



Annual Report

Pūrongo ā-Tau

2021/22

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Role of the Annual Report Te Wāhi ki te Pūrongo ā-Tau

The Annual Report for the 2021/22 financial year compares Manawātū District Council's (Council) actual performance against what was forecast for year one of the 10 Year Plan 2021-31 also known as the 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, section 3).

The Annual Report:

- reports against the Council's key activities, performance indicators, and budgets outlined in the 2021-31 LTP — we are reporting against what we said we would do in the 2021/22 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 & Audit

Provides an overview of the 2021/22 year including key highlights.

Section Two: Activity Summaries

Summarises what Council has achieved in each activity group, including performance indicators.

Section Three: Financial Information

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

Provides other information, including summary information about the Council, elected representatives, staff and grants.

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Section 1:

Introduction & Audit

Wāhanga 1:

Te whakatakinga me te tātari kaute





Annual Report joint message

Pūrongo ā-Tau, Karere Tukutahi



The last 12 months have presented us with numerous opportunities, as well as challenges, as we all pull together to deliver meaningful outcomes for our communities.

There's no doubt that Manawatū District Council achieves great things, delivering on our planned annual activities as well as responding to unforeseen and often urgent priorities that arise along the way.

We have an efficient and hard working team of which we are immensely proud, and it is a great pleasure for us to be able to present to you an overview of our Councils achievements of the past 12 months.

Between 1 July 2021 and 30 June 2022, we issued 709 building consents and 568 code of compliance certificates and completed 6,352 building inspections. We processed 450 land use, subdivision, outline plans, permitted boundary activities and certificates.

We completed 56 km of reseals and hundreds of other roading and footpath maintenance projects, upgrades and other improvements across the district. We've also made good progress on the cycleway along Campbell Road which will form part of the Feilding to Palmy Cycleway.

The addition of the new playground at Kōwhai Park has been welcomed by young and old alike, opening in time for last summer. With further development at the park planned, we're confident that once completed this public space will be a district highlight.

Work on the Kawakawa Industrial Area is charging ahead and the extension of Turners Road is due to start very soon. This will link the existing Turners Road to Kawakawa Road to help facilitate the development of industrial zoned land in this area (Precinct 5). With over \$8 billion worth of investment into the wider Manawatū-Whanganui region, this project ensures we position the district favourably to capitalise on this investment to grow our own economy.

The new Feilding Orbiter bus service has been incredibly successful in the seven months that it has been operating. Passenger numbers are steady and there's room for growth. It is fantastic to see that residents are using the service and it bodes well for more users in the future.

The opening of the Mangaweka Bridge was the culmination of an important project. The ceremony was a wonderful coming together of all the parties involved, including ourselves, Ngāti Hauiti, Waka Kotahi and Rangitikei District Council. A pou whenua erected at the site symbolises the connection and strengthening of the Rangitikei and Manawatū districts and marks the joining of the districts' people.

The new bridge is capable of taking heavy vehicles, unlike the old bridge which had a weight limit of 5000kg, meaning that transport companies, service farms and businesses had to detour approximately 90km and added to existing economic strain. The new bridge will open the economic potential of the northern district and was completed ahead of schedule and on budget. The old bridge will have a future as a walking and cycleway, and it maintains its

historical significance as the only cantilever bridge left in New Zealand.

Following the publication of the Manawatū District Active Fault Report in February 2021, Council sought further research from GNS Science to better understand the risk that the reclassified Raouterangi Faultline poses to residents of Feilding. The research report has come back and we're pleased to say that the recurrence interval rate has increased from between 5,000 and 10,000 years to 10,000 to 20,000 years. This doesn't alter the approach that we were taking in regards to building and resource consents, but it hopefully gives people that live in the Fault Avoidance Zones some greater comfort.

The second lockdown back in August 2021 impacted this year's planned Feilding CACTUS Youth Development Programme and unfortunately we had to cancel that particular intake. However, this year we have already run one successful programme and another one is underway. The way that our community has come together to support our youth has been incredibly heart-warming and it really reflects the values of the Manawatū community.

We've also been making progress on some of our bigger infrastructure projects. The Manawatū Wastewater Centralisation Project involves the development of infrastructure to pipe untreated wastewater from the villages of Halcombe, Sanson, Rongotea, Awahuri, Cheltenham and Kimbolton to the Manawatū Wastewater Treatment Plant in Feilding for treatment and disposal. In the 2020/21 year we finished the Sanson to Feilding pipeline, commenced design work for pipelines running from Halcombe to Mt Stewart and Rongotea to Awahuri Road and got started on preliminary work on Cheltenham to Feilding, Kimbolton to Cheltenham, and Kauwhata to Awahuri pipelines.

The new Resource Recovery Centre on Kawakawa Road opened in November 2021 and we have seen some very positive feedback from community that use this facility. This is just the first step in creating a wider Resource Recovery

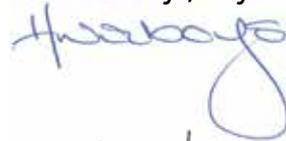
Park and we have lots of exciting and innovative additions planned over the coming years which will put Manawatū firmly on the map when it comes to creating a circular economy and an environment of which we can be proud.

Furthering our work in the waste management area was the adoption of our Waste Minimisation and Management Policy. The new policy will see residents offered a greater level of service in the villages of Sanson, Halcombe, Rongotea and Himatangi Beach, as well as Feilding over the coming years. The changes will see kerbside recycling and rubbish collection in the above mentioned villages, as well as food waste collection services, which will turn scraps into compost.

As ever, Council has had to make tough decisions and balance community needs with available funding during the last year, and we will again this year. We constantly strive to deliver the most effective outcomes for our residents, and rely on our communities to tell us what's important to them, and what our priorities should be. Flooding issues remain firmly in our minds as we enter the new financial year, as well as a range of potential changes to the way local government runs and operates. We also welcome our first Ngā Tapuae o Matangi Māori Ward elected member from October and look forward to forging stronger relationships with iwi Māori in our district.

Kia kaha Manawatū.

Helen Worboys, Mayor



Shayne Harris, Chief Executive



The Manawatū District at A Glance

He Karapatanga ki Te Rohe o Manawatū

The Manawatū District stretches from the Pacific Coast in the west to the Ruahine Range in the east. To the south, it shares a boundary with Palmerston North City. It is bound to the north and south by two major rivers – the Rangitikei and the Manawatū. The District boasts a diversity of geographic features, including hill country to the north and east and extensive flood plains to the west. Further to the west lies the broadest band of dunefields anywhere in the country. The Ōroua River runs from the Ruahine Range to the northeast of the District, skirting around Feilding before making its way through the floodplains and then converging with the Manawatū River at Rangiotū.

The town of Feilding sits in 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 Ōroua, KIWITEA, Pohangina, Manawatū and Feilding.

The District's population was estimated at 33,000 (as at 30 June 2021). Approximately 55% of the population lives in Feilding while the remainder lives in the District's villages and rural areas. The population of the District is projected to increase by 34.5% between 2021 to 2051, to a total of 43,965.

About 16% of the District's community identify as Māori compared to about 89% who identify as New Zealand European. Some people identify as more than one ethnicity. Residents who identify as other ethnicities make up less than 3% of the population. The District has a rich cultural past associated with the iwi that have ahi kā (a history of continuous occupation) here. Ngāti Kauwhata, Ngāti Raukawa, Ngāti Tūwharetoa, Ngāti Maniapoto and Rangitāne ki Manawatū all have marae in the District, while other iwi also have an organisational presence.

The industry structure of the Manawatū has been fundamental to the strong economic performance of the economy relative to many other parts of New Zealand. The robust performance of the local economy is created by the strength of our food export and manufacturing industries, large scale government investment and employment, record levels of construction investment and limited reliance on industries impacted by COVID restrictions. These conditions have generated broad-based employment opportunities and attracted new residents to the District, further bolstering economic activity across the region.

However, there are challenges. Like the rest of New Zealand, a lack of available workers is limiting the ability of businesses to find staff, and rising interest rates and living costs are stretching household budgets. Conversely, high levels of employment and rising wages are supporting our community to withstand these challenges.



33,000

people live in the district
(as at 30 June 2021)



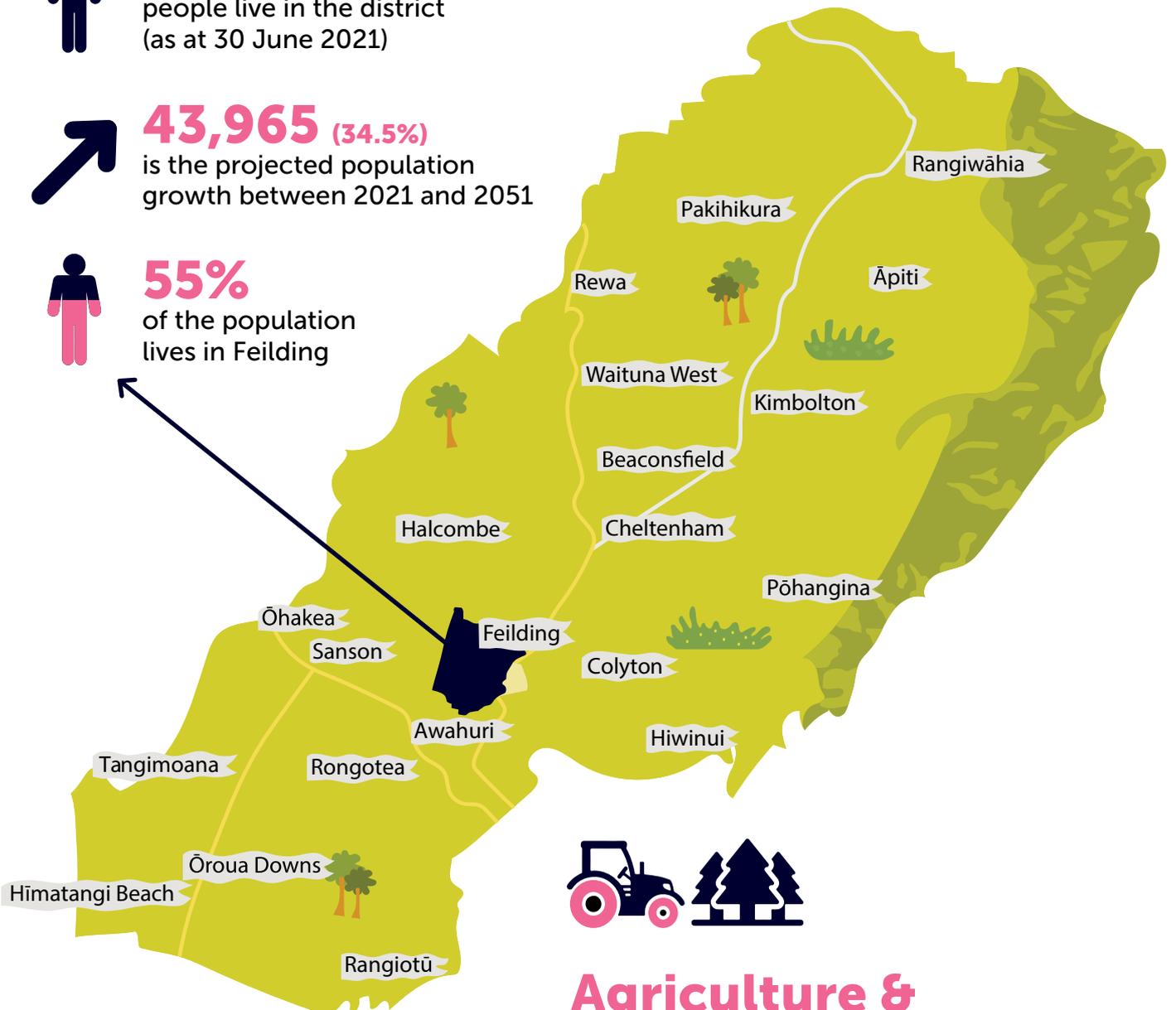
43,965 (34.5%)

is the projected population
growth between 2021 and 2051



55%

of the population
lives in Feilding



Agriculture & Forestry

make up 18% of the district's GDP

Looking forward, the strength of our agriculture and value-added manufacturing industries, elevated central and local government investment, and the continuation of high levels of employment will continue to boost the economic performance of the Manawatū District economy.

The District has an excellent roading network, including four state highways, linking the Manawatū to Wellington City and port to the

south, Napier Port to the east, and Auckland, Tauranga and other cities and ports to the north. The main trunk railway, which passes through Feilding, enhances connectivity, particularly for freight. Primary industry (agriculture and forestry) comprises our biggest economic sector, making up nearly 18% of District GDP. Manufacturing and defence (primarily the Ōhakea Airbase) also contribute strongly to the local economy.¹

¹ Infometrics, 2019, Manawatū District Economic Profile, accessed from <https://ecoprofile.infometrics.co.nz/Manawatū%20District/PDFProfile#h0>

Your Council – who are we?

Tō Kaunihera – ko wai mātou?

Manawatū District Mayor



Helen Worboys

Feilding Ward 5 Elected Members



Michael
Ford



Grant
Hadfield



Shane
Casey



Stuart
Campbell



Hilary Humphrey
(resigned Feb 2022)

Manawatū Rural Ward 5 Elected Members



Phil
Marsh



Andrew
Quarrie



Heather
Gee-Taylor



Alison
Short



Steve
Bielski

Council Priorities

Kia papa te tū, kia rangi te tiro

Proudly provincial. A great place to land.
Wehi nā te kāinga taurikura nei ki tuawhenua



Here are Council's priorities for the next 10 years. Have a look at how we plan to make the Manawatū District a productive and vibrant place to live and work, to visit and invest.

Kei konei ngā matawhānui, ngā whāinga me ngā kaupapa matura hei whakatutuki, haere ake nei. E tino whai ana i te wairua o te kīanga kōrero nei 'ManawauTūmeke'.

A place to belong and grow
He kāinga e ora pai ai te katoa

We provide leisure and sports facilities and support community activities to encourage social and cultural well-being for everyone.

A future planned together
He kāinga ka whakamaherea tahitia tōna anamata e te hāpori tonu

We work with all parts of our community to plan for a future everyone can enjoy.

An environment to be proud of
He kāinga ka rauhitia tōna taiao

We protect and care for Manawatū District's natural and physical resources.

Infrastructure fit for future
He kāinga ka tūwhena tonu ōna tūāhanga, haere ake nei te wā

We ensure the Manawatū District has infrastructure (water, roads, etc.) that meets the needs of the community now and into the future.

A prosperous, resilient economy
He kāinga ka tōnui tōna ōhanga

We aim to make the Manawatū District a great place to live, to visit and to do business.

Value for money and excellent in local government
He kāinga ka eke tōna kāwanatanga ā-rohe ki ngā taumata o te kairangi

We take pride in serving our communities. We focus on doing the best for the district.



Section 2:

Activity Summaries

Wāhanga 2:

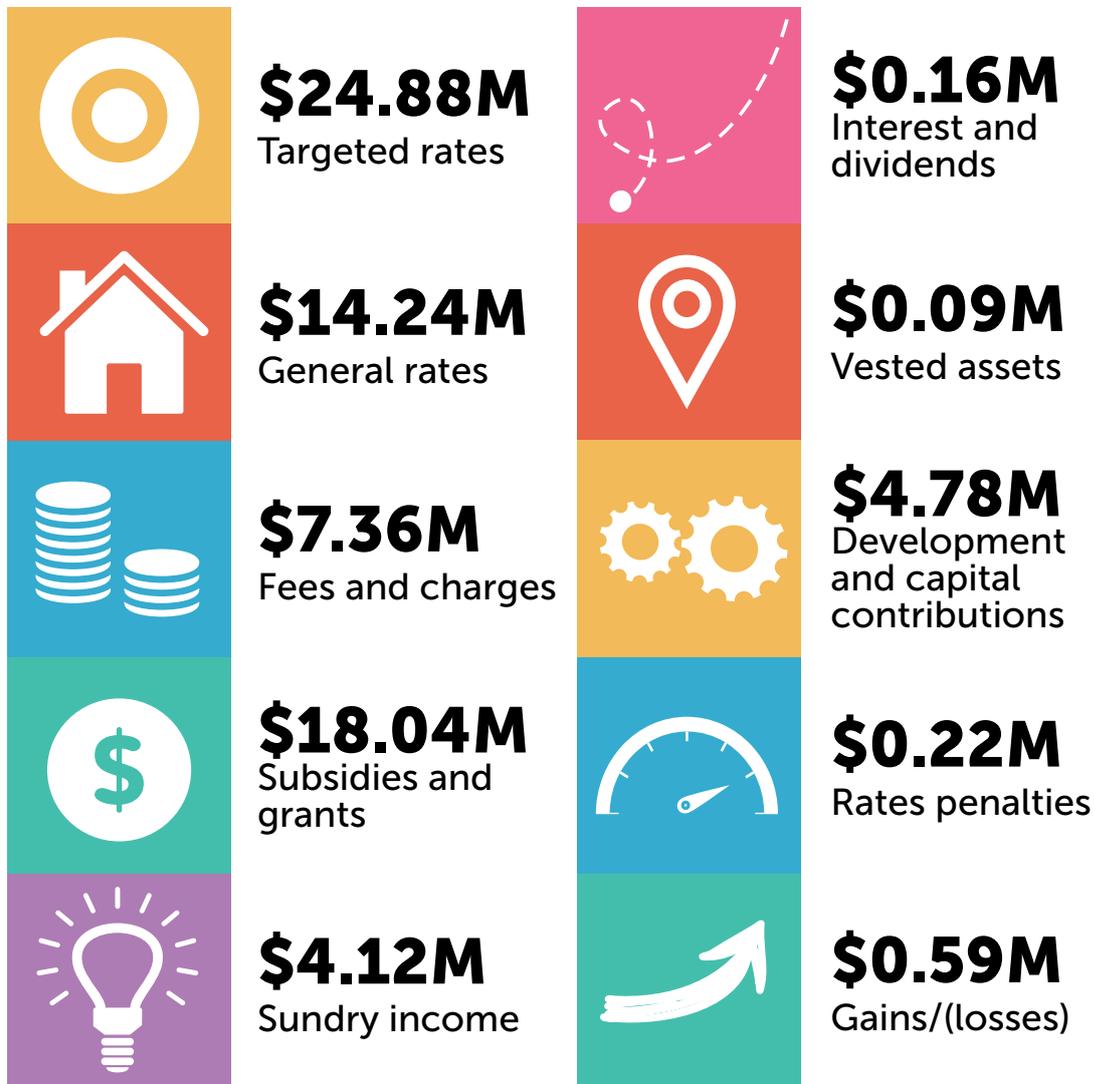
Hei whakarāpopoto i ngā mahi





Where did Council get money?

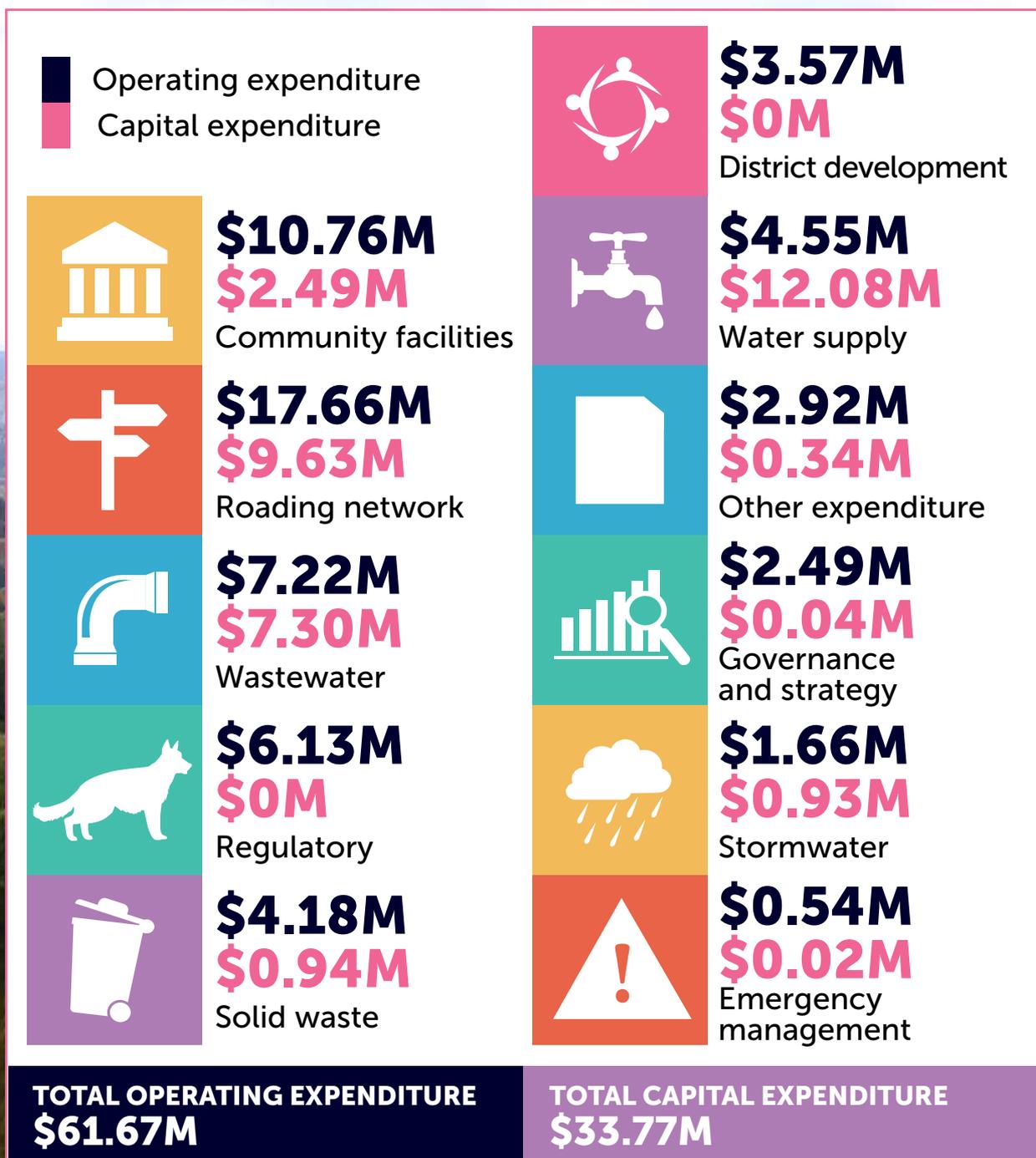
Nō hea ngā pūtea a te Kaunihera?



TOTAL \$74.48M

How did Council spend money?

I pēhea tā te Kaunihera whakapau i āna pūtea?



Performance overview

Tiro Tutukinga Whānui

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 2021/22 year, Council is reporting against 98 KPIs, which are detailed in the relevant activity summary.

Council has achieved 83.7% of its KPIs. In the previous year, it was 78.9% (2020/21) and 73.7% in (2019/20). The 2021/22 year showed an improvement in KPI percentages from the year before, even with the continued disruptions due to Covid-19.

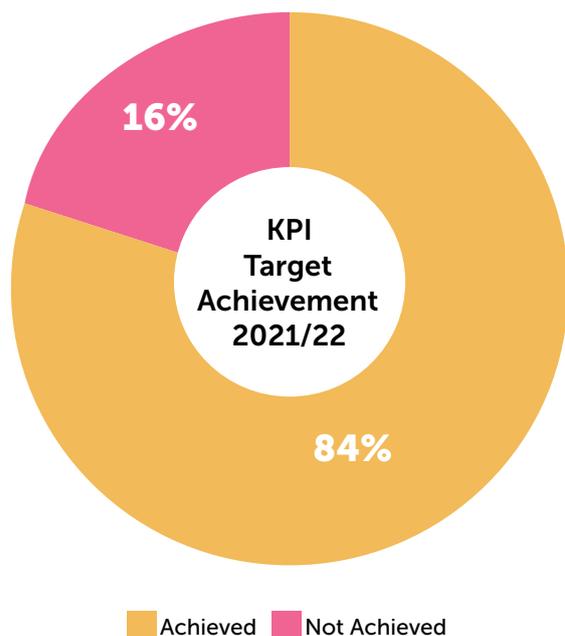
While the current results show that performance has not fully recovered to pre-Covid figures, the increase from the 2019/20 results and the improvement from the 2020/21 results confirm that Council continues to work steadily through the ongoing disruptions.

We acknowledge that there were 16 instances where we did not achieve the target (14 instances in 2020/21).

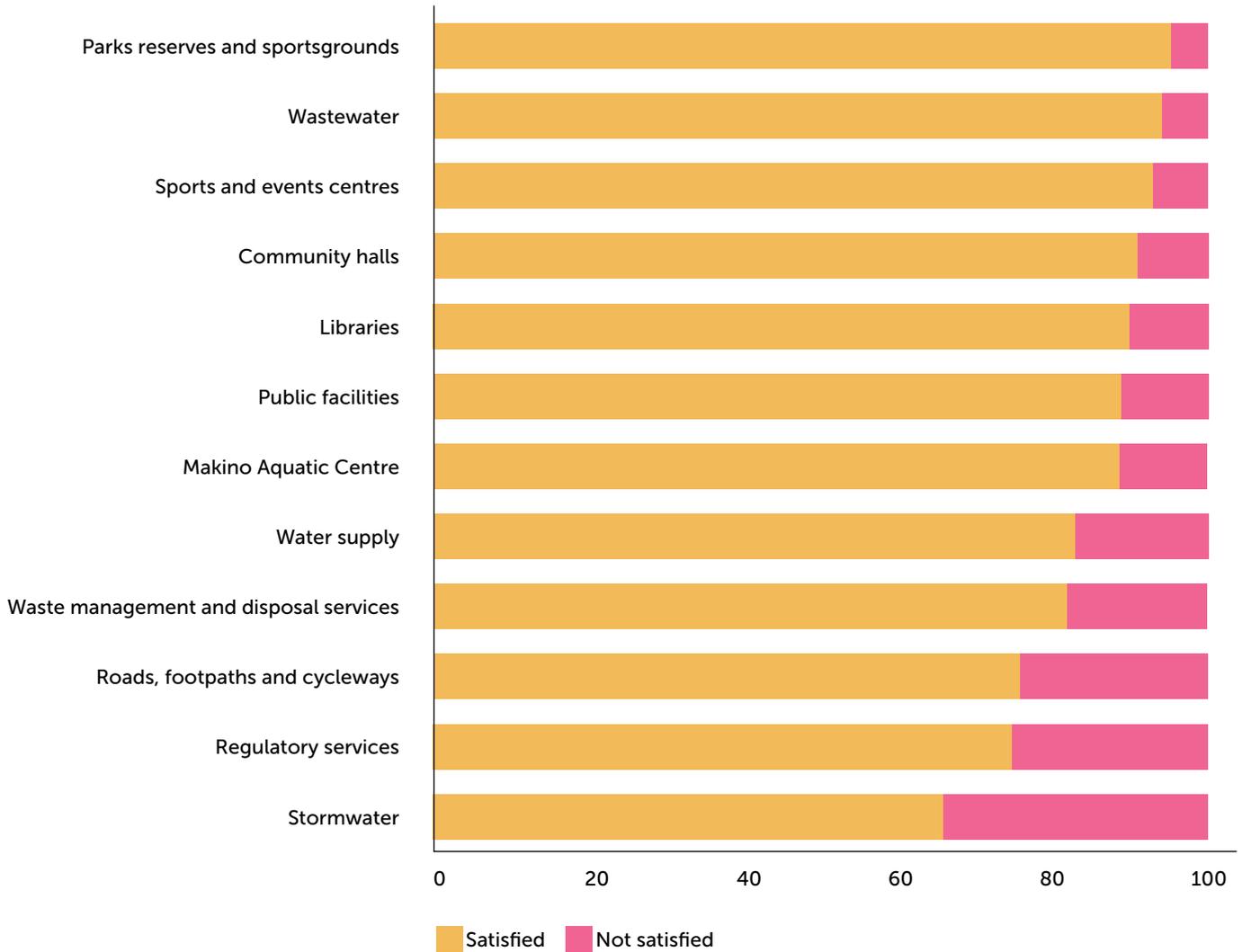
The ongoing effects of Covid-19 are still being felt, including two measures for our facilities where social distancing and restrictions on numbers of people allowed indoors meant that events and programmes were cancelled, or carried out with reduced attendance levels. Our regulatory teams are also seeing high levels of pressure, with large consenting and inspecting workloads and ongoing vacancies, reflected by the four targets not met in the regulatory space.

One of the measures not met was due to results in our satisfaction survey – Council continues to endeavour to provide excellence in local government and has not identified clear causes for reductions or stagnations in customer satisfaction. A further three measures were not met due to the number of flooding events from extreme rainfall, and consequent complaints received about the performance of the stormwater system.

All KPIs are reviewed as part of the Long Term Plan process to ensure Council is providing the level of service the community expects and measuring results in a way that reflects the levels of service.



Overall resident satisfaction with Council services 2021/22



Resident satisfaction survey

Council uses a resident satisfaction survey to measure satisfaction for a number of key performance indicators (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 results for 2021/22 are based on the responses of 596 residents which meets the number required for statistical reliability with a 95% confidence interval.

Overall community satisfaction levels with Council services ranged between 66% and 95%. For more detail, the full report can be found on Council’s website.

Statement of Compliance and Responsibility

Tauākī Whakapūmau i tā te Ture, me te Haepapa

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, except that the annual report was not adopted by 31 December 2022.

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 2022 fairly reflect the financial position and operations of Manawatū District Council.

Helen Worboys

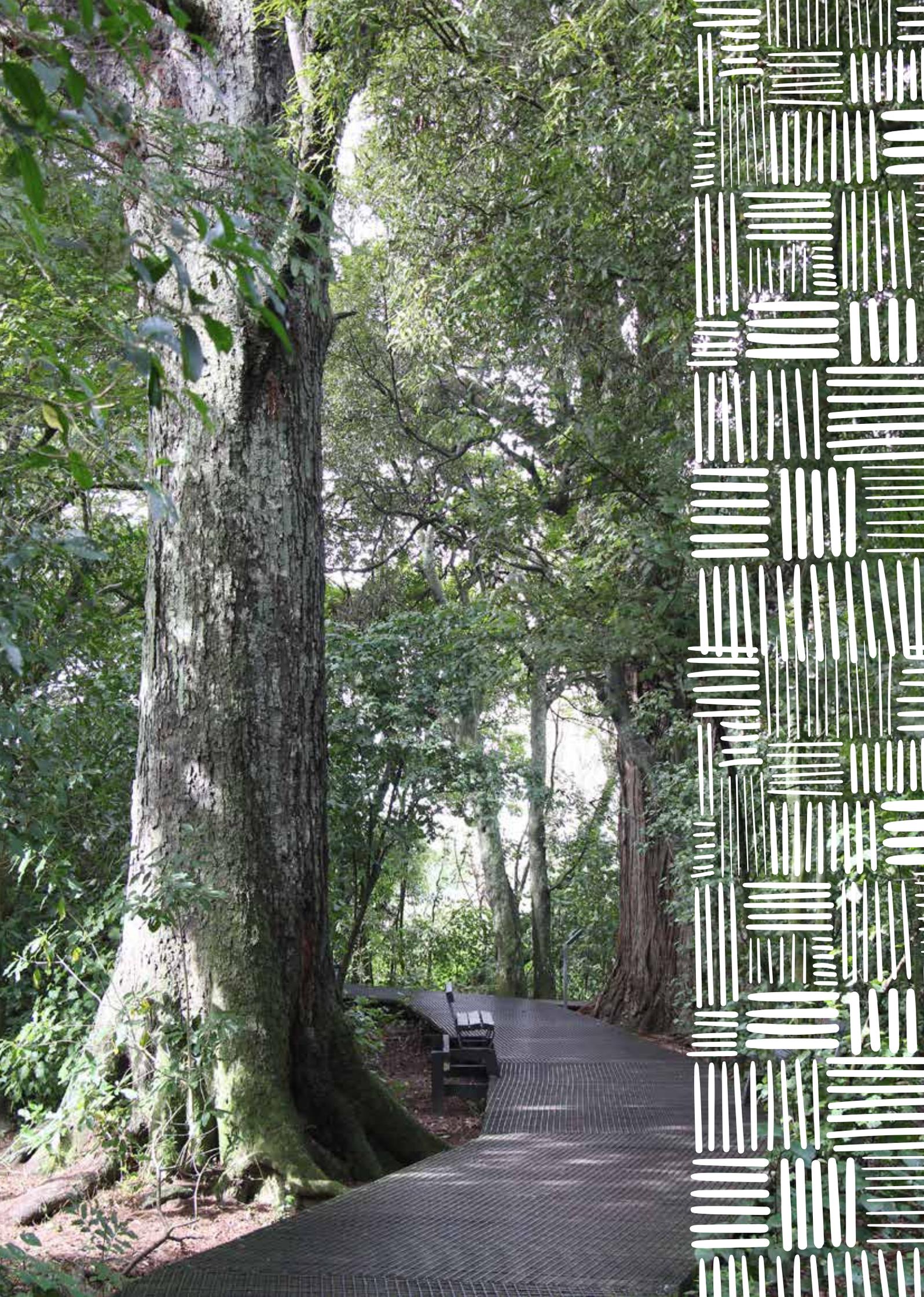


Manawatū District Mayor

Shayne Harris



Chief Executive



Independent Auditor's Report

To the readers of Manawatū District Council's annual report for the year ended 30 June 2022

The Auditor-General is the auditor of Manawatū District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Debbie Perera, 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 4 May 2023. This is the date on which we give our report.

Opinion on the audited information

Unmodified opinion on the audited information, excluding the statement of service provision (referred to as Activity Summaries).

In our opinion:

The financial statements on pages 100 to 165:

- *present fairly, in all material respects:*
 - *the District Council and Group's financial position as at 30 June 2022;*
 - *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 96 and 97, 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 about capital expenditure for each group of activities on pages 45 to 95, 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 45 to 95, 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.

Qualified opinion on the statement of service provision (referred to as Activity Summaries)

In our opinion, except for the possible effects of the matter described in the "Basis for our opinion on the audited information" section of our report, the statement of service provision (referred to as Activity Summaries), on pages 33 to 94:

- *presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2022, 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.*

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 174 to 179, 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.

The basis for our opinion is explained below and we draw attention to uncertainty over the water services reform programme. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

Activity Summaries: Our work was limited with respect to the performance measures on processing times for resource consents and building consents.

An important part of the District Council's service performance is processing consent applications in accordance with statutory timeframes. In reporting its performance for the Regulatory group of activities, the District Council has reported against performance measures on:

- The percentage of building consent applications and code of compliance certificates that are processed and approved within the statutory 20 working days.
- The percentage of applications for resource consent under the Resource Management Act which are processed in accordance with the statutory timeframes for non-notified consents.

Our audit testing of a sample of consents identified issues with the recorded processing times not agreeing to underlying consent information.

Due to the extent of the inaccuracies we identified from our sample testing, we are unable to determine whether the District Council's reported results for these two measures are materially correct. As a result, our work was limited and there were no practical audit procedures we could apply to obtain assurance over the reported results for building consent and resource consent processing times.

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.

Emphasis of matter – Uncertainty over the water services reform programme

Without further modifying our opinion, we draw attention to note 32 on page 152 which outlines developments in the Government's water services reform programme which will affect the District Council in future years.

Legislation passed in December 2022 established four publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. A Water Services Bill to enable the transfer of these assets and liabilities to the water services entities, is currently before Parliament. Until the Bill is passed, the financial impact of the transfer on the District Council, remains uncertain.

On 13 April 2023, the Government announced further proposed amendments to the number of water services entities and to stagger their establishment dates starting from early 2025, with all the water services entities to be established by 1 July 2026. The timing of the transfer of assets and liabilities is therefore uncertain until amendments to existing legislation are passed.

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 Long-term 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 Activity Summaries, 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 auditor's 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 audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

Our responsibilities arise from the Public Audit Act 2001.

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 17, 25 to 32, 166 to 168, and 180 to 195, 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, and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International 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 performed a limited assurance engagement related to the District Council's debenture trust deed. This engagement is 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.

Debbie Perera



Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand



Guide to Section Two: Groups of Activities

He Aratohu mō te Wāhanga Tuarua: Te whakarōpū i ngā momo mahi

The following pages provide details on what we have been doing in the Manawatū District and how we have performed for the 2021/22 year.

We have continued to deliver 22 different services and facilities across the District, including:

- Drinking Water**: Icon of a water tap with a drop of water.
- Taking away stormwater and wastewater**: Icon of a pink umbrella.
- Public Toilets**: Icon of a man and a woman silhouette.
- Animal Control**: Icon of a dog silhouette.
- Enabling leisure, your parks, reserves and playgrounds, swimming pool and library**: Icons of books, a playground slide, and a swimming pool.
- Cemeteries**: Icon of a tombstone with a cross and flowers.
- Kerbside rubbish and recycling**: Icon of a purple recycling bin and a pink trash bin.
- Building Services**: Icon of a pickaxe and a 10 ft measurement sign.
- District Development: Community Committees, Grants, Economic Development**: Icon of five hands in various colors.
- Street lighting and footpaths**: Icon of a street lamp and a footpath.
- Emergency Management**: Icon of a warning sign with an exclamation mark.
- Getting you places - Your Roads** (1002km sealed and 372km unsealed, 1238km rural and 136km urban): Icon of a winding road.

This section summarises results from the 2021/22 financial year for Council's groups of activities. In 2021/22, Council provided various services organised into ten groups of activities.

Groups	Page
 Community facilities	26
 District development	40
 Regulatory	46
 Emergency management	56
 Governance & Strategy	60
 Roading	65
 Water supply	70
 Wastewater	76
 Stormwater	82
 Solid waste	86

Contribution to Council outcomes

Ngā mahi whakapiki i ngā hua e whāia ana e te Kaunihera

Community outcomes represent the long-term goals Council is working towards. The community outcomes associated with each group of Activities are denoted by symbols.

The outcomes 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

Contribution to community well-being

Ngā mahi whakapiki i te oranga o te hāpori

Our groups of activities impact the four well-beings set out in the Local Government Act 2002 as follows:

Group of activities	 Social	 Cultural	 Economic	 Environmental
Community facilities	✓	✓	✓	✓
District development	✓	✓	✓	✓
Emergency management	✓	✓	✓	✓
Governance and strategy	✓	✓	✓	✓
Regulatory	✓		✓	✓
Roading	✓	✓	✓	✓
Solid waste	✓	✓	✓	✓
Stormwater	✓		✓	✓
Wastewater	✓	✓	✓	✓
Water supply	✓	✓	✓	✓

Overview of Activity Summaries

Tirohanga whānui ki ngā whakarāpopoto o ngā mahi

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

What we do

A description of what activities, services and facilities are included in each group, and where to find this activity group in the 2021-31 Long Term Plan.

What has Council achieved in 2021/22?

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 activities is shown and presents the actual costs and sources of funding for the 2021/22 financial year. For comparison purposes, the first column contains actual data for 2021/22, the second column is Year 1 of the Long Term Plan 2021-2031 and the last column contains information from Year 3 of the Long Term Plan 2018-2028.

The Overall Funding Impact Statement presents the actual financial results for the 2020/21 and 2021/22 financial years, compared with the Annual Plan or LTP budgets for that year.

Performance Targets

For this section, the results are indicated by:



Target met



Target not met

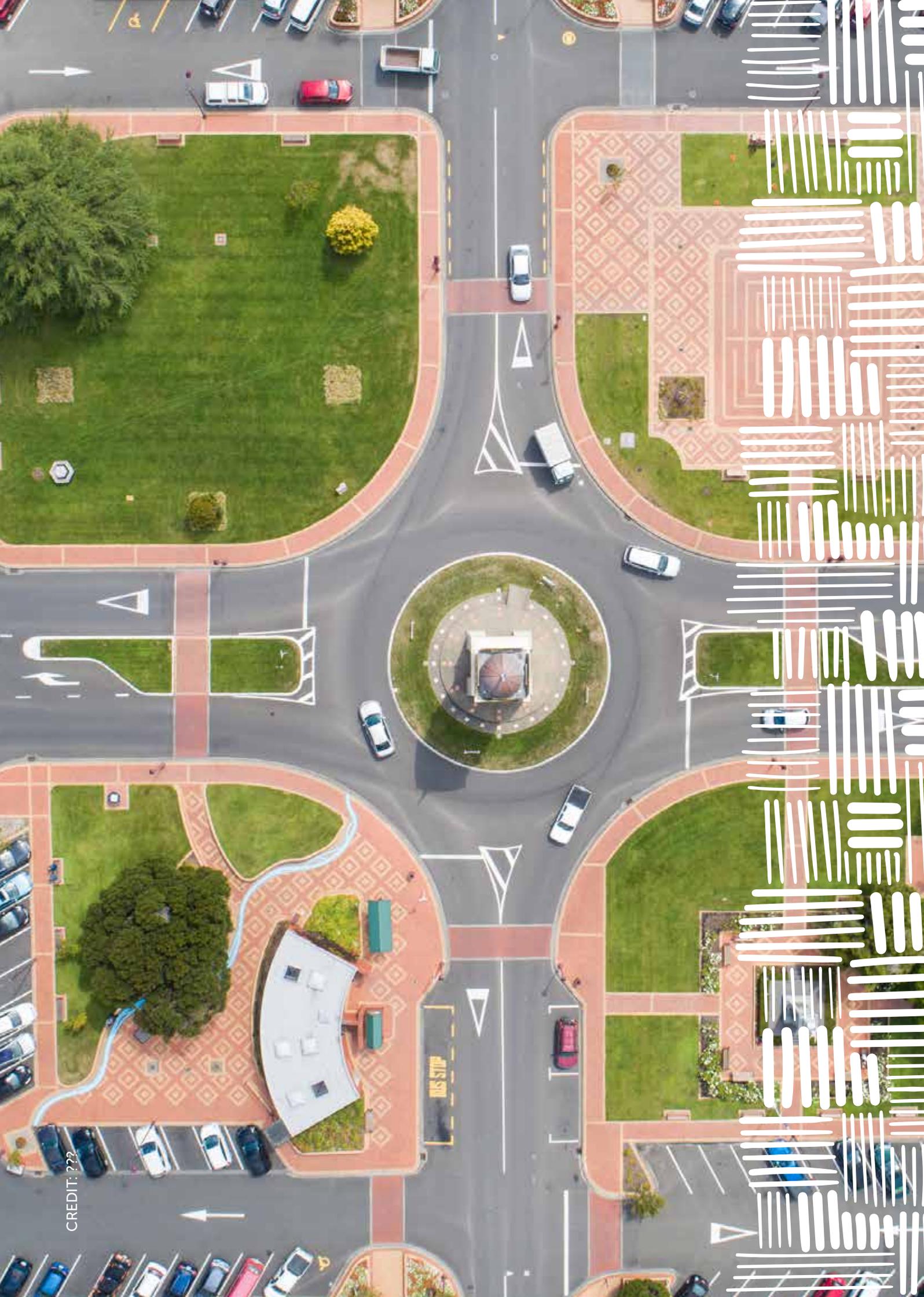


Not met due to COVID-19

A number of performance indicators refer to the annual Manawatū District Council Residents' Survey carried out by an independent research agency.

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



CREDIT: ???



Community Facilities Group

Ngā Taiwhanga Hapori



This group of activities can be found on page 107 of the 2021-31 Long Term Plan.

What we do

Our facilities include the Makino Aquatic Centre, libraries, property, halls and recreational complexes, parks, reserves and sports grounds, cemeteries, and public conveniences.

How we do it

We plan and deliver projects, programmes and activities, and work together with volunteers and community organisations.

We develop strategic and operational plans and policies as well as renewal and building improvement programmes which ensure facilities are well maintained, safe and meet quality standards.

We meet the requirements of all relevant legislation, providing levels of service which meet community expectations while maintaining affordability.

We promote and improve accessibility to community facilities.

Why we do it

We work to ensure a vibrant and thriving interconnected network of community facilities that cater for the social, recreational and cultural needs of our communities and their visitors, now and into the future.

The Community Facilities Group contributes to the following community outcomes:

A place to belong and grow

- by providing facilities that deliver a community service or offer a place for any person to go and feel a part of the community.

Planning our future together

- by providing fit-for-purpose and adaptable district or local level facilities that contribute to health and well-being outcomes.

An environment to be proud of

- by improving the environmental performance of community facilities that can play a role in the future sustainability of our communities.

Infrastructure fit for the future

- by providing high quality facilities that are multipurpose, accessible and meet community expectations.

A prosperous, resilient economy

- by attracting and retaining residents through providing facilities that respond to community need.

Value for money and excellence in local government

- by providing a network of community facilities that provide value for money and are affordable for the community.

Cemeteries Ngā Urupā

What we do

We provide and maintain cemeteries in park-like settings to provide places of remembrance, and facilities for burials and interments of ashes.

How we do it

We manage, maintain and plan for future improvements where required for the eight cemeteries in the district, including maintaining accurate burial records.

We work with the community to meet changing demands and community needs, and ensure that all cemeteries are maintained to a high standard.

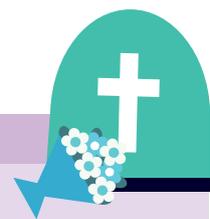
We meet the requirements of the Burial and Cremations Act 1964.

This year's activities

The ashes wall at Feilding Cemetery is completed, along with a bush walkway for ashes scattering. This will provide an alternative option for ashes interments within the district.

Council is also developing the extension for the Feilding Cemetery, to allow for the provision of future capacity within the district.

Additional berms have been installed in rural cemeteries to cover future provisions.



1. You can expect satisfaction with the maintenance of our cemeteries

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Percentage of survey participants who were satisfied with the maintenance of cemeteries.	95%	90.5 % 	91% 	The result was lower than anticipated although the survey results do not provide details to enable Council to understand how to improve satisfaction levels.

2. You can expect professional and timely interment services

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Monitoring the number of complaints about late or inadequate interment services	0	0 	0 	

District Libraries

Ngā Whare Pukapuka o te Rohe

What we do

We provide welcoming public libraries where people can meet, find information, access reading and educational material and participate in experiences that encourage lifelong learning.

How we do it

At the Manawatū District Library, we provide access to written and recorded information (books, magazines and DVDs) that are continually refreshed and monitored for relevancy. These are alongside a range of online media and information including e-books, online collections and subscriptions. Wi-Fi and internet access are available to encourage digital literacy. The library hosts opportunities, programmes and experiences that build and promote lifelong learning.

We also provide important spaces for the community to use and provide access to local culture research information and heritage collections, and support community libraries with content.

This year's activities

The Detailed Design for the Manawatū Community Hub/Library Redevelopment was completed and the construction tender released at the end of the financial year. We were granted funding from Central Energy Trust and Lotteries Commission – Community Facilities Fund towards this project in this financial year.

Library services were again impacted by COVID and the stance taken around needing to be vaccinated to utilise the library under some

COVID levels. The cohort of our community who chose not to be vaccinated were significantly impacted and the library team worked with representatives from this cohort to introduce steps over time to enable limited access before the restrictions were relaxed by the Government.

During this challenging time the library team pivoted and became the 'go to' in our community for generating vaccine passes. When the COVID restrictions were lifted the team set about delivering a range of fun community events and programmes. Programmes ranged from school programmes, social interaction day activities, to a variety of night programmes. Some of the events included:

- a Murder Mystery that sold out in 4 days (even through extra tickets were released) and drew an audience from as far away as Wellington.
- a community Matariki celebration that drew a much larger crowd than anticipated. The event was to commemorate the introduction of our new public holiday and included a range of fun free activities and a very tasty hāngi.

The Library service created a "click and collect" service during COVID that has been retained and is popular with customers. The Homelink service, that delivers library books to those who have movement issues or who do not have transport in rural areas, was expanded with more volunteers helping with this wonderful service.

The digital collection (mainly eBooks) usage continues to grow at pace and, due to the popularity of this service, we will increase this collection to meet the growing demand across our community.

By the end of the year we achieved 8.96 issues per capita and met the target of 6 for the 2021/22 Financial Year. While this target was set lower this year due to the prediction that the redevelopment of the library and community

hub would occur this year, we exceeded the usual target of 8 issues per capita. Digital borrowing is the highest growth area.

By the end of the year we had 53,901 logins to library e-resources, Wi-Fi and computer usage, apps (including digital learning apps, heritage platforms, and the Manawatū District Libraries app) which exceeded our target.

1. You can expect access to a range of information, resources and experiences that support community well-being and interconnectedness, continue to build and promote lifelong learning and bridge the digital divide

* Targets are set uncharacteristically low due to the planned redevelopment of the Feilding Library in 2021/2022



Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
The number of physical and digital collection items borrowed or accessed per capita, per annum.	6*	8.65 	8.96 	Previous annual target was 8 issues per capita
The number of logins to library e-resources and apps (inc. digital learning apps and heritage platforms), Manawatū District Libraries app and Wi-Fi and computer usage per annum.	40,000*	New measure 2022	53,901 	The temporary space is expected to significantly reduce the use of the library's Wi-Fi and computer usage during 2022/23/24.
The number of participants attending programmes, classes, exhibitions, events, digital learning programmes and social interaction groups, per annum	8,000* participants	15,120 **participants 	9,592 Participants 	The facility redevelopment did not commence as planned in 2021/22, however the library participants were lower due to the impact of COVID lockdown restrictions. **2020/21 target was 19,000 participants so result was not achieved.

Halls and Recreational Complexes

Ngā Whare Huihui me ngā Taiwhanga Rēhia

What we do

We support community organisations involved in the management of rural and community halls and recreational complexes with asset management and maintenance of facilities.

How we do it

Council owns 17 halls and supports the management of seven community-owned halls. We work with and support halls and Community Committees across the district in delivering day-to-day hall services. We carry out renewal and building improvement programmes to ensure our facilities are well maintained, safe and meet quality standards, including improving existing halls and recreational complexes to meet public expectations. When appropriate, this includes expanding or providing new facilities to meet changing community needs.

This year’s activities

Necessary maintenance was completed for the following halls in the district:

- Sanson Hall benefited from a hot water system upgrade and a partial re-roof.
- Kiwitea Hall had a septic system upgrade to cope with the increased use of the facility.
- Āpiti, Beaconsfield and Pohangina Halls received replacement water tanks.

In addition, the Te Kawau Recreation Centre had a range of work completed including installing non slip surfacing to changing room floors, and replacing kitchen ovens and sterilisers, hot water cylinders, gutters and light fittings.

The Carnarvon Hall in Rongotea was demolished and removed from site. Historical investigations of the Clydesdale Hall near Tangimoana are being carried out to establish the future of this site.

1. In use Council-owned halls and recreational complexes are safe

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
% of in-use Council-owned halls and recreational complexes are compliant with current building warrant of fitness requirements and FENZ evacuation procedures.	100%	New measure for 2022	100% 	All in use Council-owned halls and recreational complexes are compliant.

STANWAY HALL
1914



Makino Aquatic Centre

Te Taiwhanga Wai Rēhia o Mākino

What we do

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

How we do it

We provide a variety of pools and other spaces within the complex for supervised water play and swimming space all year round and have the opportunity for pool or lane hire. We work with local, regional and national swimming clubs and host water events, Makino Aquatic Challenges and community events. There are extended opening hours during the summer months and Council works with after-school and school holiday programme providers. Classes, recreation programmes, aqua fitness sessions and activities for all levels are held year round, alongside individual coaching, training and learn to swim sessions. Council provides advice and services to community pool providers throughout the district, and works with the district's schools to deliver 'Water Safety' programmes.

This year's activities

The Learn to Swim and water activity programmes at the Makino Pool were significantly impacted by COVID this year as a result of lockdowns and staff sickness.

A total of 37,839 participants enjoyed these services against an expected total of 53,503.

This is made up of:

Learn to Swim: 14,995

Aqua Fitness: 6,995

Schools: 6,901

Groups: 1,441

Canoe Polo: 1,204

Flippaball: 213

Programmes: 315

Clubs: 5,775

While general admissions to the pool were down at 59,152 against a predicted target of 65,000, the customer satisfaction rate did meet target at a 96.5% result compared to a predicted target of 90% satisfaction.

The team continued to support many local community groups and clubs through facility hire. A number of swimming carnivals and events were hosted from the facility, including Special Olympics, Canoe Polo tournaments and Manawatū Swimming Championships.

Customer service remained a core focus as the team strove to provide great customer experiences, especially through the challenging times. The team managed the polarised views within the community around the need to be vaccinated to enter the pool under certain COVID levels, and developed a respectful relationship with people who protested against this stance. A new operating system "Envibe" was implemented to make it easier to become a member or to enrol for swimming lessons.

The flooding event in March 2022 had a significant impact on the facility, resulting in a full closure while the pools were drained and cleaned up and damage rectified. Team work and strong contractor relationships kept customer disruption to a minimum during this time.

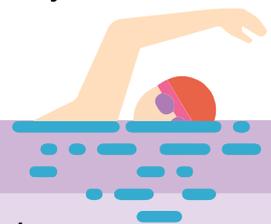
Unexplained higher gas volumes and resulting costs have contributed to a higher than budgeted financial result and it is taking some

time to source the cause of this issue.

Note: From 18th August- 15th September the Makino Aquatic Centre was closed due to Level 4 (18th August- 8th September) and Level 3 (8th - 15th September) Covid-19. From 15th September- current we are operating under Covid-19 restrictions, including facility limits, social distancing requirements and vaccination pass restrictions.

1. You can expect safe pools

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Pool safe accreditation (annually)	Accredited			Valid until May 2023



2. You can expect a provision of a range of quality educational and recreational aquatic experiences

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Participants in water activities and learning to swim programmes.	>51,000	53,503 	37,839 	Significantly impacted by COVID, both due to lockdown and staff sickness. As a result we had 37,839 participants in water programs and learn to swim lessons.
General admissions (spectators and swimmers)	>65,000	Not recorded	59,152 	The general admission target was impacted by the pool needing to be closed during COVID lockdown periods.
Percentage of survey participants who are satisfied overall with their experience at the complex.	90%	97% 	96.5% 	The annual Customer Satisfaction Survey was completed in March-April this year.

Parks, Reserves and Sportsgrounds

Ngā Papa Rēhia, Papa Tāpui, Papa Hākinakina hoki

What we do

We provide our community with opportunities for leisure and recreation, through provision of parks and sports grounds including open spaces, gardens, trees and play-grounds to ensure our community has access to a wide range of leisure and recreation opportunities.

How we do it

We maintain parks, reserves and sports grounds to ensure provision of quality, safe spaces for recreation and leisure, and continually improve accessibility to parks, sports grounds and facilities, making them available for a wide variety of users.

We foster collaboration between sport and recreation groups to encourage high-use facilities and opportunities for cost efficiencies. We manage parks and sports grounds bookings, fees and charges while liaising with ground staff to ensure facilities are ready for use. We work with Sport Manawatū and other organisations to deliver programmes throughout the district to get 'everyone active, everyday' and liaise with Community Committees and user groups of parks and sports grounds.

We develop, promote and follow plans and strategies that guide the development and management of parks and sports grounds and we are planning to provide a walking and cycling network that links neighbourhoods, schools and community facilities.

This year's activities

Kowhai Park in Feilding benefited from a new playground and walkways. While there were some concerns about an aspect of the playground that resulted in some rework, the playground has been very well received by the community. Further additions to the playground are scheduled for early next financial year.

New floodlights were installed at Victoria Park and Johnston Park in Feilding that will enable additional mid-week training areas for winter sporting codes.

A greenspace in the new growth development area also known as Precinct 4 on Roots Street in Feilding was purchased to become a new recreation space in future years. Negotiations are nearing completion for the purchase of land to enable the development of a walkway and stormwater detention ponds from Root Street to Reid's Line.

Mt Lees Reserve has benefited from the creation of a natural adventure zone, walking track enhancements, and further maintenance on the homestead. Council has developed a partnership with Enviro Schools and Horizons Regional Council Pest Management team to provide valuable learning in the kaitiakitanga and environmental management space.

Council built on its strong partnership with the Missing Wingman Club with the success of year 2 planting at Mt Stewart. Approximately 60 volunteers participated to make an unloved reserve into a high amenity area and a place of reflection.



Council has worked with the Himatangi community to develop recreational facilities in the area. This has included the development of the skate park, resurfacing of the community courts and landscape planning for esplanade reserve enhancement.

Swings were added to the playground in Cheltenham.



1. You can expect satisfaction with our parks, reserves and sports grounds

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Percentage of survey participants satisfied with Council's parks, reserves and sportsgrounds.	90%	94.5% 	95% 	Results from the annual Customer Satisfaction Survey.

2. You can expect safe parks, reserves and sports grounds

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Number of health and safety incidents or injuries reported that occurred due to inadequate or poor maintenance in our parks, reserves and sports grounds	0	0 	0 	While there were no incidents relating to poor or inadequate maintenance we did receive some feedback from the public about children being hurt as a result of a design concern at the new Kowhai Playground. An aspect of the playground was closed for a period until the design was altered.

Property Ngā Rawa Tūwāhi

What we do

We manage, support and administer Council’s wide range of property portfolio assets and services.

How we do it

We manage Council owned property through leasing and general day-to-day operations and functions, and we carry out renewal and building improvement programmes to make sure Council properties are well maintained, safe and meet quality standards.

We work with local groups to provide access to community property for a range of community uses.

We plan for future property needs by proposing and implementing development projects and regularly review the rationale of keeping the property, including considering disposal or repurposing of Council property where appropriate.

This year’s activities

Land that has been declared surplus to requirements continues to be sold. A number of lots along South Street and Kawakawa Road in Feilding have been sold. At the end of this financial year there were two remaining lots on South Street, one that is under offer and the other is being marketed by a local real estate company.

The regional Archives building was sold to MWLASS.

The main council administration building in Feilding requires earthquake strengthening. Covid-19 restrictions delayed the development of options for completing the strengthening work and also impacted a plan to replace the heating and air-conditioning units.



1. Well maintained, safe Council-owned buildings and properties

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
% in-use Council-owned buildings and properties are compliant with the relevant safety regulations	100%	New measure for 2021/22	100% 	All Council owned buildings and properties are compliant.

Public conveniences

Ngā Wharepaku Tūmatanui

What we do

We provide and maintain public toilets to protect public health and meet the expectations of residents and visitors.

How we do it

We provide a network of public toilets across the district and maintain facilities to ensure they are clean, accessible and fit for purpose.

This year's activities

Our public conveniences continue to be well maintained by Council's contractor Recreational Services Ltd. Two sites were vandalised this year requiring significant expenditure to repair.

New public toilets were installed this year, one near the Mangakino Skate park in Feilding and additional facilities at the Sanson domain.

1. You can expect clean and well maintained public toilets

(Excludes complaints that do not relate to the service Council provides)

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
The number of complaints* received about inadequate maintenance and/or poor cleaning of our toilets.	<8 complaints	3 	0 	



Manawatū District Council Funding Impact Statement for the year ended 30 June 2022 Community Facilities

Te Kaunihera ā-Rohe o Manawatū
Tauākī whaihua tuku pūtea mō te tau ka
mutu i te 30 o Pipiri 2022 Taiwhanga Hapori

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 (right) includes \$545k interest expense in relation to loans raised internally from Council's treasury and \$13k interest expense charged on external loan raised directly by Community Facilities group of activities, for the year ended 30 June 2022.



	Actual 2022 \$000	LTP 2022 \$000	LTP 2021 \$000
Sources of operating funding			
General rates, uniform annual general change, rates penalties	2,285	2,189	1,994
Targeted rates	6,531	6,754	6,802
Subsidies and grants for operating purposes	1	1	4
Fees and charges	808	1,277	1,256
Internal charges and overheads recovered	(1)	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	299	144	29
Total operating funding	9,922	10,365	10,085
Applications of operating funding			
Payments to staff and suppliers	6,545	6,599	6,411
Finance costs	558	747	1,084
Internal charges and overheads applied	1,470	1,476	1,712
Other operating funding applications	-	-	-
Total applications of operating funding	8,573	8,822	9,207
Surplus (deficit) of operating funding	1,350	1,543	878
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	678	515	340
Increase (decrease) in debt	1,129	548	5,883
Gross proceeds from sale of assets	498	5,000	5,000
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	2,305	6,063	11,223
Application of capital funding			
Capital expenditure			
- to meet additional demand	202	959	79
- to improve the level of service	1,469	3,700	6,687
- to replace existing assets	818	1,203	563
Increase (decrease) in reserves	1,167	1,744	4,773
Increase (decrease) of investments	-	-	-
Total applications of capital funding	3,654	7,606	12,101
Surplus (deficit) of capital funding	(1,350)	(1,543)	(878)
Funding balance	-	-	-
Community Facilities Internal Borrowings			
Opening balance 1 July	14,892		
Internal loans raised during the year	1,446		
Internal loans repaid during the year	(317)		
Closing balance at 30 June	16,020		
Community Facilities External Borrowings			
Opening balance 1 July	1,872		
External loans raised directly by activity during the year	-		
Internal loans repaid directly by activity during the year	(1,872)		
Closing balance at 30 June	-		



District Development Group

Te Tipu o te Rohe



This group of activities can be found on page 126 of the 2021-31 Long Term Plan.

What we do

We support economic and community development in the district, and review and update the rules and guidelines that help manage and protect our natural and physical resources.

Why we do it

We work towards our district offering a high quality of life for all, guided by strategic documents created in collaboration with our community:

- Community Development Strategy
- Economic Development Strategy
- Manawatū District Plan.

The District Development Group contributes to the following community outcomes:

A place to belong and grow by encouraging strong resilient communities, liaising with agencies, advocacy and contracting community development organisations to implement our Community Development Strategy.

A future planned together by implementing our Community Development Strategy.

An environment to be proud of by reviewing and monitoring the District Plan to meet the needs of our district.

A prosperous, resilient economy by using economic analysis to understand our economy and by contracting economic development agencies to implement our Economic Development Strategy.

How we do it

We work with our community and partner agencies to achieve the best possible future for the people of the district, working with local and regional partners to optimise opportunities.

We provide funding, support and encouragement to community groups and individuals who contribute to community outcomes, including acknowledging contributions with the annual Community Honour Awards.

We support organisations that promote the heritage, identity and social well-being of the district, and promote Māori culture in the community. We support the promotion of and participation in sports and active recreation.

We enable community representation and participation through Community Committees. We support the development of community plans and encourage their implementation.

Through the Central Economic Development Agency (CEDA), we provide business support services. We support CEDA to undertake labour market analysis and a labour market strategy. We work with partners to enable businesses to access new markets and create opportunities for growth and job creation.

We promote the district to attract businesses, residents and visitors, and provide a high quality environment and lifestyle opportunities. We plan and design our public spaces to cater for all, and actively participate in the Manawatū Health and Well-being Group. We support community initiatives and organisations that enhance the well-being of the natural, physical and social environment and we advocate to central government on issues that impact on the well-being of our communities.

We provide accurate and timely regulatory and economic information to our community. We are working on a housing strategy and strategies to support our seniors and youth.

This year's activities

Through the Community Development Fund, Council has supported 16 organisations to provide services within the Manawatū district through individual Priority Service Contracts.

Through the Community Development Fund, Council has supported nine organisations that provided one-off services to Manawatū district residents.

Through the Event Fund, Council has supported 20 events that were accessible to Manawatū district residents.

Through the Representative Fund, Council has supported 21 individuals, including groups, who represented the Manawatū district at regional and national competitions. This funding links directly to the goals and outcomes contained within the Community Development Strategy.

The Council facilitated a Street Art Festival funded by Central Government resulting in five murals being installed on Feilding CBD buildings.

Refer to Part 4 of this document to view the list of recipients for all funding categories.

1. You can expect satisfaction with district development service delivery



Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Percentage of targets CEDA has achieved under the relevant Statement of Intent.	80%	New measure 2021/22	88.2% 	15 of the 17 CEDA targets were achieved
Percentage of results-based accountability targets achieved under Priority Service Contracts	80%	New measure 2021/22	80% 	All, except one of the Community Development Strategy Priority Service Contracts achieved 80% of their results-based accountability targets except for one recipient.

2. You can expect creative, cultural and recreational participation in our communities. (Whānau - Social Well-being)

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Creative Communities Scheme projects administered by the Council.	Year 1	New measure 2022	14 projects approved 	The Creative Communities Scheme is administered by the Council. * This is the first year of measurement, which creates a baseline for future measurement.

3. You can expect satisfaction that Council seeks an outcome of being connected and inclusive. Our goals are to be a welcoming community, where everyone has a sense of belonging and is proud of where they live. (Wairua - Spiritual Well-being)

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Percentage of survey participants who feel a sense of connection with others in their neighbourhood/ community.	Year 1	New measure 2022	71% 	*This is the first year of measurement, which creates a baseline for future measurement

District Planning

Te Whakamahere ā-Rohe

What we do

We provide regulatory information and support to assist residents and businesses in the district, including providing sufficient land, infrastructure, servicing and suitable zoning. We ensure a statutory planning framework to manage natural and physical resources appropriately. We review and update the District Plan to ensure our natural and physical resources are sustainably managed and avoid, remedy or mitigate any potentially detrimental environmental effects.

How we do it

We respond to Horizons Regional Council (Manawatū-Whanganui Regional Council) and central government policy proposals where these affect land use and resource management within the district. We conduct a rolling review of the District Plan over the course of 10 years, as well as a review of the state of the district's environment every five years.

We process private plan change requests, and ensure information about district planning and the Resource Management Act 1991 (RMA) are up to date and easily accessible via Council's website and a printed copy is available at the Council office.

This year's activities

The Manawatū District Council continued work on the District Plan Review, including:

- preparing for upcoming notification of the Rural Review, Historic Heritage (outside of Feilding Town Centre), Notable Trees, and Feilding Residential Review
- reviewing current approach to Rural Zone flood areas and flood-prone areas, plantation forestry, earthworks, and airports
- working with whānau to develop Papakāinga housing
- working to resolve appeals to Plan Change 65: Outstanding Natural Features and Landscapes
- removal of District Plan car-parking requirements in line with National Policy Statement - Urban Development
- commencing implementation of the National Planning Standards
- monitoring development growth & land supply.



CREDIT: ???

Manawatū District Council Funding Impact Statement for the year ended 30 June 2022 District Development

Te Kaunihera ā-Rohe o Manawatū
Tauākī whaihua tuku pūtea mō te tau ka
mutu i te 30 o Pipiri 2022 Te Tipu o te Rohe

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 2022 is disclosed (right) under finance costs.



	2022 \$000	2022 \$000	2021 \$000
Sources of operating funding			
General rates, uniform annual general change, rates penalties	3,644	3,654	2,840
Targeted rates	78	82	106
Subsidies and grants for operating purposes	52	34	27
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	39	74	106
Total operating funding	3,814	3,845	3,078
Applications of operating funding			
Payments to staff and suppliers	2,642	2,700	2,219
Finance costs	187	135	289
Internal charges and overheads applied	737	809	419
Other operating funding applications	-	-	-
Total applications of operating funding	3,566	3,644	2,927
Surplus (deficit) of operating funding	247	201	151
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(203)	(203)	(225)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(203)	(203)	(225)
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	44	(2)	218
Increase (decrease) of investments	-	-	(292)
Total applications of capital funding	44	(2)	(74)
Surplus (deficit) of capital funding	(247)	(201)	(151)
Funding balance	-	-	-
District Development Internal Borrowings			
Opening balance 1 July	3,680		
Internal loans raised during the year	-		
Internal loans repaid during the year	(203)		
Closing balance at 30 June	3,477		



Regulatory Group

Te Taha Whakatureture



This group of activities can be found on page 134 of the 2021-31 Long Term Plan.

What we do

Animal control, building control, environmental health, alcohol licencing, compliance and enforcement, and resource consent planning.

How we do it

We assist in developing bylaws and policies and monitor and enforce them to ensure a safe and usable environment for all members of the community.

Council is available 24 hours, 7 days a week for priority 1 animal control call outs, and ensures all dogs are registered and controlled.

We monitor and enforce standards for businesses including processing licences and inspecting premises where necessary. This includes businesses selling food and/or alcohol, hairdressing salons, camping grounds, and funeral directors as well as responding to health nuisances and investigating noise complaints.

We issue building consents, certificates of acceptance, certificates for public use, code compliance certificates, inspect buildings and provide advice, as well as issuing resource consents for subdivision, land use and certificates of compliance. Council then continues to monitor and enforce compliance of resource consent conditions.

Why we do it

We work to provide a safe environment and protect amenities for the community making the Manawatū District a desirable place to live and do business.

The Regulatory Group contributes to the following outcomes:

A place to belong and grow

- by ensuring a safe environment in which to live, work, and play.

An environment to be proud of

- by protecting our natural environment through monitoring and enforcing compliance with the District Plan and Resource Management Act 1991
- by ensuring our built environment and food/alcohol and health premises are safe and fit for purpose.

Infrastructure fit for the future

- by making sure buildings and new developments are safe and accessible.

A prosperous, resilient economy

- by processing quality building and resource consents and promoting sustainable development.

Value for money and excellence in local government

- by aiming to deliver a customer-focused service while meeting legislative requirements.

Animal Control

Rauhī Kararehe

What we do

We provide animal control services including dog safety education programmes as part of our role in protecting public safety throughout the district.

How we do it

We administer The Dog Control Act 1996, Impounding Act 1955, Council's Dog Control Policy and Animal Control and Dog Control Bylaws and ensure dogs are registered and controlled throughout the district. We classify the district's 'menacing' and 'dangerous' dogs and maintain Council's National Dog Database interface. We provide access to a 24 hour 7 day a week animal control service for priority 1 call outs/responses and impound nuisance, surrendered or unregistered dogs

and wandering stock at our Awa Street site for collection by owners, rehoming or destruction.

We offer a "selected ownership" status, provide dog education programmes and sponsor obedience training certificates to the Feilding Dog Training Club.

This year's activities

The total number of dogs registered remains steady with 8,244 registered dogs in the district compared to 8,251 in the previous year. There were three dogs classified as dangerous during the year which now brings the total number of dogs classified as dangerous in the district to six.

The number of animal control responses remained steady this year, compared to last year, across all of the priorities listed below.



1. You can expect a safe environment and protection of the community through timely responses to requests for service

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Percentage of urgent requests about dog attacks/ wandering stock responded to or caller contacted within 15 minutes of Council receiving request. (Priority 1)	90%	97% 	96% 	140 incidents. 5 were not responded to within the timeframe.
Percentage of notifications of roaming dogs responded to or caller contacted the next working day from Council receiving request. (Priority 2)	90%	99% 	100% 	
Percentage of routine animal control issues responded to or caller contacted the next working day from Council receiving notification. (Priority 3)	90%	98% 	91% 	704 incidents. 61 were not responded to within the timeframe.

Building Control

Te Whakatū Whare

What we do

We process building consent applications for compliance with the Building Act and the New Zealand Building Code. We also issue certificates of acceptance, certificates for public use, and code compliance certificates. We conduct inspections, respond to building complaints, and monitor swimming pool and spa fencing and building warrants of fitness.

How we do it

Council is an accredited Building Consent Authority, and administers the Building Act 2004. This includes responding to earthquake-prone, dangerous or insanitary buildings issues, as well as responding to building related complaints and providing advice. We assist in the development of policies for dangerous, affected and insanitary buildings and administer the earthquake prone building legislation under the Building Act 2004.

We facilitate key stakeholder meetings for the construction and development industry and have a building officer on duty 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. We work to make Building Control Services information current and accessible via Council's website and Council office (printed copy) and make building consenting application services accessible and transparent via the online portal. We ensure the built environment meets safety and accessibility

standards including ensuring buildings provide facilities for people with disabilities where required, and monitoring swimming pool/spa fencing to protect children aged under 5 years from drowning.

This year's activities

COVID, housing market demand and challenges retaining staff have had an impact on building control and planning targets for most Councils across New Zealand. In the Manawatū, the building control and planning teams work closely together to review demand and to ensure the less experienced team members are mentored and supported. The need to work remotely and then as two separate teams for a period during COVID lockdowns did have an impact. This, coupled with the increasing volume of residential and commercial work (such as the major Ōhakea infrastructure and facilities development) placed pressure on the building control team's ability, in particular, to meet targets.

In total 709 building consents and 568 code of compliance certificates were issued and 6,352 building inspections were completed. An increasing number of building consent applications received were incomplete. Last year the percentage of incomplete applications was 68%, this year the trend worsened with 75% applications suspended pending further information and approximately 45% of building inspections failed, requiring a re-inspection. This ongoing trend puts additional pressure on resourcing and impacts the timeliness of the consenting process, especially as application

numbers remain higher than usual. Council will introduce a Development Navigator role in the next financial year to better support customers making applications in an attempt to improve the quality of the information provided with

consenting applications. MDC's online building consent application system, Simpli, allows customers to track the progress of their consent and enabled consents to be processed during the COVID-19 lockdown periods.

1. Ensuring life safety by monitoring commercial and public buildings for compliance with the Building Warrant of Fitness.

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Percentage of the district's commercial and public buildings that hold a current compliance schedule are audited every 3 years	100%	New measure 2021/22	73.4% 	387 relevant buildings, 284 have been audited within the 3 year timeframe. Staff vacancies within this area have impacted the result.

2. You can expect we are meeting the statutory obligations of the Building Act as an Accredited BCA, providing a safe built environment and providing a responsive building control service

*excludes complaints that do not relate to the service council provides

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Percentage of complaints that are investigated and responded to relating to our building control service within the specified timeframes.*	90%	96% 	91% 	181 complaints received, 17 not responded to within specified timeframe. 105 incidents related to recent flooding events.
Percentage of residential swimming pools that are inspected every 3 years to ensure compliance with the Building Act.	95%	New measure 2022	99% 	362 active pools, 359 inspected within specific timeframe.
Percentage of applications processed within the statutory and specified timeframes:				
A. Building consent applications and Code of Compliance certificates are processed and approved within the statutory 20 working days.	95%	95% 	77% 	709 building consents issued of which 164 were not issued within the statutory timeframe. Results were impacted by vacancies, COVID Alert level 2 restrictions and increased number of consent applications.
B. Fixed fee (small works) building consent applications are processed and approved within 10 working days.	95%	94% 	80% 	299 fast track consents issued of which 60 were not issued within the timeframe. Results were impacted by staff vacancies, COVID Alert level 2 restrictions and increased number of consent applications.

Compliance Monitoring

Te Whakapūmau i tā te Ture me te Arotake

What we do

We work to keep residents, visitors and the environment safe by monitoring, mitigating and minimising potentially harmful activities. We process alcohol licences, food control plans and monitor licensed and registered premises.

How we do it

We administer the Health Act 1956, Food Act 2014, Resource Management Act 1991, Amusement Devices Regulations 1978, Hazardous Substances and New Organisms Act 1996, the Gambling Act 2003 and the Racing Industries Act 2020, and administer statutory obligations set by the Sale and Supply of Alcohol Act 2012.

Council collaborates with New Zealand Police, Mid Central Health and Fire and Emergency New Zealand (FENZ), and appoints 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
- Special licences

We conduct annual inspections of registered health premises to ensure they comply with licence conditions, and register and audit premises that prepare and sell food, and enforce legislation relating to hazardous substances and amusement devices as well as enforcing bylaw provisions.

We monitor and enforce compliance with land use and subdivision consent conditions.

We educate and provide advice to the public and businesses on these services, and respond to complaints including providing a 24 hour, 7 day a week noise response service.

This year's activities

We noticed a slight increase in the number of swimming pools and spas needing inspection this year. There has been a drop in the number of building warrant of fitness audits completed this year due to difficulty filling a staff vacancy and some of this work has been completed by a contractor. The number of noise complaints and abandoned vehicles responded to decreased slightly this year.

1. You can be assured the community has safe food premises and hygienic health registered premises



Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Percentage of all food premises are verified as per legislative requirements under the Food Regulations 2015.	100%	New measure 2021/22	100% 	There are 147 food businesses registered. Only 109 required verification however, 91 required verification within 2021/22.

2. You can expect we are protecting community amenities and providing a responsive compliance service with timely responses to requests for service

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Percentages of requests for service related to incidents that endanger public health are responded to within 24 hours of notification.	85%	100% 	94% 	34 requests received. 32 were responded to within the 24 hour timeframe.
Percentage of urban noise complaints that are responded to within one hour of notification.	85%	97.5% 	93.5% 	355 complaints. 332 were responded to within 1 hour timeframe.
Percentage of requests for service related to incidents that do not endanger public health are responded to within 48 hours of notification.	85%	92.3% 	97% 	251 requests for service. 244 were responded to within the 48 hours timeframe.

3. You can expect us to monitor selected licensed premises selling alcohol for compliance with their license conditions

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Percentage of licensed premises that are inspected annually to ensure compliance with the conditions of their licence and to work with those who do not comply to bring them up to compliance.	95%	100% 	100% 	All 52 licensed premises were inspected.

Consent Planning

Whakamahere

Tūtohunga

What we do

We provide planning resource consent guidance and consenting to help ensure our natural and physical resources are sustainably managed, and avoid, remedy or mitigate any potentially detrimental environmental effects.

How we do it

We apply the District Plan and policies that reflect the direction given by central government and Horizons Regional (Manawatū-Whanganui Regional Council). This includes processing resource consents and assessing all building consents to ensure they meet the provisions of the District Plan. We process private plan change requests and notices of requirements for designations.

We provide planning advice to all customers and have input into the approval of alcohol licences, and Land Information Memoranda (LIMs).

We ensure information about the resource consent application process is up to date and easily accessible via Council's website and at the Council office (printed copy). There is 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.

This year's activities

Resource consents continued to increase with 450 applications made (including land use, subdivision, outline plans, permitted boundary activities, certificates) compared to 369 the previous year. Of these applications, 90% were issued and the remaining 10% were returned, typically due to a lack of information. Over the last four years there has been close to a 10% increase in applications year on year. Applications are more complex and there are increased enquiries in relation to changes in the District Plan review process. This is putting additional pressure on resourcing and the ability to meet the statutory timeframes.

A focus on attracting and developing additional planning staff had a positive impact on meeting resource consent targets and consultants continued to be utilised where possible. The electronic resource consenting system continues to help with communication and allowed applications to be lodged during the COVID-19 lockdown periods.



1. You can expect the Consents Planning Team are meeting the statutory obligations of the RMA to protect the environment and ensure compliance with the District Plan.

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Percentage of applications for permitted boundary activities under the Resource Management Act are processed in accordance with the statutory timeframes.	100%	New measure 2022	89% 	54 permitted boundary consents were processed. 6 processed outside of the timeframe, 48 processed within the 10 day statutory timeframe. Vacancies have impacted the levels of service in this area.
Percentage of applications for resource consent under the Resource Management Act are processed in accordance with the statutory timeframes: * Non-Notified	90%	New measure 2022	49% 	410 consents were received with 207 processed within 20 days and 203 processed over the 20 day timeframe. Staff vacancies have impacted the levels of service in this area.
Percentage of applications for resource consent under the Resource Management Act are processed in accordance with the statutory timeframes: * Limited Notified (with hearing).	90%	New measure 2022	N/A	No limited notified consents (with hearing) were received.
Percentage of applications for resource consent under the Resource Management Act are processed in accordance with the statutory timeframes: * Limited Notified (without a hearing).	90%	New measure 2022	N/A	No limited notified consents (without hearing) were received.
Percentage of applications for resource consent under the Resource Management Act are processed in accordance with the statutory timeframes: * Notified	90%	New measure 2022	N/A	No notified consents were received.
The number of Resource Consent applications for resource consents returned to applicant as incomplete (under Section 88 of the RMA) for: * Permitted boundary activities	Actual #	New measure 2022	0	54 Permitted boundary activity consents were received. No consents were returned under Section 88 RMA 1991.
The number of Resource Consent applications for resource consents returned to applicant as incomplete (under section 88 of the RMA) for: * Resource Consents	Actual #	New measure 2022	6	6 applications returned under section 88 RMA 1991. There are two ways to interpret this measure: if the measure only related to permitted boundary activities then 54 consents were received for the reporting period and none were returned under sect 88 RMA 1991. If the measure relates to all types of resource consents, then there were 6 applications returned under Section 88 RMA 1991.
The number of applications for which a request for further information has been made (under section 92 of the RMA)	Actual #	New measure 2022	141	410 applications. 141 had a request for further information under Section 92 RMA 1991.

Manawatū District Council Funding Impact Statement for the year ended 30 June 2022 Regulatory Group

Te Kaunihera ā-Rohe o Manawatū
Tauākī whaihua tuku pūtea mō te tau ka
mutu i te 30 o Pipiri 2022 Whakatureture

Regulatory Group - Internal Borrowings. There are no loans (internal or external) for this activity.

	Actual 2022 \$000	LTP 2022 \$000	LTP 2021 \$000
Sources of operating funding			
General rates, uniform annual general change, rates penalties	2,932	2,772	3,041
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	3,314	2,596	2,150
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	71	84	115
Total operating funding	6,317	5,452	5,306
Applications of operating funding			
Payments to staff and suppliers	2,945	2,050	2,275
Finance costs	-	-	-
Internal charges and overheads applied	3,115	3,367	2,887
Other operating funding applications	-	-	-
Total applications of operating funding	6,060	5,417	5,162
Surplus (deficit) of operating funding	257	36	144
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	-
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	3
Increase (decrease) in reserves	257	36	140
Increase (decrease) of investments	-	-	-
Total applications of capital funding	257	36	144
Surplus (deficit) of capital funding	(257)	(36)	(144)
Funding balance	-	-	-





Emergency Management Group

Te Rauhi Hapori i te Ohotata



This group of activities can be found on page 146 of the 2021-31 Long Term Plan.

What we do

We provide co-ordination of the district's response and recovery through an emergency event. We provide services and information to reduce risk and increase readiness, response and resilience.

How we do it

We work to increase public awareness about disasters and educate communities about preparedness. Council seeks to support networks with points of contact within communities, enabling emergency management activities and communication. Council works with Community Committees and relevant community organisations to promote emergency management in neighbourhoods and the wider community.

We undertake an emergency management exercise programme to support Council and community preparedness.

We fulfill Council's statutory obligations under the Civil Defence Emergency Management (CDEM) Act 2002, including responding to emergencies; planning for, undertaking, coordinating and promoting recovery as required post disaster; and monitoring and evaluating situations before, during, and after the event.

We fulfill 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 an emergency response. We will engage with and support iwi-driven initiatives within the Manawatū District to support vulnerable community members in emergency events.

Why we do it

We work to reduce the impacts from natural hazards, by ensuring communities are aware of their hazardscape and are prepared and empowered to respond and recover from an emergency. We aim to assist and encourage a resilient district, helping communities understand and prepare for their own hazards. We meet statutory requirements and community expectations to provide an active and responsive emergency management service.

The Emergency Management Group contributes to the following community outcomes:

A place to belong and grow

- by educating the community about Emergency Management, and ensuring residents are supported and able to act if an emergency occurs.
- by starting education about emergency preparedness early in life, ensuring the next generation is more resilient.

A future planned together

- by working with the community to plan for emergency situations. This ensures residents and businesses are prepared and confident in our district's ability to deal with emergencies.



A prosperous, resilient economy

- by assuring residents and businesses that the Council is actively involved in local, regional and national emergency management exercises, and giving confidence in our ability to recover.
- by hastening economic recovery from emergency events through community and Council coordination and planning.

An environment to be proud of

- by understanding and reducing impacts of natural hazards in our district.
- by ensuring that all of the five environments are catered for in recovery. The five environments are: social, built, economic, rural and natural.

Infrastructure fit for the future

- by working with the Manawatū-Wanganui Civil Defence Emergency Management Group Plan, New Zealand Critical Lifelines National Vulnerability Assessment and Regional Lifelines Plans to understand and plan for hazards, including flood mapping and active fault-line mapping. We can use this knowledge to inform infrastructure planning.

Value for money and excellence in local government

- by co-ordinating responses to and providing information about emergency situations.
- by working to co-ordinate local partner agencies, businesses and communities in preparedness for response and recovery to an emergency.
- by being an active participant and partner in the Manawatū-Whanganui Civil Defence and Emergency Management Group.
- by collaborating with nearby territorial authorities and Horizons Regional Council to maximise our CDEM effectiveness through shared resourcing.

This year's activities

Assisted in establishing the first drive-through Covid vaccination site in New Zealand. Provision and co-ordination of community emergency trainings to assist with community-based response and recovery planning. Worked with GNS and EQC to complete the fault trenching project report which has resulted in the recurrence interval of the eastern strand of the Rauoterangi Fault being reclassified to a longer recurrence interval than previously reported.

Response to and recovery from flood events that impacted the district. Including creation of a corrective action plan to assist with future flood mitigation measures.

Upgrade of the district radio network by increasing the resilience of a radio repeater and increasing capacity and coverage by adding two new radio repeater sites.

1. You can expect Council will be prepared to assist the community in the event of an emergency

*An emergency event is defined as whenever the Emergency Operations Centre (EOC) is activated.



Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Percentage of Incident Management Team personnel trained to at least intermediate level of the Integrated Training Framework (ITF) for Emergency Management Manawatū	≥75%	75.5% 	80% 	80% of permanent staff are trained to the ITF Intermediate level
Percentage of survey participants who were satisfied with Emergency Management information and advice provided by Council for the Manawatū District in relation to an emergency event*	New Target Number to be set 2022	New measure 2022	48% 	48% of residents surveyed felt that the advice and information from Manawatū District Council was provided in a timely manner. 48% of residents surveyed felt the information provided by Manawatū District Council was helpful to make informed decisions on actions to take. 48% of residents surveyed felt it was easy to access the information provided by Manawatū District Council. *This is the first year of measurement, which creates a baseline for future measurement

Manawatū District Council Funding Impact Statement for the year ended 30 June 2022 Emergency Management

Te Kaunihera ā-Rohe o Manawatū
Tauākī whaihua tuku pūtea mō te tau ka mutu i te 30 o
Pipiri 2022 Te Rauhī Hapori i te Ohotata

Emergency Management Internal Borrowings - 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.

	Actual 2022 \$000	LTP 2022 \$000	LTP 2021 \$000
Sources of operating funding			
General rates, uniform annual general change, rates penalties	301	301	269
Targeted rates	-	-	-
Subsidies and grants for operating purposes	20	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	85	-	-
Total operating funding	405	301	269
Applications of operating funding			
Payments to staff and suppliers	297	200	199
Finance costs	0	-	-
Internal charges and overheads applied	220	91	61
Other operating funding applications	-	-	-
Total applications of operating funding	518	291	259
Surplus (deficit) of operating funding	(113)	10	10
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	8	11	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	8	11	-
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	8	11	2
- to replace existing assets	13	12	10
Increase (decrease) in reserves	(126)	(2)	(2)
Increase (decrease) of investments	-	-	-
Total applications of capital funding	(105)	20	10
Surplus (deficit) of capital funding	113	(10)	(10)
Funding balance	-	-	-



Governance and Strategy Group

Ngā Mahi Kāwanatanga me te Whakatau Rautaki



This activity can be found on page 152 of the 2021-31 Long Term Plan.

What we do

We set the strategic direction for the district and ensure responsible financial management of public funds.

We also provide structures and processes for local democracy and decision making that is:

- Collaborative
- Open/transparent
- Inclusive
- Friendly

How we do it

As well as the formal Council team made up of ten elected members and the Mayor we have four standing committees;

- Audit and Risk Committee
- Community Development Committee
- Hearings Committee
- Chief Executive's Employment Committee

We also have a joint standing committee with Palmerston North City Council, which addresses strategic planning issues that impact on both Manawātū District and Palmerston North City and provides oversight for the activities of the Central Economic Development Agency Limited (CEDA).

We have three informal focus groups – Economic Development, District Plan, and Infrastructure – to keep our finger on the pulse of progress in these three areas in the district.

We work closely with our 17 community committees as well as the Manawātū District Youth Council as specific communities of interest.

We provide opportunities for the public to be involved in the important decisions that Council makes about the Manawātū District.

We work to promote and advocate for the best interests of the district at regional and central government levels.

We manage finances responsibly.

Why we do it

We provide district leadership and involve our people in decision-making processes to ensure a bright future for our community.

The Local Government Act 2002 (LGA) sets out the purpose of local government and the framework for the work we do. There is also a range of other pieces of legislation that relate to Council's planning and regulatory role in the district.

The Governance and Strategy Group contributes to the following community outcomes:

A place to belong and grow

- by aligning decision making with community feedback.
- by exceeding legal requirements for community inclusion.



- by collaborating with the community in strategic planning.
- by providing opportunities to participate in the democratic processes and decision making.

A future planned together

- by collaborating with the community around statutory and non-statutory planning.
- by using relevant engagement methods that are flexible, responsive and innovative.

An environment to be proud of

- by making informed and prudent decisions with our environment in mind.

A prosperous, resilient economy

- by involving the community in the decision-making process and keeping the interests of community and business in mind, we can support healthy economic growth.

Value for money and excellence in local government

- by collaborating internally and externally to maximise efficiency.
- by exercising wise stewardship of public money.
- by staying aware of community opinion.
- by providing excellent customer service.

This year's activities

Council has made the following submissions on central and regional government policies and initiatives regarding decisions that may affect residents:

	Submission made to	Submission topic
2021		
July	Environment Committee, Parliament	Natural and Built Environments Bill Exposure Draft
September	Minister of Local Government and Department of Internal Affairs	Feedback on the government's Three Waters Reform programme
November	Ministry for the Environment	Emissions Reduction Plan Te kawe i te haepapa para Taking responsibility for our waste
December	Ministry for the Environment	Proposed product stewardship regulations: Tyres and large batteries
2022		
February	National Emergency Management Agency	Modernising the emergency management framework
March	Ministry for the Environment	Proposed amendments to the Resource Management (National Environmental Standards for Sources of Human Drinking Water) Regulations 2007
	Taumata Arowai	Proposed Drinking Water Standards, Drinking Water Quality Assurance Rules, Drinking Water Aesthetic Values, Drinking Water Acceptable Solution for Spring and Bore Water Supplies, Drinking Water Acceptable Solution for Rural Agricultural Water Supplies, and Drinking Water Network Environmental Performance Measures
April	Ministry for Primary Industry	Managing Permanent Exotic Forests
May	Horizons Regional Council	Long-term freshwater visions
	Finance and Expenditure Committee, Parliament	Draft Natural Hazard Insurance Bill
	Ministry for the Environment	Transforming Recycling proposals
	Ministry of Business, Innovation & Employment	Consultation on proposed changes to CodeMark Rules (Building Code changes)
June	Ministry for the Environment	Draft National Adaptation Plan, managed retreat and flood insurance
	Environment Committee, Parliament	Emissions Budget 2022-2025 and the first Emissions Reduction Plan

Council has also sought community input on several key decisions to inform decision making. These included:

- Representation Review: consultation on initial proposal adopted 19 August 2021. Hearing of submissions held 7 October 2021, and final proposal adopted 4 November 2021. Following objections to the final proposal, the Local Government Commission held a hearing of objections and upheld Council’s initial proposal as the arrangements for the 2022 Elections.
- Community feedback sought on central government’s Three Waters Reform: 1 – 29 Sept 2021. Total number of items of community feedback: 2,540.
- Fees and charges: consultation March 2022, adoption June 2022.
 - Food Act
 - District Planning Service
 - Consultation on draft Waste Management and Minimisation Plan

2022-2028 closed May 2022, adopted June 2022.

- Consultation on Speed Management Programme, adopted April 2022.
- Consultation on Public Places Bylaw review, closed December 2021, adopted March 2022.
- Consultation on Feilding Town Centre Concept Plan, closed November 2021.
- Consultation on Three Waters Reform, closed September 2021.
- Consultation on Draft drainage and Trade Waste Bylaws, closed June 2022

Council has used various methods to engage with the community, including a range of digital forums, mail-outs, and community meetings.

Councillors and staff have attended Feilding Farmers Markets and events, and recorded radio shows/podcasts on Manawatū People’s Radio.

1. You can expect responsible financial management



Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
The number of breaches in rates limits or debt levels as set in the Financial Strategy	0	0	0	



Manawatū District Council Funding Impact Statement for the year ended 30 June 2022 Governance and Strategy

Te Kaunihera ā-Rohe o Manawatū
Tauākī whaihua tuku pūtea mō te tau ka mutu i te 30 o
Pipiri 2022 Ngā Mahi Kāwanatanga me te Whakatau Rautaki

	Actual 2022 \$000	LTP 2022 \$000	LTP 2021 \$000
Sources of operating funding			
General rates, uniform annual general change, rates penalties	2,727	2,690	2,390
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	1	-	-
Total operating funding	2,728	2,690	2,390
Applications of operating funding			
Payments to staff and suppliers	656	784	660
Finance costs	-	-	-
Internal charges and overheads applied	1,829	1,897	1,730
Other operating funding applications	-	-	-
Total applications of operating funding	2,485	2,681	2,390
Surplus (deficit) of operating funding	243	8	-
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	-	-	-
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	41	-	-
Increase (decrease) in reserves	202	8	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding	243	8	-
Surplus (deficit) of capital funding	(243)	(8)	-
Funding balance	-	-	-



Roving Group Ngā Ara Waka



This group of activities can be found on page 158 of the 2021-31 Long Term Plan.

What we do

We maintain and deliver a roading network that provides suitable access to business, educational, social and recreational services for the district's residents and businesses, and we encourage the uptake of walking and cycling as transport modes and for recreation. We provide an appropriate network of tourism routes.

How we do it

- We optimise maintenance programmes to improve the reliability and cost effectiveness of the road network.
- We improve the resilience of the road network to reduce the impact of natural hazard events and improve the safety of the road network. Safety is improved through installing, upgrading or amending signage, removing roadside hazards, improving sightlines, traffic calming near schools and other minor safety improvements.
- We provide access to the residential and industrial growth areas in Feilding and the Manawatū District.

Why we do it

We provide an integrated and resilient land transport network that ensures safe and efficient travel for everyone who lives in and passes through our district.

The Roving Group contributes to the following community outcomes:

A place to belong and grow

- by ensuring that our roads and footpaths are safe to use, while encouraging the community to drive, walk, or cycle for business or pleasure.

An environment to be proud of

- by being committed to protecting and enhancing the natural, cultural and built environment.

Infrastructure fit for the future

- by being prepared for the changing needs of our communities and being resilient to evolving environmental conditions.

A prosperous, resilient economy

- by enabling the safe and efficient transport of goods and services throughout the district and connecting the Manawatū with the wider New Zealand economy.

Value for money and excellence in local government

- by employing Better Business Case principles to ensure robust and targeted investment decisions

This year's activities

- 56 km of reseals
- 3.9 km of pavement rehabilitation
- Halcombe Rd Seal Widening
- North Street Cycle Route including East St to South St link
- New footpaths in Rongotea and Colyton
- Bridges and structures renewals
- Scour protection to three bridges
- Guard railing to four bridges
- Taonui Road: Permanent Warning Signage upgrade
- Precinct 4: Churcher St: Rural to Urban Upgrade
- Severe weather events caused flood damage to a number of areas in the Manawatū. Resulting in additional repair costs

Projects still in progress;

- Mangaweka Bridge opened in July 2022
- Campbell Rd Cycleway due for completion in 2022-23
- Turners Road Extension land acquisition negotiations and design are ongoing



1. You can expect to get to where you need to go safely using our road network

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
The change in the number of fatalities and serious injury crashes on the local road network from the previous financial year, expressed as a number	<0	0.00046 	0.00064 	There have been 21 crashes resulting in 7 fatalities and 14 serious injuries. Based on a population of 33,000. Last year there were 13 crashes resulting in 2 fatalities and 14 serious injuries. This is 0.00049 crashes per capita based on a population of 32,692.

2. You can expect the road to be in good condition

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
The average quality of ride on a sealed local road network, measured by Smooth Travel Exposure (STE) index ratings (percentage of assessed network length where roughness is under the relevant threshold)*	90%	98% 	98% 	The STE index report received 24 August 2022 reported the following: An average of 98% for urban and rural roads.

*A High Speed Data Survey will be carried out every two years on all sealed roads.

The condition of the asset is described by a set of attributes. The quality of these attributes changes over the lifetime of the asset. Sound decisions about interventions and investments rely to a large degree on knowledge of the current condition and the rate of change in the condition of the asset.

3. You can expect the roading network to be well maintained

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
The percentage of the sealed local road network that is resurfaced	5%	6%	5.6%	
				

4. You can expect well maintained footpaths

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
The percentage of footpaths within the district that fall within the level of service or service standard for the condition of footpaths that is set out in Council's Activity Management Plan (for example, cracking, breaks, high lips, trip hazards etc.).	95%	99.7%	99.7%	The 2020 Footpath Rating resulted in 99.7% being acceptable.
				

5. You can expect a timely response to your request for service

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Percentage of customer service requests relating to roads and footpaths responded to within the following timeframes:				
A. Urgent requests*: within three hours of the request being lodged with Council.	90%	99.23%	90.7%	292 urgent requests. 265 were responded to within 3 hours. During this financial year the district was affected by numerous adverse weather events including December 2021, and June 2022.
				
B. Non-urgent requests: the repairs will be included in the 3 month rolling programme or as instructed by Council's Roothing Team.	90%	96.8%	89.2%	1,069 non urgent requests were received. 852 have been resolved within 3 months. Of the remaining 128 open requests, 102 are still within the 3 month time frame. When adjusted to remove these, it equates to 89.2%. The Manawatū District was affected by two adverse weather events during this financial year, as well as ongoing staff shortages due to the Covid-19 pandemic. These factors have both contributed to the target not being achieved.
				

*"Urgent" roading call-outs include the following: sealed and unsealed road failures affecting traffic safety and showing signs of rapid deterioration; removal of offensive graffiti; replacement and painting (where required) of defective or damaged barriers where traffic or public safety is seriously compromised; potholes on arterial roads; removal of offensive and dangerous litter and debris (e.g. dead animals, vomit, excrement, broken glass etc..) on all urban roads and unsealed roads that have subgrade exposure and slippery conditions, where road user safety is at risk.

All other roading and footpath requests for services are considered "non-urgent." Further detail on the frequency of inspections and response times is included in Appendix 9 of the Roothing Activity Management Plan

Manawatū District Council Funding Impact Statement for the year ended 30 June 2022 Roding Network

Te Kaunihera ā-Rohe o Manawatū
Tauākī whaihua tuku pūtea mō te tau ka mutu
i te 30 o Pipiri 2022 Whatunga Ara Waka

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 2022 is disclosed (right) under finance costs.



	Actual 2022 \$000	LTP 2022 \$000	LTP 2021 \$000
Sources of operating funding			
General rates, uniform annual general change, rates penalties	9	9	26
Targeted rates	7,410	7,581	6,663
Subsidies and grants for operating purposes	3,749	3,188	2,888
Fees and charges	60	73	58
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	630	217	211
Total operating funding	11,858	11,068	9,847
Applications of operating funding			
Payments to staff and suppliers	7,520	6,068	5,694
Finance costs	239	368	351
Internal charges and overheads applied	149	(59)	(112)
Other operating funding applications	-	-	-
Total applications of operating funding	7,908	6,378	5,933
Surplus (deficit) of operating funding	3,951	4,690	3,913
Sources of capital funding			
Subsidies and grants for capital expenditure	4,722	5,138	3,434
Development and financial contributions	1,290	967	538
Increase (decrease) in debt	4,271	2,204	867
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	10,283	8,309	4,839
Application of capital funding			
Capital expenditure			
- to meet additional demand	1,393	995	538
- to improve the level of service	1,428	3,912	982
- to replace existing assets	6,812	7,987	5,689
Increase (decrease) in reserves	4,601	105	1,543
Increase (decrease) of investments	-	-	-
Total applications of capital funding	14,233	12,999	8,752
Surplus (deficit) of capital funding	(3,951)	(4,690)	(3,913)
Funding balance			
Roading Network Internal Borrowings			
Opening balance 1 July	6,610		
Internal loans raised during the year	4,511		
Internal loans repaid during the year	(241)		
Closing balance at 30 June	10,881		



Water Supply Group

Te Ratonga Wai



This group of activities can be found on page 164 of the 2021-31 Long Term Plan.

What we do

We ensure that there is a sufficient water supply for our community, and undertake water treatment to ensure it is safe to drink.

How we do it

- We provide water supplies to meet residential and industrial/commercial needs via Council's four urban drinking water schemes: Feilding, Himatangi Beach, Sanson and Rongotea. We also provide rural water schemes in Stanway/Halcombe and Waituna West to meet residential and agricultural needs. We also administer two rural water supply schemes that are community operated (Kiwitea and Ōroua No. 1) and ensure all Council water schemes meet the appropriate standards.
- This work also involves maintaining Council's water treatment plants and water storage facilities, and maintaining and repairing Council's reticulation network system, as well as monitoring and managing the demand for waste.

Why we do it

We work to maintain public health through the provision of water that meets New Zealand Drinking Water Standards; and foster development in the district by meeting the requirements for commercial premises or major industries.

The Water Supply Group contributes to the following community outcomes:

A place to belong and grow

- by ensuring the district enjoys ample potable water for domestic and industrial use.

A future planned together

- by ensuring the district enjoys ample potable water for domestic and industrial use.

An environment to be proud of

- by investing in a network of deep sourced ground water supplies to reduce the community's reliance on river water, ensuring a healthy and sustainable environment.

Infrastructure fit for the future

- by investing in a potable water network that provides drinking water for the current and foreseeable future needs of our community.

A prosperous, resilient economy

- by providing water supply networks which underpin the current residential, commercial and rural needs and future economic development opportunities.

Value for money and excellence in local government

- by ensuring that targeted investment in the water networks delivers water that is affordable and reliable across the district

This year's activities

Council continues to provide good-quality, safe and compliant drinking water.

Construction of an exploratory bore at Root Street West, Feilding is underway. If successful this bore will replace the Almadale Water Treatment Plant that sources its water from the Oroua River.

Land has been purchased around the Campbell Road bore with a new treatment plant proposed at the Campbell Road site. Providing water to the planned new homes within Feilding growth area Precinct 4 is ongoing with works underway along Roads 1A and 4B.

The Ōhakea Rural Water Scheme is nearing completion expected to open in August 2022 and will deliver a new potable water supply for households and stock in the area affected by polyfluoroalkyl substances to the west and south of the Ōhakea Defence Force base. The resource consent from Horizons Regional Council to abstract water for the water supply has been obtained.



1. You can expect the provision of a safe water supply

Measure		Target 2022	Result 2020/21	Result 2021/22	Comments
The extent (% compliance) to which Council's drinking water supply complies with Part 4 of the NZ Drinking Water Standards. (bacteria compliance criteria)	Feilding	100%	100% 	100% 	
	Himatangi Beach	100%	100% 	100% 	
	Rongotea	100%	100% 	100% 	
	Sanson	100%	100% 	100% 	
	Stanway Halcombe	100%	100% 	100% 	
	Waituna West	100%	100% 	100% 	
The extent (% compliance) to which Council's drinking water supply complies with Part 5 of the NZ Drinking Water Standards. (protozoal compliance criteria).* #	Feilding	100%	100% 	100% 	Stanway Halcombe is non-compliant, an upgrade programme is underway and is due for completion in the 2022/23 year.
	Himatangi Beach*	100%	100% 	100% 	
	Rongotea*	100%	100% 	100% 	
	Sanson*	100%	100% 	100% 	
	Stanway Halcombe#	0%	0% 	0% 	
	Waituna West*	100%	100% 	100% 	

* Schemes Automatically comply with Protozoa compliance due to secure bore status (Himatangi Beach, Rongotea, Sanson, Stanway Halcombe, Waituna West)

Stanway Halcombe scheme upgrades are underway and are expected to be compliant in 2022.

2. You can expect the water reticulation network to be well maintained

Measure		Target 2022	Result 2020/21	Result 2021/22	Comments
The estimated percentage of real water loss from Council's networked reticulation system using minimum night flow (MNF) analysis, measured per water supply scheme.	Feilding	<35%	10.4% 	22% 	Water loss for trickle feed schemes is overestimated as the volume of water that is legitimately being used to fill tanks can't be excluded. This is applicable for Rongotea, Stanway, Sanson, Halcombe and Waituna West. The calculations for these schemes are based on 27% of the connections in an urban environment legitimately being used and 65% of the connections in a rural environment being used. * The population at Himatangi Beach fluctuates significantly so the total water loss can't be calculated accurately.
	Himatangi Beach	<35%	*	*	
	Rongotea	<35%	7.7% 	18% 	
	Sanson	<35%	14.9% 	12% 	
	Stanway Halcombe	<35%	5.2% 	9% 	
	Waituna West	<35%	16.9% 	34% 	

3. You can expect faults to be responded to and resolved in a timely manner

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Urgent call-outs* to a fault or unplanned interruption to Council's networked reticulation system:				
A. Median attendance time from the time the Council receives notification to the time that service personnel reach the site.	<2 hours	0.53 hours 	0.73 hours 	
B. Median resolution time from the time the Council receives notification to the time that service personnel confirm that the water supply has been reinstated.	<9 hours	2.42 hours 	1.52 hours 	
Non-urgent call outs to a fault or unplanned interruption to Council's networked reticulation system:				
A. Median attendance time from the time the Council receives notification to the time that service personnel reach the site.	<5 working days	7.18 hours 	24 hours 	
B. Median resolution time from the time the Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	A further 5 working days	24 hours 	24 hours 	

Note: *An "urgent" call-out is one in which there is a complete loss of water

4. You can expect satisfaction with the quality of water service

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Monitoring the total number of complaints received by Council about any of the following: <ul style="list-style-type: none"> • Drinking water clarity • Drinking water taste • Drinking water odour • Drinking water pressure or flow • Continuity of supply • The local authority's response to any of these issues 	<20	16.39 	7.35 	
Expressed per 1,000 connections to the Council's networked reticulation system				

5. You can expect us to manage the demand for domestic water supply

Measure		Target 2022	Result 2020/21	Result 2021/22	Comments
The average consumption of drinking water per day, per resident within Council's authority area: (MEASURE: litres/person/day for domestic supply only)	Feilding 17,350	<300	210 	170 	* Waituna West is predominantly a rural scheme. Consequently there is not a good relationship between water use and population being served.
	Himatangi Beach 513	<1000	800 	700 	
	Rongotea 639	<300	140 	130 	
	Sanson 582	<300	210 	200 	
	Stanway Halcombe 554	<1000	500 	500 	
	Waituna West 226	<1000	1100 	1150* 	

Manawatū District Council Funding Impact Statement for the year ended 30 June 2022 Water Supply

Te Kaunihera ā-Rohe o Manawatū
Tauākī whaihua tuku pūtea mō te tau ka mutu
i te 30 o Pipiri 2022 Te Ratonga Wai

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 2022 is disclosed (right) under finance costs.



	Actual 2022 \$000	LTP 2022 \$000	LTP 2021 \$000
Sources of operating funding			
General rates, uniform annual general change, rates penalties	-	-	-
Targeted rates	4,319	4,234	3,974
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	566	517	-
Local authorities fuel tax, fines, infringement fees and other receipts	16	4	-
Total operating funding	4,900	4,754	3,974
Applications of operating funding			
Payments to staff and suppliers	1,020	1,207	1,495
Finance costs	186	213	347
Internal charges and overheads applied	1,772	1,726	855
Other operating funding applications	-	-	-
Total applications of operating funding	2,977	3,147	2,696
Surplus (deficit) of operating funding	1,923	1,608	1,278
Sources of capital funding			
Subsidies and grants for capital expenditure	9,329	5,134	-
Development and financial contributions	770	1,045	577
Increase (decrease) in debt	636	987	185
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	10,735	7,166	762
Application of capital funding			
Capital expenditure			
- to meet additional demand	332	178	374
- to improve the level of service	10,347	6,416	27
- to replace existing assets	1,398	2,105	2,008
Increase (decrease) in reserves	581	75	(368)
Increase (decrease) of investments	-	-	-
Total applications of capital funding	12,658	8,774	2,040
Surplus (deficit) of capital funding	(1,923)	(1,608)	(1,278)
Funding balance	-	-	0
Water Supply - Internal Borrowings			
Opening balance 1 July	5,032		
Internal loans raised during the year	862		
Internal loans repaid during the year	(225)		
Closing balance at 30 June	5,669		



Wastewater Group

Te Wai Para



This group of activities can be found on page 172 of the 2021-31 Long Term Plan.

What we do

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

How we do it

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

Why we do it

We work to protect the environment, minimise risk and health hazards from wastewater and other wastewater overflows by having a service that is cost effective, compliant and operated in a social and culturally acceptable manner.

The Wastewater Group contributes to the following community outcomes:

A place to belong and grow

- by managing development within the district to ensure the appropriate provision of wastewater services is managed and planned in a way that provides for our district's growth.

A future planned together

- by providing an effective wastewater infrastructure, which is a prerequisite for a healthy, growing economy.

An environment to be proud of

- by ensuring our wastewater infrastructure is capable of meeting resource consent requirements to minimise any adverse effects on the environment.

Infrastructure fit for the future

- by providing cost-effective wastewater infrastructure and initiatives that ensure safe management of wastewater, protecting public health.

A prosperous, resilient economy

- by ensuring that effective collection and disposal of treated wastewater minimises any public health risk.

Value for money and excellence in local government

- by centralising wastewater from the district villages to the Manawatū Wastewater Treatment Plant in Feilding, we ensure that wastewater is treated and managed in a safe and cost-effective manner.

This year's activities

The Wastewater Centralisation programme of works is underway. Infrastructure is being built for wastewater to be piped from six villages to the Manawatū Wastewater Treatment Plant on Kawakawa Road, Feilding. This is a multiyear programme with completion expected by 30 June 2026.

Pipework to Sanson is complete and work is underway for the construction of the Sanson pump station. The construction of the pipeline from Rongotea to the Manawatū Wastewater Treatment Plant is also underway.

Growth works in Precinct 4 have continued with new sewer mains being installed in the Roads 1A and 4B to assist with growth in the area.

Manawatū Wastewater Treatment Plant – irrigation components and continued site development. The Council was successful in achieving full land discharge via an irrigation system during January 2022. Several large storm events during the irrigation season restricted the ability to discharge to land and therefore discharge to the river on several occasions.

Work is underway for the proposed construction of a wetland at the Manawatū Wastewater Treatment Plant with a resource consent from Horizons Regional Council to undertake large-scale earthworks being granted. This wetland will form part of the wider Manawatū Wastewater Treatment Plant system with the intention of conveying treated wastewater via an overland passage being a purpose-built wetland.

1. You can expect us to effectively manage Council's reticulated wastewater system



Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 SUIPs (separately used inhabited parts of a rating unit).	<6	0.6 	0.24 	

2. You can expect compliance with the Council's resource consents for discharge from its treated wastewater system

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
The number of abatement notices advising of breaches of resource consent conditions per scheme.	<2	1 	0 	As at 10 August 2022 we have received no abatement notices for the reporting period of 1 July 2021 - 30 June 2022.
The number of infringement notices, enforcement orders, and convictions received by Council in relation to resource consent conditions per scheme	0	0 	1 	An infringement notice was received for Kimbolton scheme exceeding effluent limits.

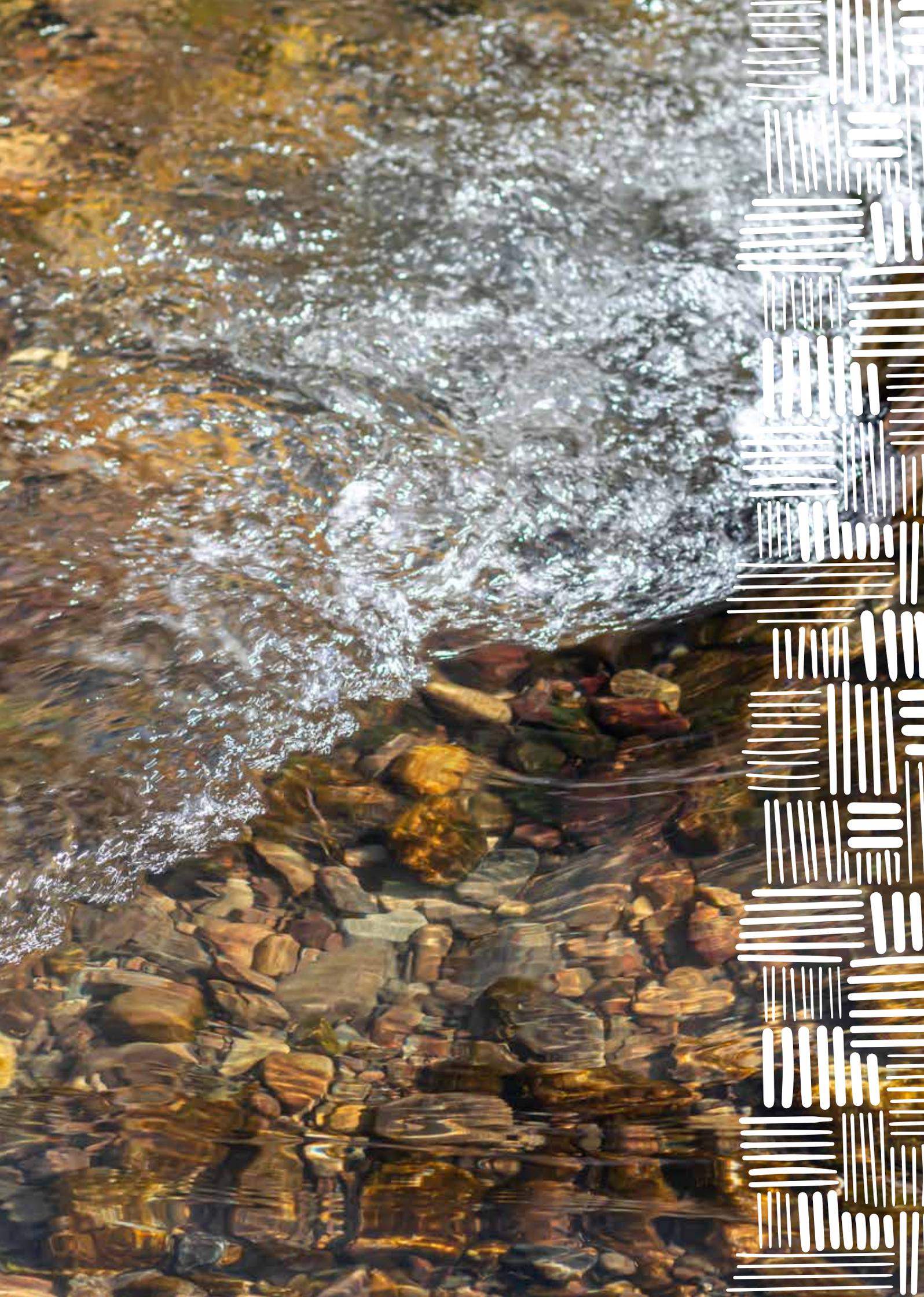
3. You can expect timely response and resolution to faults or blockages

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Median response time from the time the Council receives notification to the time that service personnel reach the site. (Urgent)	<2 hours	0.28 hours 	0.72 hours 	
Median response time from the time the Council receives notification to the time that service personnel reach the site. (Non-Urgent)	5 days	1.07 hours 	1.53 hours 	
Median response time from the time the Council receives notification to the time that service personnel reach the site. (Combined)	5 days	1.02 hours 	1.35 hours 	
Median resolution time from the time Council receives notification to the time service personnel confirm resolution of the blockage or other fault. (Urgent)	5 days	1.92 hours 	2.43 hours 	
Median resolution time from the time Council receives notification to the time service personnel confirm resolution of the blockage or other fault. (Non-urgent)	10 days	24 hours 	4.18 hours 	
Median resolution time from the time Council receives notification to the time service personnel confirm resolution of the blockage or other fault. (Combined)	10 days	6.22 hours 	4.02 hours 	

4. You can expect satisfaction with our service

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
The total number of complaints received by Council about the following: <ul style="list-style-type: none"> • sewage odour • sewerage system faults • sewerage system blockages • Council's response to issues with its sewerage system. (Expressed per 1,000 connections to the council sewerage system)*	<20	5.66 	6.75 	

*excludes complaints that do not relate to the service council provide



Manawatū District Council Funding Impact Statement for the year ended 30 June 2022 Wastewater

Te Kaunihera ā-Rohe o Manawatū
Tauākī whaihua tuku pūtea mō te tau ka mutu
i te 30 o Pipiri 2022 Te Wai Para

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 2022 is disclosed (right) under finance costs.



	Actual 2022 \$000	LTP 2022 \$000	LTP 2021 \$000
Sources of operating funding			
General rates, uniform annual general change, rates penalties	-	-	-
Targeted rates	4,801	4,811	5,794
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,807	1,923	1,851
Internal charges and overheads recovered	644	878	-
Local authorities fuel tax, fines, infringement fees and other receipts	348	174	32
Total operating funding	7,601	7,785	7,676
Applications of operating funding			
Payments to staff and suppliers	2,555	2,932	2,927
Finance costs	1,145	1,177	1,806
Internal charges and overheads applied	1,630	1,817	864
Other operating funding applications	-	-	-
Total applications of operating funding	5,330	5,927	5,597
Surplus (deficit) of operating funding	2,271	1,859	2,079
Sources of capital funding			
Subsidies and grants for capital expenditure	-	523	-
Development and financial contributions	925	730	639
Increase (decrease) in debt	673	(776)	(422)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,597	477	217
Application of capital funding			
Capital expenditure			
- to meet additional demand	739	407	267
- to improve the level of service	1,975	1,306	374
- to replace existing assets	4,585	3,683	3,783
Increase (decrease) in reserves	(3,431)	(3,061)	(2,128)
Increase (decrease) of investments	-	-	-
Total applications of capital funding	3,868	2,336	2,296
Surplus (deficit) of capital funding	(2,271)	(1,859)	(2,079)
Funding balance	-	-	-
Wastewater - Internal Borrowings			
Opening balance 1 July	31,156		
Internal loans raised during the year	1,746		
Internal loans repaid during the year	(1,073)		
Closing balance at 30 June	31,828		



Stormwater Group

Te Wai Ua



This group of activities can be found on page 180 of the 2021-31 Long Term Plan.

What we do

Provide a network of stormwater systems throughout the District.

How we do it

We maintain reticulated stormwater systems in Feilding, Rongotea and Sanson including inlets, pipes, open drains, and outlets to receiving environments. We maintain shared stormwater assets in Himatangi Beach, Halcombe, Āpiti, Kimbolton, Pōhangina, Rangiwāhia and Cheltenham. We also carry out significant ongoing maintenance to the four rural drainage schemes: Bainesse, Maire, Makowhai and Ōroua.

Why we do it

We work to protect people, property and community assets from flooding, to maintain the economic productivity of rural land and to minimise contaminants of the district's waterways.

The Stormwater Group contributes to the following community outcomes:

A place to belong and grow

- by providing efficient stormwater management, which is an important service for the use and versatility of property across the district.

A future planned together

- by managing development within the district to ensure appropriate provision for stormwater drainage.

An environment to be proud of

- by ensuring compliance with our resource consents to protect our environment.

Infrastructure fit for the future

- by ensuring residents feel safe as the possibility of flooding during storm events is reduced.

This year's activities:

Growth works have continued in northern Feilding (Precinct 4).

First stage of stormwater improvements in Sanson have been completed and the first stage of stormwater works in Rongotea have commenced.

A draft stormwater report has been completed which outlines the stormwater catchment modelling for the Feilding growth areas and existing residential area. This report will inform future stormwater requirements for these areas.

A project to install stormwater detention ponds for Precinct 4 East is in the design phase.



1. You can expect stormwater system adequacy

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
The number of flooding events in the District.*	0	New measure	4	1 event in December 2021, 2 events in February 2022 and 1 event in June 2022
The number of habitable floors affected during each flooding event. (Expressed per 1000 properties connected to Council's stormwater system)	<10	0.12	4.78	

*A flooding event is defined as an overflow of the urban stormwater system that enters a habitable floor.

2. You can expect us to comply with resource consent conditions for discharge from Council's stormwater systems

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
The number of:				
A. Abatement notices	<2	1	0	
B. Infringement notices	0	0	0	
C. Enforcement orders	0	0	0	
D. Successful prosecutions received in relation to those resource consents	0	0	0	

3. You can expect us to respond to flooding events in a timely manner

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Measuring the median response times to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	Within 2 hours	1.43 hours	7.35 hours	All four flooding events were from extreme rainfall. Due to the type of events, attendance to each call was not required by Council's reticulation team. Some reported notifications were closed after the event which will impact the accuracy of this measure. However, an immediate response to the flooding events was undertaken by the emergency management and reticulation teams where required.

4. You can expect satisfaction with the performance of Council's reticulated stormwater system

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
The number of complaints received by Council about the performance of its stormwater system (expressed per 1,000 properties connected to Council's stormwater system)*	<20*	8.83	33.33	*2020/21 target was <6

Manawatū District Council Funding Impact Statement for the year ended 30 June 2022 Stormwater and Drainage

Te Kaunihera ā-Rohe o Manawatū
Tauākī whaihua tuku pūtea mō te tau ka mutu i
te 30 o Pipiri 2022 Te Wai Ua me te Wāra

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 2022 is disclosed (right) under finance costs.



	Actual 2022 \$000	LTP 2022 \$000	LTP 2021 \$000
Sources of operating funding			
General rates, uniform annual general change, rates penalties	248	251	194
Targeted rates	1,123	1,110	841
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	314	316	-
Local authorities fuel tax, fines, infringement fees and other receipts	5	13	13
Total operating funding	1,690	1,690	1,048
Applications of operating funding			
Payments to staff and suppliers	270	274	258
Finance costs	338	463	585
Internal charges and overheads applied	668	604	183
Other operating funding applications	-	-	-
Total applications of operating funding	1,277	1,341	1,026
Surplus (deficit) of operating funding	413	349	21
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	1,122	913	961
Increase (decrease) in debt	624	279	1,482
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,746	1,192	2,442
Application of capital funding			
Capital expenditure			
- to meet additional demand	558	3,128	1,121
- to improve the level of service	285	590	545
- to replace existing assets	90	61	53
Increase (decrease) in reserves	1,226	(2,239)	744
Increase (decrease) of investments	-	-	-
Total applications of capital funding	2,159	1,541	2,464
Surplus (deficit) of capital funding	(413)	(349)	(21)
Funding balance	-	-	-
Stormwater - Internal Borrowings			
Opening balance 1 July	9,332		
Internal loans raised during the year	843		
Internal loans repaid during the year	(219)		
Closing balance at 30 June	9,956		



Solid Waste Group

Te Para Totoka



This group of activities can be found on page 186 of the 2021-31 Long Term Plan.

What we do

Our Solid Waste Group is dedicated to reducing waste and keeping our community clean. Together with our Waste Management Minimisation Plan, we aspire to reach zero waste through education, development and implementation of recycling, reuse and recovery methods.

How we do it

We provide weekly refuse bag collection service to urban and selected rural areas, kerbside recycling to Feilding residents and businesses, and rural recycling facilities in selected villages.

We provide waste transfer stations, litter bin services, and bulk rural refuse collection, inspect solid waste collection points to ensure safety and avoid health risks, and remove fly-tipping.

We meet our legal obligations under the Waste Minimisation Act 2008, Local Government Act 2002, Health Act 1956 and Resource Management Act 1991 to provide solid waste services and regularly review our Waste Minimisation Management Plan.

We support the Enviroschools, Zero Waste Education and Marae-based waste minimisation and recycling programmes and deliver waste education programmes. We provide educational material to households, farmers, schools and businesses educating about the benefits of diverting more waste from landfill through recycling.

Why we do it

We work to protect the environment throughout the district by reducing the amount of waste to landfill. We also play an important role in protecting public health by ensuring the safe and hygienic collection of household and commercial waste.

The Solid Waste Group contributes to the following community outcomes:

An environment to be proud of

- by working to enable recycling opportunities and waste diversion from landfill.

Infrastructure fit for the future

- by investing in urban and rural waste management and recycling facilities to provide communities with effective waste management options to cater for current and future needs.

A prosperous, resilient economy

- by working to enable a clean environment across the district which is vital to our well-being as well as our attractiveness to visitors and investors.

Value for money and excellence in local government

- by actively engaging in the provision of solid waste services throughout the district to ensure a cost effective service.
- by promoting innovation in the waste management industry, leveraging the strategic geographical location of the Manawatū.



This year's activities:

Solid Waste total waste volumes have decreased by 5.39% on the previous year (total waste to landfill 6,718 tonnes – this is a decrease from 7,101 tonnes).

Kerbside recycling tonnages collected have decreased on the previous year by 10% (total collected 1,034 tonnes – this is a decrease from 1,149.72 tonnes) and the total of recyclables collected increased by 5.9% over the previous year (total of recyclables 2,307 tonnes collected – this is an increase from 2,170.75 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, Āpiti, Kimbolton and Pohangina).

The Enviro Schools programme remains popular with a total of 10 schools, 3 kindergartens and 6 early learning centres participating in the programme. Waste Education NZ visited 11 schools.

Construction of the new Resource Recovery Park building and 24 hours recycling drop off is completed. Additional work to be undertaken for this project included, underground power, widening Kawakawa Road and the Manawatū Wastewater Treatment Plant entranceway, weigh bridge and installing a new 200mm diameter water main.

Council adopted its Waste Management and Minimisation Plan 2022-2028 in June 2022. Several new initiatives to better manage and minimise waste are in the plan and the Council will work in partnership with the community to implement these.



1. You can expect the provision of convenient rubbish and recycling services for rural and village residents

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
% of rural residents who have a Council refuse bag drop-off point close to their homes	90%	94% 	94% 	
Mobile recycling centres are conveniently located within all identified villages within 5 km of village centre	Yes	100% 	100% 	All stations in place.

2. You can expect the provision of waste education programmes to encourage recycling

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
Funding provided for waste education programmes that promote reduce and reuse.	YES	YES 	YES 	19 kindergarten/preschool/primary schools are participating in the EnviroSchools programme. 4 schools have a worm farm. 23 schools are part of the Zero Waste education programme.

3. You can expect the provision of effective waste services

*excludes complaints that do not relate to the service council provides

Measure	Target 2022	Result 2020/21	Result 2021/22	Comments
The number of complaints received by Council about the performance of its solid waste services (expressed as number of complaints per 1000 households).*	<100	49.02 	55.75 	

Manawatū District Council Funding Impact Statement for the year ended 30 June 2022 Solid Waste

Te Kaunihera ā-Rohe o Manawatū
Tauākī whaihua tuku pūtea mō te tau ka mutu i
te 30 o Pipiri 2022 Para Totoka

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 2022 is disclosed (right) under finance costs.

	Actual 2022 \$000	LTP 2022 \$000	LTP 2021 \$000
Sources of operating funding			
General rates, uniform annual general change, rates penalties	1,639	1,530	1,095
Targeted rates	873	881	717
Subsidies and grants for operating purposes	167	149	149
Fees and charges	1,348	1,784	3,530
Internal charges and overheads recovered	234	190	-
Local authorities fuel tax, fines, infringement fees and other receipts	0	-	133
Total operating funding	4,262	4,534	5,624
Applications of operating funding			
Payments to staff and suppliers	3,535	3,661	4,621
Finance costs	94	162	72
Internal charges and overheads applied	727	561	384
Other operating funding applications	-	-	-
Total applications of operating funding	4,357	4,385	5,077
Surplus (deficit) of operating funding	(95)	149	547
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	823	762	(472)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	823	762	(472)
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	936	833	14
- to replace existing assets	-	-	-
Increase (decrease) in reserves	(207)	78	61
Increase (decrease) of investments	-	-	-
Total applications of capital funding	728	911	76
Surplus (deficit) of capital funding	95	(149)	(547)
Funding balance	-	-	-
Stormwater - Internal Borrowings			
Opening balance 1 July	4,005		
Internal loans raised during the year	911		
Internal loans repaid during the year	(88)		
Closing balance at 30 June	4,828		

Manawatū District Council Funding Impact Statement for the year ended 30 June 2022 Whole of Council

Te Kaunihera ā-Rohe o Manawatū
Tauākī whaihua tuku pūtea mō te tau ka mutu i
te 30 o Pipiri 2022 Kaunihera Whārahi

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 (right) 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.



	Actual 2022 \$000	Annual Plan 2022 \$000	Actual 2021 \$000	Annual Plan 2021 \$000
Sources of operating funding				
General rates, uniform annual general change, rates penalties	14,454	14,136	12,236	12,235
Targeted rates	25,136	25,227	24,616	24,446
Subsidies and grants for operating purposes	3,989	3,372	2,976	2,952
Fees and charges	7,363	7,687	7,133	7,400
Internal charges and overheads recovered	157	229	209	217
Local authorities fuel tax, fines, infringement fees and other receipts	4,118	3,887	3,958	3,329
Total operating funding	55,216	54,538	51,128	50,579
Applications of operating funding				
Payments to staff and suppliers	41,514	40,551	38,461	38,876
Finance costs	1,856	2,076	1,644	3,049
Other operating funding applications	-	-	-	-
Total applications of operating funding	43,370	42,627	40,105	41,925
Surplus (deficit) of operating funding	11,846	11,911	11,023	8,655
Sources of capital funding				
Subsidies and grants for capital expenditure	14,051	10,794	9,348	3,540
Development and financial contributions	4,785	4,170	2,915	1,810
Increase (decrease) in debt	3,028	1,669	7,020	4,780
Gross proceeds from sale of assets	634	5,000	32	8,820
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	22,497	21,634	19,315	18,948
Application of capital funding				
Capital expenditure				
- to meet additional demand	3,223	5,666	3,119	3,768
- to improve the level of service	16,648	17,876	14,587	13,079
- to replace existing assets	14,464	16,393	14,642	12,002
Increase (decrease) in reserves	8	(6,391)	(2,008)	(998)
Increase (decrease) of investments	-	-	(2)	(249)
Total applications of capital funding	34,343	33,544	30,337	27,603
Surplus (deficit) of capital funding	(11,846)	(11,911)	(11,022)	(8,655)
Funding balance	-	-	-	-

Section 3:

Financial Information

Wāhanga 3:

Tauākī Ahumoni





Manawatū District Council Statement of Comprehensive Revenue and Expense as at 30 June 2022

Te Kaunihera ā-Rohe o Manawatū

Tauākī moni whiwhi, whakapaunga, mō te tau ka mutu i te 30 o Pipiri 2022

	Notes	COUNCIL			GROUP	
		Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Revenue						
Rates revenue	3	39,338	39,363	36,603	39,202	36,472
Financial revenue	4	157	229	209	92	146
Subsidies and grants	5	18,009	14,167	12,324	18,168	12,402
Development and financial contributions		4,785	4,170	2,915	4,785	2,915
Other revenue	6	12,161	12,091	13,312	14,531	15,546
Other gains/(losses)			(17)	-		-
Total revenue	2	74,449	70,002	65,363	76,777	67,482
Expenses						
Personnel costs	7	13,182	14,602	12,553	13,536	12,821
Depreciation and amortisation	8	17,797	18,678	16,992	18,641	17,535
Finance costs	9	1,856	2,076	1,644	1,931	1,721
Other operating expenses	10	28,334	25,949	25,916	29,087	26,705
Total operating expenditure	2	61,169	61,305	57,105	63,195	58,782
Share of associates surplus/deficit	15	-	-	-	7	(92)
Surplus/(deficit) before tax		13,280	8,697	8,258	13,589	8,608
Income tax expense	11	-	-	-	-	-
Surplus/(deficit) after tax		13,280	8,697	8,258	13,589	8,608
Other comprehensive revenue & expense						
Gains/(losses) on the revaluation of property, plant and equipment	25	230,126	22,332	3,551	239,127	3,551
Total other comprehensive revenue and expense	25	230,126	22,332	3,551	239,127	3,551
Total comprehensive revenue and expense		243,405	31,029	11,809	252,716	12,159

Explanations of major variances against budget are provided in note 35.

Manawatū District Council Statement of Changes in Net Assets/Equity as at 30 June 2022

Te Kaunihera ā-Rohe o Manawatū

Tauākī panonitanga huarawa, whai tūtanga, mō te tau ka mutu i te 30 o Pipiri 2022

	Notes	COUNCIL			GROUP	
		Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Balance at 1 July		715,463	710,604	703,653	740,520	728,361
Total comprehensive revenue/ (expense) for the year		243,405	31,029	11,810	252,716	12,159
Balance as at 30 June	25	958,868	741,633	715,463	993,236	740,520

Manawatū District Council Statement of Financial Position as at 30 June 2022

Te Kaunihera ā-Rohe o Manawatū
Tauāki tūnga ahumoni mō te tau ka mutu i te 30 o Pipiri 2022

	Notes	COUNCIL			GROUP	
		Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Assets						
Current assets						
Cash and cash equivalents	12	13,713	4,141	11,629	13,870	12,670
Debtors and other receivables	13	5,699	4,705	6,556	5,969	6,761
Investments in council organisations and similar entities	14	399	283	571	112	296
Inventory	16	317	237	192	317	192
Other financial assets	17	29	25	29	29	29
Non-current assets held for sale	18	4,834	-	6,841	4,834	6,841
Total current assets		24,992	9,391	25,818	25,131	26,789
Non-current assets						
Property, plant and equipment	19	1,029,852	824,390	784,084	1,070,071	813,157
Intangible assets	20	86	430	136	86	136
Investment in associate	15	1	1	1	286	279
Investments in council organisations and similar entities	14	5,758	6,129	4,262	1,707	1,337
Other financial assets	17	188	130	217	188	217
Total non-current assets		1,035,885	831,080	788,700	1,072,338	815,126
Total assets		1,060,877	840,471	814,518	1,097,469	841,914
Liabilities						
Current liabilities						
Creditors and other payables	21	10,465	7,953	10,104	10,894	10,359
Provisions	22	43	24	134	43	134
Employee entitlements	23	1,214	1,504	1,018	1,270	1,054
Borrowings	24	18,500	21,567	20,372	18,749	20,716
Total current liabilities		30,222	31,048	31,628	30,956	32,263
Non-current liabilities						
Provisions	22	1,497	2,175	2,072	1,497	2,072
Borrowings	24	70,289	65,615	65,355	71,780	67,059
Total non-current liabilities		71,786	67,790	67,427	73,277	69,131
Total liabilities		102,008	98,838	99,055	104,233	101,394
Equity						
Retained earnings	25	490,582	471,461	476,823	505,960	489,834
Other reserves	25	468,287	270,172	238,640	487,276	250,685
Total equity	25	958,868	741,633	715,463	993,236	740,520
Total Liabilities and Equity		1,060,877	840,471	814,518	1,097,469	841,914

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 Cash Flows for the year ended 30 June 2022

Te Kaunihera ā-Rohe o Manawatū
Tauākī mō te pari me te timu o ngā moni, mō te tau ka mutu
i te 30 o Pipiri 2022

	Notes	COUNCIL			GROUP	
		Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Cash flows from operating activities						
Receipts from rates revenue		39,463	39,363	36,864	39,284	36,733
Interest received		129	224	198	64	135
Dividends received		3	5	4	3	4
Receipts from other revenue		35,462	29,911	24,799	37,981	27,076
Payments to suppliers and employees		(41,448)	(40,551)	(35,461)	(42,526)	(36,377)
Interest paid		(2,350)	(2,071)	(1,842)	(2,481)	(1,972)
Goods and services tax (net)		(230)	-	43	(235)	55
Net cash from operating activities	26	31,030	26,881	24,607	32,090	25,656
Cash flows from investing activities						
Receipts from sale of property, plant and equipment		810	5,000	44	812	44
Receipts from sale of investments		-	301	-	-	-
Purchase of intangibles assets		(69)	(453)	(18)	(69)	(18)
Purchase of property, plant and equipment		(31,454)	(39,483)	(30,130)	(34,290)	(30,722)
Acquisitions of investments		(1,295)	-	-	(159)	-
Net cash from investing activities		(32,008)	(34,634)	(30,105)	(33,706)	(30,696)
Cash flows from financing activities						
Proceeds from borrowing		45,600	29,953	41,500	45,600	41,500
Repayment of borrowings		(42,538)	(28,284)	(34,480)	(42,784)	(34,964)
Net cash from financing activities		3,062	1,669	7,020	2,816	6,536
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		2,085	(6,084)	1,522	1,200	1,496
Cash, cash equivalents and bank overdrafts at the beginning of the year		11,629	10,225	10,107	12,670	11,175
Cash, cash equivalents and bank overdrafts at the end of the year	12	13,713	4,141	11,629	13,870	12,670

The accompanying notes form part of these financial statements.

Notes to Financial Statements

Hei Āpitihianga ki ngā Tauāki Ahumoni

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 financial statements presented are those of the Manawatū District Council (the Council) together with its Council Controlled Organisations (CCOs)

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), and are included in the consolidated accounts.

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 Council is not aware of any restrictions that may have been imposed upon the CCO's other than normal banking covenants, or any risks associated with them.

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 2022. The financial statements were authorised for issue by Council on 4 May 2023.

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

Hei whakarāpopoto i ngā Kaupapahere Kaute Tāpua

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 recognise 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 2021/22 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 through 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 of 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 payable 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

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council and group apply the simplified ECL model of recognising lifetime ECL for receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics.

They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Rates are "written-off":

- when remitted in accordance with the Council's rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery.

Financial assets

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); or
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the carrying value of the financial asset at initial recognition, unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding, and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

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 are recognised in the surplus or deficit as grant expenditure. The loans are subsequently measured at amortised costs using the effective interest method.

Council has provided a number of loans or advances to community-based organisations that have specific conditions attached. In some circumstances these loans are only repayable should the community-based organisation cease to operate in accordance with the loan conditions. Those loans that are not expected to be repaid to Council in the foreseeable future are recorded at fair value and shown as a contingent asset.

Receivables are classified as "Accounts Receivables" in the statement of financial position. Advances and loans are classified as "Other Financial Assets" in the statement of financial position.

Held-to-maturity investments

Held-to-maturity investments are assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity, e.g. Local Government Stock and Bonds.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated as fair value through equity or are not classified in any of the other categories above.

This category encompasses:

- Investments that Council intends to hold long-term, but may be realised before maturity; and
- Shareholdings held for strategic purposes (other than Council's investments in its controlled entity).

Gains and losses are recognised directly in other comprehensive revenue and expense except for impairment losses, which are recognised in the surplus or deficit. In the event of impairment, even though the asset has not been derecognised, any cumulative losses previously recognised in other comprehensive revenue and expense will be recognised in the surplus or deficit. On de-recognition of the asset the cumulative gain or loss previously recognised in other comprehensive revenue and expense is recognised in the surplus or deficit.

Impairment of financial assets

Financial assets are assessed for objective evidence of impairment at each balance date. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the surplus or deficit.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of

any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal economic entity) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal economic entity classified as held for sale continue to be recognised.

Property, plant and equipment

Property, plant and equipment consists of:

- Operational assets: includes land, buildings, library books, plant and equipment, and motor vehicles.
- Restricted assets: includes parks, reserves and associated assets owned by Council, which provide a benefit or service to the community and cannot be disposed of because of legal or other Council restrictions.
- Infrastructure assets: the fixed utility systems that provide a continuing service to the community and are generally regarded as non-tradeable. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Cash and non-cash generating assets

Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Cash generating assets are those assets that are held with the primary objective of generating a commercial return. Council does not hold any cash-generating assets.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land (which is not depreciated), at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The residual value and useful life of an asset is reviewed and adjusted, if applicable, at each financial year-end. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings	40 – 80 years	1.25 – 2.5%
Plant and equipment	4 – 10 years	10 – 25%
Motor vehicles	3 – 5 years	20 – 33%
Library books	10 years	10%
Infrastructural assets		
Roading network		
Top surface (seal)	2 – 23 years	4.3 – 33.3%
Pavement (base course)	69 years	1.45%
Sealed	69 years	1.45%
Unsealed	-	Not Depreciated
Formation	-	Not depreciated
Culverts	50 – 100 years	1 – 2%
Footpaths	25 – 70 years	1.4 – 4%
Kerbs	50 – 67 years	1 – 1.49%
Signs	15 years	6.67%
Streetlights	25 – 70 years	1.4 – 4%
Bridges	50 – 100 years	1 – 2%
Water system		
Pipes	34 – 100 years	1 – 2.9%
Valves, hydrants	50 years	2%
Pump stations	25 years	4%
Treatment, supply and storage	10 – 100 years	1 – 10%
Wastewater system		
Pipes	50 – 100 years	1 – 2%
Manholes	100 years	1%
Pump stations	25 years	4%
Treatment plant	10 – 50 years	2 – 10%
Drainage network		
Pipes	40 – 100 years	1 – 2.5%
Manholes, cesspits	100 years	1%

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-year 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 2022.

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 2022, 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 30 June 2022. The 2022 valuation was peer reviewed by Brian Smith of Brian Smith Advisory Services LTD.

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 4 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

Short-term payables are recorded at the amount payable.

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. If a financial 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, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a financial guarantee cannot be reliably determined, a liability is recognised at the amount of the loss allowance determined in accordance with the ECL model.

Financial guarantees are subsequently measured at the higher of:

- the amount determined in accordance with the ECL model; 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

These reserves relate 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 recently adopted

PBE IPSAS 41 Financial Instruments.

The Council has decided to early adopt PBE IPSAS 41 from 1 July 2021 for the purpose of these financial statements. The comparative financial information presented for the Annual Report 2020/21 was prepared using different financial instruments accounting policies under PBE IPSAS 29.

The Council has chosen not to restate the comparatives to comply with PBE IPSAS 41. Refer to the appropriate documents for the detailed accounting policies used to prepare those financial statements.

The standard introduced a number of changes to the recognition and measurement of financial instruments, including new classification and measurement requirements for financial assets and new impairment model for financial assets. This change has no impact on the figures reported in these financial statements.

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

Service performance reporting

The New Zealand Accounting Standards Board (NZASB) has issued PBE FRS 48 Service Performance Reporting effective for periods beginning on or after 1 January 2022, with early application permitted.

2. Summary Cost of Services

	Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000
Revenue*			
Community Facilities	11,196	10,844	10,131
District Development	3,823	3,845	2,954
Emergency Management	405	301	315
Governance and Strategy	2,728	2,690	1,933
Regulatory	6,341	5,452	6,538
Roading	17,871	17,690	17,371
Solid Waste	3,997	4,345	4,170
Stormwater	2,497	2,286	2,359
Wastewater	7,884	8,160	7,611
Water Supply	14,433	10,416	9,050
Total activity revenue	71,175	66,029	62,431
Other revenue	3,274	3,973	2,933
Total operating revenue	74,449	70,002	65,364
Expenditure*			
Community Facilities	10,375	11,167	10,369
District Development	3,563	3,644	3,059
Emergency Management	536	328	341
Governance and Strategy	2,486	2,690	2,387
Regulatory	6,121	5,452	6,610
Roading	17,651	16,540	14,861
Solid Waste	4,049	4,290	3,345
Stormwater	1,654	1,749	1,376
Wastewater	7,212	7,231	7,388
Water Supply	4,544	4,728	4,410
Total activity expenditure	58,191	57,819	54,146
Other expenditure/ (overheads allocated)	2,978	3,486	2,958
Total operating expenditure	61,169	61,305	57,104

* 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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Total revenue comprises of:				
Revenue from exchange transactions	2,230	2,495	4,522	4,613
Revenue from non-exchange transactions	72,219	62,869	72,219	62,869
Total operating revenue	74,449	65,364	76,741	67,482

3. Rates Revenue

	COUNCIL	
	Actual 2022 \$000	Budget 2022 \$000
General Rates attributable to Activities:		
Community Facilities	2,285	1,656
District Development	3,644	2,747
Emergency Management	301	279
Governance and Strategy	2,727	1,927
Regulatory	2,932	3,494
Roading	9	23
Solid Waste	1,639	1,630
Stormwater	248	258
Other Support Activities	451	(2)
Total General Rates	14,235	12,014
Uniform Targeted Rates (UTR) and Targeted Rates attributable to Activities:		
Community Facilities	6,531	6,364
District Development	78	88
Roading	7,410	6,969
Solid Waste	873	669
Stormwater	1,123	1,160
Wastewater	4,801	5,008
Water - Rates	3,008	3,161
Water By Meter	1,311	1,197
Total Uniform Targeted Rates and Targeted Rates	25,136	24,616
plus rates penalties	218	222
less internal rates charged	(252)	(248)
Total Revenue from Rates	39,338	36,603

Rates Written Off

For the year ended 30 June 2022, the amount of rates written off by Council was \$41k (last year: \$122k).

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 charges) 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	
	Actual 2022	Actual 2021
Rates and penalties levied	41,023	38,189
less Rates Remissions	(1,433)	(1,337)
less Internal Rates Charged	(252)	(248)
Rates Revenue Net of Remissions	39,338	36,603

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.

Rate base information	The number of non-rateable units within the district	The number of rateable 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 2021)	630	14,233	\$000	\$000
	10,793,104	6,595,956		

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 2022 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	COUNCIL	
	Actual 2022	Actual 2021
Total Revenue from Rates	39,338	36,603
Add back Internal Rates Charged	252	248
Add Rangitikei District Council Shared Service Revenue	2,052	2,256
Add Palmerston North City Council Enforcement Contract Revenue	21	29
Total Annual Rates Income	41,663	39,136

4. Financial Revenue	COUNCIL		GROUP	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Interest revenue for financial assets not at fair value through surplus or (deficit)	153	206	88	143
Dividend revenue	3	4	3	4
Total Financial Revenue	157	210	92	147

5. Subsidies and Grants	COUNCIL		GROUP	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
New Zealand Transport Agency subsidies	8,471	7,976	8,471	7,976
Grants received	-	230	159	302
Other subsidies	9,538	4,118	9,538	4,124
Total Subsidies and Grants	18,009	12,324	18,168	12,402

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 \$000	Actual \$000	Actual \$000	Actual \$000
User fees and charges	7,363	7,133	7,363	7,133
Shared service revenue	2,073	2,285	2,073	2,285
Petrol tax	229	223	229	223
Vested assets	90	2,212	90	2,212
Other revenue	1,816	1,450	4,186	3,684
Gain / (loss) on disposal of property, plant and equipment	590	9	590	9
Total Other Revenue	12,161	13,312	14,531	15,546

7. Personnel Costs	COUNCIL		GROUP	
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Salaries and wages	13,451	13,161	13,777	13,418
Employer contributions to defined contribution plans	455	441	466	441
Increase/(decrease) in employee entitlement liabilities	196	(470)	213	(460)
Total Personnel Costs	14,102	13,132	14,456	13,399
Less Salaries and Wage Capital work	(920)	(579)	(920)	(579)
Total Operational Personnel Costs	13,182	12,553	13,536	12,821

8. Depreciation and Amortisation

	COUNCIL	
	Actual 2022 \$000	Actual 2021 \$000
Depreciation and Amortisation Expense per Group of Activities		
Community Facilities	1,772	1,957
District Development	-	-
Emergency Management	18	10
Environmental and Regulatory	53	51
Governance and Strategy	5	9
Roading Network	9,750	9,198
Solid Waste	49	14
Stormwater and Drainage	694	667
Wastewater	2,533	2,435
Water Supply	2,137	1,846
Support Services	787	805
	17,797	16,992

	COUNCIL		GROUP	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Depreciation (note 19)	17,679	16,838	18,523	17,380
Amortisation (note 20)	119	155	119	155
Total Depreciation & Amortisation	17,797	16,993	18,641	17,535

9. Finance Costs

	COUNCIL		GROUP	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Interest Expense				
Interest on borrowings	2,016	1,753	2,091	1,830
Provisions: discount unwinding (note 22)	(160)	(109)	(160)	(109)
Total Finance Costs	1,856	1,644	1,931	1,721

10. Other Operating Expenses

	COUNCIL		GROUP	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Fees to principal auditor				
- Audit fees for financial statement audit MDC	178	165	178	165
- Audit fees for Long Term Plan / Debenture Trust	106	106	106	106
- Audit fees for Manawatū Community Trust			29	28
Fees to other auditors				
Audit fees for Feilding Civic Centre Trust			3	3
Impairment of Community Investments	(14)	(33)	(14)	(33)
Impairment of Accounts Receivable	(16)	59	(16)	59
Loss on disposal of property, plant and equipment	9	4	9	4
Minimum lease payments under operating leases	96	157	96	157
Legal fees	151	265	151	265
Other operating expenses:				
Chemicals	958	984	958	984
Consultants and Consultant Costs	1,506	1,154	1,506	1,154
Contract Payments	4,627	4,632	4,627	4,632
Energy - Electricity and Gas	1,243	1,031	1,250	1,039
Grants Made to other Organisations	2,251	2,411	2,148	2,330
Insurance	823	713	1,015	881
Maintenance and Materials	3,175	2,496	3,499	2,798
Operational Projects	8,570	6,562	8,392	6,562
Rates Paid	316	336	316	336
Refuse Disposal Costs	1,146	989	1,157	1,000
Other expenses	3,208	3,885	3,677	4,236
Total Other Expenses (note 1)	28,334	25,916	29,087	26,705

*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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Surplus/(deficit) before tax	13,280	8,259	13,589	8,611
Tax at 28%	3,718	2,313	3,085	2,411
Plus/(less) tax effect of:				
Non-deductible expenditure	-	-	-	-
Non-taxable revenue	(3,718)	(2,245)	(3,085)	(2,344)
Taxation loss not recognised	-	(68)	-	(68)
Prior year adjustment	-	-	-	-
Tax losses utilised	-	-	-	-
Tax Expense	-	-	-	-

Income tax recognised directly in equity

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

Components of Tax Expense

	COUNCIL		GROUP	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Current tax expense	-	-	-	-
Adjustments to current tax in prior years	-	-	-	-
Deferred tax asset arisen from previously unrecognised tax loss	-	(68)	-	(68)
Deferred tax expense	-	68	-	68
Income Tax Expense	-	-	-	-

Deferred tax assets/(liabilities)	Property Plant and Equipment	Unused tax losses	Total
Council and Group			
Balance at 1 July 2020	(14)	14	-
Charged to surplus or deficit	(68)	68	-
Charged / credited to other comprehensive revenue and expense	-	-	-
Balance at 30 June 2021	(82)	82	-
Charged / credited to surplus or deficit	82	(82)	-
Charged to other comprehensive revenue and expense	-	-	-
Balance at 30 June 2022	-	-	-

Additional disclosure

Council has unrecognised tax losses of \$489,110 (Last year: \$679,803) with a tax effect of \$136,951 (Last year: \$190,345), 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 \$489,110 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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Cash at bank and in hand	13,713	5,629	13,870	6,608
Short-term deposits with a term of 3 months or less	0	6,000	0	6,062
Total Cash and Cash Equivalents	13,713	11,629	13,870	12,670

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 \$93,988 (last year: \$95,281). Refer to note 25 for detail of trust funds.

13. Debtors and Other Receivables

	COUNCIL		GROUP	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Rates receivables	908	891	908	891
New Zealand Transport Agency Subsidy	926	1,053	926	1,053
Other receivables	2,353	3,393	2,449	3,437
Related party receivables	49	-	-	-
Accrued revenue	247	453	247	453
GST receivable	908	561	931	596
Prepayments	370	338	570	463
Less provision for impairment of receivables	(62)	(132)	(62)	(132)
Total	5,699	6,556	5,969	6,761
Total receivables comprise:				
Receivables from non-exchange transactions (includes amounts outstanding from rates, grants, infringements and fees and charges partly subsidised by rates)	3,843	3,968	3,843	3,968
Receivables from exchange transactions (includes amounts outstanding for fees and charges not subsidised by rates)	1,856	2,588	2,126	2,793
Total	5,699	6,556	5,969	6,761

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 Māori 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 5 months after the due date

for payment. If payment has not been made within 3 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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
As at 1 July	132	130	132	130
Additional / (reductions) in provisions made during the year	(70)	2	(70)	2
Receivables written off during period	-	-	-	-
As at 30 June	62	132	62	132

As at 30 June 2022, all overdue debtors and other receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

Council - Rates receivables

	Gross \$000	Impairment \$000	Net 2022 \$000	Net 2021 \$000
Not past due - current year	791	(2)	789	729
Past due by 1 year	83	-	83	82
Past due by 2 years+	23	(6)	17	23
Total	897	(8)	889	834

Council - Other receivables and Related party receivables

	Gross \$000	Impairment \$000	Net 2022 \$000	Net 2021 \$000
Not past due	2,272	-	2,272	3,155
Past due 1-30 days	24	-	24	12
Past due 31-61 days	23	-	23	32
Past due >61 days	83	-	83	194
Total	2,402	-	2,402	3,393

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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Investments in Council Controlled Organisations and similar entities classified as current				
Loans and receivables				
Community loans - Manawatū Community Trust	287	275	-	-
NZ Local Government Funding Agency borrower's notes	112	296	112	296
Total Current Portion	399	571	112	296
Investments in Council Organisation and similar entities classified as non-current				
Loans and receivables				
Community loans - Manawatū Community Trust	4,051	2,925	0	-
NZ Local Government Funding Agency borrower's notes	1,401	1,031	1,401	1,031
Fair value through other comprehensive revenue and expense				
Unlisted shares in Manawatū - 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
Investments in subsidiary (at cost)				
Heartland Contractors Ltd - shares	-	-	-	-
Total Non-Current Portion	5,758	4,262	1,707	1,337
Total Investments in Council Organisation and similar entities	6,157	4,833	1,819	1,633

Council has a 100% shareholding in Heartland Contractors Ltd, which comprises 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 Manawatū district and promotion of health and well-being services for the residents of the Manawatū district.

Council has lent money to Manawatū Community Trust. 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 of 2.77% (2021: 2.1%). 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 8 years remain.

	COUNCIL		GROUP	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Face value of the loan	1,411	1,576	-	-
Opening balance of the loan	1,510	1,639	-	-
Loan Raised	-	-	-	-
Grant expenditure from low interest loans	29	33	-	-
Repaid this year	(180)	(162)	-	-
Fair value - loan to MCT for the FIFHC included above	1,359	1,510		

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 Manawatū Wanganui Local Authority Shared Service Limited, which comprises seven shares, all held by local authorities. Council has exempted Manawatū 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 28 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 \$297,500 (Last year: \$462,500) at a fixed interest rate of between 1.97% and 2.7% per annum (Last year: between 0.51% and 2.12%).

There were no NZLGFA borrower's notes received at floating rates (Last year: none). The NZLGFA borrower's notes are recognised at amortised cost. The face value of NZLGFA borrower's notes as at 30 June 2022 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

Non-Current Portion	COUNCIL		GROUP	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Investment in Central Economic Development Agency Ltd (at cost)	1	1	1	1
Increase from share of associates (surplus / deficit)	-	-	285	278
Total non-current portion	1	1	286	279

MDC's 50% share of associates summarised financial information

Assets	1,071	792
Liabilities	786	513
Revenues	1,886	1,996
Surplus/(Deficit)	7	(92)
Group's interest	50%	50%
Share of contingent liabilities incurred jointly with other investors	-	-

16. Inventory

	COUNCIL		GROUP	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Inventory on Hand				
Infrastructure - spares	23	20	23	20
Makino Pool	15	9	15	9
Plant Nursery	279	163	279	163
Total Inventory on Hand	317	192	317	192

Plants are held for provision of services by Council and are supplied to other Councils on a non-commercial basis. The Makino Pool holds stock for their retail shop and Infrastructure carries spare parts. 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 (2021 \$nil). There have been no reversals of write downs (2021 \$nil). No inventory is pledged as security for liabilities (2021 \$nil).

17. Other Financial Assets

	COUNCIL		GROUP	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Current Portion				
Loans and receivables				
Community loans - other	5	5	5	5
Himatangi Beach Sewerage Scheme Contributions	17	17	17	17
Rongotea Water Supply Scheme Contributions	7	7	7	7
Held to maturity investments				
Term deposits with maturity less than one year	-	-	-	-
Total Current Portion	29	29	29	29
Non-Current Portion				
Loans and receivables				
Community loans - other	55	60	55	60
Himatangi Beach Sewerage Scheme Contributions	96	113	96	113
Rongotea Water Supply Scheme Contributions	38	44	38	44
Held to maturity investments				
Term deposits with maturity of over one year	-	-	-	-
Total Non-Current Portion	188	217	188	217
Total Other Financial Assets	218	246	218	246

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 2.10% (Last year: from 0% to 2.60%).

The fair value of community loans is \$60,047 (last year: \$65,488). The face value of community loans is \$4,983,750 (last year: \$4,990,191). Some of these community loans are only repayable, should the entity concerned cease to operate for the purpose that the loan was given. 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 5-year period which was extended for a further 18 months. In June 2016 Council 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 Manawatū 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 schemes 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 there is 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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Non-Current Assets held for Sale are:				
Land held for sale	4,150	5,302	4,150	5,302
Buildings and improvements held for Sale	684	1,539	684	1,539
	4,834	6,841	4,834	6,841
Current Portion	4,834	6,841	4,834	6,841
Term Portion	-	-	-	-
Total	4,834	6,841	4,834	6,841
Opening balance assets for sale	6,841	2,653	6,841	2,653
Assets classified as held for sale during the period	-	4,188	-	4,188
Assets revalued or reclassified during the year	1,916	-	1,916	-
Less assets transferred or sold during the year	(3,923)	-	(3,923)	-
Closing balance assets held for sale	4,834	6,841	4,834	6,841

Council-owned land on Kawakawa Road and South Street is currently being marketed for sale through a real estate agency. The sale of 139 South Street is currently under negotiation for sale.

The accumulated property revaluation reserve recognised in equity for the current assets held for sale is \$1,916,128 (last year: -\$1,625,631).

19. Property Plant and Equipment

	2022			2021		
	Cost/ Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount \$000	Cost/ Revaluation	Accumulated Depreciation and Impairment Charges	Carrying Amount \$000
	\$000	\$000	\$000	\$000	\$000	\$000
COUNCIL						
Operational assets						
Land	23,315	-	23,315	16,053	-	16,053
Buildings and Improvements	11,090	-	11,090	7,057	-	7,057
Library Books	2,047	(1,038)	1,010	1,887	(851)	1,037
Plant, Equipment and Furniture	4,944	(3,868)	1,076	4,683	(3,505)	1,178
Motor Vehicles	1,160	(371)	790	1,423	(696)	728
Total operational assets	42,556	(5,276)	37,279	31,103	(5,051)	26,053
Infrastructural Assets						
Land	8,427	-	8,427	6,529	-	6,529
Solid Waste	518	(480)	38	4,495	(466)	4,029
Wastewater	116,138	-	116,138	90,648	(2,465)	88,183
Stormwater and Drainage	59,556	-	59,556	44,394	(667)	43,727
Water Supply	103,414	-	103,414	67,305	(1,760)	65,545
Roads and Footpaths	556,498	-	556,498	439,122	(9,198)	429,924
Land Under Roads	65,360	-	65,360	65,360	-	65,360
Total infrastructural assets	909,911	(480)	909,431	717,853	(14,556)	703,297
Restricted Assets						
Land	38,520	-	38,520	24,505	-	24,505
Buildings and Improvements	43,918	(150)	43,768	29,508	(150)	29,358
Plant and Equipment	2,471	(1,617)	854	2,361	(1,489)	872
Total Restricted Assets	84,909	(1,767)	83,142	56,374	(1,639)	54,735
Total Council	1,037,376	(7523)	1,029,852	805,330	(21,246)	784,085
Other Group Assets						
Land	9,848	-	9,848	4,168	-	4,168
Buildings and Improvements	30,797	(801)	29,996	25,019	(498)	24,521
Furniture and Equipment	233	(30)	203	237	(30)	207
Leasehold Improvements	184	(13)	171	191	(15)	177
Total	41,062	(844)	40,218	29,615	(543)	29,073
Group Assets	1,078,438	(8,367)	1,070,071	834,945	(21,789)	813,158

19B Movements for each class of plant, property and equipment are as follows:

2022	Carrying Amount 1 July 2021	Revaluation Movement	Additions	Reclassification	Disposals	Impairment of Assets	Current Year Depreciation	Carrying Amount 30 June 2022
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
COUNCIL								
Operational Assets								
Land	16,053	7,164	-	98	-	-	-	23,315
Buildings and Improvements	7,057	4,426	89	(28)	-	-	(454)	11,090
Library Books	1,037	-	160	-	-	-	(187)	1,010
Plant, Equipment and Furniture	1,178	-	324	18	(3)	-	(441)	1,076
Motor Vehicles	728	-	376	9	(327)	-	4	790
Total Operational Assets	26,051	11,590	949	97	(330)	0	(1,078)	37,279
Infrastructural Assets								
Land	6,529	1,836	490	(428)	-	-	-	8,427
Solid Waste	4,029	-	-	(3,977)	-	-	(14)	38
Wastewater	88,183	23,014	7,225	-	-	-	(2,284)	116,138
Stormwater and Drainage	43,727	15,474	1,048	-	-	-	(693)	59,556
Water Supply	65,545	27,965	11,588	330	110	-	(2,124)	103,414
Roads and Footpaths	429,924	125,600	10,724	-	-	-	(9,750)	556,498
Land Under Roads	65,360	-	-	-	-	-	-	65,360
Total Infrastructure Assets	703,297	193,889	31,075	(4075)	110	0	(14,865)	909,431
Restricted Assets								
Land	24,505	13,965	50	-	-	-	-	38,520
Buildings and Improvements	29,358	8,818	3,298	3933	-	(31)	(1,608)	43,768
Plant and Equipment	872	-	66	44	-	-	(128)	854
Total Restricted Assets	54,735	22,783	3,414	3977	0	(31)	(1,736)	83,142
Total Council	784,084	228,262	35,489	0	(220)	(31)	(17,679)	1,029,853
Other Group Assets								
Land	4,168	5680	-	-	-	-	-	9,848
Buildings and Improvements	24,521	3369	2,907	-	-	-	(801)	29,996
Furniture and Equipment	207	-	30	-	(4)	-	(30)	203
Leasehold Improvements	177	-	7	-	-	-	(13)	171
Total	29,072	9,049	2,944	-	(4)	-	(844)	40,218
Group Assets	813,156	237,311	38,382	0	(224)	(31)	(18,523)	1,070,071

	Actual \$000
Included on previous page is work in progress	
Operational Buildings and Improvements	166
Plant, Equipment and Furniture	180
Restricted land	70
Restricted Buildings and Improvements	1,751
Solid Waste	70
Wastewater	4,189
Stormwater and Drainage	1,300
Water Supply	6,087
Roading and Footpaths	2,471
Total Council	16,284
Manawatū Community Trust - Buildings	242
Group Assets	16,526



2021	Carrying Amount	Revaluation Movement	Additions	Reclassification	Disposals	Impairment of Assets	Current Year Depreciation	Carrying Amount
	1 July 2020							30 June 2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
COUNCIL								
Operational Assets								
Land	17,276	650	946	(2,819)	-	-	-	16,053
Buildings and Improvements	9,201	-	71	(1,553)	-	(64)	(598)	7,057
Library Books	981	-	227	-	-	-	(171)	1,037
Plant, Equipment and Furniture	1,434	-	360	-	(149)	-	(467)	1,178
Motor Vehicles	878	-	153	-	(60)	-	(243)	728
Total Operational Assets	29,769	650	1,757	(4,372)	(209)	(64)	(1,479)	26,051
Infrastructural Assets								
Land	6,529	-	-	-	-	-	-	6,529
Solid Waste	921	-	3,119	-	-	-	(11)	4,029
Wastewater	80,695	4,621	6,866	-	-	(1,680)	(2,319)	88,183
Stormwater and Drainage	43,242	(372)	1,524	-	-	-	(667)	43,727
Water Supply	68,470	1,507	5,388	-	-	(7,981)	(1,839)	65,545
Roads and Footpaths	419,247	8,380	11,495	-	-	-	(9,198)	429,924
Land Under Roads	65,322	-	38	-	-	-	-	65,360
Total Infrastructure Assets	684,425	14,136	28,430	-	-	(9,661)	(14,034)	703,297
Restricted Assets								
Land	24,120	172	212	-	-	-	-	24,505
Buildings and Improvements	30,244	(536)	880	-	(7)	-	(1,222)	29,358
Plant and Equipment	696	-	278	-	-	-	(102)	872
Total Restricted Assets	55,060	(364)	1,371	-	(7)	-	(1,324)	54,735
Total Council	769,254	14,423	31,558	(4,372)	(216)	(9,725)	(16,838)	784,084
Other Group Assets								
Land	4,168	-	-	-	-	-	-	4,168
Buildings and Improvements	24,462	-	557	-	-	-	(498)	24,521
Furniture and Equipment	209	-	29	-	-	-	(30)	207
Leasehold Improvements	191	-	-	-	-	-	(15)	177
Total	29,030	-	585	-	-	-	(543)	29,072
Group Assets	798,284	14,423	32,143	(4,372)	(216)	(9,725)	(17,380)	813,157

	Actual \$000
Included on previous page is work in progress	
Operational Buildings and Improvements	85
Plant, Equipment and Furniture	23
Restricted land	3
Restricted Buildings and Improvements	11
Solid Waste	4,018
Wastewater	5,825
Stormwater and Drainage	1,463
Water Supply	3,876
Roading and Footpaths	3,597
Total Council	18,901
Manawatū Community Trust - Buildings	110
Group Assets	19,011

19C Core Infrastructure 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.

2022	Assets Constructed by Council	Assets Transferred to Council	Carrying Amount 30 June 2022	Replacement Cost 30 June 2022
	\$000	\$000	\$000	\$000
Wastewater				
Treatment Plant and Facilities	2,984	-	20,816	40,594
Other Assets (Reticulation Systems)	4,241	-	95,322	153,284
	7,225	-	116,138	193,878
Stormwater Drainage	1,048	-	59,556	101,929
Water Supply				
Treatment Plant and Facilities	5,285	-	42,702	73,929
Other Assets (Reticulation Systems)	6,303	-	60,712	109,794
	11,588	-	103,414	183,723
Roads and Footpaths	10,724	-	556,498	1,012,554

Revaluation of Assets – Critical Accounting Estimates and Assumptions

Estimating the fair value of land, buildings, and infrastructure.

Property, plant and equipment have been valued in accordance with the accounting policy set out in the Statement of Accounting Policy, under the 'asset revaluation' section (note 1).

Assets are valued to 'fair value' under the highest and best use scenario. Fair value is the amount for which an item could be exchanged or settled between knowledgeable willing parties in an 'arm's-length' transaction. Where the fair value of the asset can be determined by reference to the price in an active market for the same asset or similar asset, the fair value of the asset is determined using this information.

Where direct evidence of value is not available from an active market, fair value is determined from market-based evidence by appraisal, undertaken by a professionally qualified valuer. If there is no market-based evidence of fair value because of the specialised nature of the asset and the asset is rarely sold, fair value will be determined using the optimised depreciated replacement cost approach.

Operational Land and Buildings

Fair value of land was determined from market-based evidence based on highest and best use by an independent valuer with reference to comparable land sales. Where buildings and site improvements have been identified as being earthquake prone, then the valuation has been reduced by the estimated earthquake strengthening costs. The most recent valuation was performed by Quotable Value NZ, last valued effective 30 June 2022.

Site improvements or other improvements relating to the various land assets have been assessed on a fair market value basis where relevant. Specialised buildings are valued using the depreciated replacement cost approach because no reliable market data is available for such buildings. The most recent valuation was performed by Quotable Value NZ, last valued effective 30 June 2022.

Restricted Land and Buildings

Fair value was determined from market-based evidence by an independent valuer with specialised building being valued using the depreciated

replacement cost approach when no reliable market data was available. The most recent valuation was performed by Quotable Value NZ, last valued effective 30 June 2022.

Roading Assets

Roading assets were last valued effective 30 June 2022. The fair value of roading assets was determined on an optimised depreciated replacement cost basis, assuming continuation of current asset capability and processing requirements.

The valuation was undertaken by Scott McIntyre, Principal (The Datastack) and Hamish Harding, Asset Engineer – Utilities (MDC). As part of the current valuation process, MDC engaged WSP to undertake a review of all unit rates used for infrastructure valuations. Total useful lives and overhead percentages were also reviewed.

Water Supply, Wastewater and Stormwater Assets (Three Waters Assets)

Three Waters Assets were last valued effective 30 June 2022. The fair value of 3 Waters Assets, excluding land, was determined on an optimised depreciated replacement cost basis, assuming continuation of current asset capability and processing requirements.

The valuation was undertaken by Scott McIntyre, Principal (The Datastack) and Hamish Harding, Asset Engineer – Utilities (MDC). As part of the current valuation process, MDC engaged WSP to undertake a review of all unit rates used for infrastructure valuations. Total useful lives and overhead percentages were also reviewed.

Buildings included under the 3 Waters categories (e.g. treatment plants) and utilities land were valued separately by Quotable Value NZ, based on depreciated replacement cost last valued effective 30 June 2022.

Key Estimates and Assumptions Used

There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- The replacement costs of the specific assets are adjusted where appropriate for optimisation due to over-design or surplus capacity. There have been no optimisation adjustments for the most recent valuations.
- Estimating the replacement cost of the asset.

The replacement cost of infrastructure assets 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 appropriate indices. For roading assets the Waka Kotahi Structures New Index for Civil Structures and the Waka Kotahi Constructions New Index for Civil Constructions are used. However the June 2022 Waka Kotahi indices were not released at the time of the unit rate review, resulting in the use of forecasted indices' movement from March 2022 – June 2022 based on WSP's two-factor Holt-Winters exponential smoothing algorithm. Further adjustments were then made to the unit rates following a comparison with MDC contract schedules, unit rates from other local authorities and WSP's own in-house database of costs.

Rates for the replacement cost of specialised buildings are derived from construction contracts of like assets, reference to publications such as QV Cost Builder, recent costings obtained from construction details and Property Institute of New Zealand's cost information.

- There are no significant asbestos issues associated with the buildings.
- Three buildings within the portfolio which are considered to be earthquake prone, being Feilding Library, MDC Main Administration Building and Feilding Little Theatre. The values calculated in this valuation make allowances for works required to the three buildings in this regard.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected 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 the Council could be over- or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expenses. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition modelling are also carried out regularly as part of asset management planning activities, which provide further assurance over useful life estimates.
- The remaining useful life of buildings is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans, and experience with similar buildings.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.
- Non-specialised buildings (for example, residential and office buildings) are valued at fair value using market-based evidence. Significant assumptions in the 30 June 2022 valuation include market rents and capitalisation rates.

- Capitalisation rates and yields are assessed by comparing the subject property to similar properties that have recently sold with adjustments taken into consideration for factors such as tenure, quality of construction, condition, size, lease terms, quality of tenant and security of income. The capitalisation rate must in essence reflect the rates of return actually being achieved for comparable investments in the market.

Group Assets

Assets owned by Manawatū Community Trust form part of the group assets included in the financial statements. Manawatū Community Trust had two categories of assets with valuation movements, as at 30 June 2022.

Residential Land, Buildings and Improvements

JP Morgans and Associates Limited were engaged to consider and analyse the percentage movement of residential properties. This review was not a full revaluation of assets, but rather a review of movement in market values for land and improvements, providing an indicative estimate of the degree of market movement likely to be revealed should a full revaluation take place. Due to the significant increases indicated by the review the Trust used the review as a basis for adjusting carrying values of land and residential buildings as at 30 June 2022.

Significant assumptions in the 30 June 2022 valuation of residential property include market rents and market yields:

- Market rents for a unit range from \$220/pw - \$270/pw
- Market yield ranged from 2.59%-8.16%. The yield of 2.59% related to a property with a large amount of surplus land. The yield on the assessed market rental excluding surplus land is 5.19%

Commercial Land and Buildings

A full revaluation of the Feilding Health Centre (FHC) was undertaken by JP Morgans and Associates Limited, effective 30 June 2022. In determining fair value the valuer considered the replacement cost of new structures less an allowance for depreciation and saleability, the income capitalisation and discounted cash flow method, and a comparison of assets with identical or comparable assets for which market price is available.

Significant assumptions in the 30 June 2022 valuation of the FHC include rental increases and capitalisation rate:

- Rental increase of 2.50%
- Capitalisation rates of 7.55%-8.05% on actual rentals.
- Discount rates in the range of 9.0% to 9.50% have been utilised reflecting the current ten-year Government Stock plus an increased margin for investment risk/property type.



2021	Assets Constructed by Council	Assets Transferred to Council	Carrying Amount 30 June 2021	Replacement Cost 30 June 2021
	\$000	\$000	\$000	\$000
Infrastructural Assets				
Wastewater of which:				
Treatment Plant and Facilities	2,866	-	41,102	54,413
Other Assets (Reticulation Systems)	3,739	261	47,081	81,729
	6,605	261	88,183	136,142
Flood Protection and Control Works				
	-	-	-	-
Stormwater Drainage	1,151	373	43,727	73,856
Water Supply of which:				
Treatment Plant and Facilities	1,342	-	27,051	27,051
Other Assets (Reticulation Systems)	3,854	192	38,494	106,118
	5,196	192	65,545	133,169
Roads and Footpaths	10,296	1,199	429,924	732,458

Insurance Cover

Insurance Arrangements

At 30 June 2022 Council had the following insurance cover in place for the following assets:

	Insurance Deductible*	Replacement Cover	Replacement Cover
	\$	\$000	\$000
		COUNCIL	GROUP
Material damage cover - buildings (operational and restricted)	\$100,000	126,009	126,009
Material damage cover - plant and equipment	\$100,000	1,045	1,045
Motor vehicle cover	1% sum insured	1,808	1,808
Material damage cover - water and wastewater - treatment and supply	\$100,000	278,375	278,375
Underground assets (water/stormwater/wastewater) for natural disaster	\$250,000	302,064	302,064

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 Agreement

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

* Loss or damage below the insurance deductible is covered by Council (either as an operating cost or is funded from the Insurance Reserve - see note 25).

20. Intangible Assets

	COUNCIL AND GROUP	
	Actual 2022 \$000	Actual 2021 \$000
Balance at 1 July		
Cost	3,047	3,030
Accumulated amortisation and impairment	(2,911)	(2,757)
Opening Carrying amount	136	273
Additions	68	17
Less disposals at cost	-	-
Accumulated amortisation on disposals	-	-
Less amortisation charge	(118)	(154)
Closing carrying amount	86	136
Balance at 30 June		
Cost	3,115	3,047
Accumulated amortisation and impairment	(3,029)	(2,911)
Closing carrying amount	86	136

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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Trade payables	6,105	6,789	6,508	7,013
Deposits and bonds	1,483	1,026	1,483	1,026
Accrued expenses	1,209	756	1,208	756
Amounts due to related parties (note 29)	-	-	-	-
Revenue in advance	1,669	1,532	1,695	1,563
Total creditors and other payables	10,465	10,104	10,894	10,359
Total creditor and other payables comprise:				
Creditors/other payables from exchange transactions	8,797	8,572	9,199	8,796
Creditors/other payables from non-exchange transactions	1,669	1,532	1,695	1,563
Total Creditors and other payables	10,465	10,104	10,894	10,359

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 2022 \$000	Actual 2021 \$000
Current Provisions are represented by:		
Financial guarantees	-	-
Landfill aftercare provision	43	134
Total Provisions	43	134
Non-Current Provisions are represented by:		
Financial guarantees	-	-
Almadale water treatment plant closure provision	500	700
Wastewater treatment plant closure provision	624	822
Landfill aftercare provision	373	550
Total Provisions	1,497	2,072

	COUNCIL AND GROUP	
	Actual 2022 \$000	Actual 2021 \$000
Opening balance	2,207	919
Additional provisions made during the year	(436)	1,420
Amounts used during the year	(71)	(23)
Unused amounts reversed during the year	-	-
Discount unwinding	(160)	(109)
Closing Balance	1,540	2,207

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 ongoing maintenance and monitoring of the site for at least 30 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
- ongoing 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 0.38%. 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 provision:

- The annual price index used is the Local Government Cost Index as detailed in the 2021-2031 Long Term Plan
- An annual discount rate of 0.38%
- 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.

Almadale Water Treatment Plant Closure

Council has recognised a provision for the costs associated with making safe the land at the Almadale water treatment plant. The exposure of the Council in relation to the estimates and uncertainties surrounding the water supply plant closure provision is based on discounted cash flows of estimated costs.

Wastewater Plant closure

Council has recognised a provision for the costs associated with making safe the land at wastewater treatment plants (located in Awahuri, Cheltenham, Halcombe, Kimbolton, Sanson and Rongotea). The exposure of the Council in relation to the estimates and uncertainties surrounding the wastewater plant closure provision is based on discounted cash flows of estimated costs.

23. Employee Entitlement Liabilities

	COUNCIL		GROUP	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Accrued pay	213	148	245	168
Accrued leave	1,001	870	1,025	886
Total Employee Entitlements and Liabilities	1,214	1,018	1,270	1,054
Comprising:				
Current	1,214	1,018	1,270	1,054
Non-current	-	-	-	-
Total Employee Entitlement Liabilities	1,214	1,018	1,270	1,054

24. Borrowings

	COUNCIL		GROUP	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Opening Balance of Term Borrowings	85,727	78,707	87,779	80,925
Loans raised during the year	45,634	41,520	45,634	41,520
Loans repaid during the year	(42,572)	(34,500)	(42,884)	(34,666)
Closing Balance of Term Borrowings	88,789	85,727	90,529	87,779
Current:				
Secured loans	18,500	20,372	18,749	20,716
Total current borrowings	18,500	20,372	18,749	20,716
Non-current:				
Secured loans	70,289	65,355	71,780	67,059
Total non-current borrowings	70,289	65,355	71,780	67,059

As at 30 June 2022, 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: \$188k). There is a "multi-option" facility - treasury solution of \$10 million of which \$0 (last year: \$1.9 million) is used as of balance date.

Fixed-rate debt

Debt of \$44.9 million (last year \$28 million) has been issued at floating interest rate and the remainder is at fixed rates of interest. The borrowing rates ranged from 0.54% to 5.5% (last year: 0.943% to 5.5%).

When Council borrows on a fixed rate that differs from the current market rate offered, it receives 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 \$111k (last year \$145k). The face value of fixed rate debt is \$44m.

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 Manawatū 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

2022	Opening Balance	Net Surplus	Transfers In	Transfers Out	Revaluation Changes	Closing Balance
	\$000	\$000	\$000	\$000	\$000	\$000
Retained Earnings						
Accumulated General Funds	477,689	13,280	85,412	(107,127)	790	470,044
Separate Funds	(3,267)		73,867	(56,364)		14,236
Growth Funds	(782)		5,581	(3,752)		1,047
Depreciation Fund	3,182		27,222	(25,149)		5,255
	476,822	13,280	192,082	(192,392)	790	490,582
Other Reserves						
Trust Funds						
-Hook Bequest	10			(2)		8
-Trewin Bequest	1					1
-Wakerill Trust	1					1
-Robert Dickson Library Trust	4					4
-P A Broad Memorial Trust	7					7
-Historical Trust	-					-
-Robert Dickson Educational Trust	14					14
-Feilding and District Relief Trust	60					60
	96	-	-	(2)	-	94
Special Funds						
-General Purpose Special Fund	990		454	(47)		1,397
-Land Subdivision Reserve Special Fund	298		1			299
-Insurance Fund	925		2	(98)		829
	2,213	-	457	(145)	-	2,524
Revaluation Reserves						
-Operational Land	7,880				7,164	15,044
-Operational Buildings and Improvement	3,772				4,426	8198
-Restricted Land	14,344				13,965	28,309
-Restricted Buildings and Improvement	9,231				9,893	19,124
-Infrastructural Land	2,269				1,836	4,105
-Utilities (water, stormwater and wastewater)	62,298				66,453	128,751
-Roading Network	136,537				125,600	262,137
	236,331	-	-	-	229,337	465,668
Total Other Reserves	238,640	-	457	(147)	229,337	468,287
Total Council Equity	715,462	13,280	192,539	(192,539)	230,127	958,868
Other Entities						
General Fund	12,446	309			-	12,775
Restricted Land	-					-
Restricted Buildings and Improvement	-					-
Revaluation Reserves	-					-
-Operational Land	2,216				5,680	7896
-Operational Buildings and Improvement	10,396				3,321	13,717
Total Group Equity	740,518	13,589	192,539	(192,539)	239,128	993,236

2021	Opening Balance	Net Surplus	Transfers In	Transfers Out	Revaluation Changes	Closing Balance
	\$000	\$000	\$000	\$000	\$000	\$000
Retained Earnings						
Accumulated General Funds	475,712	8,259	73,437	(79,718)		477,689
Separate Funds	(7,191)		54,749	(50,825)		(3,267)
Growth Funds	(97)		3,176	(3,861)		(782)
Depreciation Funds	(602)		21,772	(17,988)		3,182
	467,822	8,259	153,134	(152,392)	0	476,823
Other Reserves						
Trust Funds						
-Hook Bequest	12			(2)		10
-Trewin Bequest	1					1
-Wakerill Trust	1					1
-Robert Dickson Library Trust	4					4
-P A Broad Memorial Trust	7					7
-Historical Trust	0					0
-Robert Dickson Educational Trust	14					14
-Museum Trust	0					0
-Feilding and District Relief Trust	60					60
	98	-	-	(2)	-	96
Special Funds						
-General Purpose Special Fund	1,459		11	(480)		990
-Land Subdivision Reserve Special Fund	545		3	(250)		298
-Insurance Fund	949		7	(31)		925
	2,953	-	21	(761)	-	2,213
Revaluation Reserves						
-Operational Land	7,400				480	7,880
-Operational Buildings and Improvement	3,999				(227)	3,772
-Restricted Land	14,173				171	14,344
-Restricted Buildings and Improvement	10,579				(1,348)	9,231
-Infrastructural Land	2,269					2,269
-Utilities (water, stormwater and wastewater)	66,203				(3,905)	62,298
-Roading Network	128,157				8,380	136,537
	232,780	-	-	-	3,551	236,331
Total Other Reserves	235,831	-	21	(763)	3,551	238,640
Total Council Equity	703,653	8,259	153,155	(153,155)	3,551	715,463
Other Entities						
General Fund	12,098	349				12,446
Restricted Land	-					-
Restricted Buildings and Improvement	-					-
Revaluation Reserves	-					-
-Operational Land	2,216					2,216
-Operational Buildings and Improvement	10,396					10,396
Total Group Equity	728,361	8,607	153,155	(153,155)	3,551	740,520

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.

Special fund

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 policy

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

Trust 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 Wackrill monument

Robert Dickson Library Trust - Children's books

P.A. Broad Memorial Trust - Books on NZ sport and wildlife

Historical Trust - To enhance the library's local research area

Robert Dickson Educational Trust - Advice/guidance/assistance to solo mothers and their children for education matters and advancement in life

Museum Trust - To enhance the library's local research area

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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Surplus/(deficit) after tax	13,280	8,259	13,589	8,608
Add/(less) non-cash items:				
Depreciation and amortisation	17,797	16,992	18,641	17,536
Vested assets	(90)	(2,212)	(90)	(2,212)
Grant expenditure from low interest loans	-	-	-	-
Add/(less) items classified as investing or financing activities:				
Investment revenue direct to investment	-	-	-	-
(Gains)/losses on disposal of property, plant and equipment	(581)	(5)	(581)	(5)
Add/(less) movements in working capital items:				
(Increase)/decrease in accounts receivable	1,050	(1,588)	1,104	(1,572)
Increase (decrease) in accounts payable	273	2,300	97	2,400
Increase (decrease) in provisions	(666)	1,287	(666)	1,287
Increase (decrease) in employee benefits	196	(471)	216	(456)
Net GST	(229)	43	(220)	68
Net cash from operating activities	31,030	24,607	32,090	25,656

27. Capital Commitments and Operating Leases

Capital Commitments	COUNCIL		GROUP	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment				
- Land	-	-	-	-
- Buildings	144	185	144	185
- Roading	8,443	9,448	8,443	9,448
- Stormwater	588	88	588	88
- Wastewater	3,951	3,420	3,951	3,420
- Water Supply	2,293	9,659	2,293	9,659
Total Capital Commitments	15,419	22,800	15,419	22,800

The amount of capital expenditure (under contract at balance date) that is expected to be applied to projects within a year of balance date.

The capital commitment for roading will be partly financed by a subsidy from the New Zealand Transport Agency of \$4.2M (last year \$4.47M).

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

	COUNCIL		GROUP	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Non-cancellable operating leases as lessee				
Not later than 1 year	25	25	25	25
Later than one year and not later than two years	25	25	25	25
Later than two years and not later than five years	25	42	25	42
Later than five years	34	33	34	33
Total non-cancellable operating leases	109	125	109	125

Operating Leases as Lessor

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

	COUNCIL		GROUP	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Operating leases as lessor				
Not later than one year	49	47	49	47
Later than one year and not later than two years	47	46	77	54
Later than two years and not later than five years	121	122	241	265
Later than five years	190	190	870	930
Total operating leases	407	405	1,237	1,296

28. Contingencies

Contingent Liabilities

Risk Pool Insurance

In prior years Council obtained public liability and professional indemnity insurance cover from New Zealand Mutual Liability Risk Pool, 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". The 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 had a foreign currency rating of AA+ and a local currency rating of AAA from Standard and Poors at 2 March 2021. 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 2022, the NZLGFA had borrowings totalling \$15.789 billion (last year: \$13.610 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 Manawatū-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, Manawatū Wanganui LASS Limited had complied with all terms of the lease agreement.

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 \$4.98M (last year: \$4.98M). 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.

Transactions 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 2022 \$000	Actual 2021 \$000
Heartland Contractors Limited (Non-Trading) The Mayor, Deputy Mayor and Chief Executive are directors of this company	Nil	Nil
Feilding Civic Centre Trust Grant provided by MDC	105	83
Manawatū Community Trust Interest paid to MDC (refer note below)	62	63
Amounts payable to MDC at year end	47	24
Loans repaid to the MDC	275	1268
Loans drawn down from MDC during the year	1,400	1,000
Loan owing to MDC (as at balance date)	2,991	3,266
Manawatū-Wanganui LASS Limited The Chief Executive is a director of this company The Council is one of the guarantors to the Deed of Lease for a property leased by the company - see note 27 for further details.		
Awahuri Forest / Kitchener Park Trust Grant provided by MDC	118	94
Central Economic Development Agency Limited Contract payment provided by MDC	624	625

Council has impaired the loan given to Manawatū Community Trust to fair value. The reduction total of \$52k (last year \$66k) 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 2022 \$000	Actual 2021 \$000
Salaries and other short-term employee benefits - elected members	504	498
Salaries and other short term employee benefits - Executive Team including the Chief Executive	1,213	962
Post-employment benefits - Executive Team including the Chief Executive	48	38
Termination benefits	-	-
	1,765	1,498
Full-time equivalents		
Elected Members*	11	11
Executive Team including the Chief Executive	6	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 2022 \$000 Salary	Actual 2022 \$000 Meeting Allowances	Actual 2021 \$000 Salary	Actual 2021 \$000 Meeting Allowances
Mayor Helen Worboys	121,001		117,273	
Councillor Steve Bielski	36,832		33,273	
Councillor Stuart Campbell	40,516		39,927	
Councillor Shane Casey	40,516		39,927	480
Councillor Heather Gee-Taylor	38,112		33,273	
Councillor Grant Hadfield	36,832		33,273	
Councillor Michael Ford (Deputy Mayor)	51,566		46,581	
Councillor Hilary Humphrey	24,489		39,927	
Councillor Philson Marsh	40,516		39,927	
Councillor Andrew Quarrie	36,846		33,273	
Councillor Alison Short	36,832		39,927	837
	504,058		496,581	1,317

Chief Executive

For the year ended 30 June 2022, the remuneration paid to the Chief Executive, Shayne Harris, was \$340,147 (Last Year, Shayne Harris, \$187,170 and Richard Templar, \$185,369).

Council Employees

	Actual 2022 as at 30 June	Actual 2021 as at 30 June
The number of employees employed by the Council	192	186
The number of full-time employees	133	137
The full-time equivalent number of all other employees	35	31
Number of employees receiving total annual remuneration of:		
- less than \$60,000	84	92
- between 60,000 and \$79,999	49	46
- between \$80,000 and \$99,999	30	27
- between \$100,000 and \$119,999	8	10
- between \$120,000 and \$139,999	13	6
- between \$140,000 and \$339,999	8	5
	192	186

A full-time employee is determined on the basis of a 40-hour working week.

31. Severance Payments

For the year ended 30 June 2022, the Council made two (2021: two) severance payments to employees, totalling \$18,500 (2021 \$20,000). The value for each of these payments were \$12,000 and \$6,500.

32. Events after the Balance Sheet Date

Three Waters Reform

Legislation passed in December 2022 established four publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. A water services Bill to enable the transfer of these assets and liabilities to the water services entities, is currently before Parliament. Until the Bill is passed, the financial impact of the transfer on the District Council, remains uncertain.

On 13 April 2023, the Government announced further proposed amendments to the number of water services entities and to stagger their establishment dates starting from early 2025, with all the water services entities to be established by 1 July 2026. The timing of the transfer of assets and liabilities is therefore uncertain until amendments to existing legislation are passed.

33. Financial Instruments

Financial Instruments Categories

The Council and group have elected to early adopt PBE IPSAS 41. In accordance with the transitional provisions in PBE IPSAS 41, the Council and group have elected not to restate the comparative

information. The comparative information continues to be reported under PBE IPSAS 29. Adjustments arising from the adoption of PBE IPSAS 41 are recognised in opening equity at 1 July 2021 (the date of initial application). The accounting policies for the year ended 30 June 2022 have been updated to comply with PBE IPSAS 41. The main changes to the Council and group's accounting policies are:

Note 13 – Debtors and other Receivables – This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying the simplified expected credit loss model.

Note 17 – Other Financial assets – This policy has been updated to reflect:

- the new classification categories;
- the measurement and recognition of loss allowances based on the new expected credit loss (ECL) model, and
- the removal of impairment loss considerations for equity investments at FVTOCRE.

PBE IPSAS 41 also significantly amended the financial instruments disclosures of PBE IPSAS 29. This has resulted in new or amended disclosures, mostly in relation to hedge accounting and credit risk. On the date of initial of application of PBE IPSAS 41, the classification and carrying amounts of financial assets under PBE IPSAS 41 and PBE IPSAS 29 is outlined in the tables below.

FVTOCRE = Fair value through other comprehensive revenue and expense

FVTSD = Fair value through surplus or deficit

	PBE IPSAS 29	PBE IPSAS 41	30 June 2022 PBE IPSAS 29	30 June 2022 PBE IPSAS 41	Variance
Council 2022					
FINANCIAL ASSETS					
Unlisted shares in NZ Local Government Funding Agency (NZLGFA)	FVTOCRE	FVTOCRE	100	100	-
Unlisted shares in NZ Local Government Insurance Corp Ltd (NZIG)	FVTOCRE	FVTOCRE	190	190	-
Unlisted shares in Manawatū-Wanganui LASS Limited	FVTOCRE	FVTOCRE	16	16	-
Cash and cash equivalents	Loans and Receivables	Amortised Cost	13,713	13,713	-
Debtors and other receivables	Loans and Receivables	Amortised Cost	5,699	5,699	-
Term deposits - other	Loans and Receivables	Amortised Cost	-	-	-
Notes - NZ Local Government Funding Agency	Loans and Receivables	Amortised Cost	1,513	1,513	-
Community loans	Loans and Receivables	Amortised Cost	218	218	-
Community loans - related party	Loans and Receivables	Amortised Cost	4,338	4,338	-
			25,787	25,787	-

	PBE IPSAS 29	PBE IPSAS 41	30 June 2022 PBE IPSAS 29	30 June 2022 PBE IPSAS 41	Variance
Group					
FINANCIAL ASSETS					
Unlisted shares in NZ Local Government Funding Agency (NZLGFA)	FVTOCRE	FVTOCRE	100	100	-
Unlisted shares in NZ Local Government Insurance Corp Ltd (NZIG)	FVTOCRE	FVTOCRE	190	190	-
	FVTOCRE	FVTOCRE	16	16	-
Cash and cash equivalents	Loans and Receivables	Amortised Cost	13,912	13,912	-
Debtors and other receivables	Loans and Receivables	Amortised Cost	5,969	5,969	-
Term deposits - other	Loans and Receivables	Amortised Cost	-	-	-
Notes - NZ Local Government Funding Agency	Loans and Receivables	Amortised Cost	1,513	1,513	-
Community loans	Loans and Receivables	Amortised Cost	218	218	-
Community loans - related party	Loans and Receivables	Amortised Cost	-	-	-
			21,612	21,612	-

Additional information in relation to subsequent measurement classification assessment

PBE IPSAS 41 requires debt instruments to be subsequently measured at FVTSD, amortised cost, or FVTOCRE. This classification is based on the business model for managing the debt instruments, and whether the payments are solely for payments of principal or interest on the principal amount outstanding.

Council assessed the business model for its classes of financial assets at the date of initial application. Debt instruments are held mainly to collect, except for the Council's listed bond portfolio which are held to collect and sell in accordance with the Council's Treasury Management Policy to meet capital requirements.

Council's debt instruments solely comprise contractual cash flows solely for payments of principal and interest, in line with basic lending arrangements. This assessment was based on the facts and circumstances as at the initial recognition of the assets. PBE IPSAS 41 requires equity instruments to be classified at FVTSD. However, it permits entities to make an irrevocable election on transition to PBE IPSAS 41 to subsequently measure at FVTOCRE if the shares are not held for trading. The Council has elected to subsequently measure all of its shares at FVTOCRE.

Financial instrument categories

The following tables are comparisons of carrying amounts of the Group's financial assets and liabilities in each of the financial instrument categories:

	COUNCIL		GROUP	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Financial Assets				
Mandatorily measured at FVTSD (2021: Held for trading)				
Derivative financial assets – not hedge accounted	-	-	-	-
Derivatives that are hedge accounted				
Derivative financial assets	-	-	-	-
Amortised Cost (2021: Loans and receivables)				
Cash and cash equivalents	13,713	11,629	13,870	12,670
Debtors and other receivables	5,699	6,556	5,969	6,761
Term deposits - other	-	-	-	-
Notes - NZ Local Government Funding Agency	1,513	1,327	1,513	1,327
Community loans	218	246	218	246
Community loans - related party	4,338	3,200	-	-
Total Amortised Cost	25,481	22,959	21,570	21,004
FVTOCRE				
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 Manawatū-Wanganui LASS Limited (LASS)	16	16	16	16
Total at FVTOCRE	306	306	306	306
Total financial assets	25,735	23,265	21,876	21,309
Financial Liabilities				
Mandatorily measured at FVTSD (2020: Held for trading)				
Derivative financial liabilities – not hedge accounted	-	-	-	-
Derivatives that are hedge accounted				
Derivative financial liabilities	-	-	-	-
Amortised cost				
Creditors and other payables	10,465	10,104	10,894	10,359
Bank overdraft	-	-	-	-
Secured loans	88,789	85,727	90,529	87,779
Total financial liabilities at amortised cost	99,254	95,831	101,423	98,138

Fair Value Hierarchy Disclosures

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

	Valuation technique			
	Total	Quoted market price (Level 1)	Observable inputs (Level 2)	Significant non-observable inputs
	\$000	\$000	\$000	\$000
30 June 2022 - Council				
Financial Assets				
Community Loan	-	-	-	-
30 June 2022 - Group				
Financial Assets				
Community Loan	-	-	-	-
30 June 2021 - Council				
Financial Assets				
Community Loan	-	-	-	-
30 June 2021 - Group				
Financial Assets				
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. Apart from other local authorities, the group only invests funds with those entities which have a Standard and Poor's credit rating of at least A -. Accordingly, the group does not require any collateral or security to support these financial instruments.

Maximum exposure to credit risk

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

	COUNCIL		GROUP	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Balance as at 30 June				
Cash at bank and term deposits	13,713	11,629	13,870	12,670
Debtors and other receivables	5,699	6,556	5,969	6,761
Community loans	4,556	3,446	218	246
Local authority stock and other investments	1,819	1,633	1,819	1,633
Financial guarantees	-	-	-	-
Total credit risk	25,788	23,265	21,876	21,310

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 28.

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	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Balance as at 30 June				
Cash and term deposits				
Cash at bank and bank term deposits (AA- rated)	9,708	9,828	9,865	12,670
Cash at bank and bank term deposits (A rated)	-	-	-	-
NZLGFA borrower's notes (AA rated)	1,513	1,327	1,513	1,327
Total cash at bank and term deposits	11,221	11,155	11,378	13,997
Other investments				
Unlisted shares in NZ Local Government Funding Agency (NZLGFA) (AA Rated)	100	100	100	100
Total other investments	100	100	100	100
Counterparties without credit ratings				
Local authority stock, community loans				
Existing counterparty with no defaults in the past	8,767	5,453	4,429	452
Existing counterparty with defaults in the past	-	-	-	-
Total local authority stock and community loans	8,767	5,453	4,429	452

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

Liquidity risk

Management of liquidity risk

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

In meeting its liquidity requirements, Council maintains a target level of investments that must mature within the next 12 months.

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

Contractual maturity analysis of financial liabilities

The table below analyses Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1 - 5 years \$000	More than 5 years \$000
Council 2022					
Creditors and other payables	10,465	10,465	10,465	-	-
Secured loans	88,789	85,727	20,372	34,855	30,500
Financial guarantees	-	-	-	-	-
	99,254	96,192	30,837	34,855	30,500
Group 2022					
Creditors and other payables	10,944	10,944	10,944	-	-
Secured loans	90,519	87,779	20,657	36,623	30,500
Financial guarantees	-	-	-	-	-
	101,463	98,724	31,601	36,623	30,500
Council 2021					
Creditors and other payables	10,104	10,104	10,104	-	-
Secured loans	85,727	85,727	20,372	34,855	30,500
Financial guarantees	-	-	-	-	-
	95,831	95,831	30,476	34,855	30,500
Group 2021					
Creditors and other payables	10,359	10,359	10,359	-	-
Secured loans	87,779	87,779	20,657	36,623	30,500
Financial guarantees	-	-	-	-	-
	98,138	98,138	31,016	36,623	30,500

Contractual maturity analysis of financial assets

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

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1 - 5 years \$000	More than 5 years \$000
Council 2022					
Cash and cash equivalents	13,713	13,713	13,713	-	-
Debtors & other receivables	5,699	5,699	5,699	-	-
Other financial assets:					
- Term deposits	-	-	-	-	-
- LGFA Borrower notes	1,513	1,513	112	858	543
- Community loans	218	59	5	23	31
- Community loans - related party	4,338	4,338	277	1,144	2,917
	25,481	25,322	19,806	2,025	3,491
Group 2022					
Cash and cash equivalents	13,870	13,870	13,870	-	-
Debtors & other receivables	5,969	5,969	5,969	-	-
Other financial assets:					
- Term deposits	-	-	-	-	-
- LGFA Borrower notes	1,513	1,513	112	858	543
- Community loans	218	75	5	23	31
	21,570	21,427	19,956	881	574
Council 2021					
Cash and cash equivalents	11,629	11,628	11,629	-	-
Debtors & other receivables	6,556	6,556	6,556	-	-
Other financial assets:					
- Term deposits	-	-	-	-	-
- LGFA Borrower notes	1,327	1,327	112	560	655
- Community loans	246	75	5	27	43
- Community loans - related party	3,200	3,200	275	1,141	1,784
	22,960	22,788	18,577	1,728	2,482
Group 2021					
Cash and cash equivalents	12,670	12,670	12,670	-	-
Debtors & other receivables	6,761	6,761	6,761	-	-
Other financial assets:					
- Term deposits	-	-	-	-	-
- LGFA Borrower notes	1,327	1,327	112	560	655
- Community loans	246	75	5	27	43
	21,005	20,833	19,548	587	698

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.

2022	-100bps		+100bps	
	Profit \$000	Other equity \$000	Profit \$000	Other equity \$000
Interest Rate Risk				
Financial assets				
Cash and cash equivalents	(137)	-	137	-
Other financial assets:				
- Term deposits	-	-	-	-
- LGFA Borrower notes	(15)	-	15	-
- Community and related party loans	(46)	-	46	-
- Other investments	-	-	-	-
Financial liabilities				
Secured loans	888	-	(888)	-
Total sensitivity to interest rate risk	690	-	(690)	-
Equity Price Risk				
	-10%		10%	
Financial assets				
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	-
- Shares in Manawatū-Wanganui LASS Limited	-	-	-	-
- Shares in NZ Local Government Funding Agency	-	-	-	-
Total sensitivity to equity price risk	-	-	-	-

2021	-100bps		+100bps	
	Profit \$000	Other equity \$000	Profit \$000	Other equity \$000
Interest Rate Risk				
Financial assets				
Cash and cash equivalents	(116)	-	116	-
Other financial assets:				
- Term deposits	-	-	-	-
- LGFA Borrower notes	(13)	-	13	-
- Community and related party loans	(34)	-	34	-
- Other investments	-	-	-	-
- Local authority stock	-	-	-	-
Financial liabilities				
Secured loans	857	-	(857)	-
Total sensitivity to interest rate risk	694	-	(694)	-
Equity Price Risk				
	-10%		10%	
Financial assets				
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	-
- Shares in Manawatū-Wanganui LASS Limited	-	-	-	-
- Shares in NZ Local Government Funding Agency	-	-	-	-
Total sensitivity to equity price risk	-	-	-	-

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.

2022	-100bps		+100bps	
	Profit \$000	Other equity \$000	Profit \$000	Other equity \$000
Interest Rate Risk				
Financial assets				
Cash and cash equivalents	(139)	-	139	-
Other financial assets:				
- Term deposits	-	-	-	-
- LGFA Borrower notes	(15)	-	15	-
- Community loans	(2)	-	2	-
- Other investments	-	-	-	-
Financial liabilities				
Secured loans	905	-	(905)	-
Total sensitivity to interest rate risk	749	-	(749)	-
Equity Price Risk				
	-10%		10%	
Financial assets				
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	-
- Shares in Manawatū-Wanganui LASS Limited	-	-	-	-
- Shares in NZ Local Government Funding Agency	-	-	-	-
Total sensitivity to equity price risk	-	-	-	-

2021	-100bps		+100bps	
	Profit \$000	Other equity \$000	Profit \$000	Other equity \$000
Interest Rate Risk				
Financial assets				
Cash and cash equivalents	(127)	-	127	-
Other financial assets:				
- Term deposits	-	-	-	-
- LGFA Borrower notes	(13)	-	13	-
- Community loans	(2)	-	2	-
- Other investments	-	-	-	-
Financial liabilities				
Secured loans	878	-	(878)	-
Total sensitivity to interest rate risk	736	-	(736)	-
Equity Price Risk				
	-10%		10%	
Financial assets				
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	-
- Shares in Manawatū-Wanganui LASS Limited	-	-	-	-
- Shares in NZ Local Government Funding Agency	-	-	-	-
Total sensitivity to equity price risk	-	-	-	-

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 \$13,713,330 (last year: \$11,629,345) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$137,133 (last year: \$116,293). The Group has cash and cash equivalents include deposits on call totalling \$13,912,088 (last year: \$12,670,752) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$139,120 (last year: \$126,208).

2 Community loans

Council has floating rate community advances with a principal amount totalling \$4,539,446 (last year: \$3,446,485). A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$45,394 (last year: \$34,465). The Group has floating rate community advances with a principal amount totalling \$60,487 (last year: \$65,488). A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$605 (last year: \$655).

3 Local authority stock and other investments

The Council has floating rate term bonds and deposits totalling \$436,000 (last year: \$436,000) that are held to maturity. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$4,360 (last year: \$4,360).

Financial Liabilities

4 Secured loans

Council has a floating rate debt with a principal amount totalling \$44,900,000 (last year: \$39,500,000). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$449,000 (last year: \$395,000).

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 \$202,401 at 31 December 2021. These shares are accounted for at cost.

Council holds unlisted equity instruments in Manawatū-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 these reserves and, where applicable, deductions are made where funds have been used for the purpose they were given or established.

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

The only externally imposed requirements for Council's 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 2021/22 Annual Plan, which is the first year of the Long Term Plan 2021-2031, are detailed below.

Statement of Comprehensive Revenue and Expense

The operating surplus for the year is \$13.3M, against a budgeted surplus of \$8.7M. The following are the most significant variances:

- Subsidies and Grants are \$3.8M above budget. Capital grants for the construction of the Ōhakea rural water scheme are \$3.3M above budget due to milestones in the funding contract that were planned for the 2020/21 financial year being delayed until 2021/22. NZTA operational subsidies are \$600k above budget as a result of additional funding made available for emergency works required to remedy damage caused by the December 2021 flooding.
- Development and financial contributions are \$614k above budget. This is a result of a higher number of development contributions received as well as a large number of capital contributions for water/wastewater connections.
- Personnel costs are \$1.4M under budget due to a number of vacancies throughout the year and delays in recruitment.
- Depreciation is \$881k favourable to budget. Depreciation in Water Supply and Wastewater is above budget due to assets being retired as part of wastewater centralisation and the Feilding water strategy. This is offset by lower depreciation in Rooding due to assets revaluations having a lower than anticipated impact, Property due to the sale of the Bowen Street building and the vehicle fleet as a result of slower renewals due to supply restrictions.

- Other Operating costs are over budget by \$2.4M. Consultants were over budget by \$1.1M due to resourcing issues in building control and consent planning. Energy costs were \$273 over budget predominantly as a result of higher gas charges for the Makino Aquatic Centre. Operational Projects were \$1M above budget as a result of emergency roading works required after the December 2021 floods.

Statement of Financial Position

The most significant movements are:

- Cash and cash equivalents are higher than budget by \$9.6M due to a higher than expected opening balance.
- Property, plant and equipment \$205.5M higher than budget due to a higher than budgeted movement from asset revaluations.
- Creditors and other payables are higher than budget due to the level of capital works carried out in June.
- Total borrowing is in-line with budget, the offsetting variances are simply due to the loans being classified as current and term.

Statement of Cash Flows

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

36. Breach of Statutory Deadline

The Manawatū District Council was required under Section 98 of the Local Government Act 2002 to complete its audited financial statements and service performance information by 31 December 2022. This deadline was not met.

Summary of Significant Policies

Hei whakarāpopoto i ngā Kaupapahere Kaute Tāpua

Report on Liability Management and Investment Policies

Liability Management Policy

During the course of the financial year, Council raised \$8.9 million of debt, repaid \$5.9 million of debt, resulting in an increase of debt from \$85.7 million at the start of the financial year to \$88.8 million at 30 June 2022.

Key Statistics	Actual 2022	Budget 2022	Actual 2021
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).	2.4%	2.9%	2.4%
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).	4.3%	4.4%	3.7%
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).	107.9%	128.1%	123.0%
Available financial accommodation (external indebtedness, plus committed but undrawn debt plus liquid investment) must not be less than 110% of external indebtedness.	126.7%	116.2%	123.0%
Net Working Capital Ratio is greater than 1 (current assets compared to current liabilities excluding current portion of debt and properties for sale)	1.72	0.99	1.69
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.	13.0%	12.1%	13.4%

There were no 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 \$147k was a decrease on last year's \$206k, 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, Manawatū-Wanganui LASS Limited and the Central Economic Development Agency. These shares are held for strategic purposes.

Breach of Policy

There have been no breaches of the investment policy.

Report on Revenue and Financing Policy

Council's current Revenue and Financing Policy was adopted as part of the 2021-2031 Long Term Plan (LTP). The Funding Policy sets out who will pay and how they will pay 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 2022.

Group of Activities	Function	ACTUAL		FUNDING POLICY	
		Public	Private	Public	Private
Community Facilities	Cemeteries	68%	32%	70%	30%
	District Libraries	85%	15%	95%	5%
	Makino Aquatic Centre	80%	20%	65%	35%
	Parks and Reserves	78%	22%	95%	5%
	Property	89%	11%	70%	30%
	Local Halls and Complexes	100%	0%	100%	0%
	Public Conveniences	100%	0%	100%	0%
District Development	Community Development	100%	0%	100%	0%
	Economic Development	100%	0%	100%	0%
	Feilding CBD Security	20%	80%	20%	80%
Emergency Management	Civil Defence	74%	26%	100%	0%
Regulatory	Animal Control	42%	58%	40%	60%
	Building Control	38%	62%	40%	60%
	Compliance and Monitoring	72%	28%	90%	10%
	Consent Planning	56%	44%	70%	30%
	District Planning	100%	0%	100%	0%
Governance and Strategy	Governance and Strategy	100%	0%	100%	0%
Roading Network	Roading	41%	59%	55%	45%
	Feilding CBD Redevelopment	15%	85%	15%	85%
Solid Waste	Solid Waste Collection and Disposal	52%	48%	50%	
	Feilding Kerbside Collection	0%	100%	0%	100%
Stormwater	Urban Stormwater	20%	80%	20%	80%
	Rural Land Drainage	0%	100%	0%	100%
Wastewater	Wastewater	0%	100%	0%	100%
Water Supply	Water Supply	0%	100%	0%	100%

Report on Council Controlled Organisations

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 well-being 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 2022.

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2022

	Actual 2022 \$000	Actual 2021 \$000
Revenue		
Interest	2	1
Other revenue	2,380	2,213
Total Revenue	2,382	2,214
Employee benefit expenses	274	195
Depreciation	812	445
Finance costs	143	140
Other expenses	903	917
Loss on assets disposal	-	-
Property, plant and equipment impairment loss	-	-
Total Operating Expenditure	2,132	1,697
Operating Surplus/(Deficit)	250	517
Other comprehensive revenue and expense	-	-
Net Surplus/(Deficit)	250	517

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-Manawatū LASS Limited

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

Council has exempted this company from being a CCO.

Central Economic Development Agency Limited

For the year ended 30 June 2022 the Central Economic Development Agency Limited had current assets totalling \$2,115,054 (last year \$1,552,792) including cash and cash equivalents of \$2,039,054 (last year \$1,515,833), non-current assets of \$26,656 (last year \$31,508), current liabilities of \$1,571,221 (last year \$1,026,956) and non-current liabilities of \$0 (last year \$0). All current liabilities are considered to be current financial liabilities.

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2022

	Actual 2022 \$000	Actual 2021 \$000
Revenue		
Council funding	2,513	2,513
Services revenue	1,203	1,171
Project revenue	42	304
Interest	15	3
Other revenue	1	-
Total Revenue	3,774	3,991
Employee expense	1,359	1,566
Operating expenses	2,180	1,987
Project expenses	44	422
Director's fees	172	177
Depreciation	4	8
Financing expenses	-	-
Loss on assets disposal	-	15
Total Operating Expenditure	3,759	4,175
Operating Surplus/(Deficit) before Taxation	14	(184)
Income tax expense	1	-
Operating Surplus/(Deficit) after Taxation	13	(184)
Other comprehensive revenue and expense	-	-
Net Surplus/(Deficit)	13	(184)

Reporting against the Statement of Intent

Manawatū Community Trust: for the year ended 30 June 2022

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

	Target	Results
Housing Portfolio		
All occupied flats meet or exceed healthy Living Standard Regulations.	Carry out refurbishment or upgrade on flats to ensure that they meet appropriate standards - Target: eight flats per annum.	Partially achieved. One flat renovation completed, two more completed in July 22, a further three renovations started. (last year five refurbishments)
Additional housing stock.	Have at least 10 new units constructed and occupied by June 2022.	Building consent for 12 new units submitted.
Housing Maintenance		
Maintenance requests from tenants are recorded electronically and are subsequently responded to in accordance with their priority.	Electronic recording indicates maintenance requests are assessed and addressed promptly.	A total of 679 jobs were entered into our maintenance database for the year.
Service Contractors are engaged with regard to their ability to provide prompt and reliable services to our tenants.	Service contractors are engaged in accordance with the priority of the maintenance request.	Of those, 13 were regarded as urgent. All of these were water related and were referred to our plumber as 'urgent' jobs.
Housing Occupancy		
Maintain a high occupancy level.	Average month end occupancy level \geq 95%.	Flat occupancy averaged at 96% for the year. (Last year 97%).
Health Services		
Facilitate the redevelopment of Clevely Wing of the Integrated Family Health Centre complex in Feilding.	Clevely Wing operational by June 2023.	The construction stage of the Clevely Wing redevelopment was completed on 14 June 2022.
Manawatū Community and Development		
Collaborate with groups working with older persons to explore where opportunities exist to improve or provide well-being services.	Develop and maintain working project partnerships consistent with the Trust's vision with two other community groups by June 2023.	A collaboration between MDC, MHSS, Massey and MCT produced a report 'Smart Community Well-being- Providing Services for Age-Friendly Communities of the Future in the Manawatū.'
Availability of suitable land and residential planning regulations have been assessed.	Agreements reached on co-operative goals. The Trust has access to land for development by June 2023.	Discussions continue with MDC relating to potential sites for additional housing.

	Target	Results
Compliance with current accounting policies		
Ensure that a positive financial return on investment in line with the nature and condition of the Trusts' assets is achieved for re-investment and repayment of capital loans.	The level of housing rental income for the year to be spent on capital improvements and major maintenance to be 45-55%	Our percentage of housing rental income spent on capital improvements and maintenance during the year was 26.2%.
Provide financial reporting to Manawatū District Council as required.	Each report is to be prepared and presented before the due date.	The MCT reports were prepared on time, but Audit NZ was unable to start our audit until 1 November, and final reports were not returned to us until mid-January 2023.
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 81% (last year 82%).

Central Economic Development Agency Limited for the year ended 30 June 2022

The key objectives for the 2021/22 year were to:

	Target	Results
Attract, retain and develop talent in the region		
Lead and support the regions attraction and retention of talent, skills, and investment.	Deliver year two of the Te Aho Tāmaka Three-Year strategy, including two leaders aligning their support to relevant regional projects, building business or talent capability.	Two new leaders were welcomed into Te Aho Tāmaka Leaders Programme. Four engagement events took place during the year. These sessions were shared through relevant CEDA channels.
Retain businesses in the region through engagement and identification of barriers to growth.	Implement year one of the Business Retention and Expansion Strategy through structured business engagements, identifying specific business expansion constraints and facilitating resolutions.	CEDA developed and commenced implementation of the Business Attraction, Retention and Expansion strategy for Manawatū. An engagement plan has been developed to support CEDA's engagement with key business leaders and businesses, consisting of over 100 regional businesses that are of significance to the region. 13 businesses have been engaged to date.
Develop and grow businesses by delivering information, advice, and support.	580 businesses supported through CEDA business development programmes and activities including the Regional Business Partner Programme.	540 unique businesses supported year to date which included, 621 total engagements through CEDA programmes and activities including 245 Capability development engagements, 43 Business Mentor matches, 59 Visitor Operators supported and 48 Digital Champion Programme businesses. This total includes 34 Māori businesses supported.

	Target	Results
Profile the region to attract people, business, and investment		
Lead and develop the stories of Manawatū, creating a narrative and a unified positioning, incorporating the cultural heritage of iwi.	40 direct media features published profiling the region across people, place, and business with a reach of more than 2.5 million people.	71 media features profiling the city and region have been achieved through CEDA's work, across print, radio and digital platforms with a combined reach of 30,228,674 readers, listeners and subscribers.
Grow engagement on regional web and digital platforms for increased promotion of and information on the region.	11% increase in 'sessions' on ManawatūNZ.co.nz, and social media engagement.	<p>Web traffic for ManawatūNZ.co.nz in the 2021/22 financial year was up 1.7% with 254,233 sessions vs 250,000 (baseline set in 2020/21).</p> <p>Regional social media channels saw growth. Palmy & Manawatū FB followers (21,560), up 4.58% from 7 July 21 (20,616). (Note: 7 July 2021 is when we merged ManawatūNZ and MyManawatū Facebook pages.). ManawatūNZ Instagram followers (7,925), up 3.36% from 1 July 21 (7,667)</p>
Lead inclusive and sustainable economic development for the region		
Economic impact information regularly communicated to stakeholders and business, including iwi and Māori business sector.	Set baseline for audience engagement across key communications including economic updates, Māori economy data and regional news. Set baseline now from 20-21 year.	<ul style="list-style-type: none"> • 92 engagement activities year to date: • 4 Quarterly Economic Overviews • 3 Quarterly Retail Reports produced • 57 '60 Seconds with CEDA' sent • 10 Training & Development Guides • 2 Business Surveys • 3 Visitor Industry Updates • 12 media profiles, stories or commentary provided <p>CEDA.nz June 2022 sessions were up 2.75% from June 2021, with YOY sessions down 19.77%.</p> <p>CEDA Facebook followers (1,071), up 41.2% from 1 July 2021 (758). Target for the FY was 1,100 followers. 148 posts published from 1 July 2021 to 30 June 2022.</p> <p>CEDA LinkedIn followers (1,030), up 18.3% from 1 July 2021 (870). Target for the FY was 950 followers. 106 posts published from 1 July 2021 to 30 June 2022.</p> <p>Māori Economic Report published on Māori business activity in the Manawatū-Whanganui region.</p>
Development of Business Plan with outcomes on delivery of the Statement of Intent.	Business Plan developed and delivered to shareholders by 31 October.	Business plan delivered to shareholders.

Annual Report Disclosure Statement for year ending 30 June 2022

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 or not 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

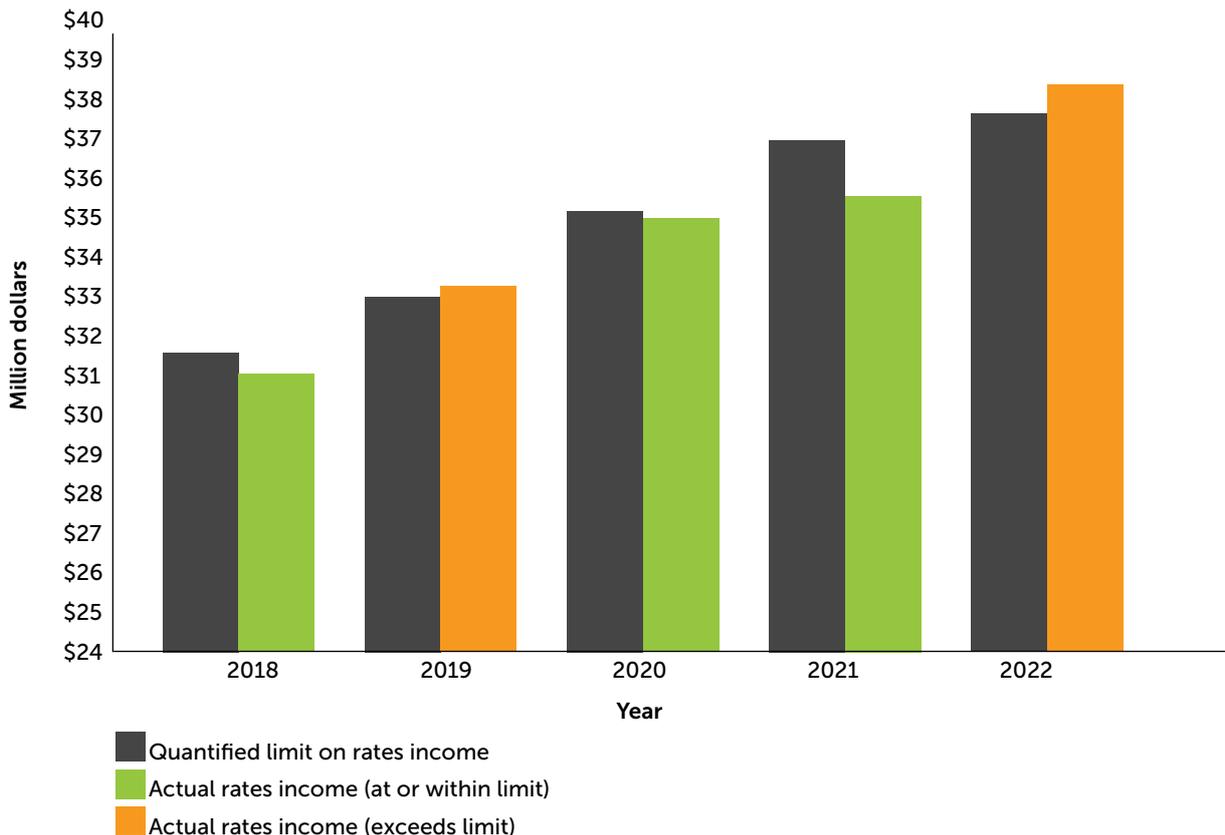
The Council meets the rates affordability benchmark if—

- 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 1.7%, measured in million dollars. LGCI is the Local Government Cost Index provided by Business and Economic Research Limited (BERL) each year.

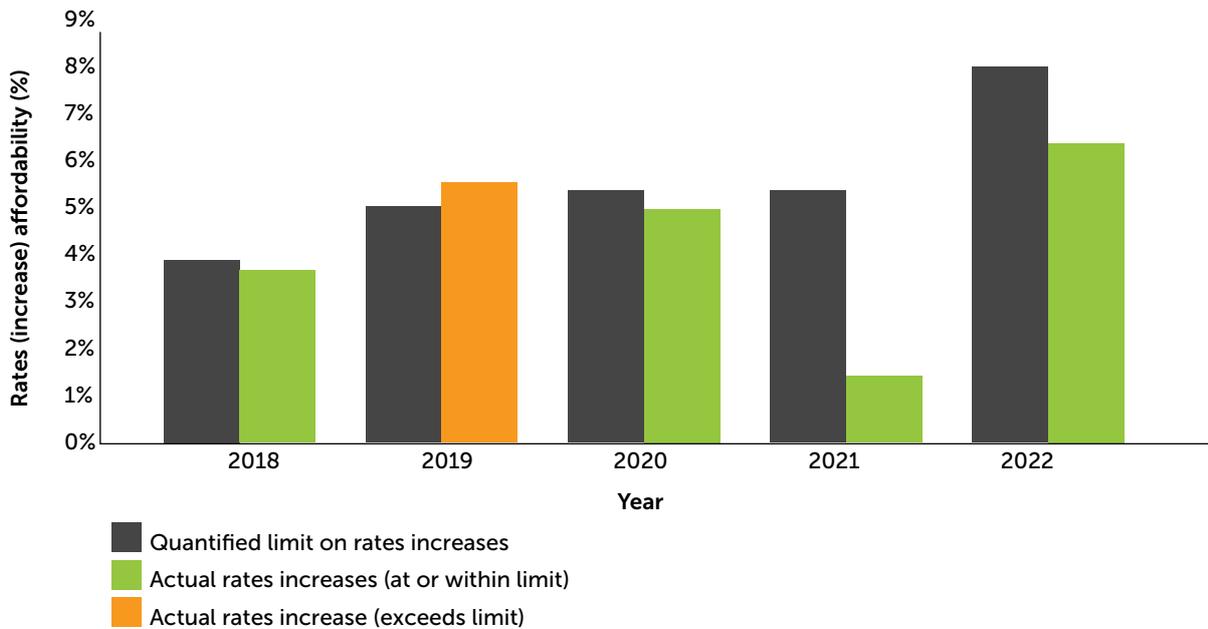
In 2019, the number of SUIPs (Separately Used or Inhabited Parts) for the actual rates calculation exceeded the forecast number used when setting the budget by 186 units. This has resulted in more rates being collected than anticipated in the budget. This reflects the strong level of growth within the 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 reported 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 2.3%).



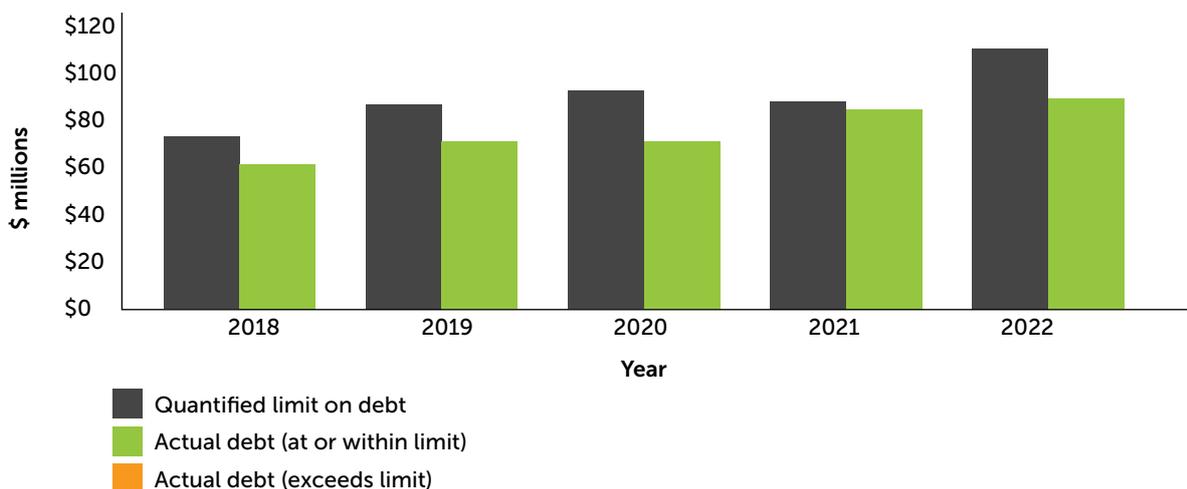
Debt affordability benchmark

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

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



Balanced budget benchmark

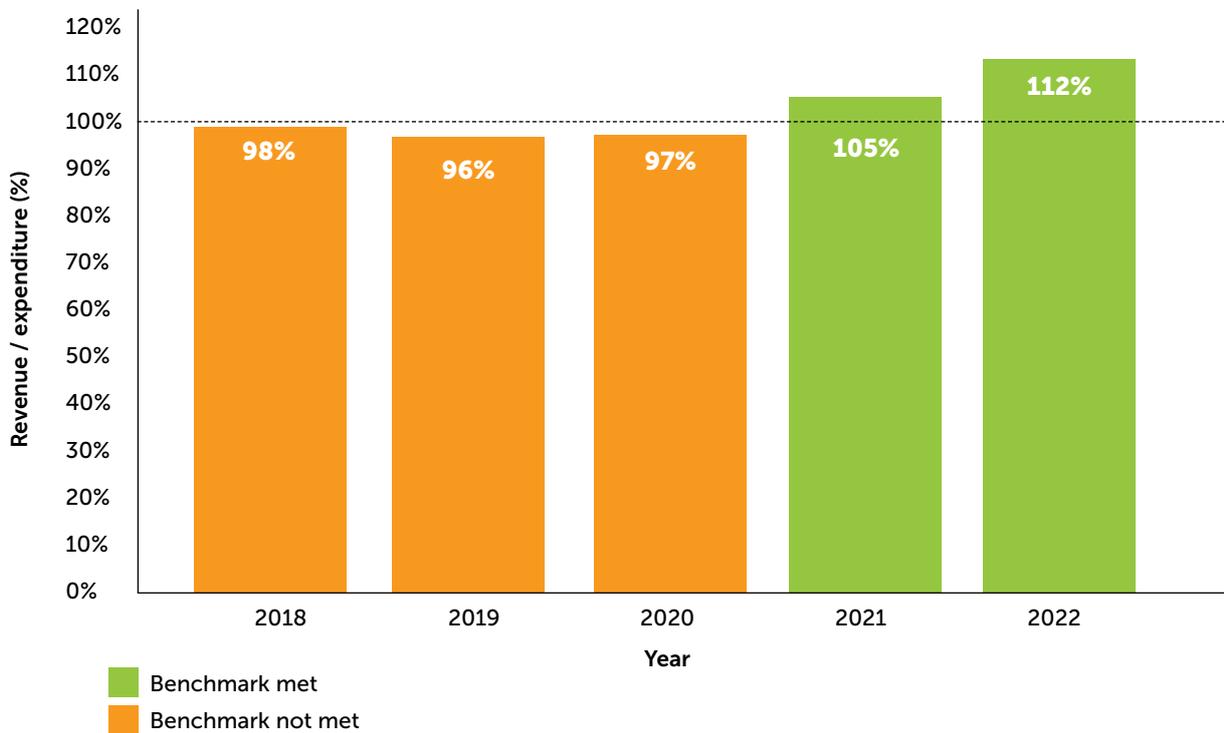
The following graph displays the Council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial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

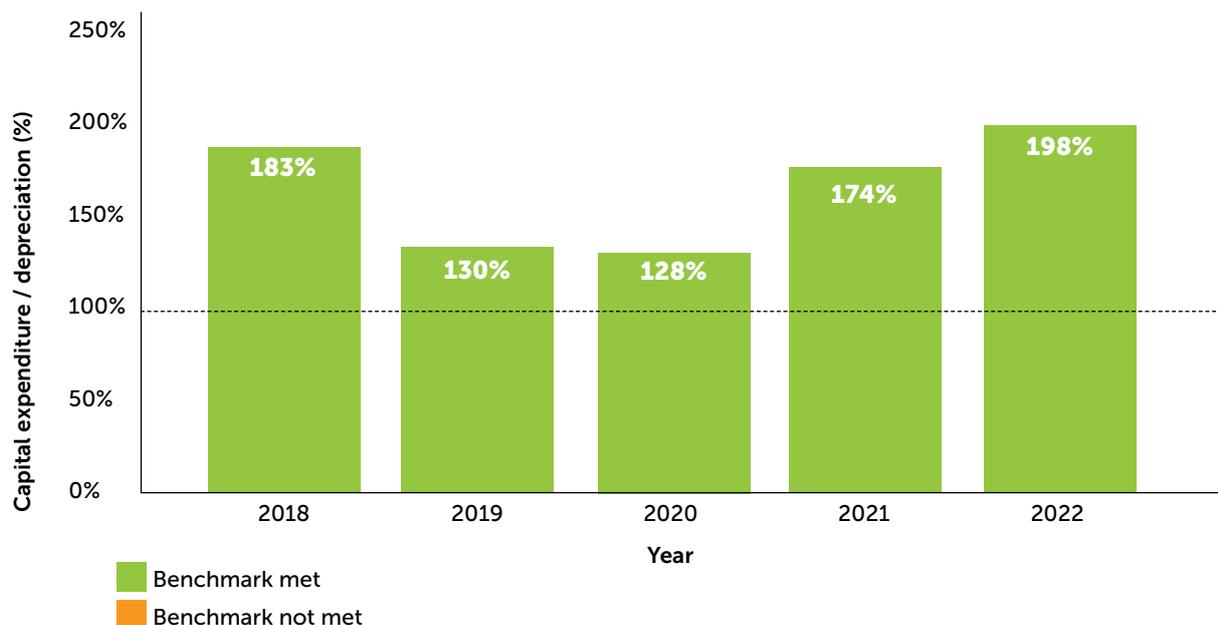
In 2020, revaluations for infrastructure assets, buildings and land were higher than anticipated resulting in \$2 million of unbudgeted depreciation.



Essential Services Benchmark

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

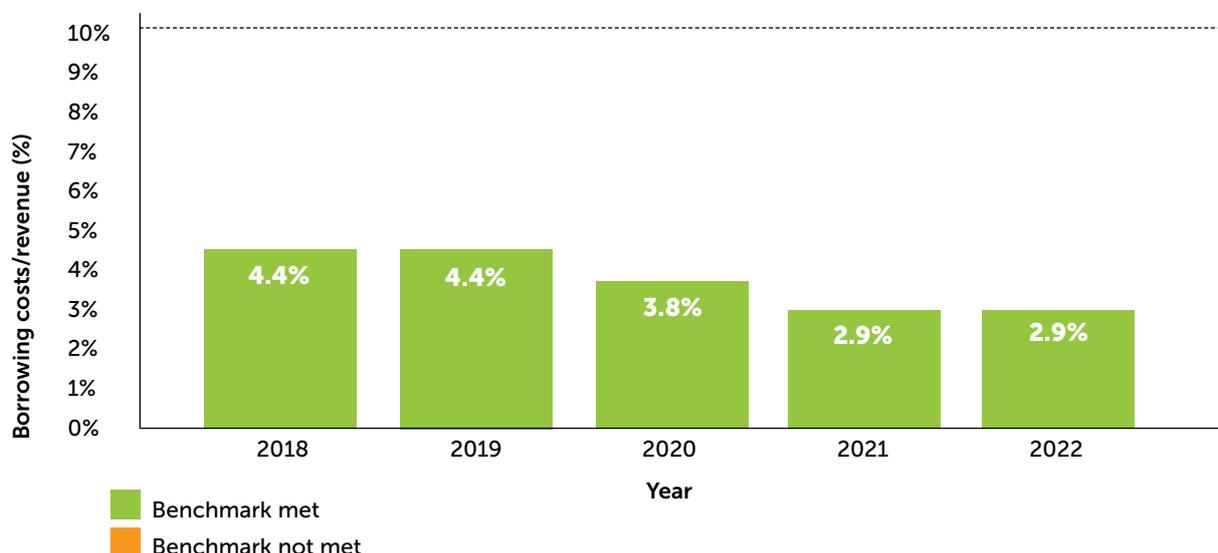
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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 and 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.

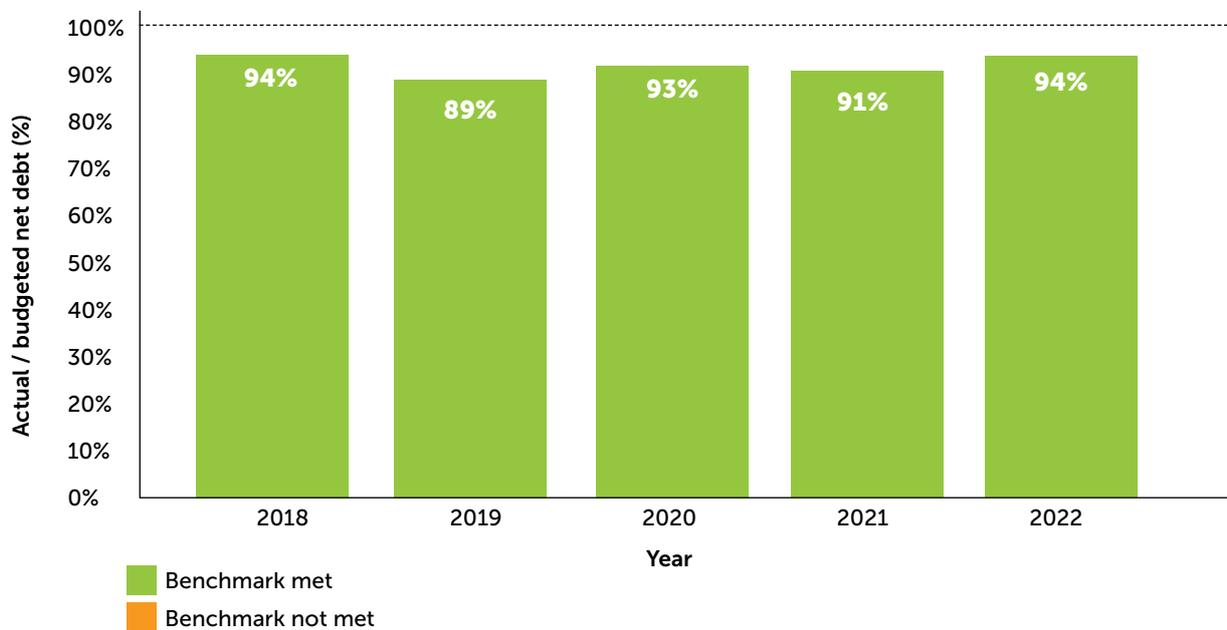




Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of its 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.





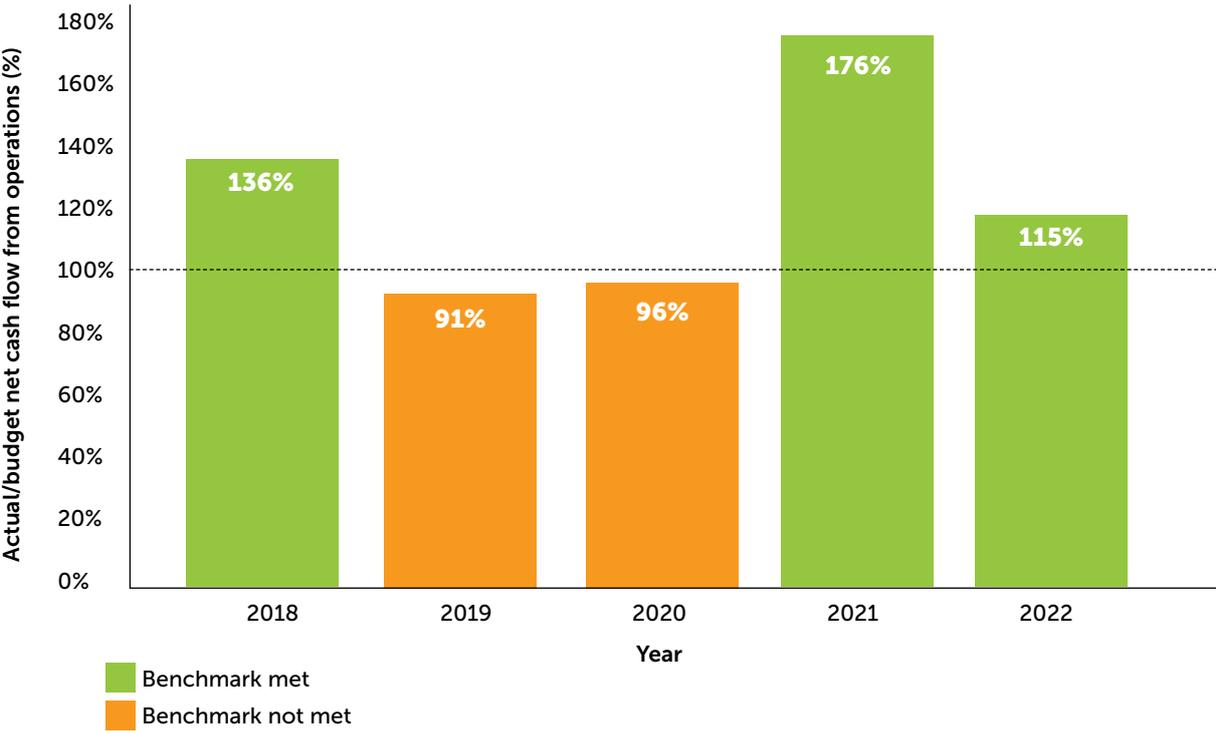
Operations control benchmark

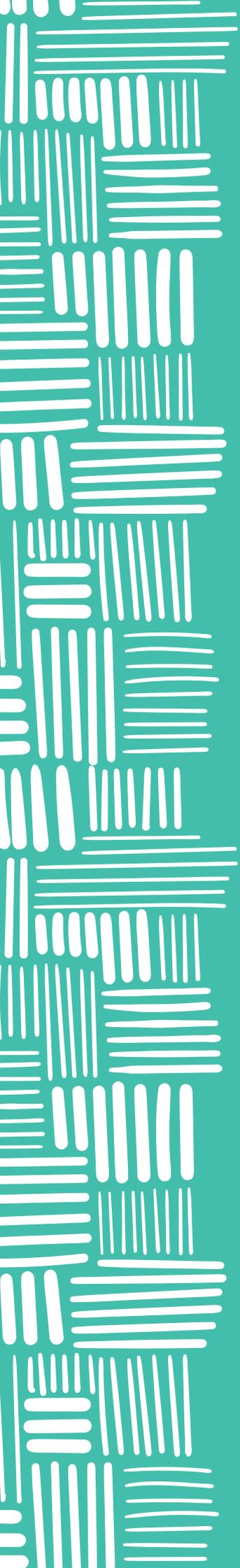
This graph displays the Council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations.

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 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.

In 2020 there was \$1.5M in revenue budgeted for a Commercial Waste Contract which did not proceed.





Section 4:

Other Information

Wāhanga 4:

He Kōrero Atu Anō





Manawatū District Council Executive Team

Te Kaunihera ā-Rohe o Manawatū
Kāhui Whakahaere

Chief Executive



Shayne Harris

Executive Team



Amanda Calman

Chief Financial
Officer



Cathy Robinson

General Manager
Corporate Services



Frances Smorti

General Manager
People & Culture



Hamish Waugh

General Manager
Infrastructure



Lyn Daly

General Manager
Community

Elected Members Responsibilities

Ngā Kawenga Mahi a ngā Māngai Kaunihera

Elected Member	Standing Committee of Council					Non-committee of Council	
	Audit & Risk	CE Employment Committee	Community Dev Committee	Hearings Committee	MDC/ PNCC Joint Strategic Planning Committee	* Creative Communities	* District Licensing Committee
 Mayor Helen Worboys	✓	✓	✓	✓	CHAIR		
 Steve Bielski		✓	✓		✓		
 Stuart Campbell	CHAIR	✓					
 Shane Casey	✓	✓	✓	CHAIR			
 Michael Ford		CHAIR		✓	✓		
 Heather Gee-Taylor		✓	CHAIR	✓		✓	
 Grant Hadfield	✓	✓		✓	✓		
 Phil Marsh	✓	✓		✓	✓		
 Andrew Quarrie		✓		✓			
 Alison Short	✓	✓	✓	✓		✓	✓

* Committee includes members who are not elected members of MDC



Hillary Humphrey resignation on 14th February 2022.

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 Manawātū 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 customers' and stakeholders' needs and to respond effectively to them.

Consistent with our values, we will ensure that diversity and inclusion are 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 2021/22 Equal Employment Opportunities programme

Training and education was implemented and targeted to areas of greatest need. Management policies were reviewed and amended as appropriate. The employee engagement survey was undertaken to gauge the organisation's culture, with pleasing results significantly above the Local Government average. The Diversity and Inclusion workgroup was formed, with a view to creating a full Diversity and Inclusion strategy in the coming year.

Processes and activities in which Māori contributed to Council's decision-making processes in 2021/22

Manawatū District Council is committed to partnering with local whānau, hapū and iwi Māori to work towards improving the well-being of everyone - Māori and Pakeha - in our District.

Council is currently seeking to improve whakawhānaungatanga (building relationships) with Māori and changing its approach with engagement and decision making. This will ensure that it aligns with Te Kīwai o Te Kete, as adopted in December 2020.

The upcoming 2022 local elections will be the first time that voters on the Māori roll will be able to vote for a councillor in the Ngā Tapuāe

o Matangi, the Māori ward. This will ensure a Māori voice at the governance table and a small expression of tino rangatiratanga as expressed in the Treaty of Waitangi.

Te Kōtui Reo Taumata Collective

Te Kōtui Reo Taumata was established in May 2021 to represent the marae and hapū living within the Manawatū District. They are working with Manawatū District Council to help shape its approach with engagement and decision making for Māori within the district.

Māori as key stakeholders played a critical role in the outcome/process of the following:

Project	Involvement
District Plan Change - Papakāinga	Feedback received from iwi Māori on what the plan rules should look like.
Sanson Bore	Approval through the consent process received from Ngāti Apa, Rangitāne and Ngāti Raukawa.
Mangaweka Bridge replacement	Ngāti Hauiti (mana whenua) and Council worked together to open the bridge.
Library redevelopment project	Initial advice was gathered from Marae representatives on the concept design. A small team of iwi artists is involved in the cultural theme and design aspects.

Other ways Manawatū District Council facilitates capacity building and contribution to decision making

Kaitohu Aporei - Māori (Principle Adviser – Māori)

A critical liaison role between Council and whānau, hapū, and iwi Māori. The Kaitohu Aporei - Māori works to increase cultural literacy of Council staff and facilitates mutual understanding between Manawatū District Council and the Māori community.

Mana Whakahaere – Ngāti Kauwhata and Manawatū District Council Collective

This group was formed as a result of the Ōroua Declaration signed between Ngāti Kauwhata and the Manawatū District Council. It comprises rangatira (leaders) from the iwi and Council, whose primary purpose is to protect and improve the mauri (life force) of the Ōroua River. One of the aims is to improve the health and the well-being of the river to a point where Ngāti Kauwhata see fit to remove the rāhui (temporary prohibitions / cultural restriction) placed on the river by kaumātua of Ngāti Kauwhata.

Grants 2021/22

Te Tuku Takuhe

During 2021/22, Council approved a number of grants whereby outcomes align to its Community Development Strategy.

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

Rates Remission for Charitable Organisations

The following organisations were assessed and approved by Council's Community Development 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 2021/22.

Private Cemetery/Urupā Fund

The purpose of the Private Cemetery/Urupā Fund is to assist with costs associated with the upkeep of private cemetery/urupā located within the Manawatū District.

Organisation	Remission \$
Anglican Parishes of the Oroua – Stanway and Kiwitea Churches	1,000
Aorangi Urupā	2,200
Rongopai Urupā	1,120
	\$4,320



Charitable Organisation	Remission \$
Activate Church Feilding	7,208
Anglican Parish of Oroua	5,046
Eden Christian Kindergarten	71
Feilding Baptist Church	605
Feilding & Districts Art Society	3,095
Feilding & District Caledonian Society	2,662
Feilding & District Steam Rail Society Inc	3,024
Feilding Civic Centre Trust	5,337
Feilding Congregation of Jehovah's Witnesses	1,619
Feilding Golf Club	2,266
Feilding Guides and Scout Association	2,396
Feilding Kindergarten	943
Feilding Lifepoint Church	1,886
Feilding Oroua Presbyterian Parish	605
Feilding Playcentre	747
Foxton Shannon Co-operating Parish	534
Halcombe Playcentre	954
Halcombe Rugby Football Club	1,142
Hapaitia Kohanga Reo	747
Highland Home Christian Camp	2,143
Himatangi Beach Bowling Inc	1,548
IHC NZ Inc	3,616
Johnston Park Bowls Inc	2,846
Manawatū Community Trust	135,740
Manawatū NZ Riding for the Disabled	334
Manchester House Social Services Society	4,673
Manfeild Park Trust	6,951
National Spiritual Assembly of the Baha'is of Manawatū	605
Plunket – Feilding	3,228
Rangiwahia Environmental Arts Centre Trust	108
Rongotea Bible Chapel	338
Rongotea Returned Service Association	994
Rongotea Uniting Parish	534
Ruahine Kindergarten Association	2,120
Salvation Army Feilding Corps	7,559
Seventh Day Adventist Church	605
St Brigids Catholic Church	71
St Marks Methodist Congregation	2,492
Taumata O Te Ra Marae	4,950
Te Manawa Family Services Charitable Trust	2,658
The Church at Feilding	605
The Manawatū Historic Vehicle Collection Trust	5,882
The Order of St John Regional Trust Board	5,452
Trinity Lutheran Parish	605
	\$237,544

Priority Services Fund

The following organisations were assessed and approved to receive multi-year financial support as per the Community Development Policy. The following is a breakdown of the amount of financial support these organisations received in 2021/22.

Organisation		Remission \$
Age Concern	Delivery of Accredited Visiting Service to seniors	5,000
Feilding Community Patrol	Patrol services for Feilding community	3,500
Feilding & District Promotion Inc	Community Development, Events, "Grass Roots" Economic Development, District Information Centre and CBD Security Service Administration	436,000
Feilding & District Youth Board	Care Experience Support Group Programme	7,500
Himatangi Beach Community Patrol	Patrol services for Himatangi Beach and community	3,500
Manawatū District Neighbourhood Support Inc	Music and Movement programme for seniors mental health reintegration, Intergenerational Buddy Reading Programme in schools, Emergency Preparedness	30,000
Manawatū Historic Vehicle Collection Trust	Maintenance of archives, Support for additional museum activities including exhibitions	30,000
Manawatū Rural Support Services Inc	Community support services, referrals and advice for social support for northern rural community	15,000
Manchester House Social Services Society	Meth Support Group activities, Emergency Food Bank, Budgeting Support, Counselling, Senior Leisure Centre	60,000
Palmerston North Surf Life Saving Club Inc	Delivery of regional lifeguard service at Himatangi Beach Monday to Friday for five weeks	15,000
Parent to Parent Manawatū	Outreach Programme - provide essential services and support to families with children or family members with a disability, disorder or health problem	2,500
Plant to Plate Aotearoa	Delivery of Plant to Plate programme to primary schools, Education and awareness of growing, cooking and eating healthy nutritious kai, from establishing gardens and use of produce in an on-site cooking programme, Transmission of knowledge to whānau and community	10,000
SnapBACK Gym	Youth Mentor Programme	10,000
St John Feilding Area Committee	Provision of health shuttle service in Feilding	5,000
SuperGrans Manawatū Charitable Trust	Cooking Skills with SuperGrans including tips on healthy budget food choices	2,211
Te Manawa Services Charitable Trust	Stand up Speak Out Anti-bullying Programme and Community engagement and awareness, Youth and Parenting Programme - providing education to parents to feel supported and make positive informed parenting decisions	47,500
Whatunga Tuao - Volunteer Central	Recognising and supporting volunteering opportunities, Supporting organisations to co-ordinate and place volunteers	5,000
		\$687,711

Representative Fund

The following is a breakdown of Manawatū District residents who were approved financial assistance from Council to attend a regional, national or international event during 2021/22 as a representative of the District, Region or New Zealand.

Organisation/Individual Activity/Programme		Remission \$
Megan Farndale	Qualified to compete at the Coast to Coast Multisport World Championship Race from Hokitika to Christchurch	1,000
Sian Rowden-Pyzer	Selected for the Manawatū U17 Girls' Basketball Team to compete at the NZ Nationals, Dunedin as well as selected for the Manawatū Netball U16A Girls' team to compete at the Nationals, New Plymouth	1,000
Lachlan Crate	Selected to represent Manawatū in the U15 Boys' Basketball Team to compete at the NZ Nationals, Auckland	500
Tom Varney	Selected for the 2021/22 New Zealand Secondary Schools Choir to go on either an international tour or a domestic NZ tour	1,000
Colyton School Jump Jam Team	Qualified to compete at the NZ National Jump Jam Competitions, Tauranga	1,500
Jayden Mataki	Selected to represent Manawatū in the U13 Boys' Basketball Team to compete at the Regional Championships, Hastings	500
Jensen and Kai Alcock	Selected to the U18 New Zealand Canoe Polo Team to compete in two national tournaments, Palmerston North and Hastings	1,000
Jago Alcock	Selected to represent New Zealand in the U21 Men's Canoe Polo Team to compete in the World Championship, France	2,000
Karlos Adams	Selected to represent New Zealand in the U18 Boys Tenpin Bowling Team to compete at the Hobart ANC2022, Australia	2,000
Lachlan Crate	Selected as one of the top 24 New Zealand U15 boys basketball players to attend Basketball NZ Selection Camp, Auckland	550
Joshua Humphreys	Qualified to enter and compete at the 2022 New Zealand Division II Swimming Competition, Dunedin	1,000
Grace Hallett	Selected to represent Manawatū in the U16 Netball Manawatū Squad to compete in five Central Netball Zone Tournaments	885
Maraea Graham	Selected to represent Manawatū in the U18 Netball Manawatū Team to compete at Netball NZ's U18 Championships, Christchurch	1,000
Nikki Baker, Jade Askin, Logan Baker, Tabitha Askin and Cooper McKenzie (Junior Young Farmers and Agrikids)	Qualified to represent the Manawatū/Taranaki region at the 2022 Grand Final NZ Junior Young Farmer of the Year. Qualified to represent the Manawatū/Taranaki region at the 2022 Grand Final Agrikids (NZ Young Farmers), Whangarei	3,050
Sian Rowden-Pyzer	Selected to represent Manawatū in the U17 Girls Basketball Squad to compete at the 2022 U17 Basketball NZ Nationals, Hamilton.	887
		\$17,872

Community Development Fund

The following organisations were assessed and approved by Council’s Community Development Assessment Panel to receive financial support for grassroots initiatives which contribute to the Community Development Strategy’s vision of “Our District offers a high quality of life for all residents” as per the Community Development Policy.

Organisation Activity/Programme		Remission \$
Neighbourhood Support Manawatū	Towards the cost of a Youth Expo	1,157
Te Kura Kaupapa Māori o Manawatū	Towards the cost of Te Puāwaitanga	5,000
Victim Support	Towards the cost of providing the Victim Support Volunteer Programme in the Manawatū	3,000
Bhutanese Society of New Zealand	Towards the cost of providing the Bhutanese Youth Rehabilitation Programme	10,000
Bhutanese Society of New Zealand	Towards the cost of Social Isolation for Seniors Project	5,000
Manawatū Community Trust	To assist with the costs of a comprehensive needs assessment that focuses on the requirements of our future Senior Citizens	20,000
Tangimoana Community Committee	Towards the cost of the Tangimoana Community Centennial Celebrations	2,635
		\$46,792



Event Fund

The following organisations were assessed and approved by Council's Community Development Assessment Panel to receive financial support as per the Community Development Policy to support events that are primarily of benefit to Manawatū District residents and directly contribute to the Community Development Strategy's vision of "Our District offers a high quality of life for all residents".

Organisation Activity/Programme		Remission \$
Kimbolton Arts and Sculpture Trust	Towards the costs of holding the Annual Kimbolton Sculpture Festival	15,000
Feilding Amateur Swimming Club Inc	Towards the cost of hosting the FASC Swimming Carnival	874
NZBW – The Brave Thinkers	Towards the cost of holding the New Zealand Business Week – The Brave Thinkers 2022	3,300
Feilding Christian Leaders Network	Towards the cost of holding Night Glow Carols (Previously Carols by Candlelight)	979
Kawakawa Kahui Ako	Towards the cost of holding sparking potential "kia hī ake ana te ataakura"	6,000
Stuff	Towards the cost of bringing the New Zealand House and Garden Tour to the Manawatū Region	10,000
Step 'N Thyme Marching Team	Towards the cost of holding the annual Marching Display Day	350
Manawatū and West Coast A & P Association	Towards the cost of holding the New Zealand Dairy Event	4,000
Rangiotu Memorial Hall Society	Towards the cost of holding a Bainesse/Rangiotu Community Christmas Gathering	1,000
Rotary Club of Feilding	Towards the cost of the annual Feilding Christmas Cave	1,500
Kiwibots	Towards the cost of holding the VEX IQ Challenge National Championship	5,000
Feilding I A & P Association	Towards the costs of holding their Annual Show Day	4,000
Manawatū Business Chamber	Towards sponsoring the Spirit of Manawatū Recognition Award at the 2022 Manawatū Business Awards	10,000
Feilding and District Art Society	Towards the marketing costs associated with holding the annual Manawatū Art Expo	3,700
Rangiwahia Ruahine Collie Club	Towards the costs of hiring two portoloos for the annual Rangiwahia Ruahine Dog Trial	276
Whānau Ātaahua Beautiful Families Trust	Towards the costs of holding the annual Matariki Celebrations	10,600
		\$76,579

Creative NZ: Creative Communities Scheme

Council administers on behalf of Creative New Zealand the Creative Communities Scheme which provides funding for arts projects undertaken within the Manawatū District.

Organisation Activity/Programme		Remission \$
The Feilding and District Art Society	School Holiday Have-A-Go Workshop for late primary and intermediate students	1,100
Kimbolton Arts & Sculpture Trust	Introduction to Sculpture Creation Workshop – free one day skills workshop	851
Manchester House Social Services	Art for Seniors Classes	2,819
Neighbourhood Support Manawatū	Live Mural as part of the Manawatū Youth Expo celebrating themes of well-being, mental health, friendship, spirituality, fitness, eating healthy, body positivity, being real online, diversity, sustainability and the environment	1,629
SpontaneoUS	SpontaneoUS on Tour – improvised comedy shows	1,620
Michael Burke	Peace on Earth – Art Exhibition of NZ native flora and fauna through drawing, carving and painting	640
The Feilding and District Art Society	After School Art Classes for primary school students	3,052
Joe McMEnamin	Online Art Classes for Kids – three live art classes on zoom drawing the drover sculpture, the Stormy Point farm landscape and a “Feilding” doodle art project	5,900
Celtic Spirit Inc	Piping for Prostate – showcase local talent while supporting a local charity	5,081
Square Edge Community Arts	Art Trail Manawatū Online Development	6,000
Tangimoana School	Localized Curriculum ‘of the arts’ #loveourschool mural – painting a mural with students and a local artist which symbolizes the school and how it fits into the local environment and its historical significance in the community	4,300
Kawakawa Kahui Ako	Toi Ora: Kawakawa Kahui Ako & Feilding Art Society Art Project – exhibition of school students’ work and opportunity for students to take part in a mentoring programme that connects them with a practicing artist	3,340
Ranchel Dore	Feilding Daylight Writers’ Anthology – publish a book of members’ original writings	1,168
Mt Biggs School	Whakamoe Takapu – creation of two murals with students and a local artist	4,300
		\$41,800



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 2021/22 financial year were:

Organisation	Remission \$
Robert Dickson Education Trust Fund	1,681
Hook Bequest	0
	\$1,681

Community and School Pools

Council allocates funding to assist with chemical costs, on application, to schools who make their swimming pools available for the community's use. Total grants allocated from these funds during the 2021/22 financial year were:

Organisation	Remission \$
Hiwinui School	300
Halcombe School	300
	\$600

Glossary

Whakamāramatanga Kupu

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 just finished (both in financial and non-financial terms).

Asset – land, buildings, infrastructure and facilities owned by Council.

Asset Management Plan – a document that details 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 identity (for example, a hapū, a voluntary organisation or society), an administrative community (such as a district).

Community Outcomes – outcomes that a local authority aims to achieve in order to promote the social, economic, environmental, and cultural well-being of its district or region in the present and for the future. 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 Council activities grouped together for planning and funding purposes. There are five mandatory groups for local authorities set out in the Local Government Act 2002. Other than those five groups, each local authority can organise their activities in a way that is appropriate for their context. The five mandatory groups are:

- water supply
- sewerage and the treatment and disposal of sewage
- stormwater drainage
- flood protection and control works (Regional and Unitary Authorities only)
- the provision of roads and footpaths.

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. Usually referred to as 'Council'.

Local Governance Statement – information prepared under section 40 of the Local Government Act 2002 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), or 10 Year Plan – 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. An assessment of significance is done according to Council's Significance and Engagement Policy.



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