets:                        |                 |                       |                 |                       |
| - Term deposits                                | -               | -                     | -               | -                     |
| - LGFA Borrower notes                          | (4)             | -                     | 3               | -                     |
| - Community loans                              | (1)             | -                     | 1               | -                     |
| - Other investments                            | (1)             | -                     | 1               | -                     |
| <b>Financial liabilities</b>                   |                 |                       |                 |                       |
| Secured loans                                  | 320             | -                     | (320)           | -                     |
| <b>Total sensitivity to interest rate risk</b> | <b>269</b>      | <b>-</b>              | <b>(270)</b>    | <b>-</b>              |
| <b>EQUITY PRICE RISK</b>                       |                 |                       |                 |                       |
| Financial assets                               | <b>-10%</b>     |                       | <b>10%</b>      |                       |
| Other financial assets:                        |                 |                       |                 |                       |
| - NZ Local Government Insurance Corp Ltd       | -               | -                     | -               | -                     |
| - Shares in Manawatu-Wanganui LASS Limited     | -               | -                     | -               | -                     |
| - Shares in NZ Local Government Funding Agency | -               | -                     | -               | -                     |
| <b>Total sensitivity to equity price risk</b>  | <b>-</b>        | <b>-</b>              | <b>-</b>        | <b>-</b>              |

## Explanation of sensitivity analysis - Council and Group

### Financial Assets

#### 1 Cash and cash equivalents

Council has cash and cash equivalents include deposits on call totalling \$4,918,827 (last year: \$4,351,442) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$49,188 (last year: \$43,514). The Group has cash and cash equivalents include deposits on call totalling \$5,330,827 (last year: \$4,717,442) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$53,308 (last year: \$47,174).

#### 2 Community loans

Council has floating rate community advances with a principal amount totalling \$7,791,611 (last year: \$7,995,445). A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$77,916 (last year: \$79,994). The Group has floating rate community advances with a principal amount totalling \$75,426 (last year: \$79,919). A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$754 (last year: \$799).

#### 3 Local authority stock and other investments

The Council has floating rate term bonds and deposits totalling \$496,000 (last year: \$464,000) that are held to maturity. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$4,960 (last year: \$4,640).

### Financial Liabilities

#### 4 Secured loans

Council has a floating rate debt with a principal amount totalling \$37,000,000 (last year: \$32,000,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$370,000 (last year: \$320,000).

### Equity

#### 5 Unlisted shares

Council holds unlisted equity instruments in Civic Financial Services Ltd, which are not traded and will continue to be held by Council. The market value of these shares is difficult to determine, but the net asset backing of this shareholding was \$325,363 at 31 December 2018. These shares are accounted for 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. These shares are accounted for at cost.

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

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

## 34 Capital Management

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

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

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

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

Council has the following Council created reserves:

- \* Trust and bequest funds
- \* Special Funds

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

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

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

## 35 Explanation of Major Variances

Explanations for major variations between the actual results and the estimated figures in the 2018/19 Annual Plan, which is the first year of the Long Term Plan 2018-2028, are detailed below.

### Statement of Comprehensive Revenue and Expense

The operating deficit for the year is \$211k, against a budgeted surplus of \$2,884k. The following are the most significant variances:

- Revenue from development contributions and capital contributions are \$1.32 million below budget. There are a number of large projects where resource consent has been granted but the trigger to pay development contributions has yet to occur.
- Finance costs are \$1,054k lower than budgeted. The external loans raised for the year are at a lower interest rate than planned in the Long Term Plan. In addition, 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).
- Depreciation and amortisation is \$1.4m more than budget, as asset revaluations needed to be estimated at time of budgeting, however actual revaluation amounts were much higher.
- Roading expenditure was \$2,108k over budget because it included remaining work from 2017 from Cyclone Debbie and the July 2017 Snow Storm events and two further storm events which occurred in June and September 2018. This work is subsidised by NZTA.
- District Development expenditure is lower than budget, due to postponement of the Ultra Fast Broadband project (\$212k) and Community Development funding (\$204k) not being spent. Planned expenditure will be carried forward to future years.
- Solid waste costs are higher than budgeted, increased disposal costs of \$201k are partially offset by increased gate takings. Waste volumes (above the contracted limit of 208 tonnes per month) have also triggered price escalations.

### Statement of Financial Position

The most significant movements are:

- Capital expenditure was only 60% of the work planned in the Long Term Plan. A number of projects have been requested to be carried forward to the 2019/20 financial year. The level of capital expenditure has resulted in property, plant and equipment, intangible assets and the associated borrowing being lower than budgeted. Individual variations are documented with the individual activity reports.
- Borrowing is \$7.1m less than planned. This is primarily a result of reduced capital expenditure and the timing of raising loans. Council borrowed \$7m in December 2018, to cover capital expenditure. In March 2019, through the LGFA tender process \$10.5m was refinanced at a lower interest rate.
- Council revalued its infrastructural assets on 1 July 2018. The revaluations resulted in an increase in the asset value \$1.8m more than budgeted. As a result both the asset value and the asset revaluation reserve are more than expected.
- Accounts receivable is significantly lower than budget, due to receipt of significant historic debtors.

### Statement of Cash Flows

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

## Report on Liability Management and Investment Policies

### Liability Management Policy

During the course of the financial year, Council raised \$18.6 million of debt, repaid \$11.5 million of debt, resulting in an increase of debt from \$62.6 million at the start of the financial year to \$69.7 million at 30 June 2019.

#### Key Statistics

|   | Actual 2019 | Budget 2019 | Actual 2018 |
|---|-------------|-------------|-------------|
| Net interest expense (interest and financing costs less interest income) must not exceed 20% of total revenue (excluding non-Government capital contributions such as developers contribution and vested assets). | 4.0%        | 6.2%        | 4.2%        |
| Net interest expense (interest and financing costs less interest income) must not exceed 25% of annual rates income (includes water by meter and revenue from services provided to another Local Authority).      | 5.7%        | 8.9%        | 6.1%        |
| Net debt (all financial liabilities less liquid investments) must not exceed 175% of total revenue (excluding non-Government capital contributions such as developers contribution and vested assets).            | 123.1%      | 142.7%      | 115.4%      |
| Available financial accommodation (external indebtedness, plus committed but undrawn debt plus liquid investment) must not be less than 110% of external indebtedness.  | 118.8%      | 113.4%      | 119.9%      |
| Net Working Capital Ratio is greater than 1 (current assets compared to current liabilities excluding current portion of debt and properties for sale)  | 1.16        | 1.09        | 0.93        |
| No more than 35% of net term debt planned to be refinanced in any financial period without pre-arranged facility being in place. The maximum debt repayable in any one year.                                      | 16.5%       | 13.7%       | 16.8%       |

At balance date in 2018, the working capital ratio was less than required. This was a result of a significant debtor paying the debt due. These funds were used instead of raising external loans to fund capital works. Loans will be raised early in the new financial year to meet cash requirements.

There were no other breaches of the Liability Management Policy.

### Investment Policy

Council is a prudent and conservative investor and while seeking to maximise the return from its investments, it realises that its level of short-term investments is comparatively small and not of great significance in the corporate money market. With the exception of loans to community organisations, Council's long-term investments are predominantly in nil risk assets such as government or local authority stock and bank bonds.

Council investment money includes funds accumulated with respect to general funds, special funds, loan repayment funds and trust monies.

#### Interest Received

Interest received on investments at \$155,000 was down on last year's \$186,000, due to a change in the market interest rates and the amounts invested.

#### Other Equity Investments

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

#### Breach of Policy

There was a breach of the Investment Management Policy in July 2017. An early receipt of an NZTA claim caused the ratio of funds held with our transactional bank to exceed 50%. In May 2019, a temporary breach of investment policy occurred due to a higher level of funds in the transactional account over a weekend period, due to rates received. This was corrected on the Monday.

## Report on Revenue and Financing Policy

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

Part 6 s103(3) of the Local Government Act 2002 specifies that every local authority must provide in its annual report sufficient information about the Revenue and Financing Policy to enable an informed assessment of the extent to which the objectives and provisions of the policy have been met during the year.

This report summarises progress against the policy for the year ended 30 June 2019.

| Group of Activities            | Function                            | ACTUAL |         | FUNDING POLICY |         |
|--------------------------------|-------------------------------------|--------|---------|----------------|---------|
|                                |                                     | Public | Private | Public         | Private |
| <b>Community Facilities</b>    | Cemeteries                          | 94%    | 6%      | 95%            | 5%      |
|                                | District Libraries                  | 97%    | 3%      | 95%            | 5%      |
|                                | Makino Aquatic Centre               | 74%    | 26%     | 65%            | 35%     |
|                                | Parks and Reserves                  | 88%    | 12%     | 95%            | 5%      |
|                                | Property                            | 78%    | 22%     | 70%            | 30%     |
|                                | Local Halls and complexes           | 100%   | 0%      | 100%           | 0%      |
|                                | Public Conveniences                 | 100%   | 0%      | 100%           | 0%      |
| <b>District Development</b>    | Community Development               | 100%   | 0%      | 100%           | 0%      |
|                                | Economic Development                | 100%   | 0%      | 100%           | 0%      |
|                                | Feilding CBD Security               | 20%    | 80%     | 20%            | 80%     |
| <b>Emergency Management</b>    | Civil Defence                       | 100%   | 0%      | 100%           | 0%      |
| <b>Regulatory</b>              | Animal Control                      | 37%    | 63%     | 40%            | 60%     |
|                                | Building Control                    | 26%    | 74%     | 40%            | 60%     |
|                                | Compliance and Monitoring           | 74%    | 26%     | 90%            | 10%     |
|                                | Consent Planning                    | 62%    | 38%     | 70%            | 30%     |
|                                | District Planning                   | 100%   | 0%      | 100%           | 0%      |
| <b>Governance and Strategy</b> | Governance and Strategy             | 100%   | 0%      | 100%           | 0%      |
| <b>Roading Network</b>         | Roading                             | 42%    | 58%     | 55%            | 45%     |
|                                | Feilding CBD Redevelopment          | 100%   | 0%      | 15%            | 85%     |
| <b>Solid Waste</b>             | Solid Waste Collection and Disposal | 37%    | 63%     | 50%            | 50%     |
|                                | Feilding Kerbside Collection        | 100%   | 0%      | 0%             | 100%    |
| <b>Stormwater</b>              | Urban Stormwater                    | 20%    | 80%     | 20%            | 80%     |
|                                | Rural Land Drainage                 | 0%     | 100%    | 0%             | 100%    |
| <b>Wastewater</b>              | Wastewater                          | 0%     | 100%    | 0%             | 100%    |
| <b>Water Supply</b>            | Water Supply                        | 0%     | 100%    | 0%             | 100%    |

## Report on Council Controlled Organisations

### Manawatū Community Trust

The Manawatū Community Trust was formed on 23 June 2008. The purpose of the Trust is the provision of housing for the elderly and disabled of the Manawatū district, the promotion of health and wellbeing services for the residents of the Manawatū district, as well as promotion of any purposes within the Manawatū district for the relief of poverty and for the benefit of the residents of the Manawatū district. Following is the statement of comprehensive revenue and expense for the year ended 2019.

#### Statement of Comprehensive Revenue and Expense for the year ended 30 June 2019

|   | Actual 2019  | Actual 2018  |
|---|--------------|--------------|
|   | \$000        | \$000        |
| <b>Revenue</b>                                |              |              |
| Interest                                      | 1            | 1            |
| Other revenue                                 | 2,023        | 2,102        |
| <b>Total Revenue</b>                          | <b>2,024</b> | <b>2,103</b> |
| Employee benefit expenses                     | 241          | 136          |
| Depreciation                                  | 454          | 793          |
| Finance costs                                 | 184          | 200          |
| Other expenses                                | 775          | 823          |
| Loss on assets disposal                       | -            | -            |
| Property, plant and equipment impairment loss | -            | -            |
| <b>Total Operating Expenditure</b>            | <b>1,654</b> | <b>1,952</b> |
| <b>Operating Surplus/(Deficit)</b>            | <b>370</b>   | <b>151</b>   |
| Other comprehensive revenue and expense       | -            | -            |
| <b>Net Surplus/(Deficit)</b>                  | <b>370</b>   | <b>151</b>   |

### Awahuri Forest / Kitchener Park Trust

Council has exempted this from being a CCO.

### Heartland Contractors Limited

Council has exempted this from being a CCO.

### Feilding Civic Centre Trust

Council has exempted this from being a CCO.

### Wanganui-Manawatu LASS Limited

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

Council has exempted this company from being a CCO.

Central Economic Development Agency Limited

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2019

|   | Actual 2019<br>\$000 | Actual<br>2018<br>\$000 |
|---|----------------------|-------------------------|
| <b>Revenue</b>                                      |                      |                         |
| Council funding                                     | 2,607                | 2,577                   |
| Services revenue                                    | 778                  | 793                     |
| Donated assets                                      | -                    | -                       |
| Project revenue                                     | 526                  | 394                     |
| Major Event Fund revenue                            | -                    | 65                      |
| Interest  | 20                   | 20                      |
| Other revenue                                       | 2                    | 7                       |
| <b>Total Revenue</b>                                | <b>3,933</b>         | <b>3,856</b>            |
| <b>Operating Expenditure</b>                        |                      |                         |
| Employee expense                                    | 1,718                | 1,476                   |
| Operating expenses                                  | 1,324                | 1,309                   |
| Project expenses                                    | 773                  | 621                     |
| Directors' fees                                     | 180                  | 168                     |
| Major Event Fund allocations                        | -                    | 65                      |
| Depreciation  | 26                   | 27                      |
| Financing expenses                                  | 1                    | 5                       |
| Loss on assets disposal                             | -                    | 1                       |
| <b>Total Operating Expenditure</b>                  | <b>4,022</b>         | <b>3,672</b>            |
| <b>Operating Surplus/(Deficit) before Taxation</b>  | <b>(89)</b>          | <b>184</b>              |
| Income tax expense                                  | -                    | 49                      |
| <b>Operating Surplus / (Deficit) after Taxation</b> | <b>(89)</b>          | <b>135</b>              |
| Other comprehensive revenue and expense             | -                    | -                       |
| <b>Net Surplus/(Deficit)</b>                        | <b>(89)</b>          | <b>135</b>              |

## Reporting against the Statement of Intent

### Manawatū Community Trust: for the year ended 30 June 2019

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

|  | Target  | Results  |
|--|---|--|
| <b>Housing Portfolio</b>   |   |  |
| A housing portfolio that provides a modern, healthy living environment for the elderly and the disabled.   | Carry out refurbishment or upgrade on flats to ensure that they meet appropriate standards - Target: 8 flats per annum. | Seventeen flats have been refurbished, average cost of \$15,324 per unit. In addition a further 31 units were reroofed at an average cost of \$8,320 per unit<br><i>(Last year seven flats were refurbished).</i>  |
| Additional housing stock, investigate the cost of developing vacant land in Beattie Street for 12 additional units.  | Plan to provide for at least 12 additional units.   | Plans to build at least 10 new units on Trust owned land is well advanced.   |
| <b>Housing Maintenance</b>   |   |  |
| Be responsive to urgent maintenance requirements or resident health and safety needs.  | Maintenance requirement requests are responded to within 48 hours.  | Average monthly requests for maintenance were 22. Response times have been met.<br><i>(Last year 15 requests).</i>   |
|  | Resident safety needs are responded to within 12 hours.   | Response times have been met.  |
| <b>Housing Occupancy</b>   |   |  |
| Maintain a high occupancy level.   | Annual average occupancy level is 95% per annum.  | The average occupancy level for the 2018/19 year was 95%.<br><i>(Last year 97%).</i>   |
| <b>Health Services</b>   |   |  |
| Facilitate the redevelopment of Clevely Wing of the Integrated Family Health Centre complex in Feilding.   | Clevely Wing operational.   | This project has been significantly delayed by a prospective major public sector tenant still being unable to commit to an agreement to lease at this stage. A decision on proceeding with the \$2m redevelopment will not proceed until prospective tenants for the majority of the wing have been confirmed.   |
| <b>Manawatū Community and Development</b>  |   |  |
| The promotion of wellbeing services for residents of the Manawatu District – these services shall include services promoting the improvement of lifestyle, health and welfare of residents in the Manawatu District and creating a sense of community for the benefit of the residents of the Manawatu District. | Facilitate collaboration across social services groups.   | The Trust have formed a working party with Manchester House Social Services and are keen to work on a joint project with them. An initial funding application for the project was declined so some refinement of the joint venture is being developed. We have set a target for next year of developing working projects with at least one more community group. |
| <b>Compliance with current accounting policies</b>   |   |  |
| Ensure that a positive financial return on investment in line with the nature and condition of the Trusts' assets is achieved for re-investment and repayment of capital loans.  | Actual percentage of rental income for the year spent on capital improvements and major maintenance to be 45%.          | The level of rental income spent on capital work and major maintenance was 32.50%. The percentage is lower than anticipated due to high occupancy rates, meaning less empty flats to do upgrades on.<br><i>(Last year 29.73% of rental income was spent on capital improvements).</i>  |

|  |  |  |
|--|--|--|
| Provide financial reporting to Manawātū District Council as required.                                | Each report is to be prepared and presented before the due date.<br><br>Report as at 30 June 2018 and as at 31 December 2018 reported by 2 October 2018 and 28 February 2019 respectively. | The copy of the 12 month report for the year ended 30 June 2018 was submitted to Council on 2 October 2018.<br><br>The six month report for the period ended 31 December 2018 was submitted to Council on 28 February 2019.<br><br><i>(Last year reports were submitted on 2 October 2017 and 28 February 2018).</i> |
| Maintain the percentage of consolidated Trust funds in relation to total assets at no less than 60%. | The percentage of consolidated trust funds in relation to total assets be no less than 60%.  | The percentage of consolidated trust funds in relation to total assets is 79.14% <i>(last year 72.97%)</i> .   |

**Central Economic Development Agency Limited: for the year ended 30 June 2019**

The key objectives for the 2018/19 year were to:

|   | Target   | Results  |
|---|--|--|
| Grow and retain education and talent.             | Increase on 2016 baseline of \$72.5m for international students and develop strategy, complete distribution and logistics sector survey. | Baseline target achieved at \$115m for international students. |
|   | Regional skills gap analysis baseline: two programmes  | Four programmes delivered                                      |
| Build the reputation and experience of the region | Year on year growth of visitors to websites and social media 10% growth  | 12% growth to websites and social media                        |
|   | 10% growth in conference / business events   | 3.3% increase  |
|   | 80% satisfaction with visitor information services   | 96% satisfaction   |
| Support the growth of business in the region      | Baseline of 400 businesses actively engaged in the Regional Business Partner Network   | 320 businesses engaged   |
|   | Businesses that have accessed CEDA's additional support services - baseline 100 businesses   | 223 businesses accessed services                               |
|   | Ag Cluster strategy development  | Strategy developed   |
| Build an environment conducive to economic growth | Stakeholder engagement   | 67% baseline set   |
|   | Iwi Economy  | 67% baseline set   |
|   | Development of business plan   | Completed  |

## Annual Report Disclosure Statement for year ending 30 June 2019

### What is the purpose of this statement?

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

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

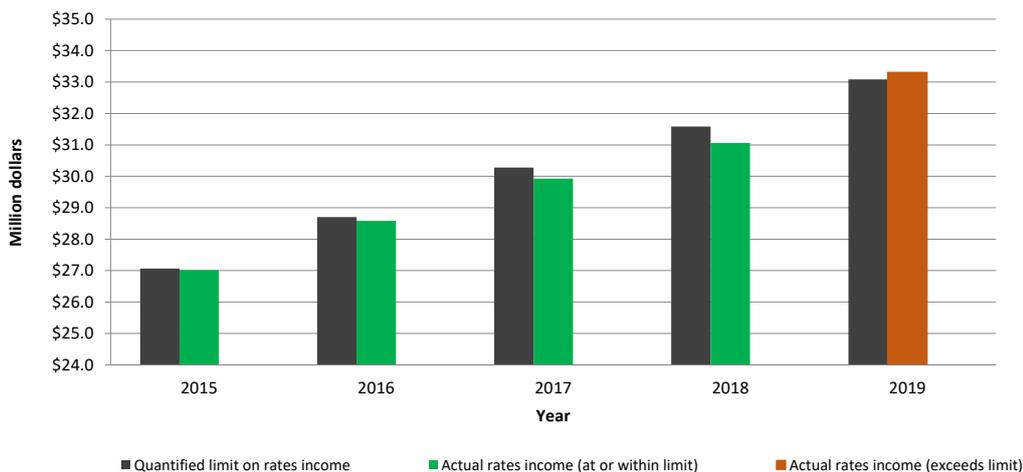
### Rates affordability benchmarks

The Council meets the rates affordability benchmark if—

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

### Rates (income) affordability

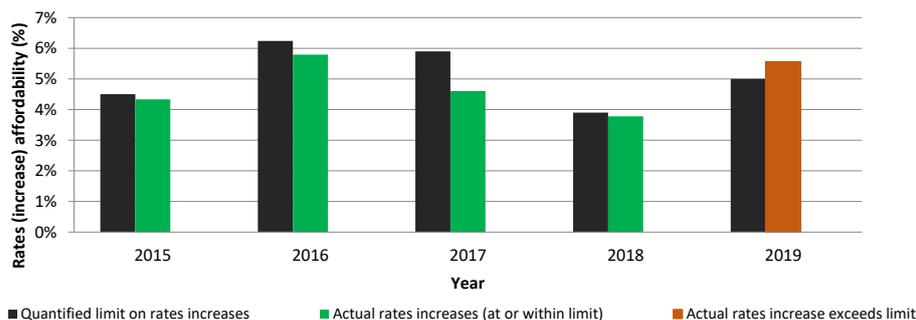
The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. This excludes water by meter. The quantified limit is the indicative rate limit of LGCI plus 3%, measured in million dollars. LGCI is the Local Government Cost Index provided by Business and Economic Research Limited (BERL) each year.



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

### Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long-term plan. This limit excludes water by meter. The quantified limit is based on the Local Government Consumer Index plus 3%, excluding growth and new levels of service (last year LGCI plus 4%).



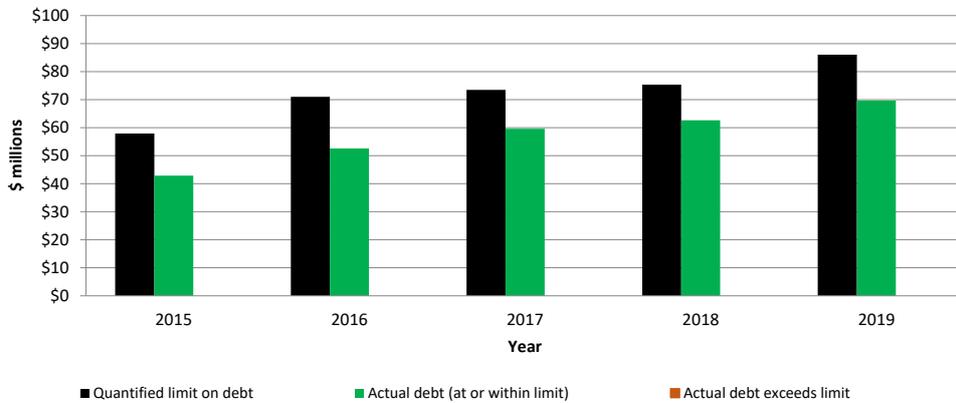
2019 - See comment above about number of SUIP's used for actual rates calculation.

### Debt affordability benchmark

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

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

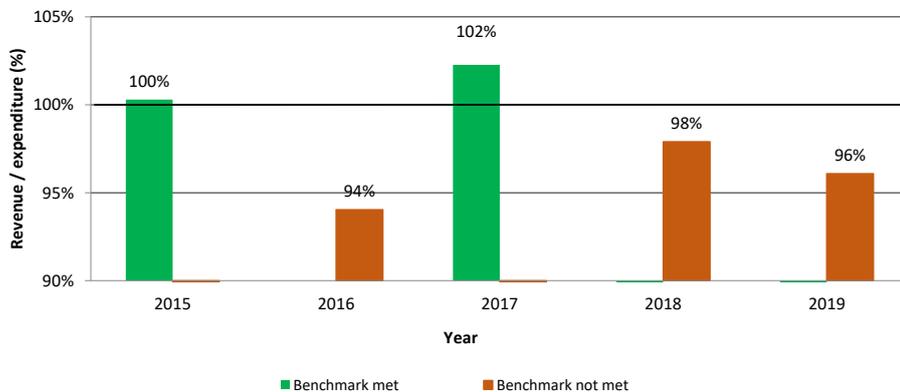
The Council meets the debt affordability benchmark if its actual borrowing is below the maximum debt allowed.



### Balanced budget benchmark

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

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



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

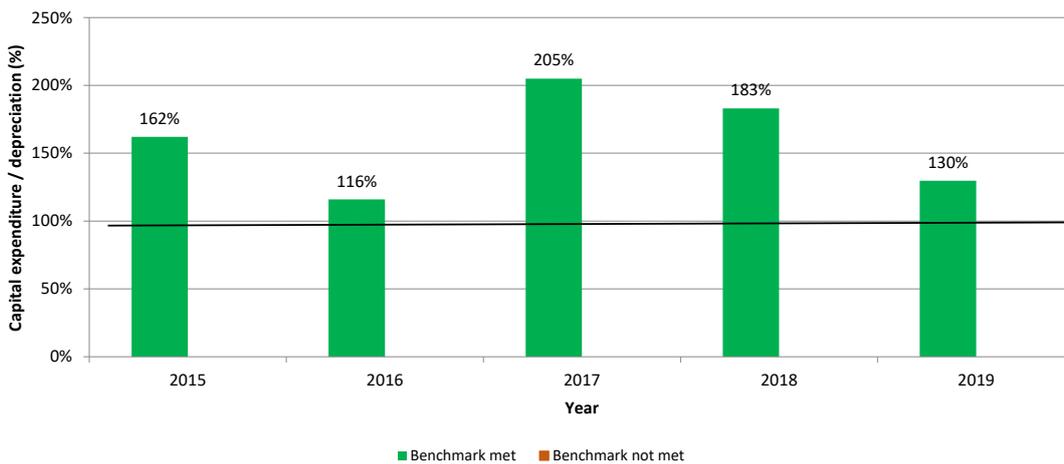
In 2018 roading expenditure included \$2.2 million emergency operating expenditure as a result of the July 2017 weather event, which is subsidised by a NZTA subsidy. Solid waste costs are higher than budgeted, increased disposal costs of \$330k are partially offset by increased gate takings. A back payment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

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

**Essential Services Benchmark**

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

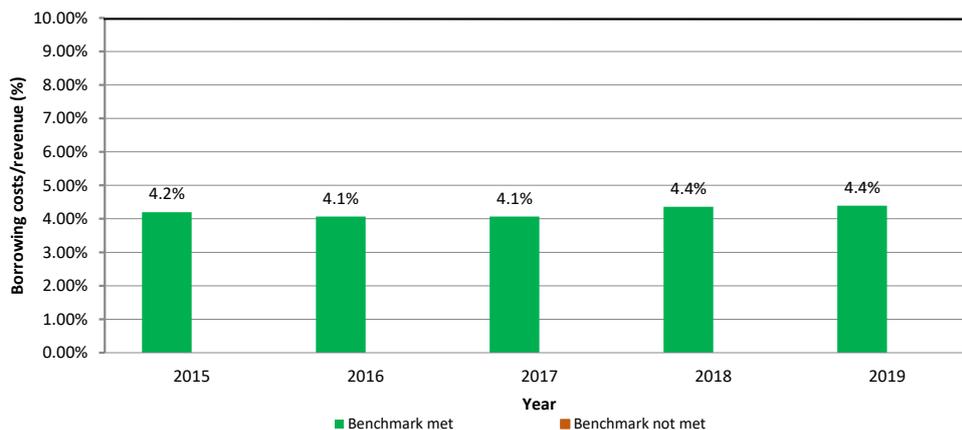
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



**Debt servicing benchmark**

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

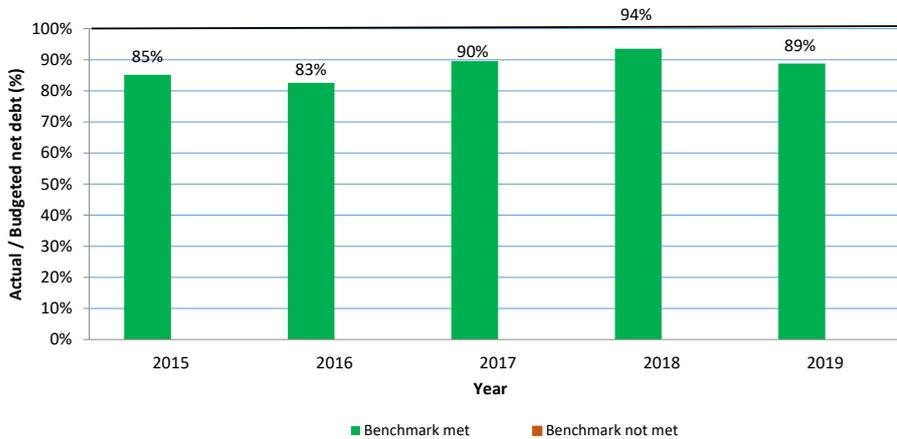
Because Statistics New Zealand projects the Council’s population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



### Debt control benchmark

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

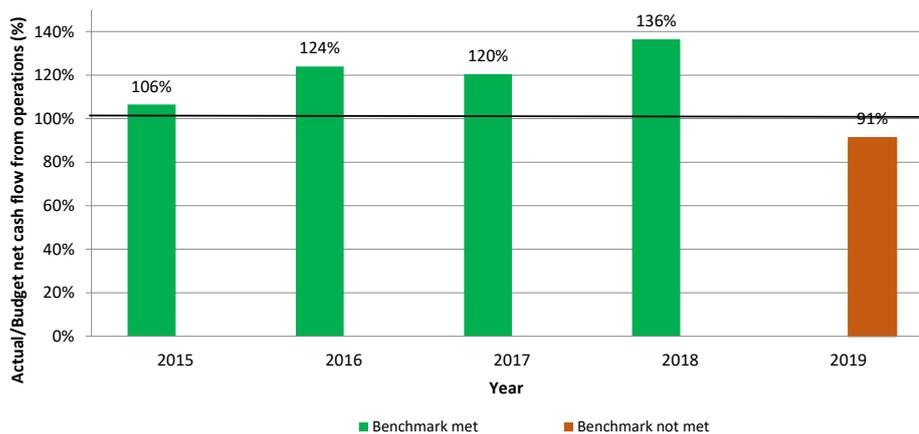
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



### Operations control benchmark

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

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



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

## Section Four: Other Information

This section of the Annual Report contains the following information:

- Executive structure
- Elected Members' responsibilities
- Diversion, Inclusion, Equal Employment Opportunity statement
- Development of Māori Capacity to Contribute to Decision-Making
- Grants 2018/19
- Glossary



## Executive Team



**Chief Executive**  
Dr Richard Templer



**General Manager  
Community and Strategy**  
Brent Limmer  
Strategy, Community Facilities, Project Delivery,  
Communication and Media, Civil Defence



**General Manager  
Infrastructure**  
Hamish Waugh  
Roading Network, Utilities (3 Waters), Solid Waste



**General Manager  
Corporate and Regulatory**  
Shayne Harris  
Building Control, District Planning, Finance, Compliance &  
Monitoring, Animal Control, Governance Services,  
Customer Services



**General Manager  
People and Culture**  
Frances Smorti  
Human Resources, Health and Safety

## Elected Member's responsibilities

### Standing Committee Membership at 30 June 2019

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



Chairperson



Deputy Chairperson



Member of Committee



## Diversity, Inclusion, Equal Employment Opportunity statement

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

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

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

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

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

We seek to identify and eliminate any policies, programmes, procedures or practices which have

the effect of putting any person or group of people at a disadvantage in any aspect of employment.

### Summary of the 2018/19 Equal Employment Opportunities programme

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



## Development of Māori capacity to contribute to decision making

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

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

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

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

Membership of Ngā Manu Tāiko Manawatū District Council comprises one member from Aorangi, Kauwhata, Parewahawaha, Poupatate, Te Rangimarie, Taumata O Te Ra, Te Hiiri, Te Tikanga, Kotuku and Te

Iwa Marae and the hapū of Ngāti Te Au and Ngāti Turanga, along with three elected members appointed by Council with the Chairperson being appointed by the Committee.

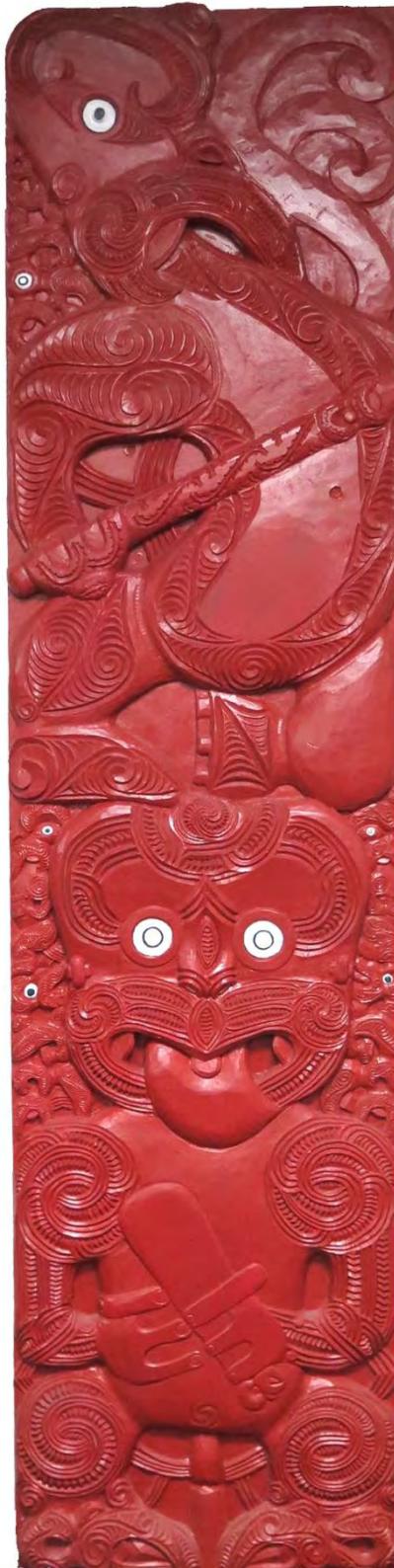
Ngā Manu Tāiko Manawatū District Council meets on a bi-monthly basis, with items of business reflecting Council's current activities and issues identified by committee members.

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

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

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

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





## Grants 2018/19

During 2018/19, Council approved a number of grants from its Community Development Fund and Representative Grant Fund. Council also administered a number of applications to the Robert Dickson Education Trust.

The following schedules are provided for ratepayer's information. All figures shown below are GST exclusive.

### Rates Remission for Charitable Organisations

The following organisations were assessed and approved by Council's Community Funding Committee to receive multi-year community rates support in the form of a Rates Remission as per the Rates Remission for Charitable Organisations Policy. The following organisations received support in 2018/19.

| Organisation                                   | Remission \$ |
|--|--------------|
| Activate Church Feilding                       | 4,266        |
| Anglican Faith Community of St Simon & St Jude | 380          |
| Eden Christian Kindergarten                    | 58           |
| Feilding Baptist Church                        | 613          |
| Feilding Bible Chapel                          | 2,893        |
| Feilding Civic Centre Trust                    | 5,933        |
| Feilding Congregation of Jehovah's Witnesses   | 1,753        |
| Feilding Golf Club                             | 2,102        |
| Feilding Kindergarten                          | 993          |
| Feilding Lifepoint Church                      | 2,133        |
| Feilding New Life Centre Charitable Trust      | 993          |
| Feilding Oroua Presbyterian Parish             | 613          |
| Feilding Playcentre                            | 1,698        |
| Foxton Shannon Co-operating Parish             | 555          |
| Halcombe Playcentre                            | 620          |
| Halcombe Rugby Football Club                   | 1,120        |
| Hapaitia Kohanga Reo                           | 1,578        |
| Heritage Park Rhododendron Charitable Trust    | 103          |

| Organisation                                   | Remission \$     |
|--|------------------|
| Himatangi Beach Bowling Inc                    | 1,695            |
| Johnston Park Bowls Inc                        | 3,156            |
| Manawatū Community Trust                       | 121,575          |
| Manawatū Lutheran Parish                       | 613              |
| Manawatū NZ Riding for the Disabled            | 301              |
| Manchester House Social Services Society       | 5,366            |
| Manfeild Park Trust                            | 6,214            |
| Presbyterian Support Central - Coombrae        | 1,218            |
| Rangiwahia Environmental Arts Centre Trust     | 66               |
| Rongotea Bible Chapel                          | 380              |
| Rongotea Returned Service Association          | 989              |
| Rongotea Uniting Parish                        | 555              |
| Ruahine Kindergarten Association               | 1,198            |
| Salvation Army Feilding Corps                  | 4,033            |
| Sanson Playcentre                              | 900              |
| St Brigids Catholic Church                     | 58               |
| St John the Evangelist Anglican Church         | 7,834            |
| St Marks Methodist Congregation                | 2,688            |
| Te Kawau Playcentre                            | 555              |
| Te Manawa Family Services Charitable Trust     | 2,963            |
| The Church at Feilding                         | 613              |
| The Feilding and District Art Society Inc      | 3,102            |
| The Manawatū Historic Vehicle Collection Trust | 5,805            |
| The Order of St Johns Regional Trust Board     | 5,573            |
|  | <b>\$205,854</b> |

## Urupa/Private Cemetery Fund

Council has a fund to assist with the maintenance of urupa and private cemeteries throughout the District. This is currently funded to the level of \$6,615 per year.

| Organisation  | \$             |
|---|----------------|
| Anglican Parishes of the Oroua – Stanway and Kiwitea Churches | 1,000          |
| Aorangi Urupa   | 2,210          |
| Mt Stewart Urupa  | 1,313          |
| Rongopai Urupa  | 565            |
| Taumata O Te Ra Urupa   | 637            |
|   | <b>\$5,725</b> |

## Partnership Fund

The following organisations were assessed and approved by Council's Community Funding Committee to receive multi-year financial support as per the Community Development Fund policy. The following is a breakdown of the amount of financial support these organisations received in 2018/19.

| Organisation   | \$      |
|--|---------|
| Feilding Brass Inc   | 3,000   |
| Feilding Community Patrol                                      | 3,000   |
| Feilding & District Promotion Inc                              | 165,274 |
| Feilding & District Youth Board                                | 5,000   |
| Manawatū District Neighbourhood Support Inc                    | 20,000  |
| Manawatū Historic Vehicle Collection Trust                     | 10,000  |
| Manawatū Rural Support Service (Inc)                           | 10,000  |
| Manchester House Social Services Society                       | 15,000  |
| Palmerston North Surf Life Saving Club Inc                     | 10,000  |
| Social Issues Network Council of Social Services Inc (SINCOSS) | 1,000   |

|                                      |                  |
|--------------------------------------|------------------|
| SuperGrans Manawatū Charitable Trust | 1,000            |
| Te Manawa Services Charitable Trust  | 47,349           |
|                                      | <b>\$290,623</b> |

## Representative Fund

The following is a breakdown of Manawatū District residents who were approved financial assistance from Council to attend a national or international event during 2018/19 as a representative of the District or New Zealand.

| Organisation / Individual  | \$    |
|--|-------|
| Activity/Programme   |       |
| Emily Shearman<br><i>Who qualified to represent New Zealand at the Oceania Track Cycling Championships held in Adelaide, Australia</i>         | 2,000 |
| Kelly Carter<br><i>Who was selected to represent New Zealand at the World Triathlon Grand Final held in the Gold Coast, Australia</i>          | 500   |
| Bailey Jeffery<br><i>Who was selected to represent New Zealand at the ITF Taekwon-Do World Cup held in Sydney, Australia</i>                   | 500   |
| Bryce Hirschberg<br><i>Who was selected to represent New Zealand at the ITU World Triathlon Grand Finals held in the Gold Coast, Australia</i> | 500   |
| Potene Rolls-Paewai<br><i>Who was selected to represent New Zealand at the Youth Touch World Cup held in Kuala Lumpur, Malaysia</i>            | 500   |
| Sandra Seddon  | 500   |

| Organisation / Individual   | \$    |
|---|-------|
| Activity/Programme  |       |
| <i>Who qualified to compete at the National Judo Championships held in Christchurch</i>                                       |       |
| Matthew Oke   | 500   |
| <i>Who was selected to represent New Zealand at the Canoe Polo World Championships held in Welland, Canada</i>                |       |
| Conner Backhouse  | 500   |
| <i>Who was invited to attend the Mornington Junior Tennis Series Open and the Hume Tennis Academy in Melbourne, Australia</i> |       |
| Sharon Dagg   | 1,000 |
| <i>Who qualified to compete at the Elite Para Triathlon World Champs held in the Gold Coast, Australia</i>                    |       |
| Feilding High School – Girls Hockey   | 500   |
| <i>To compete for the Jenny Hair Cup at the National Secondary School Girls Tier 3 Hockey Tournament held in Masterton</i>    |       |
| James Harvey  | 500   |
| <i>Who was selected to represent New Zealand at the ITU Triathlon World Champs held in the Gold Coast, Australia</i>          |       |
| Feilding Brass Band   | 1,000 |
| <i>To compete at the Central and Wellington Brass Band Association Combined Contest held in Wellington</i>                    |       |
| Feilding High School - Cycling  | 1,000 |
| <i>To compete at the New Zealand Schools Cycling Championships held in Christchurch</i>                                       |       |
| Luke Scott  | 250   |
| <i>Who was selected to represent New Zealand at the ITU Triathlon</i>   |       |

| Organisation / Individual  | \$    |
|--|-------|
| Activity/Programme   |       |
| <i>World Champs held in the Gold Coast, Australia</i>  |       |
| Libby Shepherd   | 1,000 |
| <i>Who was selected to represent New Zealand at the 2019 Special Olympics World Games held in Abu Dhabi</i>  |       |
| Feilding Amateur Swim Club   | 1,750 |
| <i>To assist 14 club swimmers who qualified to represent the Manawatū at the New Zealand Junior National Swim Championships held in Wellington</i> |       |
| Feilding High School U15 Girls Rugby   | 500   |
| <i>Who qualified for the National Secondary Schools Condors 7's Finals held in Auckland</i>  |       |
| Feilding High School U19 Boys Rugby  | 500   |
| <i>Who qualified for the National Secondary Schools Condors 7's Finals held in Auckland</i>  |       |
| William Wood   | 1,000 |
| <i>Who was selected to represent New Zealand at the Evatt Competition held in Hobart, Australia</i>  |       |
| Maraea Graham  | 650   |
| <i>Who was selected to represent Manawatū at the New Zealand Junior Touch Tournament held in Rotorua</i>   |       |
| Feilding High School - Hockey  | 1,000 |
| <i>To compete for the AON Federation Cup Tier 1 National Secondary School Girls Hockey Tournament held in Auckland</i>                             |       |
| Danielle Hallett   | 650   |
| <i>Who was selected to represent Manawatū at the 2019 Aotearoa Māori Netball Oranga Healthy</i>  |       |

| Organisation / Individual  | \$    |
|--|-------|
| Activity/Programme   |       |
| <i>Lifestyles Tournament held in Invercargill</i>  |       |
| Grace Hallett  | 650   |
| <i>Who was selected to represent Manawatū at the 2019 Aotearoa Māori Netball Oranga Healthy Lifestyles Tournament held in Invercargill</i> |       |
| Feilding High School – Tennis  | 1,000 |
| <i>To compete in the New Zealand Secondary School Tennis Cup Competition held in Christchurch</i>  |       |
| Bailey Jeffery   | 1,000 |
| <i>To represent New Zealand at the ITF Taekwon-Do World Championships held in Inzell, Germany</i>  |       |
| Corey Perrett  | 500   |
| <i>To represent New Zealand in the men's team to compete at the World Indoor Cricket Federation Asian Cup held in Singapore</i>            |       |
| Renee-Rose Hallett   | 650   |
| <i>Who was selected to represent Manawatū at the 2019 Aotearoa Māori Netball Oranga Healthy Lifestyles Tournament held in Invercargill</i> |       |
| Sharon Dagg  | 1,000 |
| <i>Who qualified to represent New Zealand to compete at the World and Oceania Paratriathlon Champs held in Devonport, Australia</i>        |       |
| Vanessa Story  | 1,000 |
| <i>Who qualified to represent New Zealand to compete at the World Masters Indoor Track and Field held in Torun, Poland</i>                 |       |
| Manchester Street School Robotics Team   | 5,000 |

| Organisation / Individual   | \$    |
|---|-------|
| Activity/Programme  |       |
| <i>Who qualified for entry to the 2019 Vex Robotics World Championships held in Louisville, Kentucky, USA</i>                         |       |
| Feilding Volunteer Fire Brigade – Road Crash Rescue Team  | 5,000 |
| <i>Who qualified to compete in the 2019 World Road Crash Rescue Competition held in Paris, France</i>                                 |       |
| Eddie Johns   | 1,000 |
| <i>Who qualified to represent New Zealand at the KDVSC Presidential Cup International Lawn Bowls Games held in Suwon, South Korea</i> |       |
| Feilding Robotics Team  | 1,500 |
| <i>Who qualified to represent New Zealand at the 2019 Vex Robotics World Championship held in Louisville, Kentucky, USA</i>           |       |
| Nusipepa Moefili  | 1,000 |
| <i>Who was selected to represent New Zealand at the World Indoor Netball Association (WINA) World Cup held in South Africa</i>        |       |
| Abbey Webb  | 500   |
| <i>Who was selected to represent New Zealand at the Australian Junior Table Tennis Championships held in Wollongong, Australia</i>    |       |
| Emily Shearman  | 500   |
| <i>Who qualified to represent New Zealand at the Oceania Track Cycling Championships held in Invercargill</i>                         |       |
| Feilding High School – U14 and U15 Boys Rugby   | 550   |
| <i>To complete in the Annual Hurricanes Rugby Tournament held in Wellington</i>   |       |
| Feilding High School – Teen Ag Group  | 1,000 |

| Organisation / Individual   | \$              |
|---|-----------------|
| Activity/Programme  |                 |
| <i>Who qualified to represent the region at the FMG Junior Young Farmer of the Year Grand Final held in Hawke's Bay</i>   |                 |
| Feilding Brass Inc  | 1,000           |
| <i>To compete at the New Zealand Brass Bands Championships held in Hamilton</i>   |                 |
| Danielle Hallett  | 300             |
| <i>Who was selected to represent Manawatū in the U17A Netball Squad to compete in five tournaments held in Wairarapa, Palmerston North, North Harbour, Wellington and the New Zealand Championships in Auckland</i> |                 |
| Tai Rolls-Paewai  | 500             |
| <i>Who was selected to represent New Zealand at the Australian Youth Touch Rugby Championships held in Kawana Heads, Australia</i>  |                 |
|   | <b>\$40,450</b> |

### Community Development Fund

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

| Organisation   | \$    |
|--|-------|
| Activity/Programme   |       |
| Kids Need Dadz Charitable Trust  | 2,000 |
| <i>Towards the cost of publishing "The Blokes Book – Ko te Blokes, Pukapuka" for distribution in the</i> |       |

| Organisation  | \$    |
|---|-------|
| Activity/Programme  |       |
| <i>Manawatū and Horowhenua Districts</i>  |       |
| Victim Support  | 2,000 |
| <i>Towards the cost of providing the Victim Support Volunteer Programme in the Manawatū</i>                                   |       |
| Age Concern NZ Manawatū Outreach  | 1,500 |
| <i>Towards the cost of providing four "Steady as You Go" exercise programmes for people aged 65+ in the Manawatū District</i> |       |
| Community Arts Palmerston North   | 1,000 |
| <i>Towards the cost of the Manawatū Art Trail 2018</i>  |       |
| Step 'N Thyme Senior Leisure Marching Team  | 270   |
| <i>Towards the cost of holding a Display Day</i>  |       |
| Rotary Club of Feilding   | 1,500 |
| <i>Towards the cost of promotion and marketing the annual Children's Christmas Cave</i>                                       |       |
| Rotary Club of Feilding   | 750   |
| <i>Towards the cost of the venue hire for the annual Carols by Candlelight</i>  |       |
| Manawatū Historic Vehicle Collection Trust  | 2,750 |
| <i>Towards the cost of painting a mural on the eastern wall of the Coach House</i>  |       |
| Timona Park Orchard Trust   | 950   |
| <i>Towards the cost of further clearance and development of the eastern end of the bush area at Timona Park</i>               |       |
| Anglican Parish of Oroua  | 1,200 |
| <i>Towards the cost of holding an Easter Carnival</i>   |       |

| Organisation   | \$              |
|--|-----------------|
| Activity/Programme   |                 |
| Feilding Paintball Club<br><i>Towards the cost of building a sport specific paintball safety fence to allow the club to commence activities</i>                                    | 14,412          |
| Manchester House Social Services<br><i>Towards the cost of raising awareness and accessibility of the Senior Learning and Leisure Centre with the purchase of a tear drop sign</i> | 349             |
| Feilding and District Promotion Inc<br><i>Towards the cost of developing a business case for implementing a CCTV system in Feilding</i>  | 5,000           |
| Feilding Civic Centre Trust<br><i>Towards the cost of purchasing a defibrillator to be located at the Civic Centre</i>   | 1,000           |
|  | <b>\$34,681</b> |

### Event Fund

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

| Organisation   | \$    |
|--|-------|
| Activity/Programme   |       |
| Manawatū Triathlon Club<br><i>Towards cost of the Interclub Duathlon Challenge held at Manfeild Park</i> | 500   |
| Manawatū Writers Festival  | 2,000 |

| Organisation  | \$     |
|---|--------|
| Activity/Programme  |        |
| <i>Towards costs of the Manawatū Writers Festival held in Feilding and Palmerston North</i>   |        |
| DogsNZ<br><i>Towards costs for the New Zealand Dog Agility Champs held at Manfeild Park</i>   | 5,000  |
| Manawatū Blokart Club<br><i>Towards costs of hosting the New Zealand Blokarting Open held at the Sanson Domain</i>  | 1,960  |
| Manawatū Rugby Union<br><i>Towards the cost of bus transport for supporters from Feilding to the CET Arena in Palmerston North for all Turbo home games</i> | 1,675  |
| NZ Business Week – The Brave Thinkers Programme<br><i>Towards the costs of running the Brave Thinkers Programme</i>   | 1,000  |
| Manawatū Access Radio<br><i>Towards the "Sounds of Summer" concert series</i>   | 8,000  |
| Feilding and District Promotion<br><i>Towards the cost of showcasing Barry Pilcher's Private Art Collection at the Coach House</i>                          | 3,600  |
| Robertson Holden International Speedway<br><i>Towards the cost of holding the New Zealand Stockcar Team Champs</i>  | 5,000  |
| Greasy Chain Cycling Trust<br><i>Towards the cost of holding the Gravel and Tar</i>   | 10,000 |
| Celtic Spirit<br><i>Towards the cost of holding the Manawatū Tattoo</i>   | 16,000 |

| Organisation   | \$     |
|--|--------|
| Activity/Programme   |        |
| Kimolton Arts and Sculpture Trust<br><i>Towards the cost of holding the 2019 Kimolton Rural Sculpture Festival</i>   | 15,000 |
| Feilding and Districts Art Society<br><i>Towards the cost of holding the 2019 Manawatū Art and Garden Trail</i>  | 2,000  |
| Feilding IA & P Association<br><i>Towards the costs of holding the Annual Equestrian Show</i>  | 2,000  |
| Feilding Amateur Swimming Club<br><i>Towards the costs of hosting a Swimming New Zealand sanctioned swim carnival</i>  | 884    |
| Manawatū and West Coast A&P Association<br><i>Towards the costs of holding the Manawatū Show 2018</i>  | 3,000  |
| Feilding and District Promotion<br><i>Towards the cost of creating a strong and jubilant atmosphere to promote Feilding and the District during the running of the Gravel and Tar Cycle Race</i> | 4,450  |
| Feilding and District Promotion<br><i>Towards the cost of holding an event to commemorate and celebrate the centenary of the first Armistice Day</i>   | 3,000  |
| Feilding and District Promotion<br><i>Towards the cost of creating a community-centric event that brings enthusiasm and awareness of the Grand Prix coming to town</i>                           | 1,000  |
| Halcombe Community Development Group<br><i>Towards the cost of Halcombe's ANZAC Day 2019 in which it will</i>  | 5,000  |

| Organisation   | \$               |
|--|------------------|
| Activity/Programme   |                  |
| <i>be final year of the 5-year commemoration of WW1</i>  |                  |
| Alzheimers Society Manawatū<br><i>Towards the costs of holding the "Memory Walk 2018" in Feilding</i>                                    | 500              |
| Feilding and District Promotion<br><i>Towards the cost of holding a community event in recognition of Bullying Free New Zealand Week</i> | 1,950            |
| Manchester House Social Services<br><i>Towards the cost of holding the Dancing with the Stars event</i>                                  | 5,000            |
| Whanau Ataahua Beautiful Families Trust<br><i>Towards the cost of holding Matariki 2019 celebrations</i>                                 | 2,790            |
| Bike Manawatū<br><i>Towards the cost of holding the Manfeild 6 hour Cycle Challenge</i>  | 2,760            |
| Alzheimers Society Manawatū<br><i>Towards the costs of holding the "Memory Walk 2019" in Feilding</i>                                    | 500              |
| Rongotea Returned Services Association<br><i>Towards the costs of holding an ANZAC Service in Rongotea</i>                               | 550              |
|  | <b>\$105,119</b> |



## Creative NZ: Creative Communities Scheme

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

| Organisation   | \$              |
|--|-----------------|
| <b>Activity/Programme</b>  |                 |
| Kimbolton Arts and Sculpture Trust<br><i>Kimbolton Rural Sculpture Festival 2019</i>                     | 3,250           |
| Feilding and District Promotion<br><i>Feilding Mural Crew</i>  | 3,300           |
| Manawātū Access Radio Charitable Trust<br><i>Sounds of Summer</i>  | 2,000           |
| Feilding and District Art Society Inc<br><i>Resident Artists</i>   | 1,000           |
| Feilding and District Art Society Inc<br><i>Youth Murals</i>   | 1,500           |
| Manawātū Historic Vehicle Collection Trust<br><i>Coach House Museum Eastern Wall External Mural</i>      | 3,250           |
| Little Dog Barking Theatre<br><i>Little Dog Barking Touring the Manawātū with the Production of Pond</i> | 2,500           |
| RealM – Reading and Literacy Manawātū<br><i>RealM Literacy Tour</i>                                      | 725             |
| Suzanne James<br><i>Nan Penhey, A Retrospective Art Exhibition</i>                                       | 1,026           |
| Square Edge Community Arts<br><i>Art Trail Manawātū 2019</i>   | 2,000           |
|  | <b>\$20,551</b> |

## Trust Funds

Council administers trust funds that have been vested to Council, available for a specific purposes. Total grants allocated from these funds during the 2018/19 financial year were:

| Organisation                        | \$           |
|-------------------------------------|--------------|
| Robert Dickson Education Trust Fund | 473          |
| Hook Bequest                        | 256          |
|                                     | <b>\$729</b> |



## Community and School Pools

Council allocates funding, on application, to Schools who make their swimming pools available for the community's use to assist with chemical costs. Total grants allocated from these funds during the 2018/19 financial year were:

| Organisation      | \$             |
|-------------------|----------------|
| Tangimoana School | 300            |
| Mt Biggs School   | 300            |
| Awahou School     | 300            |
| Hiwinui School    | 300            |
|                   | <b>\$1,200</b> |

## Glossary

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

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

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

**Asset** – assets are land, buildings, infrastructure and facilities owned by Council.

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

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

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

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

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

**Council Organisation (CO)** – any organisation in which one or more local authorities own or control

any proportion of the voting rights or has the right to appoint one or more of the directors, trustees, etc.

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

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

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

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

**Group of Activities** – related activities.

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

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

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

**Long Term Plan (LTP)** – a plan, covering at least 10 years, adopted under section 93 of the Local Government Act 2002, that describes the activities the local authority will engage in over the life of the plan, why the local authority plans to engage in

those activities and how those activities will be funded.

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

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

**Private Public Partnership (PPP)** – any arrangement or agreement entered into between one or more local authorities and one or more other persons or organisations engaged in business, not including arrangements or agreements where all of the parties are local

authorities or council organisations, or a contract for the supply of goods and services by or on behalf of a local authority.

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

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







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