



# Annual Report Summary

2019/20

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

# Contents

Our achievements - A message from Mayor Helen Worboys .....	3
Our Performance - Report from the Chief Executive .....	5
The Manawatū District at a glance .....	6
Your Council - who are we? .....	7
Performance Overview .....	8
Council vision and outcomes .....	9
Where did Council get money? How did Council spend money? .....	11
Summary Statements .....	12
Explanation of Major Variances .....	13
Additional Notes .....	14
COVID-19 Impact .....	16
Audit Report .....	18

## Our achievements – A message from Mayor Helen Worboys

Hello, as Mayor of the Manawatū District and reflecting on the last year's progress, I am proud of what our Council has achieved. I am cautiously optimistic for what next year will bring, given the impact of the coronavirus (COVID-19) outbreak and drought conditions on our people, businesses and communities.

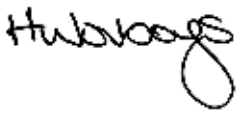
It has been a busy year for Council. Some of the exciting things that have happened during the year have been:

- The Manawatū District economy has been going from strength to strength. The District's impressive GDP growth rate of 3.1% for the year ended March 2020 was driven by population growth, good trade conditions, high employment, house price growth, strong consumer and tourism spending and high levels of investment flowing into the District.
- The local government elections had an excellent outcome for our Council, with all of the sitting elected members voted back plus two new Councillors to replace our retiring Councillors. I wish to thank Barbara Cameron and Howard Voss for their many years of service to our community and wish them all the best in their future endeavors.
- The Community Development Strategy is the result of good engagement between Council and community, outlining what we want for a strong and resilient community along with the actions we will take to get there.
- The outdoor 50m pool at the Makino Aquatic Centre received some much-needed upgrade work. It was retiled, repainted and had a new pipe network installed, all of which will improve safety, energy costs and water consumption.
- We began irrigating our treated wastewater to land near the Feilding wastewater treatment plant, resulting in no wastewater discharging into the Ōroua river. This has continued over the dry summer and will continue until the rain arrives.
- Council signed off Precinct 4, rezoning 187 hectares of rural zoned land to residential zoned land, in the north west of Feilding. This allows space for an extra 1,700 homes to be built. Major infrastructure works have started to support this new residential growth area.
- PFAS contamination of the water supply has been a major ongoing concern to the Ohakea community and the surrounding farmers. After an extended period of negotiation, the Government announced a contribution of \$10.8m towards a new, uncontaminated water supply for the Ohakea community and surrounding farms.
- A new water reservoir at MacDonald Heights in Feilding has been commissioned. The reservoir holds 6.8 million litres of water to provide for the growing demand and replacement of the ageing water storage infrastructure at the Almadale Water Treatment Plant.
- Construction is well underway for the new Mangakino Flow Park where the Makino overflow chlorine detention pond (affectionately known as the duck pond) used to be. This will be a great central place for our youth to perfect their skills and it is the next step in completing the Makino Precinct Plan. Also completed was the sealed walkway linking Warwick Street to Manchester Street through to Aorangi Street.
- Progress continues on the wastewater centralisation project which began in 2018. Once completed in 2026, 5 rural villages will be linked to the Feilding wastewater plant allowing for greater efficiencies, reduced costs and positive environmental outcomes, by removing the current villages plants discharge out of about 78kms of waterways. Sanson, Rongotea and Halcombe will be the first villages to be connected.

- The future of our earthquake prone buildings is an important issue for the future of Feilding's Town Centre. Council's EQPB Taskforce, along with neighbouring district councils, has worked with central government to get support for the additional challenges that provincial NZ communities face, with lower returns on investment making the viability of retaining our heritage buildings even harder. Some minor changes have since been made to the Building Alteration rules. Our Council is leading a pilot project with owners of key heritage buildings (identified through the new Town Centre Vision process) and with government's Heritage Equip to find an affordable solution to retaining our heritage.

I look forward to what the next year has to bring.

Mayor Helen



## Our Performance – Report from the Chief Executive

The values of Manawatū District Council are **Professionalism, Care, Support & Fun**. I was very proud of the way Team MDC, Councillors & Staff, demonstrated these values during the COVID-19 lockdown.

We displayed **professionalism** in the way our operations teams kept core public safety services going. We continued to supply safe, clean drinking water, to deal with waste – in all its forms - and ensure the roads were safe and drivable. We achieve this by splitting our operations team into two parts who only met virtually. This ensured that a single positive COVID-19 case would not have stopped these essential services. Thankfully we had none.

**Care** for the community was delivered by our Emergency Operations Centre. This was activated immediately prior to lockdown and as above, we operated two independent teams, each led by a Council General Manager (Brent Limmer & Hamish Waugh). Over 100 of our staff were involved in the response which saw the Council become the nexus for dealing with community needs. With the lockdown closure of our pool and library, staff were redeployed to deliver groceries and prescriptions from orders collected by our call centre. During the course of lockdown, Council staff delivered 4,350 prescriptions and 749 grocery orders.

Council also worked with community partners Manchester House and the Salvation Army to support the delivery of 691 food parcels. Council provided pro-active financial support to enable this, which was subsequently reimbursed by central government.

Our close relationship with Iwi, especially Ngāti Kauwhata, enabled Council to support the creation of a whānau-based and iwi led response network across the Manawatū. This was an initiative co-created by Council and Iwi, and led by our Principal Adviser Māori, Rārite Mātaki. The initiative, known as the Integrated Whānau Approach (IWA) Network, delivered 2,900 kai packs to Māori and Pasifika families. We are incredibly grateful to the whānau, hapū, iwi and Māori from within the community who partnered with Council to make this happen. Aroha mai, aroha atu.

Despite the COVID-19 lockdown Council staff continued to **support** our community. While our operational staff worked in the field, the rest of Council worked from home. Our IT team performed miracles allowing up to 150 staff to work from home during lockdown. This allowed Council to continue to process building and resource consents without delays – both of which were submitted in record numbers.

Council meetings shifted to video conference via Zoom. During lockdown Council revised the 2020/21 Annual Plan and budget to allow a zero average rates rise. This required all parts of Council to work together to determine how this could be delivered. A combination of a salary & wage freeze for all staff plus utilising Council's emergency resilience reserve made it possible. This means Council can continue to deliver the same levels of service and capital programme without increasing average rates.

2020 has been a challenging year, possibly the most in my lifetime, so it has been great that there have still been moments of **fun**. One example of this was one of our grocery delivery teams, who learned from a family member that one of our grocery delivery recipients, was celebrating his birthday that day. Due to lockdown the family could not visit. So our two drivers dropped off the groceries, including a cake, and sang 'Happy Birthday' to the delighted resident. Two professionals, supporting and caring for the community with a sense of fun.

As our community and our Council face challenges in the coming years due to the uncertainties of COVID-19 I am confident that Team MDC, Councillors & staff, will be able to meet and overcome them.

Kia Kaha



Richard

## The Manawatū District at a glance

Stretching from the rugged and picturesque Ruahine Ranges in the north to the sands of Himatangi Beach in the south, and most of the area between the Rangitikei River in the west and Manawatū River in the east, the Manawatū District is called home by approximately 31,700 people.

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

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

2020 has brought with it the challenges of a global pandemic and substantial restrictions on economic activity, both here and abroad. Data to the year ended June 2020 reflects these challenges, estimating that Gross Domestic Product (GDP) in the district fell by 0.5% from the previous year. This result is positive relative to the estimated national impact where GDP is estimated to have contracted by 2.1% over the same period.

The relative strength of the Manawatū District economy is driven by our dominance in primary production and value added manufacturing, galvanised by the continuation of strong global demand and solid commodity prices. Our strong defence force sector is also supporting household incomes and driving demand for local goods and services, while population growth and elevated levels of Central Government investment in the region are further bolstering local economic activity. These factors, alongside a lack of reliance on international spending, supports the outlook for the district economy relative to much of New Zealand.

Looking forward, our industry strengths are expected to continue to support local economic performance over the coming year. Substantial Central Government investment including the expansion of Ohakea Air Force base and Local Government investment in infrastructure to support population and economic growth will provide additional stimulus to the local economy throughout the 2020/2021 financial year.



# Your Council - who are we?

## Feilding Ward

5 Elected Members



Hilary Humphrey



Michael Ford



Grant Hadfield



Shane Casey

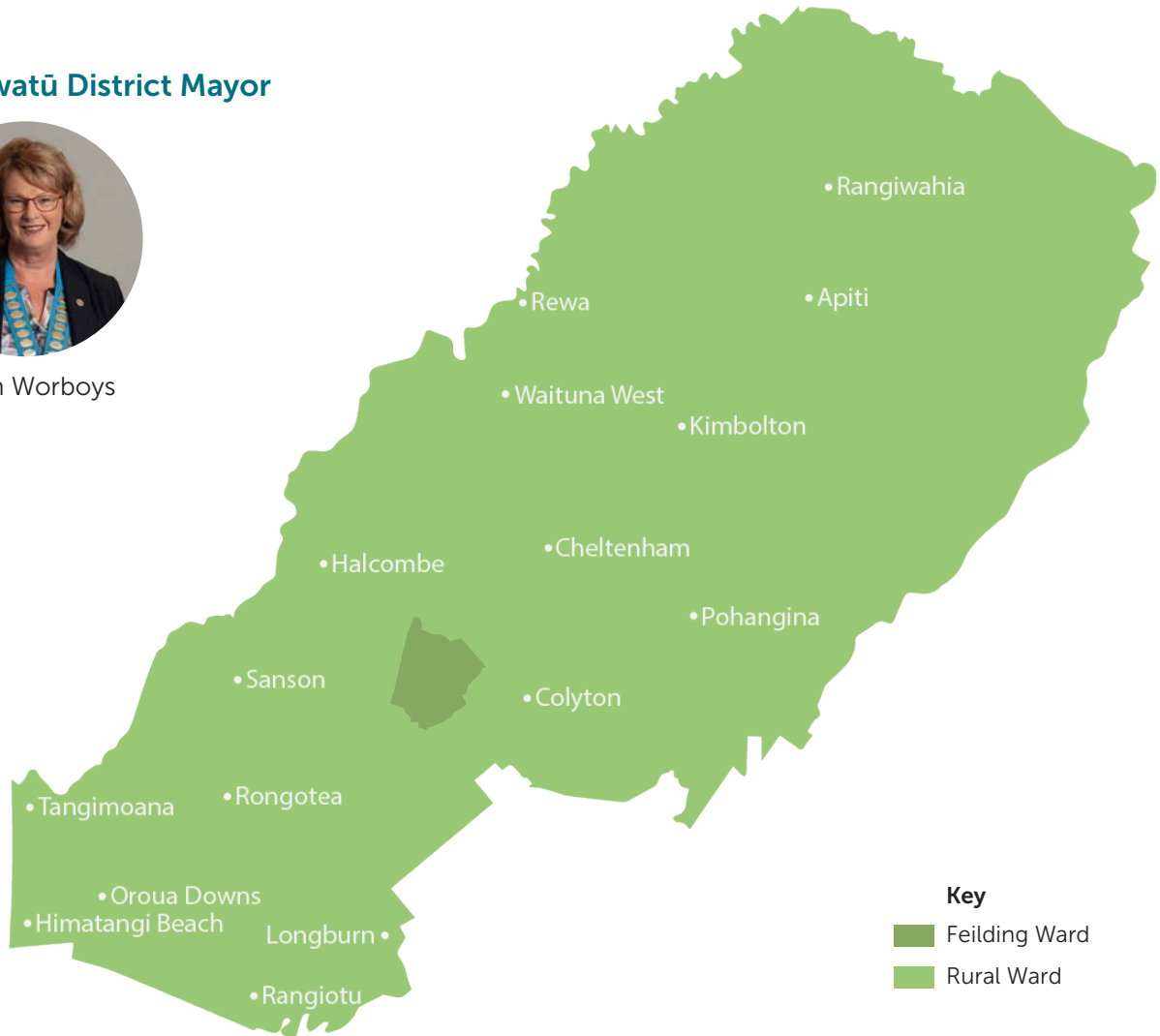


Stuart Campbell

## Manawatū District Mayor



Helen Worboys



## Manawatū Rural ward

5 Elected Members



Phil Marsh



Andrew Quarrie



Heather Gee-Taylor



Alison Short



Steve Bielski

## Performance overview

To assess how well Council is delivering services to the community, Key Performance Indicators (KPIs) are included in Long Term and Annual Plans. For the 2019/20 year, Council is reporting against 76 KPIs, which are detailed in Section Two of this report.

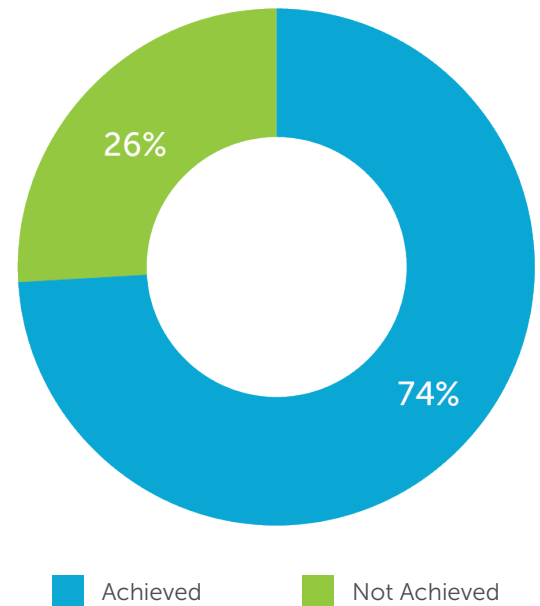
Council has achieved 73.7% of its KPIs. In the previous years, it was 82% (2018/19) and 74% in (2017/18) which shows a drop in percentage reflecting the time when organisation's focus moved temporarily to meeting the community's immediate needs due to COVID-19, rather than achieving the set work programmes.

While the current results show that there is still a shortfall in performance due to the national event, the previous two year trend confirms that Council is working to address these and achieve our desired performance.

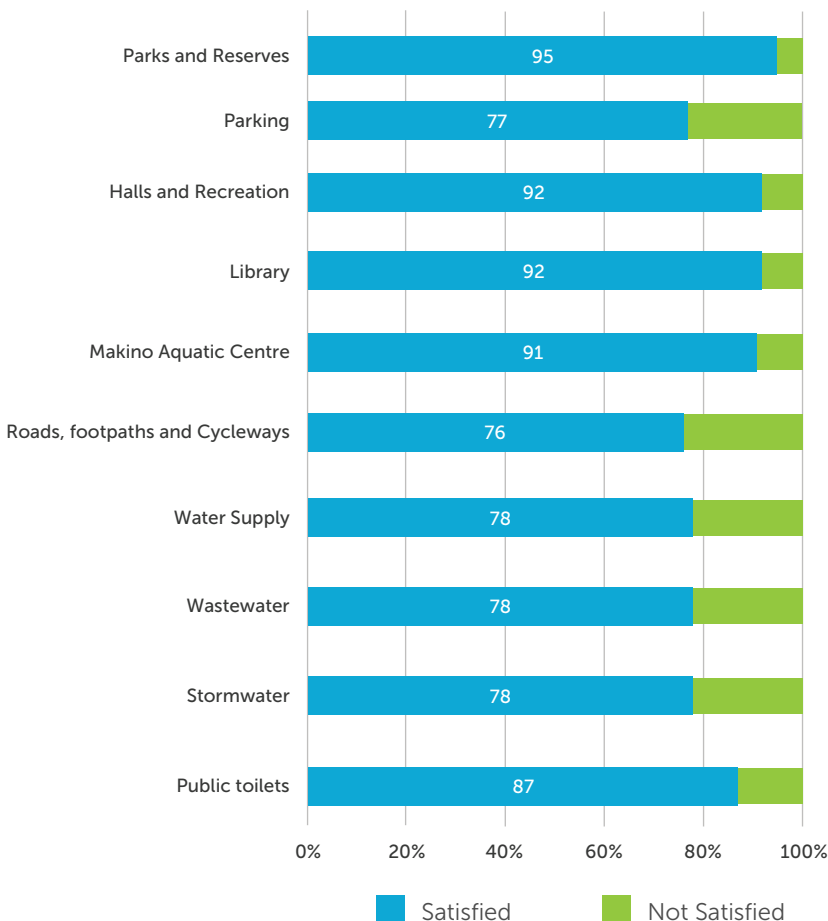
We acknowledge that there were 20 instances where we did not achieve the target (13 instances in 2018/19). Seven of these were as a result of Covid-19. Nine were in the regulatory area where timeframes have not been met due to very high consenting and inspection (including re-inspections) that have exceeded the capacity volumes of the staff to process.

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

KPI Target Achievement



Community Satisfaction



## Community survey

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

The survey is based on the responses of 448 residents which meets the number required for statistical reliability.

The surveys looked at the satisfaction levels of Council services. All surveyed services received community satisfaction levels between 64% (Overall Value for Money) and 95% (Overall satisfaction with Parks and Reserves).



# Council Vision and Outcomes

The Local Government Act (2002) requires each local authority to describe the outcomes it aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions. Council has reviewed the Vision and Outcomes as part of the 2018-28 Long Term Plan process.

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

The following three vision statements have been confirmed for villages, rural community and Feilding urban township.

### **Villages vision statement:**

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

### **Rural area vision statement:**

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

### **Feilding urban vision statement:**

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

## Community outcomes we are working towards:



Manawatū District protects the natural environment through stewardship of the District's natural and physical resources.



Manawatū District attracts and retains residents and businesses.



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



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

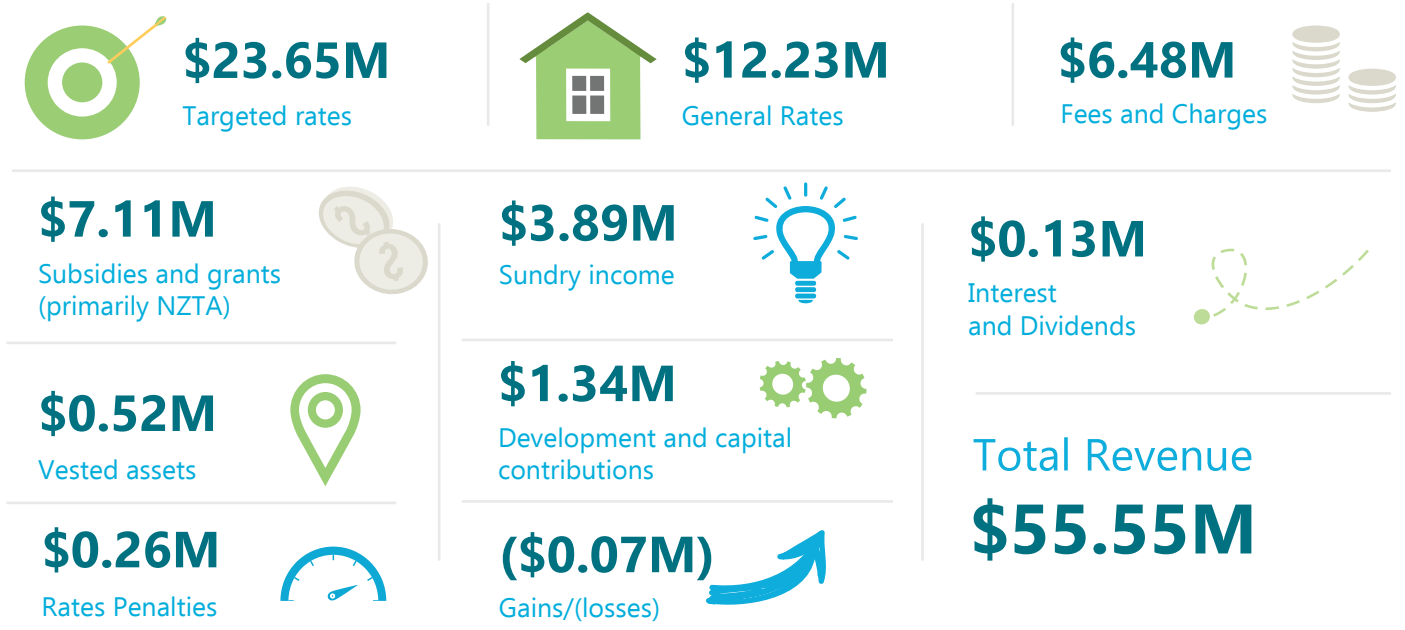


Manawatū District's built environment is safe, resilient and attractive.

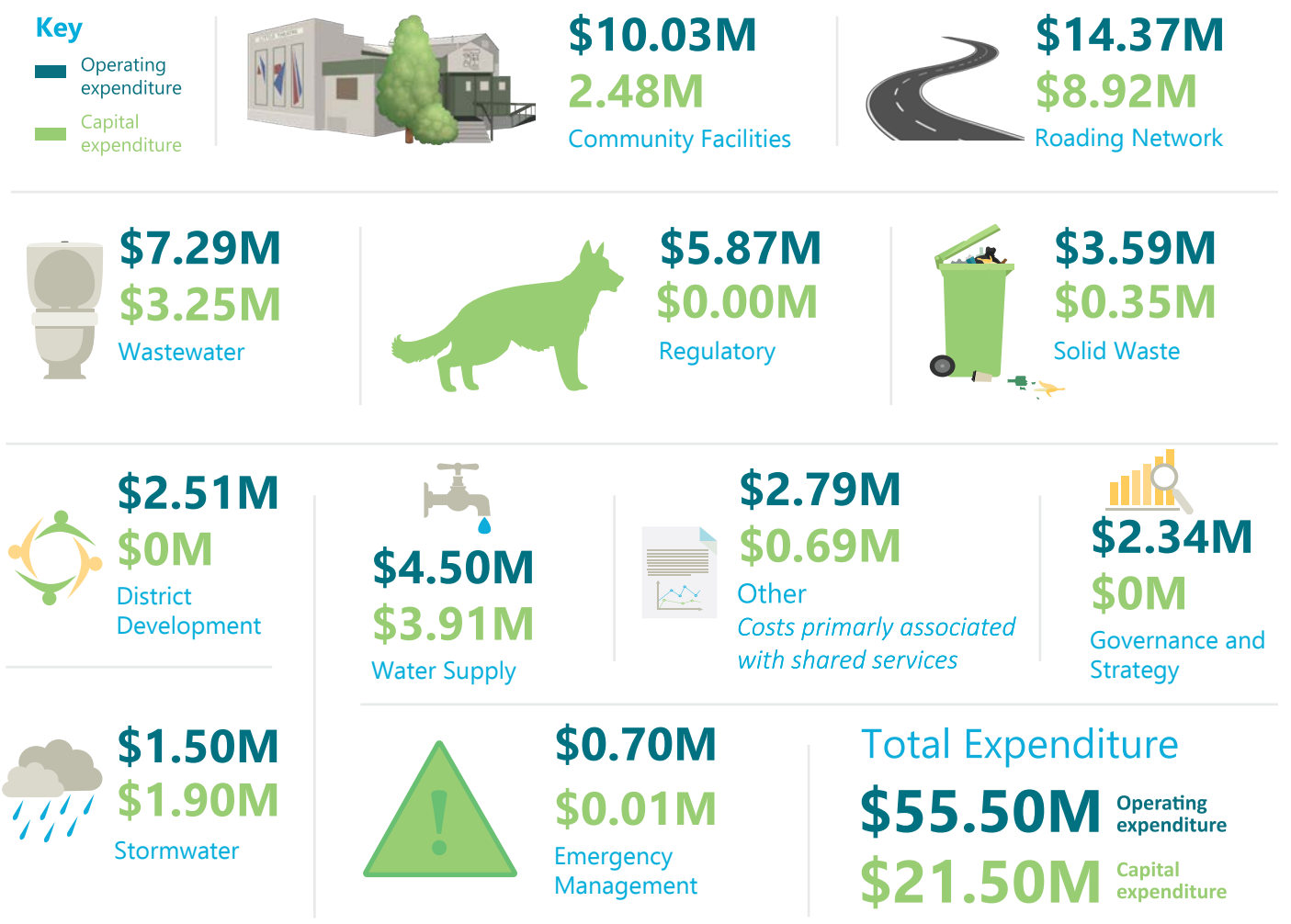


Manawatū District Council is a customer-focussed and efficient organisation.

## WHERE DID COUNCIL GET MONEY?



## HOW DID COUNCIL SPEND MONEY?



## Summary Statement of Financial Position

	Council			Group	
	Actual 2020	Budget 2020	Actual 2019	Actual 2020	Actual 2019
	\$000	\$000	\$000	\$000	\$000
Total current assets	18,169	9,581	10,518	19,142	10,984
Total non-current assets	774,128	734,083	696,523	800,314	723,529
<b>Total assets</b>	<b>792,297</b>	<b>743,664</b>	<b>707,041</b>	<b>819,456</b>	<b>734,513</b>
Total current liabilities	32,144	20,572	15,553	32,583	18,381
Total non-current liabilities	56,500	70,046	64,062	58,511	64,344
<b>Total liabilities</b>	<b>88,644</b>	<b>90,618</b>	<b>79,615</b>	<b>91,094</b>	<b>82,725</b>
<b>Total equity</b>	<b>703,653</b>	<b>653,047</b>	<b>627,426</b>	<b>728,361</b>	<b>651,787</b>
<b>Total Liabilities and Equity</b>	<b>792,297</b>	<b>743,664</b>	<b>707,041</b>	<b>819,456</b>	<b>734,513</b>

## Summary Statement of Comprehensive Revenue and Expense

	Council			Group	
	Actual 2020	Budget 2020	Actual 2019	Actual 2020	Actual 2019
	\$000	\$000	\$000	\$000	\$000
Total revenue	55,546	60,479	55,603	57,752	57,454
Total expenses*	55,502	55,749	54,699	57,265	56,194
Share of associate's surplus / (deficit)	-	-	-	(95)	(45)
<b>Operating surplus/(deficit) before tax</b>	<b>44</b>	<b>4,729</b>	<b>905</b>	<b>392</b>	<b>1,216</b>
Income tax expense	-	-	-	-	-
<b>Surplus/(deficit) after tax</b>	<b>44</b>	<b>4,729</b>	<b>905</b>	<b>392</b>	<b>1,216</b>
Other comprehensive revenue and expense**	76,183	16,318	13,024	76,183	17,305
<b>Total comprehensive revenue and expense for the year</b>	<b>76,228</b>	<b>21,047</b>	<b>13,929</b>	<b>76,575</b>	<b>18,521</b>
*This includes finance costs	2,124	2,926	2,437	2,223	2,548
**Revaluation gains / (losses)					

## Summary Statement of Cash Flows

	Council			Group	
	Actual 2020	Budget 2020	Actual 2019	Actual 2020	Actual 2019
	\$000	\$000	\$000	\$000	\$000
Net cash from operating activities	17,851	18,689	14,201	18,728	15,236
Net cash from investing activities	(21,739)	(22,610)	(20,648)	(22,494)	(21,544)
Net cash from financing activities	9,045	4,443	7,043	9,373	7,007
<b>Net (decrease)/increase in cash, cash equivalents and bank overdrafts</b>	<b>5,156</b>	<b>522</b>	<b>596</b>	<b>5,606</b>	<b>699</b>
Cash, cash equivalents and bank overdrafts at the beginning of the year	4,951	1,863	4,355	5,570	4,871
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>10,107</b>	<b>2,386</b>	<b>4,951</b>	<b>11,175</b>	<b>5,570</b>

## Summary Statement of Changes in Net Assets / Equity

	Council			Group	
	Actual 2020	Budget 2020	Actual 2019	Actual 2020	Actual 2019
	\$000	\$000	\$000	\$000	\$000
<b>Balance at 1 July</b>	<b>627,426</b>	<b>632,000</b>	<b>613,497</b>	<b>651,787</b>	<b>633,266</b>
Total comprehensive revenue / (expense) for the year	76,228	21,047	13,929	76,574	18,521
<b>Balance as at 30 June</b>	<b>703,653</b>	<b>653,047</b>	<b>627,426</b>	<b>728,361</b>	<b>651,787</b>

### Contingent Liabilities

The most significant contingent liability relates to uncalled capital, in relation to the New Zealand Local Government Funding Agency (NZLGFA).

The Council is a shareholder of the NZLGFA. The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+. The Council is one of 31 shareholders of the NZLGFA. In that regard, Council has uncalled capital of \$100,000. When aggregated with the 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 2020, the NZLGFA had borrowings totalling \$11.908 billion (last year: \$9.531 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.

## Explanation of Major Variances

Explanations for major variations between the actual results and the estimated figures in the 2019/20 Annual Plan, which is the second year of the Long Term Plan 2018-2028, are detailed below.

### Statement of Comprehensive Revenue and Expense

The operating surplus for the year is \$44K, against a budgeted surplus of \$5M. The following are the most significant variances:

- Revenue from development contributions and capital contributions are \$1.6 million under budget. Development projects have not progressed as quickly as originally anticipated. This means the trigger for development contributions to become due has yet to occur.
- Subsidies and Grants are \$1.6M lower than budgeted. The NZTA subsidy was \$1.79M under budget, mostly due to the delay of the Mangaweka bridge project resulting the subsidy not being claimed this year. An unbudgeted \$200k subsidy was received for the development of a skate park on the Makino reserve.
- Depreciation and amortisation is \$2M over budget, as asset revaluations needed to be estimated at time of budgeting, however actual revaluation amounts were much higher.
- Personnel costs are \$613k under budget due to a number of vacancies throughout the year and delays in recruitment.
- Finance costs were \$802k under budget. Overall interest costs were less than budgeted due to lower capital spend. This resulted in fewer loans being drawn.

### Statement of Financial Position

The most significant movements are:

- All infrastructure assets, building and land were revalued throughout the year. The impact of these valuations was more than anticipated at time of budgeting, resulting in Property, Plant and Equipment being \$41.1M over budget.
- Council owned land on Kawakawa Road and South Street is currently being marketed for sale, resulting in the recognition of \$2.6M in Assets held for sale. Due to uncertainty around the timing of this sale it was not included in the budget.
- Cash and cash equivalents are \$7.7M over budget due to the current low costs of borrowing. This additional borrowing has been invested at rates higher than the interest rate payable.
- Total borrowings (including both the current and non-current portions) are \$2.72M under budget. This is due to lower levels of borrowings in previous years. Actual new debt drawn down this year was \$9M, more than the \$7.8M budgeted in the annual plan. Additional debt was required to fund the higher level of new capital spend as a result of carry forwards (\$6.1M against an annual plan budget of \$3.5M) and for reasons noted above.

### Statement of Cash Flows

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



## Additional notes

- This summary financial report is for Manawātū District Council and Group and is presented in New Zealand Dollars rounded to \$000s.
- This Annual Report Summary was authorised for issue by the Mayor and Chief Executive. The full Annual Report was authorised for issue on 17 December 2020.
- The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), as appropriate for a public benefit entity. The summary financial statements comply with PBE FRS-43 Summary Financial Statements.
- The Group consists of Manawātū District Council, which is the controlling entity and four controlled entities; The Feilding Civic Centre Trust, the Manawātū Community Trust, Awahuri Forest / Kitchener Park Trust and Heartland Contractors Ltd (100% owned). The Group also includes Central Economic Development Agency Limited, (50% owned) and Manawātū Wanganui LASS (14.3%).
- The specific disclosures included in the summary financial report have been extracted from the full financial report.
- These summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements.
- The full financial statements of Council and the Group have been prepared in accordance with and are fully compliant with Tier 1 PBE accounting standards.
- The summary has been examined for consistency with the full Annual Report and was audited by Audit New Zealand on behalf of the Office of the Auditor-General. The full annual report received an unmodified audit opinion on 17 December 2020 with an emphasis of matter.

## Prior Period Restated

The District Council has restated its comparative year financial statements for the year ended 30 June 2019 in relation to vested assets.

During 2019/20, the District Council identified assets of \$1.1m (not captured in the system) that were vested to Council in 2018/19 that should have been initially recorded as an asset and vested asset revenue during the 2018/19 year.

## Changes to the Statement of comprehensive revenue and expense

	Before adjustment		Adjustment	After adjustment	
	Parent	Group	Parent and Group	Parent	Group
Other revenue	10,079	12,108	1,116	11,195	13,224
Net surplus/(deficit)	(211)	100	1,116	905	1,216
Total comprehensive revenue and expense	12,813	17,405	1,116	13,929	18,521

## Changes to note 6 Other revenue

	Before adjustment		Adjustment	After adjustment	
	Parent	Group	Parent and Group	Parent	Group
Vested assets	371	371	1,116	1,487	1,487

## Note 19 Property, plant and equipment

	Before adjustment		Adjustment	After adjustment	
	Parent	Group	Parent and Group	Parent	Group
Roads and footpaths	377,889	377,889	1,116	379,005	379,005

## Changes to Statement of Changes in Net Assets/Equity and note 25 Equity

	Before adjustment		Adjustment	After adjustment	
	Parent	Group	Parent and Group	Parent	Group
Total comprehensive revenue and expense	12,813	17,405	1,116	13,929	18,521
Closing accumulated surplus	626,310	650,671	1,116	627,426	651,787

## Changes to Statement of Financial Position

	Before adjustment		Adjustment	After adjustment	
	Parent	Group	Parent and Group	Parent	Group
Property, plant and equipment	690,970	720,045	1,116	692,086	721,161

**A copy of the full report can be obtained from the website [www.mdc.govt.nz](http://www.mdc.govt.nz) or there are copies available for viewing at the Feilding Library and our offices at 135 Manchester Street Feilding**



## COVID-19 Impact

COVID-19 has had an impact on Council in relation to both its non-financial and financial performance. The impact on each activity is detailed below:

### Community Facilities

#### District Libraries

Due to lockdown the library was closed from 23 March to 18 May 2020. This impacted the ability to meet the level of service targets for both issues per capita (total 7.6 against an annual target of 8) and total number of digital users (total 45,092 against an annual target of 60,000). There is also an estimated loss in revenue of \$12k during this period from DVD rentals, book sales, late return fees, photocopying and drink purchases.

#### Halls and Recreation Complexes

Booking for halls were impacted the closure during lockdown. This resulted in an estimated loss in revenue of \$3.5k.

#### Makino Aquatic Centre

The facility was closed throughout alert level's 3 and 4. The total estimated impact on revenue was a loss of \$190k for entry fees, swim school fees and swim gear purchases. This was offset by the expenditure savings from closing down the facility plant room and redeploying some staff to the Emergency Operations Centre.

#### Parks, Reserves and Sportsgrounds

The estimated impact on revenue is a loss of \$7,000. This is due to the winter sports season delay resulting in lower bookings.

### District Development

Seven representative grants, totalling \$7.5k, were granted but the events were cancelled and the amounts were not required. Community Committee projects totalling \$84k and Community plan projects totalling \$97k were unable to be completed. A request has been made to carry forward these grants to the 2020/21 year.

### Regulatory

#### Building Control

The level of service measure requiring 95% of building consent applications to be processed and approved within the statutory 20 working days was impacted by the lockdown. Processing was slowed during this time during the unconventional work place set up. This contributed to the target not being met. Building consent and inspection fees in April are estimated to be \$45k lower than expected, however the annual revenue budget was still exceeded due to high numbers.

#### Compliance and Monitoring

The level of service measures for food premises inspections and licenced premises inspections was impacted by business closure during the lockdown period. The Food Act amendments extended the timeframe for verifications.

### Emergency Management

The capital project for a planned radio system upgrade (\$1.5k) was delayed due to the Palmerston North City Council radio tower not being a completed. An additional \$184k in costs were incurred due to the emergency response for the community needs. Claims of \$89.6k are being made to the central Government for the recoverable expenses.

The level of service measure for the public perception of Council's response to civil defence emergencies showed an 19% increase in the final quarter. During this time the CDEM was unable to attend regular community committee meetings and create community response and recovery plans due to workload from responding to an emergency.



## Roading

The subsidised maintenance programme incurred an additional \$19k in costs for contractor dis-establishment, re-establishment, down time during level 4, additional PPE and additional travel costs. Due to disruption to the works program the specialist contractor was unable to complete a required bridge inspection. The expected cost of this is \$15k and will now take place in 2020/21.

Growth works on Port Street had extra costs of \$19k for construction contractor dis-establishment, re-establishment and site protection work. The completion date for these works has been delayed to 30 September 2020 and the remaining cost of \$403k will now be incurred in 2020/21.

## Solid Waste

The Waste Transfer Station was closed for the period of the lockdown resulting in estimated lost revenue of \$33k. In addition to this 180 tonnes of recyclables were unable to be processed and therefore was disposed to landfill resulting in an estimated \$27k disposal costs.

## Stormwater, Water Supply and Wastewater

Construction works on Churcher Street were delayed during the lockdown. The contractor has requested an additional payment for loss of work over this period. The amount is still under negotiation but is estimated to be \$20k.



### To the readers of Manawatu District Council and group's summary of the annual report for the year ended 30 June 2020

The summary of the annual report was derived from the annual report of the Manawatu District Council and group (the District Council) for the year ended 30 June 2020.

The summary of the annual report comprises the following summary statements on pages 8 and 12 to 17:

- the summary statement of financial position as at 30 June 2020;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2020;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary performance overview.

### Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

### Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

### The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2020 in our auditor's report dated 17 December 2020. Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the disclosures about the impact of Covid-19 on the District Council as set out in the full annual report in note 36 to the financial statements and pages 24, 25, 41 and 42 of the statement of service provision in the full audit report.

An extract of this information is included in the summary of the annual report on pages 16 and 17.

### Council's responsibility for the summary of the annual report

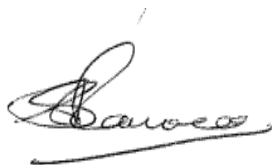
The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out 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.

Other than in our capacity as auditor, we have no relationship with, or interests in the District Council or its subsidiaries and controlled entities.

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

*Clint Ramoo  
Audit New Zealand  
On behalf of the Auditor-  
General Wellington, New Zealand  
12 January 2021*



Manawatū District Council  
135 Manchester Street  
Private Bag 10001  
Feilding 4743

..... P 06 323 0000  
..... F 06 323 0822  
..... E [public@mdc.govt.nz](mailto:public@mdc.govt.nz)  
..... [www.mdc.govt.nz](http://www.mdc.govt.nz)