



Manawatu District Council

Annual Report 2012/2013



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Credit: front cover photo supplied by the New Zealand Defence Force

A close-up photograph of green fern leaves with a blue overlay on the left side. The leaves are detailed and show some brown spots. The blue overlay contains the text for the report's introduction.

Part One

Introduction

This section of the Annual Report contains the following information:

- Mayor/Chief Executive Introduction
- Key Trends for the year



From the Mayor and Chief Executive

“Connected, vibrant and thriving Manawatu – the best rural lifestyle in New Zealand.”

The past year was challenging and rewarding for Manawatu District Council.

Challenging for the fact local government continues to undergo lots of change as Central Government rolls out its local government reform programme. The most significant change was the introduction of a new purpose statement that removes reference to the four well-beings – economic, social, environmental and cultural – and replaces them with three core principles of local infrastructure, local public services and regulatory functions.

Council’s 2013-2014 Annual Plan was developed with the new purpose statement as a guide and we continue to work with the sector and Central Government toward a Better Local Government. Nevertheless, we still believe in what we said in the 2012-2022 Long Term Plan (LTP) - the sole purpose of local government is to provide benefits to the community. All decisions made over the past 12 months were made with the community in mind to create the best rural lifestyle in New Zealand. We are proud of those decisions.

We remained within the debt and rate increase limits set by our Financial Strategy and met the majority of funding splits set by our Revenue and Financing Policy. This is reflection of our commitment to prudent financial management and affordability.

This commitment has also initiated a review of our economic development activities, including services currently provided by key agencies. Economic development funding is aimed at ensuring a healthy district economy able to provide employment opportunity. A thriving business community creates district pride and contributes to social and cultural life. Council wants to ensure it is getting the correct focus and value for the ratepayers money applied to this activity.

This year was also the first that Council operated under its new vision and set of outcomes, which were developed and consulted on as part of the LTP process. It was also the first year since the boundary change with Palmerston North.

Other milestones from the year include:

Main South Road

Almost all of the nine remaining kilometres of the Main South Road have been sealed. In undertaking this work, Council recognises the economic potential of the northern part of the district. The route is now more accessible to tourists as well as locals.

Royal Visit

Their Royal Highnesses The Prince of Wales and Duchess of Cornwall visited New Zealand in 2012 as part of The Queen’s Diamond Jubilee celebrations. In November, they made a flying visit to the Manawatu District, landing at Ohakea Air Force base before driving to Feilding to experience the award winning Feilding Farmers Market. More than 5,000 people lined Manchester Square to cheer them on and be part of a spectacular day. It was a proud moment for Feilding and the Manawatu District, showcasing our great district to the world.

Email Panel

During the year, we replaced the Communitrak Survey with an Email Panel. The Email Panel gauges views of approximately 640 randomly selected residents about Council items via email surveys. Of particular note this year, 89% of participants were either satisfied or very satisfied with Council’s parks and reserves and 86% were either satisfied or very satisfied with Council’s halls and recreation complexes.

Economic Development

United States pharmaceutical firm Proliant is locating its New Zealand-based processing facility in Feilding. The \$24 million plant will be the first Australasian plant for the company, with more than 70 locations worldwide, and the first international site for its Health and Biologicals division. When completed, the plant will employ up to 30 highly qualified staff and contribute more than \$90 million to the New Zealand economy during the next ten years. Then there is the added benefit of jobs created through construction and plant equipment supply.

Community Planning

Sanson and Halcombe communities were the first to take part in our community planning programme. This is an exciting opportunity for district villages to shape their futures. Both communities presented their community plans to Council in May and are currently

working on a number of projects. Kimbolton, Apiti and Pohangina communities have recently joined.

Infrastructure Projects

Council is committed to improving the natural environment and providing quality infrastructure and technology. It is pleasing to see progress on the Himatangi Beach Community Waste Water Scheme. Installation is scheduled to be completed by the end of 2013. Council has also carried out a number of process improvements at the Feilding Waste Water Treatment Plant to improve the quality of treated effluent. We are working to obtain a new resource consent, which will allow spray irrigation of a significant portion of the treated effluent onto land.

Details on these significant works, and much more, is available in this Annual Report. Please take the time to read it and see what has been achieved.



A handwritten signature in black ink that reads "M. Kouvelis".

Margaret Kouvelis
Mayor



A handwritten signature in black ink that reads "L. Vincent".

Lorraine Vincent
Chief Executive

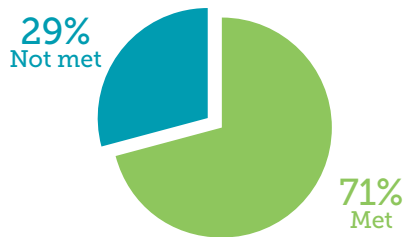


Key Trends

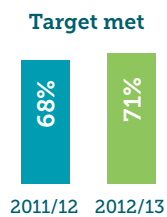
Council includes Key Performance Indicators (KPIs) in its Long Term and Annual Plans to assess how well we are delivering services to the community. We report on these KPIs in the Annual Report.

In 2012/13 Council met the majority (71%) of its KPIs (indicated by the term Target Met).

How many targets did we meet in 2012/2013?

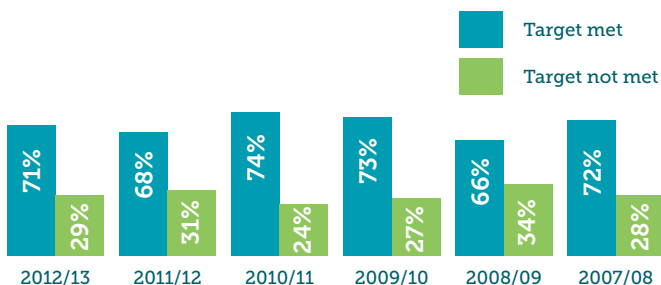


This is an improvement on last year:



It's important to note that this year there are a new set of KPIs. Therefore, this is not a straight comparison with last year.

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



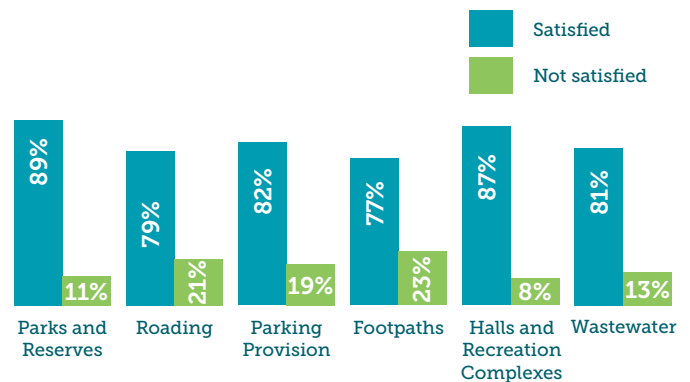
Communitrak and the Email Panel

Until 2012, Council used the Communitrak survey to measure a number of our KPIs. From 2012, Council has been using the Email Panel, administered by research company Public Voice. The Email Panel is a random selection of Manawatu District residents invited to participate in email surveys. Currently, there are about 638 members on the Panel. Typically, there

is around a 35% response rate. As Panel numbers fluctuate – members leave from time to time – this constitutes between 209 to 290 participants per survey. Using standard sampling methodology the margin of error is 6.5% with a confidence level of 95%. What this means is that if the survey was conducted one hundred times, we would expect 95 of those surveys to return results that were within 6.5% of the original survey results.

This year Council undertook surveys on satisfaction with six Council services. Below are the results:

Email Panel Highlights



In previous years, the Communitrak survey asked residents to rate their satisfaction with the Mayor and Councillors. This year, via the Email Panel, we sought more in-depth information about residents' understanding of the decision-making process.

Residents reported the following:

- Excellent understanding of Council's decision-making process: 6.2%
- Good understanding of Council's decision-making process: 24.2%
- Fair understanding of Council's decision-making process: 34%
- Poor understanding of Council's decision-making process: 24.8%
- Non-existent understanding of Council's decision-making process: 10.8%

Full details are provided in Part 2

Financial Trends

Where was the money spent?

Operating Expenditure by Group of Activities (\$000s)

Activity	\$
Community Facilities	\$6,133
Emergency Management	\$262
Environmental and Regulatory	\$3,315
Governance and Strategy	\$1,036
Roading	\$4,179
Solid Waste	\$1,972
Stormwater	\$417
Wastewater	\$2,685
Water Supply	\$2,184
District Development	\$2,092

Capital Expenditure by Group of Activities (\$000s)

Activity	\$
Community Facilities	\$651
District Development	\$574
Emergency Management	\$29
Environmental and Regulatory	\$46
Roading	\$8,998
Solid Waste	\$424
Stormwater	\$2,290
Wastewater	\$12,560
Water Supply	\$586

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

Activity	\$
Development and Financial Contributions	\$500
Vested Assets	\$75
General Rates	\$2,905
Targeted Rates	\$21,654
Other Income	\$2,517
Gains	\$41
Rates Penalties	\$282
Interest and Dividends received	\$237
User Fees and Charges	\$7,614
NZTA Subsidy	\$5,292
Other Subsidies and Grants	\$2,213

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



Role of the Annual Report

This report has been prepared under section 98 of the Local Government Act 2002 (and includes the provisions of schedule 10, part 3). It compares Council's actual performance against what was forecast for the 2012/13 financial year in the 2012-2022 Long Term Plan (LTP).

The Annual Report:

- Reports against the Manawatu District Council's key activities, performance indicators and budgets outlined in the 2012-2022 LTP – we are reporting against what we said we would do in the 2012/13 financial year
- Reports against Council policies such as the Funding Policy and Borrowing Management and Investment Policies
- Outlines how Council has spent money collected from ratepayers, residents, financial institutions and government agencies

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

The report is broken into four sections:

Part One: Introduction	Part one provides an overview of the 2012/13 year including the Mayor/ Chief Executive Introduction and key trends.
Part Two: Groups of Activities	Part two summarises what Council has achieved in each activity group, including performance indicators.
Part Three: Financial Information	Part three provides a financial overview, including financial statements, notes to the accounts and reports against the Revenue and Financing Policy and the Liability Management and Investment Policies.
Part Four: Other Information	Part four provides other information, including summary information about the Manawatu District Council, elected representatives, senior management and grants.

Statement of Compliance and Responsibility

Compliance

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

Responsibility

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

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

In the opinion of the Council and management of Manawatu District Council, the annual Financial Statements for the year ended 30 June 2013 fairly reflect the financial position and operations of Manawatu District Council.

Margaret Kouvelis
Mayor

Lorraine Vincent
Chief Executive

Date: 3 October 2013



Audit Report

Independent Auditor's Report

To the readers of Manawatu District Council and group's annual report for the year ended 30 June 2013

The Auditor General is the auditor of Manawatu District Council (the District Council) and group. The Auditor General has appointed me, Phil Kennerley, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council and group that comprise:
 - » the balance sheet as at 30 June 2013 on page 64;
 - » the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2013 on pages 63, 65 and 66;
 - » the overall funding impact statement of the District Council on page 62;
 - » the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 11 to 61; and
 - » the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 67 to 119;
- the statement of service provision of the District Council including the funding impact statements in relation to each group of activities of the District Council on pages 49 to 62.

In addition, the Auditor General has appointed me to report on whether the District Council and group's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - » internal borrowing on pages 9 to 62;
 - » council controlled organisations on pages 123 to 124;
 - » reserve funds on pages 95 to 99;
 - » each group of activities carried out by the District Council on pages 9 to 62;
 - » remuneration paid to the elected members

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

and certain employees of the District Council on page 104;

- » employee staffing levels and remuneration on page 104; and
- » severance payments on page 105;
- a report on the activities undertaken by the District Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision making processes on page 129; and
- a statement of compliance signed by the mayor of the Council, and by the District Council and group's chief executive on page 5.

Opinion

Audited information

In our opinion:

- the financial statements of the District Council and group on pages 63 to 119:
 - » comply with generally accepted accounting practice in New Zealand; and
 - » fairly reflect:
 - the District Council and group's financial position as at 30 June 2013; and
 - the results of its operations and cash flows for the year ended on that date.
- the overall funding impact statement of the District Council on page 62, fairly reflects 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 annual plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 11 to 61, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long term plan or annual plan.
- the statement of service provision of the District Council on pages 9 to 62:
 - » complies with generally accepted accounting practice in New Zealand; and
 - » fairly reflects the District Council's levels of service for the year ended 30 June 2013,

including:

- the levels of service as measured against the intended levels of service adopted in the long term plan; and
- the reasons for any significant variances between the actual service and the expected service.
- the funding impact statements in relation to each group of activities of the District Council on pages 21 to 62, fairly reflects by each group of activities, 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.

Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the District Council and group's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 3 October 2013. This is the date at which our opinion is expressed.

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

Basis of opinion

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

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the statement of service provision. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

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

of the District Council and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported statement of service provision within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

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

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and the statement of service provision that:
 - » comply with generally accepted accounting practice in New Zealand;
 - » fairly reflect the District Council and group's financial position, financial performance and cash flows;
 - » fairly reflect its service performance, including achievements compared to forecast;
- a funding impact statement that fairly reflects 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 annual plan;
- funding impact statements in relation to each

group of activities that fairly reflects by each group of activities 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;

- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long term plan or annual plan; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

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

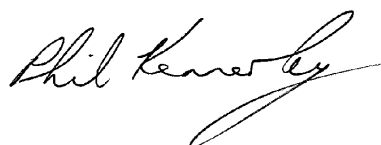
The Council's responsibilities arise under the Local Government Act 2002.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board. In addition to this audit, which includes our report on the Other Requirements, we have carried out an assignment on an amendment to the long-term plan, which is compatible with those independence requirements. Other than this assignment we have no relationship with or interests in the District Council or any of its subsidiaries.



Phil Kennerley
Audit New Zealand
On behalf of the Auditor General
Wellington, New Zealand



Part Two

Groups of Activities



Guide to Part Two

This section summarises results from the 2012/13 financial year for Council's Groups of Activities.

Groups of Activities

In 2012/13, Council provided various services organised into ten Groups of Activities. These are:

- Community Facilities
- District Development
- Emergency Management
- Environmental and Regulatory Management
- Governance and Strategy
- Rooding
- Solid Waste
- Stormwater
- Wastewater
- Water

Each Group Activity summary includes the following information:

Level of Service Links to Council Outcomes

In 2011, Council developed a new set of outcomes, which show the priorities Council is working towards. We have linked the council outcomes with the levels of service within each activity. The link is in the form of a symbol. The outcomes and associated symbols are:



Manawatu District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga.



Manawatu District will attract and retain residents.



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



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



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



Manawatu District Council is an agile and effective organisation.

What has Council achieved in 2012/13

Summarises how performance within each activity has been measured, including community opinion, response times, deadlines and compliance with regional standards. Also summarises key projects.

Operating and Capital works programme for 2012/13

Summarises progress against major projects identified in the 2012-2022 LTP.

Funding Impact Statement

Funding Impact Statements for the groups of activities present the actual costs and sources of funding for the 2012/13 financial year for each activity. For comparison purposes, the first column contains actual data for 2012/13 and the last two columns contain information from the Long Term Plan for 2012/13 and 2011/12 financial years.




The Overall Funding Impact Statement (on page 62) presents the actual financial results for the 2012/13 and 2011/12 financial years, compared against the annual plans (i.e. annual plan budgets) for those years.





Community Facilities

Cemeteries

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
<p>Cemeteries provide a high quality service</p> 	80% Funeral Director satisfaction with cemeteries from quarterly meetings	Target met	<p>Council held meetings in June 2013 with the two Feilding based Funeral Directors who handle the majority of the interments in the District. The Feilding based funeral directors expressed high degrees of satisfaction with Council's provision of cemetery services. There were only two minor complaints concerning ashes interments, but these were resolved swiftly.</p> <p>Because we did not actually survey the directors, it is difficult to express their satisfaction in percentage terms. However, given that the only issues raised were relatively minor and swiftly resolved, it is reasonable to conclude that the funeral directors are satisfied with the service Council provides.</p> <p>(New measure for 2012/13)</p>
	No more than ten complaints per year about the standard of cemeteries	Target met	<p>There were 14 queries about cemeteries (of which six were complaints). Of the 14:</p> <p>One was regarding plaques and headstones, for which Council is not responsible.</p> <p>One was regarding articles on a grave that were removed and not put back (regarded as a complaint).</p> <p>Five were about garden maintenance (regarded as complaints).</p> <p>Two were requests for topping up soil on graves, which is done periodically.</p> <p>One was a request for improvement of a gate about to be replaced.</p> <p>One was to get a full bin emptied. We are looking to replace current bins with larger ones, which won't get blocked up as quickly with bunches of flowers.</p> <p>One was to report a leaky tap.</p> <p>One was to report no water or low water pressure from a tap.</p> <p>One was a request to mow the lawn at Pohangina Cemetery in light of the ANZAC parade</p> <p>All requests/complaints were actioned and/or resolved.</p> <p>(2011/12: 13 complaints).</p>
	No more than five complaints per year about out of date cemetery records	Target met	<p>There have been no complaints regarding cemetery records. (New measure for 2012/13)</p>

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
	Adequate land available to meet five years projected demand at all times	On track to meet target	Feilding Cemetery - Purchase of 7.5 hectares currently under contract. Subdivision plan has been submitted to Council. All other cemeteries able to meet forecast demand. (New measure for 2012/13)
	100% compliance with the Burial Act 1964	Target met	Council has complied with the requirements of the Burial Act 1964. (New measure for 2012/13)

Capital Work Programme for 2012/2013

Project	Actual	Budget	Variance Explanation
Land purchase and development for Feilding cemetery (to improve the level of service)	8,270	510,000	The purchase of 7.5 hectares of land from the neighbouring landowner is currently under contract pending completion of subdivision and issue of title. The purchase is expected to settle in the first quarter of the 2013/14 financial year, which is why it is under budget in the 2012/13 financial year. The remainder of the budget will be used to settle the purchase as well as completing survey, fencing and development of that land for cemetery activities.
Investigate cemetery and drainage expansion at Rongotea cemetery (to improve the level of service)	66,318	5,000	Drainage work complete in developed area of cemetery. Easements being created to cover new drainage works on adjoining land. Council carried funding back from 2013/14 of \$63,000 so that work could be completed early, to take advantage of good weather. This explains the overspend.
Total	74,588	515,000	

Public Conveniences

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
<p>Adequate public conveniences at an acceptable standard</p> 	No more than ten complaints per year about the condition or provision of toilets	Target not met	<p>Council received 95 Contact Centre Transactions about the condition or provision of public toilets. The complaints have mostly been post vandalism e.g. toilet paper thrown all around the toilets or removed from toilets, excrement on walls, smashed fixtures and fittings, fire damage. Some comments have been about the need for increased cleaning frequency at toilets located at parks.</p> <p>The problem regarding vandalism mainly affects toilets in isolated locations, such as parks and reserves. The new night toilet in Feilding has helped improve the vandalism issues at Feilding Public Toilets located in Manchester Square.</p> <p>95 complaints is a large increase on last year's totals. However, last year there were two KPIs concerning public toilets: number of complaints about public toilets not being available (21); and number of complaints about unclean/ untidy toilets (24). This year the KPI is about the condition or provision of toilets, which is much broader. Because of this, many more complaints are included, which would not have been included last year. Examples include (but not limited to) complaints about cigarette smoke, no paper towels and full/overflowing bin.</p>
	95% of maintenance and cleaning requests and customer complaints regarding high-use toilets (Sanson and Feilding CBD) are actioned within two hours (Contractor and customer service records)	Target met	Council received 41 requests, 100% of which were attended to within two hours (New measure for 2012/13)

Capital Work Programme for 2012/2013

Project	Actual	Budget	Variance Explanation
Kowhai Park: upgrade of old toilet block (To replace existing assets)	0	51,000	Public toilet standards for improving safety and accessibility means the original budget of \$51,000 is insufficient for this upgrade. Also, the existing drainage needs upgrading and new lighting needs to be installed. Therefore, Council has carried the original \$51,000 over to 2013/14 and added \$49,000 to the project.
Feilding public toilets: completion of refurbishment (Enhanced level of service: renewal work)	44,351	31,000	Refurbishment complete. This is over budget because there were elements of the project which required additional work. Funds were taken from areas where they were not required and applied to where they were needed. This project is part of a larger renewal budget. Overall, work is within budget.
Total	44,351	82,000	

District Libraries

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
<p>Library service that provides residents of the district free access to information and lifelong learning opportunities</p> 	<p>Issues per head of population relative to six peer libraries - among top 30%</p>	<p>Target met</p>	<p>Public library statistics are gathered on an annual basis, every August/September. They are based on the previous financial year's figures and become available to participating libraries at the end of each calendar year. On the basis of the 2011/12 figures, Feilding tops the list of seven peer libraries at 13 issues per capita. The average figure for the peer libraries is 9.3.</p> <p>Peer libraries are Ashburton, Whakatane, Masterton, Taranua, Waitaki, South Taranaki and South Waikato.</p> <p>(New measure for 2012/13)</p>
	<p>Active library membership exceeds 9,000</p>	<p>Target met</p>	<p>9,977 at 30 June 2013.</p> <p>(New measure for 2012/13)</p>
	<p>96% satisfaction, as measured by Library Survey of users</p>	<p>Target met</p>	<p>99% satisfaction in Library biennial survey completed in October 2012. This survey measured satisfaction with staff performance, library collections (e.g. adult fiction, children's collections, etc.) and suitability of the Library building. 330 response sheets were allocated to four different times of the day based on the percentage of library use during these periods. Different times of the day are popular with different age groups. Survey results were processed by MDC customer service staff.</p> <p>Key results were:</p> <p>63 respondents chose to make positive comments about staff, reflecting a strong relationship between staff and customers:</p> <ul style="list-style-type: none"> • Nothing is ever a bother • Lovely people - helpful • What amazing staff you have here <p>There was one neutral comment.</p> <p>All the collections rated strongly, with good suggestions as to areas which could be strengthened.</p> <p>The building rated well, although three respondents singled out the carpet as looking dirty. It has since been cleaned. The carpet will be replaced in Year 7 of the Asset Management plan and should serve till then.</p> <p>(Survey last undertaken in September 2010: 98% satisfaction).</p>
<p>Increase literacy among the district's children</p> 	<p>Amount spent on children's and young person's collection exceeds 25% of annual spend</p>	<p>Target not met.</p>	<p>Expenditure on children's stock = 23.7%. However, children's books cost significantly less on average than those bought for the adult collections. Of the total stock bought in 2012/13, 42% were for the Children's Library. (Liberty3 statistics).</p> <p>(New measure for 2012/13)</p>




Operating and Capital Work Programme for 2012/2013

Not applicable for 2012/13.

Makino Aquatic Centre

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
<p>An affordable range of services and activities is available that meets community aquatic recreational needs</p> 	<p>90% user satisfaction with facilities provided, as measured by Makino Aquatic Centre (MAC) survey</p>	<p>Target met</p>	<p>Overall satisfaction, as measured by MAC survey for 2012/13, is 93%. Majority of comments from source were positive (stating they enjoy what we offer and the way we do our business) with the odd comment around better use of space and not enough room to accommodate all users.</p> <p>The MAC runs this survey between December and January each year. On average there are around 120 responses. The survey is available for all MAC customers.</p> <p>In addition the MAC runs programme-specific surveys, which are sent to all families participating in lessons. The response rate is between 25% and 30%.</p> <p>The recent Email Panel survey, carried out by Public Voice in June, found that 54% of non-users – defined as those who have not used the MAC in the last 12 months – were satisfied with the services provided to the community. The results are broken down as follows:</p> <ul style="list-style-type: none"> • 14% were very satisfied • 40% were satisfied • 5% were not satisfied • 41% did not know <p>(2011/12: 95% as measured by the MAC survey).</p>
<p>A safe and enjoyable aquatic experience is provided</p> 	<p>85% user satisfaction with MAC staff, as measured by MAC survey</p>	<p>Target met</p>	<p>Overall satisfaction, as measured by MAC survey for 2012/13, is 96.5%. Majority of comments from source were positive with the two negative comments around lifeguards look to be bored or a little casual on duty.</p> <p>The recent Email Panel survey measured satisfaction with various staff positions at the MAC, with the following results:</p> <p>Swim Instructors:</p> <ul style="list-style-type: none"> • 24% were satisfied • 70% were very satisfied • 6% were not satisfied <p>Front Counter Staff:</p> <ul style="list-style-type: none"> • 40% were satisfied • 59% were very satisfied • 1% were not satisfied <p>MAC management</p> <ul style="list-style-type: none"> • 50% were satisfied • 44% were very satisfied • 6% were not satisfied <p>Taken together, this constitutes 95% satisfaction, which accords closely with the MAC in-house survey.</p> <p>Please note: the above results are for users of MAC services only.</p> <p>(2011/12: 95%).</p>
	<p>Meet New Zealand water quality standard NZ5826/2010 (MAC records)</p>	<p>Target met</p>	<p>100% compliance with water safety standards. All water testing conducted monthly over this period continue to meet the standard NZ5826/2010.</p> <p>(2011/12: full compliance with water standards).</p>

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
	100% compliance with pool safe New Zealand - Best Practice Standard New Zealand	Target met	100% compliance with pool safe regulations. The NZRA completed an audit and have endorsed our best practise standard for the next 12 months until 2014. (New measure for 2012/13)
	Six Lifeguard internal training sessions per year	Target met	Lifeguard undertook eight training sessions during the 2012/13 year. Training included customer service, First Aid, team building and spinal injury awareness. (New measure for 2012/13)
	90% customer satisfaction with swimming lessons (MAC Survey)	Target met	Overall satisfaction for 2012/13 year is 96.5% (MAC Survey). Majority of users continue to endorse lessons and instructor ability with a few comments around high prices. (2011/12: 95%). In addition, the Email Panel survey recorded 94% satisfaction with swimming lessons: <ul style="list-style-type: none"> • 24% were satisfied • 70% were very satisfied • 6% were not satisfied Note: only relevant to 18 respondents (New measure for 2012/13)

Operating and Capital Work Programme for 2012/2013

Not applicable for 2012/13.

Parks and Reserves

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
<p>An affordable range of venues and facilities that meet community recreational needs.</p> 	100% compliance with NZ recreational standards	On track to meet target	100% compliance achieved. Contractors inspect equipment and produce reports on compliance with recreational standards. All issues are dealt with swiftly, as they arise, to ensure continued compliance.
<p>A diverse range of public landscapes and natural environments are protected and preserved.</p> 	85% community satisfaction with the range and affordability of facilities provided (Email Panel).	Target met	<p>Email Panel results (of those who expressed an opinion)</p> <ul style="list-style-type: none"> 64% were satisfied 25% were very satisfied 11% were not satisfied. <p>(2011/12 Communitrak Survey: 94%).</p>
	Complies with the requirements of the Reserve Management Act	Not measured	<p>Assessments are undertaken as reserve specific matters arise such as lease renewals or enquiries regarding use.</p> <p>A full assessment of Reserves, Reserves classification and compliance with the Act will be carried out as part of reviews of Reserve Management Plans (programmed for 2013/14)</p> <p>(New measure for 2012/13)</p>
	Reserve management plans are kept up to date. Next update 2013/14.	Target met	<p>Records are continually updated as required. Coastal Reserves Management Plan actions being undertaken at present.</p> <p>(New measure for 2012/13)</p>
<p>Safe and accessible parks, reserves and sportsgrounds.</p> 	100% compliance with the Building Act	Target met	<p>100% compliance achieved. New equipment must be signed off by building inspectors. Existing equipment checked by contractors. Platforms, structures and bridges are inspected and reported on by qualified builders and engineers. Remedial work is undertaken as required to bring non-compliant work up to standard.</p> <p>(New measure for 2012/13)</p>
	Promoted to the community annual and district wide - on-going	On-going	<p>The new web page is up and running. The site is updated regularly with items of interest to the community. The Council has promoted increased communication with leisure, recreation and sporting groups and organisations such as Feilding Promotion, Sport Manawatu and neighbouring councils to promote events and venues.</p> <p>(New measure for 2012/13)</p>

Operating Work Programme for 2012/2013






Project	Actual	Budget	Variance Explanation
Annual maintenance of Kitchener Park (includes carryover from 2011/12) (Existing level of service)	0	58,000	Work on going but amount captured elsewhere. Improved operations at Kitchener Park. Service Agreement in place with park contractor. Planting, track maintenance and weed control on going.

Capital Work Programme for 2012/2013

Project	Actual	Budget	Variance Explanation
Mountain bike track at Ranfurly Road, Feilding (to improve the level of service)	0	31,000	Project removed through Draft Annual Plan process.
Design and implementation of new signage for parks, reserves and sportsgrounds (to improve the level of service)	46,482	46,000	Design, production and installation of signs for Feilding parks and sports grounds complete. Other parks and reserves to be completed in July/August/September 2013.
Feasibility study to investigate the development of Johnson and Timona Parks (to improve the level of service)	16,780	31,000	Consultation has been undertaken with park users and clubs. The feedback has been included in a report. We have received concept designs. These designs include additional planting, additional car parking, signage, gateway improvements and features, removal and/or relocation of buildings and possibly a new, multi-purpose amenities building featuring a gym, changing rooms and admin centre. No decisions made by Council on future of project.
Bridge repairs: Almadale Reserve and Makino Bridge (to replace existing assets)	42,300	30,000	Makino Bridge repairs and repaint complete. The original cost estimate for Makino bridge was lower than the final cost. Almadale Bridge maintenance deferred. Almadale Bridge and Reserve will be considered as part of a larger project.
Railway land beautification and walkway feasibility study (to improve the level of service)	30,373	31,000	Concept design stage completed. Further work next financial year
Makino Park upgrade: skate park and playground (to improve the level of service)	0	102,000	Carried over to 2013/14 financial year. Location and design to be confirmed. MAC upgrade and District Plan review will impact on this project.
Mt. Stewart memorial replastering and painting (to replace existing assets)	25,584	26,000	Work largely complete. Slight delay due to weather and drainage issues.
Tangimoana playground: new play equipment (Enhanced level of service: renewal work)	14,625	15,000	New BMX track and play equipment for older children in place at the playground. A meeting is planned with the new community committee to look at future play equipment needs.
Total	176,144	312,000	

Property

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
<p>Quality Local Halls and Recreation Complexes are provided that meet community needs</p> 	80% user satisfaction with halls and recreation complexes (Email Panel)	Target met	<p>Email Panel results – 205 were surveyed, 49 of whom did not use the service. Results for the remaining 156 are:</p> <ul style="list-style-type: none"> • 14% were very satisfied • 73% were satisfied • 8% were not satisfied. • 5% don't know <p>(2011/12 Communitrak Survey: 85%)</p>
	All halls meet their Warrant of Fitness requirements	Target met.	<p>Inspections are being carried out regularly and documentation is being kept up to date. 22 halls were inspected during the 2012/13 financial year. The halls are inspected on a monthly basis.</p> <p>Records are being sent to MDC regulatory team. (New measure for 2012/13)</p>
	Annual halls reports completed and liaison meetings held.	Target met	<p>All reports received. Strategy Manager will assist with new Hall Management Policy for circulation to committees. We have met with committees individually, on site at hall where possible.</p> <p>(2011/12: Hall meeting took place in September 2011).</p>
	All low use halls evaluated on an annual basis to assess their future viability. (low use is defined as less than three times per year)	Target not met	<p>We did not undertake an evaluation of hall usage during the 2012/13 financial year. This work is to be completed as part of the review of Halls Policy, which is programmed for the 2013/14 financial year.</p> <p>(New measure for 2012/13)</p>
	Less than ten requests for maintenance per year	Target met	<p>In addition to regular scheduled maintenance there were eight requests for (unscheduled) maintenance. These were:</p> <p>Beaconsfield: adjusting exterior fire exit door.</p> <p>Cheltenham: repair to vandalised exterior downpipes and spouting.</p> <p>Himatangi Beach: urgent repair to fire door.</p> <p>Pohangina: repair to toilet.</p> <p>Rangiotu: replace vandalised door.</p> <p>Rangiwahia: repair blocked (vandalised) drain.</p> <p>Rangiwahia: repair rotted window frames.</p> <p>Waituna West: full replacement of roof. This job was larger than originally anticipated.</p> <p>(New measure for 2012/13)</p>

Operating Work Programme for 2012/2013




Project	Actual	Budget	Variance Explanation
Himatangi Beach Hall new kitchen (enhanced level of service)	206	15,000	\$15,000 carried over to 2013/14, as part of the Draft Annual Plan process, plus additional \$35,000 for kitchen and other improvements. Work to be undertaken in 2013/14 financial year once community has undertaken fundraising.
Rongotea Community Centre: preventative maintenance (existing level of service)	1,759	5,000	Work complete on windows and doors.
Total	1,965	20,000	

Capital Work Programme for 2012/2013

Project	Actual	Budget	Variance Explanation
Strengthening of Council's earthquake prone buildings: Feilding Civic Centre; Feilding Community Centre; and Feilding Little Theatre (to replace existing assets)	0	150,000	Feilding Civic Centre strengthening work programmed for January 2014. The work has been delayed as there was only a limited opportunity to carry it out this financial year. Council decided to carry the funding over to 2013/14. Tender process will commence in August 2013. Further investigations are being carried out at Feilding Community Centre and Feilding Little Theatre. Drawings and calculations have been provided.
Total	0	150,000	

Property (Civic and Community Buildings)

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
<p>Safe, reliable and accessible civic and community buildings meeting community needs</p> 	80% user satisfaction with buildings, measured by community feedback (Email Panel)	Target Met	<p>Email Panel results – 205 were surveyed, 49 of whom did not use the service. Results for the remaining 156 are:</p> <ul style="list-style-type: none"> • 14% were very satisfied • 73% were satisfied • 8% were not satisfied. • 5% don't know <p>(2011/12 Communitrak Survey: 85%)</p>
	Less than ten requests for maintenance per year	Target not met	<p>Civic and Community Buildings are well maintained. During the year there were 25 requests for maintenance. Two of these were due to vandalism. The rest were due to wear and tear issues.</p> <p>(New measure for 2012/13)</p>
	All buildings meet their Warrant of Fitness requirements	Target Met	<p>Regular inspections were carried out during the year and documentation was provided in a timely manner to MDC regulatory team.</p> <p>Council, via its contractors, inspected eight building for Building Warrants of Fitness. These were:</p> <ul style="list-style-type: none"> • Johnston Park Grandstand • Feilding Civic Centre • Feilding Library • Little Theatre • Te Manawa (previously Community Centre) • South Street Depot • Soccer Pavilion at Timona Park • MDC Admin Building <p>(New measure for 2012/13)</p>

Operating and Capital Work Programme for 2012/2013

Not applicable for 2012/13.

Funding Impact Statement for the year ending 30 June 2013 for Community Facilities

	Actual 2013 \$000	LTP 2013 \$000	LTP 2012 \$000
<i>Sources of operating funding</i>			
General rates, uniform annual general charges and rates penalties	242	242	177
Targeted rates (other than a targeted rate for water supply)	4,751	4,658	4,714
Subsidies and grants for operating purposes	5	2	1
Fees, charges and targeted rates for water supply	974	1,050	767
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	5	7	22
Total operating funding	5,977	5,958	5,681
<i>Applications of operating funding</i>			
Payments to staff and suppliers	4,021	4,448	3,818
Finance costs	403	490	72
Internal charges and overheads applied	1,709	1,114	1,098
Other operating funding applications	0	0	0
Total applications of operating funding	6,133	6,052	4,988
Surplus (deficit) of operating funding	(156)	(94)	693
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	0	0	2,574
Development and financial contributions	100	133	212
Increase (decrease) in debt	2,166	(31)	426
Gross proceeds from sale of assets	0	1,500	0
Lump sum contributions	0	0	0
Total sources of capital funding	2,266	1,603	3,212
<i>Applications of capital funding</i>			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	360	1,782	3,423
- to replace existing assets	291	422	478
Increase (decrease) in reserves	1,459	(696)	4
Increase (decrease) of investments	0	0	0
Total application of capital funding	2,110	1,509	3,905
Surplus (deficit) of capital funding	156	94	(693)
Funding balance	0	0	0

Community Facilities - Internal Borrowings	Actual 2013 \$000
Opening balance 1 July 2012	5,011
Internal loans raised during the year	943
Internal loans repaid during the year	-
Closing balance at 30 June 2013	5,954

Community Facilities - External Borrowings	Actual 2013 \$000
Opening balance 1 July 2012	650
External loans raised directly by activity during the year	1,223
External loans repaid directly by activity during the year	0
Closing balance at 30 June 2013	1,873

All external borrowing is managed through the Council 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 Treasury.

The Finance cost above includes \$351k interest expense in relation to loans raised internally from Treasury and \$52k interest expense charged on external loan raised directly by Community Facilities group of activities, for the year ended 30 June 2013.






District Development

Community Funding and Development

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
<p>Council funds and supports key community organisations in order to build district capability.</p> 	<p>All organisations that receive a grant reports back to Council to a satisfactory standard every six months, identifying progress towards outcomes</p>	<p>Target met</p>	<p>All organisations funded by Council have submitted satisfactory reports</p> <p>Information on who received grants can be found on pages 130 to 131.</p> <p>(New measure for 2012/13)</p>
	<p>Social and cultural strength of the community is evaluated on an annual basis</p>	<p>Target met</p>	<p>Social networks and the level of support offered to members of a community are indicators of the social strength of a community. Manawatu Neighbourhood Support and Council's Community Development Scheme are two initiatives that contribute to the social strength of the community.</p> <p>At 30 June 2013 25.5% of residences within Manawatu district were part of Neighbourhood Support. This is just over double the national average of 12%.</p> <p>Manawatu District Council administers a grant scheme of \$240,000, providing financial support to nine social and community service organisations. The organisations provide services to the community on behalf of the Council.</p> <p>The degree of cultural activity is supported by Council through administering the Creative Communities Scheme. This scheme assisted 17 creative endeavours within the district during 2012/13. Some examples of the organisations we funded are: Feilding Multicultural Committee (to fund a tutor to teach refugee/migrant women to make a quilt to tell their story); Te Punanga Whakaari Theatre Productions (to bring the production 'He Reo Aoha' to Feilding); and Catherine McCall (holiday programme for northern rural children).</p> <p>There are also a number of cultural outlets within the district's main centre, Feilding. For example, the Little Theatre, the Feilding and Districts Art Centre.</p> <p>Culture which is not simply limited to the arts. Taken together these indicators suggest that the social and cultural strength of the community is satisfactory.</p> <p>(2011/12: not applicable – new measure for 2012/13)</p>






Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
	Key partnership relationships - Destination Manawatu, Vision Manawatu, Sport Manawatu and Feilding Promotion - are identified and evaluated six-monthly for contribution to Council outcomes and collaborative endeavours	Target met	Relationship agreements and/or service level agreements with all key agencies are in place. The agreements outline the expectations of services delivered and linkages to Council outcomes. Council is currently reviewing its economic development activities including services currently provided by these key agencies. The review will be completed in June 2014. (New measure for 2012/13)
	Community funding policy reviewed alongside LTP in triennial cycle	Target met	The review of the Community Funding Policy has been completed. A revised policy was adopted on 21 March 2013. Applications to the 2013/14 funding round for Rates Support and Community Development Partnership funding have been completed. (New measure for 2012/13)
Lead a community planning process in partnership with communities	Communities are actively engaged and involved in the process	Target met	Sanson and Halcombe have completed their final community plans. These were presented to Council on 21 May 2013. Halcombe is actively engaged in starting to deliver some of the identified tasks focusing around beautification and the Halcombe Domain. Council is in the process of leading the Sanson Community in their project to link the Sanson Domain with the Village via a walkway. Scoping of both these projects are underway. (New measure for 2012/13)
	Two community planning programmes per year	Target met	Sanson and Halcombe community planning programmes have been finalised. Kimbolton began the Community Planning process in May and to date has held two workshops. Pohangina started their Community Planning process in July 2013. Apiti is due to start their process in August 2013. A date is still yet to be set with the Rangiwahia community. (New measure for 2012/13)




Operating Work Programme for 2012/2013

Project	Actual	Budget	Variance Explanation
Community Planning Programme	124,182	124,207	Actual spend reflects costs associated with completing Sanson and Halcombe Community Planning processes, and the first stages of the Kimbolton Community Planning process, which began earlier than planned. So far, there have been ten planning workshops (five in Sanson and five in Halcombe). Following these Sanson and Halcombe each presented their draft plans to their wider communities. Once refined, these were presented to Council for incorporation into existing works.
Feilding Integrated Family Health Centre	0	2,500,000	This project is pending decisions by the District Health Board and Ministry of Health. No draw down of funds as yet. Annual Plan has been updated to reflect changing timeline.
Manfeild Park: Community Investment	150,100	150,000	The Community Investment grant has been fully drawn down by Manfeild Park Trust.
Manawatu Historic Vehicle Collection Trust (MHVCT): grant (replacing Partnership Fund)	45,000	45,000	MHVCT have drawn down this one off grant for 2012/13.
Total	319,282	2,819,207	

Economic Development

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
Council contracts external organisations to:			
Retain, attract and grow businesses and jobs 	Four businesses take part in sustainable business programmes per year	Target not met	Programme unable to be delivered by Vision Manawatu in Manawatu District as little interest shown in programme this financial year. Only one Manawatu District based business enrolled in programme but did not commence the programme due to change in circumstances of the business. No expenditure on programme (Source: Vision Manawatu, Council records). (New measure for 2012/13)
	Positive employment trend year on year - from economic update reports	Target not met	The most accurate and up-to-date indicator of labour force trends is data on the number of people receiving the unemployment benefit. The number of people in the Manawatu district registered for the unemployment benefit increased by 20% between March 2012 and March 2013. National unemployment benefit numbers declined by 9% (Source: Manawatu Economic Outlook, March 2013). (New measure for 2012/13)
	Positive business growth trend year on year - from economic update reports	Unable to measure as first year	The annual estimated production for the Manawatu Region has increased by 2.3%. For Manawatu District core retail sales have decreased 0.3% in the past year compared to New Zealand overall noting an increase of 2.0%. (New measure for 2012/13)
	Positive wealth trend, year on year	Unable to measure as first year	In the year ending March 2012* salaries and wages for the Manawatu District have decreased with earnings declining by 10% from 2011. Some of this decline is due to the impact of the boundary change with the industrial area of Longburn becoming part of Palmerston North. This is lower than New Zealand overall with an increase of earnings noted at 4.2%. House values have increased with a 4.1% increase noted for Manawatu District compared to 6.5 % for New Zealand *information for 2012/13 is not available due to delays in data releases (Source: Regional Economic Report). (New measure for 2012/13)
Attract and retain residents 	Sense of place campaign undertaken	Target met	Over the past year the sense of place campaign has included television advertising about the Coach House and production of the magazine <i>The Page</i> promoting the Manawatu. Destination Manawatu also continues with the Country Road project (New measure for 2012/13)

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
Attract visitors 	Number of events	Target met	Feilding Promotion is contracted to provide management of community events. In 2012/13 these events included the Feilding Christmas Carnival and parade, the Royal visit and on-going Sales Yard tour programme. The events calendar Eventfinda is maintained to ensure up to date information about events is provided to the community. In addition to these contracted events there are a wide range of other community events including EVENTO, Blue Light discos, 33 days of cycling and Festival of lights to name but a few. (Source: Feilding Promotion and Council records). (This could not be measured in 2011/12).
Council contracts organisations to promote the District and operate an information service 	Increasing number of visitors to Feilding Website year on year	Target not measurable for 2012/13	During the 2012/13 year there have been 34,323 visits to the Feilding website – www.feilding.co.nz Previous year's data is not comparable (Source: Feilding Promotion). (New measure for 2012/13)
	Increasing number of visitors to the information centre	Target not met	The number of visitors to the Feilding information Centre was 16,676. This is a decline of 1,643 from last year. Visitor figures may be approaching more realistic levels, which increased over the 2011/12 year due to the Rugby World Cup. Mail enquiries dropped marginally by 80, from 2,341 (2011/12) to 2,259 (2012/13). Telephone calls dropped by 740 from 3,994 (in 2011/12) to 3,254 in (2012/13). These figures represent a continuing decline in visitors to the Centre. However there are some reliability issues with data as it is dependent on staff to remember to collect phone, email or visitor data (Source: Feilding Promotion website). (New measure for 2012/13)

Operating and Capital Work Programme for 2012/2013

Not applicable for 2012/13.

Funding Impact Statement for the year ending 30 June 2013 for District Development

	Actual 2013 \$000	LTP 2013 \$000	LTP 2012 \$000
<i>Sources of operating funding</i>			
General rates, uniform annual general charges and rates penalties	1,875	1,875	1,840
Targeted rates (other than a targeted rate for water supply)	59	59	71
Subsidies and grants for operating purposes	24	31	0
Fees, charges and targeted rates for water supply	0	0	4
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	17	242
Total operating funding	1,958	1,983	2,157
<i>Applications of operating funding</i>			
Payments to staff and suppliers	1,734	1,898	1,752
Finance costs	164	185	206
Internal charges and overheads applied	194	254	128
Other operating funding applications	0	0	0
Total applications of operating funding	2,092	2,336	2,086
Surplus (deficit) of operating funding	(134)	(353)	71
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	0	0	66
Development and financial contributions	0	0	0
Increase (decrease) in debt	(92)	1,417	153
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	(92)	1,417	219
<i>Applications of capital funding</i>			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	574	500	219
- to replace existing assets	0	0	0
Increase (decrease) in reserves	(800)	(436)	71
Increase (decrease) of investments	0	1,000	0
Total application of capital funding	(226)	1,064	290
Surplus (deficit) of capital funding	134	353	(71)
Funding balance	0	0	0

District Development - Internal Borrowings	Actual 2013 \$000
Opening balance 1 July 2012	2,376
Internal loans raised during the year	-
Internal loans repaid during the year	(92)
Closing balance at 30 June 2013	2,284

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

The interest charged on internal borrowings for the year ended 30 June 2013 is disclosed above under Finance Costs.



Emergency Management

Civil Defence

What has Council achieved in 2012/2013?




Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
<p>Council provides an Emergency Operating Centre and trained personnel (including Council staff and volunteers) to deal with civil defence emergencies</p> 	<p>Emergency Management Officers are available 24 hours a day, 7 days a week</p>	<p>Target met</p>	<p>Officers are available as requested. There is one Emergency Management Officer on duty at all times. There are eight Emergency Management Officers available to call on in an emergency, together with those Council staff who have been designated roles in a civil defence emergency.</p> <p>(New measure for 2012/13)</p>
	<p>The Emergency Operating Centre will be staffed and operative within one hour of activation</p>	<p>Target met</p>	<p>While there has not been an emergency event requiring the activation of the Emergency Operating Centre (EOC), the earthquake drill, held on 26 September 2012, has shown that the EOC can be operative within one hour. See below for information on this drill.</p> <p>New Standard operating procedures (SOPs) for EOC activation and operation are under development.</p> <p>New SOPs will be put in place and tested during the 2013/14 financial year.</p> <p>(New measure for 2012/13)</p>
<p>Council provides public education</p> 	<p>20 public education initiatives per year</p>	<p>Target met</p>	<p>NZ Shakeout was the focus for the First Quarter. Council ran programmes promoting the Earthquake Drill by liaising with the following groups:</p> <ul style="list-style-type: none"> • Every school in the district • CBD businesses via Feilding promotion • Government agencies via our Emergency Management and Local Welfare Committees • The Community via media articles and liaison with Neighbourhood Support Group. • Early childhood centres • Internally with staff and other MDC facilities such as Library and Makino Pool. • The rural sector via Fed Farmers and Rural Support Trust – encouraging farmers to consider their business continuity arrangements. <p>Council followed the Shakeout exercise with an Emergency Operation Centre exercise incorporating the new Emergency Management Information System (EMIS). Fifty-two staff took part and further training is being scheduled.</p> <p>For the balance of the year, the focus was on continued rounds of awareness raising meetings with community groups (Neighbourhood Support, aged care facilities), schools as well as attending community committee meetings in the District.</p> <p>(2011/12: 24 campaigns undertaken).</p>



Capital Work Programme for 2012/2013

Project	Actual	Budget	Variance Explanation
Relocation of civil defence repeater to the summit of Ridge Road (to improve the level of service)	29,000	20,000	Project complete. New repeater at Ridge Road, Apiti operational. Old repeater at North Range Road decommissioned. This project is over budget due to additional work required because of the remote location of the repeater.
Total	29,000	20,000	

Rural Fire

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
<p>Provide proactive and accurate rural fire service to the community, reducing the risks of fire incidents</p> 	<p>Community awareness of rural fire service increases year on year, measured by the Email Panel</p>	<p>Unable to measure as first year</p>	<p>Benchmark Email Survey undertaken in 2012/13. Survey respondents were given five options to choose from, which best described their awareness:</p> <ul style="list-style-type: none"> • Excellent – fully aware of what rural fire do • Good – have heard of rural fire and know what they do • Fair – have heard of them and know a little of what they do • Poor – have heard of them but don't know what they do • Non-existent – have not heard of them <p>For the purpose of this survey, community respondents are considered to be aware of the rural fire service if they pick excellent, good or fair. On that basis 80% of respondents are aware of the rural fire service. If this figure is higher next year, we will have met the target (New measure for 2012/13)</p> <p>The following is the breakdown of the results:</p> <ul style="list-style-type: none"> • Excellent: 15% • Good: 32% • Fair: 33% • Poor: 10% • Non-existent: 10% <p>(New measure for 2012/13)</p>
	<p>Annual audit of Rural Fire equipment and facilities against agreed check list</p>	<p>Target met</p>	<p>All equipment checked and accounted for a part of asset list review.</p> <p>Some items no longer owned by Council have been removed from the asset list.</p> <p>(New measure for 2012/13)</p>
<p>Provide a co-ordinated and appropriate response and recovery to incidents</p> 	<p>Less than ten complaints per year about unpermitted fires during restricted fire seasons</p>	<p>Target met</p>	<p>There were no complaints about unpermitted fires received by Council. However, there were 24 unpermitted fires during the restricted fire season. The MDC Rural Fire Authority (RFA) receives notification of these fires by pager from fire communications. In all cases the initial response is from the NZ Fire Brigade. The RFA is involved as required.</p> <p>The number of fires occurring within the District and neighbouring Districts was monitored on a daily basis. The Manawatu District went into a District wide restricted fire season (fire by permit) on the 21 December 2012 followed by a prohibited fire season (Total fire ban) on Fri the 8 March 2013. On the 6 April 2013 the District reverted to a restricted fire season from SH1/3 to the coast and an open season for the remainder of the District.</p> <p>On the 14 April 2013 the District reverted to its normal fire season status of restricted fire season within 3km of the coast and an open fire season for the remainder of the District excluding Department of Conservation land and their 1Km fire safety margins where applicable.</p> <p>This was the first time in a number of years that the District went into a prohibited fire season. Although the Manawatu was declared a drought area it did not see the fire activity that was seen in other Districts.</p> <p>(Not applicable for 2011/12 as there was no restricted fire season)</p>

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
	Annual meetings with district welfare groups and community committee have taken place	Target not met	<p>The Principal Rural Fire Officer connected with district welfare groups through attendance at Manawatu Emergency Management Committee meetings. Some contact with Community Committees has occurred, but not all committees were visited throughout 2012/13.</p> <p>Information and advice was provided to residents / landowners as required regarding lighting of fires in the open air, fire season status and ensuring burns were carried out in a safe manner. Sites were visited as required, primarily to ensure that information was being provided face to face and also as a means of meeting the rural landowners within the District.</p> <p>130 fire permits were issued over the reporting period.</p> <p>(New measure for 2012/13)</p>
	No loss of life due to rural fires	Target met	<p>There were no loss of lives due to rural fires at 30 June 2013.</p> <p>(New measure for 2012/13)</p>

Operating and Capital Work Programme for 2012/2013

Not applicable for 2012/13.

Funding Impact Statement for the year ending 30 June 2013 for Emergency Management

	Actual 2013 \$000	LTP 2013 \$000	LTP 2012 \$000
<i>Sources of operating funding</i>			
General rates, uniform annual general charges and rates penalties	132	132	132
Targeted rates (other than a targeted rate for water supply)	188	179	181
Subsidies and grants for operating purposes	0	0	9
Fees, charges and targeted rates for water supply	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	4	0
Total operating funding	320	314	322
<i>Applications of operating funding</i>			
Payments to staff and suppliers	247	297	296
Finance costs	0	0	0
Internal charges and overheads applied	15	15	23
Other operating funding applications	0	0	0
Total applications of operating funding	262	312	319
Surplus (deficit) of operating funding	58	3	3
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	0	0	0
<i>Applications of capital funding</i>			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	29	28	0
- to replace existing assets	0	0	0
Increase (decrease) in reserves	29	(25)	3
Increase (decrease) of investments	0	0	0
Total application of capital funding	58	3	3
Surplus (deficit) of capital funding	(58)	(3)	(3)
Funding balance	0	0	0

Emergency Management - Internal Borrowings

	Actual 2013 \$000
Opening balance 1 July 2012	-
Internal loans raised during the year	-
Internal loans repaid during the year	-
Closing balance at 30 June 2013	-

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




The interest charged on internal borrowings for the year ended 30 June 2013 is disclosed above under Finance Costs.




Environmental and Regulatory Management

Animal Control

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
Animal Control complaints are resolved in a timely manner - response being defined as responding to the call centre and where required the complainant, and informing them of the intended action	Animal control service is available for 24 hours a day, seven days a week for priority one issues. Note: priority one is defined as a dog attack on a person or livestock, secured dog or at animal control officer's discretion aggressive roaming dog, and stock on road. Priority two are all other complaints.	Target met	Service has been available as required as indicated in the monthly roster. (New measure for 2012/13)
	95% of priority one callouts (dog attacks, secured dogs and wandering stock) responded to within 15 minutes.	Not measured	The system was amended in January 2013 to allow reporting on this target which was previously unreportable. 449 priority one complaints were received of which 32 have a recorded response: 46.9% compliance with timeframe. There were only 32 recorded responses from January as the system was not being correctly used. Further training has been undertaken to address this. (New measure for 2012/13)
	95% of priority two complaints are responded to within one working day	Not measured	The system was amended in January 2013 to allow reporting on this target which was previously unreportable. 829 priority two complaints were received of which 24 have a recorded response: 83.3% compliance with timeframe. Further training has been undertaken to address this. (New measure for 2012/13)
	20% of all properties and dwellings, within a five-yearly cycle, are visited to check for unregistered dogs.	Target not met	No properties were visited since April due to the high volume of 'preferred owner' that had to be attended to. We have addressed this issue by providing additional resources. (New measure for 2012/13)
Promoting responsible dog ownership through public education	Three education programmes provided to schools	Target not met	No contract has been in place for dog education over this period. A contractor, Kelly Jordan, has been engaged to deliver the education program, effective from 8 July 2013. (2011/12: five dog education programmes delivered).
			

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
Provide a quality Animal Control Service 	Comply with requirements of the Dog Control Act 1996, Impounding Act 1955 and Council bylaws	Target Met	No complaints received relating to MDC non compliance with the Dog Control Act 1996, Impounding Act 1955 and Council Bylaws. (New measure for 2012/13)


Operating and Capital Work Programme for 2012/2013

Not applicable for 2012/13.

Building Control

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
<p>Building records and general information is available at all times</p> 	Building records are available at all times	Target met	<p>To comply with building accreditation staff carry out a monthly file review. No issues noted with missing files.</p> <p>(New measure for 2012/13)</p>
	All inspections are carried out within four working days of request	Not measured	Council does not measure this target at this time. However, the average waiting timeframe from booking to completion of a building consent inspection was 3.5 days over this period.
<p>A responsive and accurate building control service is provided</p> 	All consents are processed within statutory timeframes	Target not met	<p>950 consents issued, of which 94.63% within timeframe – 20 working days.</p> <p>Reasons for consents issued outside timeframe reported at the Building Consent Authority Management Team meeting: 50% increase in consents received in November leading to a bottleneck.</p> <p>Staff leave combined with training led to a backlog of this work.</p> <p>External contractors have been utilised to accommodate the backlog.</p> <p>(2011/12: 96% of building consents issued within timeframe).</p>
	5% of buildings with Building Warrants of Finesses (BWoFs) are audited each year	Target met	<p>52 BWoF audits carried out within this period. Some issues that were noted include incomplete records and non-compliance with fire escape routes.</p> <p>48 audits are required over the year.</p> <p>(New measure for 2012/13)</p>
	95% of Building Service complaints are investigated and resolution attempted within ten working days of receipt - note: some complaints take a while to resolve due to the complexity of some building projects	Target met	<p>54 complaints received over this period. 95% complaints investigated within ten days.</p> <p>(New measure for 2012/13)</p>
<p>Ensure that the built environment is safe</p> 	All dangerous and insanitary building issues are resolved within two working days. Note: resolved meaning investigated and notice issued if required	Target met	<p>One complaint received regarding a dangerous building (#7244) responded to within two working days and resolved.</p> <p>One dangerous building notice was issued 6/12/12 within two working days in response to a BWOF audit.</p> <p>(New measure for 2012/13)</p>
	No commercial/public buildings in the district are known to have been assessed as earthquake prone after ten years	On track to meet target	<p>126 buildings have been assessed by a structural engineer.</p> <p>MDC is waiting for the response from Central Government before proceeding with a review of the policy or identification of more buildings requiring assessment.</p> <p>(New measure for 2012/13)</p>



Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
	<p>All known properties with swimming pools and/or spa fencing inspected on schedule and for compliance - the current procedure is for an inspection every five years</p>	<p>On track to meet target</p>	<p>248 swimming pools have been inspected over this period. We expect to be in a position where we are up to date with the five yearly programme by end of Aug 2013. This entails the inspection of 22 remaining pools. (New measure for 2012/13)</p>

Operating and Capital Work Programme for 2012/2013

Not applicable for 2012/13.

Environmental Health

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
<p>Protect public health by regulating the sale of food, funeral parlours, offensive trades, hairdressing salons and camping grounds</p> 	All applications processed within statutory timeframes	Target met	<p>All applications received by the Council were processed and licences issued within the set time being 20 working days from the day we received the application. Council issued 156 licences.</p> <p>(2011/12: 98% processed within 20 working days).</p>
	All high risk premises inspected twice a years - defined as premises requiring temperature control for unwrapped product	Target met	<p>All 32 high risk premises were inspected twice. All complied with statutory legislation. Advice and directions were given to improve operator's practices. Follow up visits were carried out as necessary to maintain the compliance.</p> <p>(2011/12: 55% of high risk premises inspected twice a year).</p>
	All low risk premises inspected annually - defined as all other licences including fruit and vegetable, hairdressers, funeral parlours, camping grounds etc.	Target not met	<p>122 premises out of 124 low risk premises were inspected to ensure compliance with relevant legislation.</p> <p>(2011/12: 55% of low risk premises inspected).</p>
	All voluntary food control plans are verified to MAF requirements	Target met	<p>All Voluntary Implementation Plans/Off the peg Premises were verified/audited as per Ministry of Primary Industries requirements. Corrective Action Plans were completed and signed off.</p> <p>13 premises of total 16 with Food Control Plans were audited /verified and any corrective actions were completed. All audit reports were closed out.</p> <p>(New measure for 2012/13)</p>
<p>Environmental complaints are investigated to minimise public nuisance</p> 	95% of complaints are responded to within one working day	Target not met	<p>Of the 194 Complaints received 178 (92%) were responded to within one hour.</p> <p>The target was not met due to under resourcing. The recruitment process for a new compliance and monitoring officer is underway.</p> <p>This new role will provide an additional resource for responding to complaints.</p> <p>(2011/12: 97% of complaints responded to within one working day).</p>
	95% of noise complaints are responded to within one hour	Target met	<p>Of the 804 noise complaints received, 792 were responded to with one hour (98.5%). After hours complaints are included.</p> <p>(New measure for 2012/13)</p>



Operating and Capital Work Programme for 2012/2013



Not applicable for 2012/13.

District Planning

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
<p>District Planning services are provided to ensure the sustainable management of natural and physical resources by managing/controlling development</p> 	<p>Meeting statutory timeframes for processing resource consents</p>	<p>Target met</p>	<p>All 161 resource consents received were processed within the statutory times set by the Resource Management Act 1991. (2011/12: 166 consents processed 99% within statutory timeframes).</p>
	<p>Notified and Limited Notified consents requiring a hearing - 70 working days</p>	<p>Target met</p>	<p>There was one notified consent that required a hearing. However, this was subsequently withdrawn by the applicant so no hearing was required. There was one limited notified consent that required a hearing. This was processed within the statutory timeframe of 70 working days. (New measure for 2012/13)</p>
	<p>Non-notified resource consents - 20 working days</p>	<p>Target met</p>	<p>There were 158 non-notified resource consents processed. All non-notified consents were processed within 20 working days except for four subdivision consents that were processed within a timeframe extended under Section 37 of the Resource Management Act 1991. (New measure for 2012/13)</p>
	<p>Notified and Limited Notified resource consents not requiring a hearing - 50 working days</p>	<p>Target met</p>	<p>One limited notified consent was processed that did not require a hearing. The limited notified consent was processed within 50 working days. (New measure for 2012/13)</p>

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
	<p>The state of the environment and the efficiency and effectiveness of the District Plan are monitored every five years</p>	<p>On track to meet target</p>	<p>State of Environment report is due to be completed by December 2013. Work is underway on the project (2011/12: work on-going).</p>
	<p>The District Plan complies with legislative requirements and Council outcomes</p>	<p>Target met</p>	<p>The operative District Plan complies with legislative requirements and Council outcomes. (New measure for 2012/13)</p>
	<p>Current District Plan provisions are available online 95% of the time</p>	<p>Target met</p>	<p>The provisions contained within the operative District Plan are available on Council's website: www.mdc.govt.nz (New measure for 2012/13)</p>
	<p>90% of complaints are investigated and responded to within three months of being received</p>	<p>Target met</p>	<p>Eight complaints were received. These complaints were investigated and responded to within three months of being received. (2011/12: 22 complaints received. All resolved within one month).</p>
	<p>All consents are monitored within one month of monitoring date</p>	<p>Target on-going</p>	<p>A new Monitoring and Enforcement Officer has been employed by the Council. Training will be given to the successful applicant in monitoring land use consents. Subdivision consents are monitored when the applicant requests sign off. (New measure for 2012/13)</p>



Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
An accessible District Planning service 	All Plan changes are updated online within five working days	Target met	Two plan changes were notified. Both were updated on the day they were notified. (New measure for 2012/13)
	Advice from a Planner is available during office hours, 95% of the time	Target met	Planners were available during office hours except on 20 December 2012 when they were unavailable. They were also unavailable during part of the day on 26 March 2013 due to some staff being on sick leave. Taking into account statutory holidays, this equates to about 99% availability. During these times Council's Customer Services department is informed and messages taken. (New measure for 2012/13)

Operating Work Programme for 2012/2013

Project	Actual	Budget	Variance Explanation
Sectional review of the District Plan - funding includes a carryover of \$60,000 from 2011/12 (Existing level of service)	227,152	265,000	<p>Feedback is being received under clause 3 of the Resource Management Act 1991- Feilding Town Centre and Feilding Growth. The Roding Hierarchy plan change has been notified with four submissions being received. The summary of decisions is being compiled and will be notified later in August 2013.</p> <p>Plan Change 36-42 and 44 - Miscellaneous Plan Change was notified on 9 May 2013. Three submissions were received. The Summary of Decisions was notified on 20 June 2013. No further submissions were received. Discussions are underway with the submitters.</p> <p>Drafting of plan provisions is underway on other sections of the District Plan.</p>
Feilding Growth (Existing level of service)	20,369	43,000	<p>Plan Change 45 has been prepared and has been sent out for Clause 3 consultation which is a requirement under the Resource Management 1991.</p> <p>Plan Change 45 is to be notified on 22 August 2013.</p>
Total	247,521	308,000	

Liquor Licensing

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
Protect public health by regulating the sale of liquor 	All liquor licence applications are processed and issued within five working days (where complete is information provided)	Target met	Council received 216 applications. All applications were processed within five working days, as long as the application was complete- 100%. (2011/12: target ten working days. All processed within this timeframe).
	All liquor licence outlets are inspected annually	Target not met	Of the 51 premises, 40 inspections were carried out - 78%. 11 premises were not inspected due to staff resourcing issues. As part of a new process for 2013/14, the Environmental Health Officer will carry out the inspection during the annual renewal process for each affected premises. These annual inspections are spread out over the year. (2011/12: 85% of inspections carried out).

Operating and Capital Work Programme for 2012/2013

Not applicable for 2012/13.

Funding Impact Statement for the year ending 30 June 2013 for Environmental and Regulatory

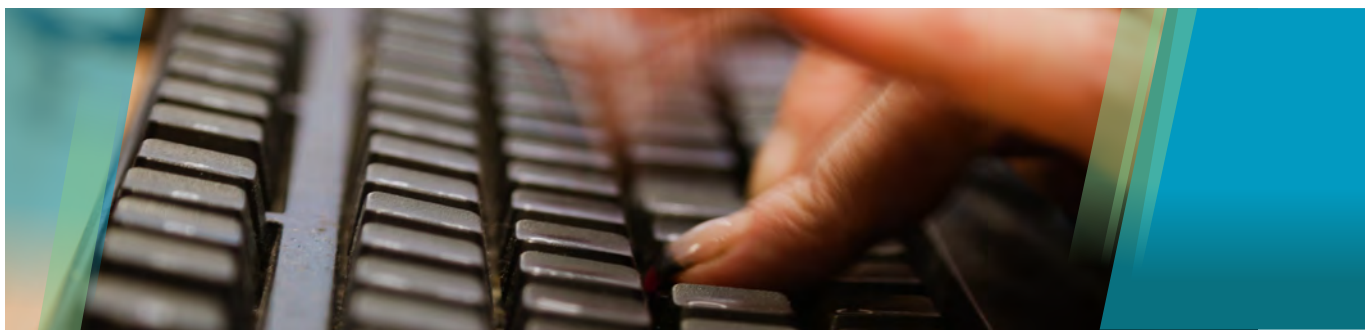
	Actual 2013 \$000	LTP 2013 \$000	LTP 2012 \$000
<i>Sources of operating funding</i>			
General rates, uniform annual general charges and rates penalties	454	454	410
Targeted rates (other than a targeted rate for water supply)	1,768	1,724	1,460
Subsidies and grants for operating purposes	0	0	0
Fees, charges and targeted rates for water supply	1,491	1,455	1,367
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	48	7	0
Total operating funding	3,761	3,640	3,237
<i>Applications of operating funding</i>			
Payments to staff and suppliers	2,411	2,598	2,361
Finance costs	0	0	0
Internal charges and overheads applied	904	1,408	870
Other operating funding applications	0	0	0
Total applications of operating funding	3,315	4,006	3,231
Surplus (deficit) of operating funding	446	(366)	6
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	34
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	0	0	34
<i>Applications of capital funding</i>			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	13	17	0
- to replace existing assets	33	0	0
Increase (decrease) in reserves	400	(383)	40
Increase (decrease) of investments	0	0	0
Total application of capital funding	446	(366)	40
Surplus (deficit) of capital funding	(446)	366	(6)
Funding balance	0	0	0

Environmental and Regulatory - Internal Borrowings

	Actual 2013 \$000
Opening balance 1 July 2012	-
Internal loans raised during the year	-
Internal loans repaid during the year	-
Closing balance at 30 June 2013	-



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

The interest charged on internal borrowings for the year ended 30 June 2013 is disclosed above under Finance Costs.



Governance and Strategy

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
Provide opportunities for community input into decision making 	Eight Email Panel surveys per year on important Council projects/decisions	Target met	<p>For the purposes of this KPI, we have carried out three surveys, which together measured satisfaction on nine Council services. For each activity, we asked two questions, one on how the respondent rated the service and one inviting the respondent to add their thoughts.</p> <p>The services include: Makino Aquatic Centre, Rooding, Parking, Footpaths, Parks and Reserves, Halls, Wastewater, Rural Fire and Council decision-making processes. The results are disclosed in the relevant sections of this report.</p> <p>(New measure for 2012/13)</p>
	60% of residents feel that they understand Council's decision making process (Email Panel)	Target met	<p>Survey respondents were given five options to choose from, which best described their understanding of Council decision-making processes:</p> <ul style="list-style-type: none"> • Excellent – where the respondent fully understands the decision-making process • Good – where the respondent has a good understanding of the decision making process • Fair – where the respondent has an ok understanding of the decision-making process • Poor – where the respondent only has a vague understanding of the decision-making process • Non-existent – where the respondent as no idea about the decision making process. <p>For the purposes of this target, 60% or more of the respondents would need to have chosen either excellent, good or fair. On this basis we can say that 64% of respondents understand Council's decision-making processes. Below is a full breakdown of the results:</p> <ul style="list-style-type: none"> • Excellent: 6% • Good: 24% • Fair: 34% • Poor: 25% • Non-existent: 11% <p>While we have met this target, the fact that nearly 36% of respondents have little or no understanding of decision-making processes is of concern. This presents challenges for Council in terms of future consultation.</p> <p>(New measure for 2012/13)</p>

Operating Work Programme for 2012/2013

Project	Actual	Budget	Variance Explanation
Email Panel (existing level of service)	14,765	20,000	Costs relate to surveys undertaken.
Total	14,765	20,000	

Funding Impact Statement for the year ending 30 June 2013 for Governance and Strategy

	Actual 2013 \$000	LTP 2013 \$000	LTP 2012 \$000
<i>Sources of operating funding</i>			
General rates, uniform annual general charges and rates penalties	0	0	0
Targeted rates (other than a targeted rate for water supply)	1,248	1,221	1,313
Subsidies and grants for operating purposes	0	0	0
Fees, charges and targeted rates for water supply	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	2	0	0
Total operating funding	1,250	1,221	1,313
<i>Applications of operating funding</i>			
Payments to staff and suppliers	472	562	567
Finance costs	0	0	0
Internal charges and overheads applied	564	710	746
Other operating funding applications	0	0	0
Total applications of operating funding	1,036	1,272	1,313
Surplus (deficit) of operating funding	214	(51)	0
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	0	0	0
<i>Applications of capital funding</i>			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	4	0
Increase (decrease) in reserves	214	(55)	0
Increase (decrease) of investments	0	0	0
Total application of capital funding	214	(51)	0
Surplus (deficit) of capital funding	(214)	51	0
Funding balance	0	0	0

Governance and Strategy - Internal Borrowings

Actual 2013
\$000

Opening balance 1 July 2012	-
Internal loans raised during the year	-
Internal loans repaid during the year	-
Closing balance at 30 June 2013	-






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

The interest charged on internal borrowings for the year ended 30 June 2013 is disclosed above under Finance Costs.




Roading

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
<p>Quality roading network provided that meets current and future demands, i.e. residents' needs and increased demands from agriculture</p> 	80% satisfaction with the roading network (Email Panel)	Target not met	<p>Email Panel results (of those who expressed an opinion)</p> <ul style="list-style-type: none"> 70% were satisfied 9% were very satisfied 21% were not satisfied <p>(2011/12 Communitrak Survey: 85%)</p>
<p>Adequate parking provided, parking controls appropriately implemented and enforced</p> 	95% satisfaction with the provision of parking	Target not met	<p>Email Panel results (of those who expressed an opinion)</p> <ul style="list-style-type: none"> 53% were satisfied 29% were very satisfied 18% were not satisfied <p>The results have been analysed and comments on provision of additional disabled carparks.</p> <p>(2011/12: Communitrak Survey 77%).</p>
<p>The services are managed at the lowest possible cost for the required level of service</p> 	The roading network is managed within budget, to within plus or minus 5%	Target met	<p>100% of budgeted expenditure for the period committed. Pavement Rehabilitation, Resurfacing, Main South Road, all planned maintenance, renewal and capital works completed. Please refer to page 47 for details.</p> <p>(New measure for 2012/13)</p>
<p>All-weather access is available throughout the formed road network (urban and rural)</p> 	80% of weather events (floods and slips, or emergency incidents) responded to within 30 minutes of initial call to Council	Target met	<p>Council received 18 notifications of weather related events. 17 responded to within 30 minutes of initial call to Council.</p> <p>(New measure for 2012/13)</p>
	There are less than 5% of properties that have experienced interruption to road access for more than 12 hours per year	Target met	<p>Gorge Road reopened in November after repairs were completed. It did not affect access residential property. There were no other issues during the year.</p> <p>(New measure for 2012/13)</p>

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
<p>There is a quick response to customer requests for service</p> 	All customer requests for service are attended to within agreed timeframes	Target not measured	<p>During the year Council received 1,134 customer requests. However, Council's customer service system currently only measures the time from initiating a job to when that job is closed, not the time to repair/resolve the issue that is the subject of the complaint. We are working to implement systems that will measure this in future.</p> <p>(2011/12: there were no systems to measure this).</p>
<p>The roads feels safe to use and are regarded as safe in comparison to other similar networks.</p> 	Less than 10% of reported injury accidents cite road design as a factor	Target met	<p>No reported injury accidents during the year that cite road design as a contributing factor. Police reports on serious or fatal accidents have a six-month delay when being included into Crash Analysis System (CAS).</p> <p>(Source: NZ Police)</p> <p>(New measure for 2012/13)</p>
	All curves are compatible with the speed environment	Target met	<p>No road curvature concerns raised during the year.</p> <p>(New measure for 2012/13)</p>
<p>Footpaths and cycle facilities are in good condition and are 'fit for purpose'</p> 	98% of urban streets provided with a footpath on at least one side of the road	Target not met	<p>Currently 90% of urban streets in the district have a footpath on one side of the road. This year 200m² of footpath construction was undertaken in Rongotea.</p> <p>A capital programme has been developed to continue installation of footpaths on at least one side of the road, though there is no timeframe at this stage.</p> <p>Not all townships, that have been classified as urban, will receive a footpath due to low demand.</p> <p>In order to meet this target in Feilding 600m² is required and has been programmed for the next ten years.</p> <p>(New measure for 2012/13)</p>
	75% resident satisfaction with quality and comfort of footpaths (Email Panel)	Target met	<p>Email Panel results (of those who expressed an opinion)</p> <ul style="list-style-type: none"> • 61% were satisfied • 16% were very satisfied • 23% were not satisfied. <p>(2011/12: Communitrak Survey 94%. The survey measured satisfaction with state of streets, footpaths and carparks, so is not directly comparable).</p>
	96% are within acceptable defect levels, for example, cracking, breaks, high lips, trip hazards etc.	Target not met	<p>Maintenance work continuing. Recent condition survey highlighted a range of defects and renewals, which will be undertaken on the short roading sections. Currently 95% within acceptable levels.</p> <p>(New measure for 2012/13)</p>
	All roads within the network are inspected on a monthly basis for condition defects	Target met	<p>Contractor inspects all roads monthly and records areas requiring remedial work. 1/12th of network audited each month as part of contractor performance monitoring to check compliance with levels of service.</p> <p>(New measure for 2012/13)</p>

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
	All design standard meet current NZTA, Austroad or other adopted standards and guidelines.	Target met	All designs reviewed and where required audited by external engineering parties. One audit was undertaken at Awahuri/Steward Road intersection. This has resulted in an increase in cost estimates in order to incorporate the results. (New measure for 2012/13)

Operating Work Programme for 2012/2013

Project	Actual	Budget	Variance Explanation
Sealed Road Maintenance	1,025,082	1,200,000-1,700,000	Programmed works completed. Major component of the programmed pre seal repairs completed.
Unsealed Road Maintenance	318,643	218,000-293,000	Over expenditure due to coding error. Will be corrected to reflect programmed work on unsealed roads.
Environmental Maintenance	693,460	664,000-892,000	Vegetation control on going. Growth of grass berms currently significant but managed by maintenance contractor.
Drainage Maintenance	219,652	204,000-275,000	Programmed maintenance works tied in with pre seal repair sites.
Structure Maintenance	332,998	311,000-418,000	Programmed maintenance works of bridges and large culverts completed.
Traffic Services	560,591	570,000-766,000	Streetlight and signs maintenance as per programme by contractors.
Network and Asset Management	440,515	617,000-829,000	Internal professional services team completed professional services for delivery of roading programme. Council undertook all planned work. However, this was less than the budgeted amount in the LTP.
Total	3,590,941	3,784,000-5,174,000	

Capital Work Programme for 2012/2013

Project	Actual	Budget	Variance Explanation
Pavement Rehabilitation (to replace existing assets)	2,805,546	3,200,000-4,200,000	Main Drain road, Tiakitahuna Road, Turners Road, Taonui Road plus pavement work on Denbigh Street completed. Council undertook all planned work. However, this was less than the budgeted amount in the LTP.
Resurfacing Sealed Roads (to replace existing assets)	2,031,276	2,400,000-3,200,000	Reseal works program completed across district. However, this was less than the budgeted amount in the LTP.
Footpath Renewals (to replace existing assets)	233,306	180,000-245,000	Work undertaken in Denbigh Street and Makino Road in Feilding, and Rongotea in Avon Street.
Minor Improvements (to replace existing assets)	540,278	540,000-726,000	Design work underway on Awahuri-Stewart Road intersection area as referenced in safety strategy study. Other LED light installations in Sherwill Street completed May.
Sealing of Main South Road (to improve the level of service)	1,211,586	622,000	Most of the sealing work is complete. A short section of Mangahua Road requires a minor realignment and a culvert structure renewal. This is expected to be completed by the end of the year.
Total	6,821,992	6,942,000-8,993,000	

Funding Impact Statement for the year ending 30 June 2013 for Roothing

	Actual 2013 \$000	LTP 2013 \$000	LTP 2012 \$000
<i>Sources of operating funding</i>			
General rates, uniform annual general charges and rates penalties	0	0	0
Targeted rates (other than a targeted rate for water supply)	5,767	5,715	7,565
Subsidies and grants for operating purposes	1,932	1,639	1,624
Fees, charges and targeted rates for water supply	1	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	279	209	0
Total operating funding	7,979	7,563	9,189
<i>Applications of operating funding</i>			
Payments to staff and suppliers	3,986	3,629	4,437
Finance costs	187	178	776
Internal charges and overheads applied	6	(75)	348
Other operating funding applications	0	0	0
Total applications of operating funding	4,179	3,732	5,561
Surplus (deficit) of operating funding	3,800	3,831	3,628
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	3,360	4,031	6,073
Development and financial contributions	198	299	438
Increase (decrease) in debt	(784)	397	1,524
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	2,774	4,727	8,035
<i>Applications of capital funding</i>			
Capital expenditure			
- to meet additional demand	8	0	164
- to improve the level of service	1,593	1,241	1,819
- to replace existing assets	7,397	7,891	9,401
Increase (decrease) in reserves	(2,424)	(574)	279
Increase (decrease) of investments	0	0	0
Total application of capital funding	6,574	8,558	11,663
Surplus (deficit) of capital funding	(3,800)	(3,831)	(3,628)
Funding balance	0	0	0

Roothing Network - Internal Borrowings

Actual 2013
\$000

Opening balance 1 July 2012	3,166
Internal loans raised during the year	213
Internal loans repaid during the year	(998)
Closing balance at 30 June 2013	2,381

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



The interest charged on internal borrowings for the year ended 30 June 2013 is disclosed above under Finance Costs.



Solid Waste

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
<p>Provision of recycling facilities and regular kerbside collection to encourage recycling and waste reduction</p> 	5% year on year decrease in waste tonnage taken to landfill	Target not met	<p>Waste tonnage to landfill has increased by 6.7% to 3,224 tonnes.</p> <p>Part of the reason for this is because the new contractor does not extract concrete and wood for recycling, which decreases recycling tonnage. Council is making efforts to improve this situation.</p> <p>Another possible influence comes from commercial growth, with the construction of new buildings, together with the associated refuse. (2011/12: 3,224 tonnes).</p>
	5% year on year increase in tonnage of recyclables	Target not met	<p>Kerbside recycling has increased by 34% to 1,007 This is a result of the extended kerbside collection in Feilding using wheelie bins. (2011/12: 749 tonnes)</p> <p>Recycling from the refuse transfer station has decreased by 28%, to 1,431 tonnes. Part of the reason for this is because the new contractor does not extract concrete and wood for recycling, which decreases recycling tonnage. Council is making efforts to improve this situation. For example, the contractor has reserved an area at the Feilding refuse transfer station for depositing concrete, which will go to landfill.</p> <p>The contractor is also investigating the recycling of treated timber. (2011/12: 2,369 tonnes)</p>
<p>Convenient and accessible waste management services are available to the community</p> 	70% of residents are within 10km of a transfer station or drop-off point	Target met	<p>88% of residents live within 10km of a transfer station or drop-off-point.</p> <p>In order to measure this we used the usually resident population from the 2006 census – results from the 2013 census are not available until December 2013. This gave us a base figure of 26,151 - this reflects the new boundary. Using our GIS software we were able to determine that 23,007 residents live within 10km of a transfer station or drop-off-point. (Source: 2006 Census) (New measure for 2012/13)</p>
<p>Education on best waste practices are provided to the community and businesses</p> 	85% satisfaction with education programmes (participant survey)	Target met	<p>100% satisfaction with programme according to participant feedback.</p> <p>We received feedback from the 18 schools that took part in the programme. The surveys were filled in by each school on behalf of the classes who received the programme. (New measure for 2012/13)</p>

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
	15 education programmes provided	Target met	18 schools this financial year received the programme. (New measure for 2012/13)
Feilding Transfer Station is accessible 	Opening hours: 8am to 4pm, Monday to Friday. 9am to 5pm weekends.	Target met	Feilding Transfer Station has been open 100% of the time, except for a half day lost in September 2012 due to incumbent (Cairns) going into receivership. (New measure for 2012/13)

Capital Work Programme for 2012/2013

Project	Actual	Budget	Variance Explanation
Enhancements to recycling in Feilding (to improve the level of service)	1,161,321	1,200,000	New contract implemented 1 December.
Agrecovery programme (to improve the level of service)	0	10,000	This programme has been superseded by private sector already providing collections. Council will still provide promotion of the services available commercially.
District-wide Waste Education Strategy (to improve the level of service)	28,784	32,000	\$28,784.00 Spent for year. Nappy Reuse programme \$284.00 Paper 4 Trees \$3,120.00 Zero Waste Education \$25,380.00
Total	1,190,105	1,242,000	

Funding Impact Statement for the year ending 30 June 2013 for Solid Waste

	Actual 2013 \$000	LTP 2013 \$000	LTP 2012 \$000
<i>Sources of operating funding</i>			
General rates, uniform annual general charges and rates penalties	0	0	0
Targeted rates (other than a targeted rate for water supply)	1,148	1,116	1,307
Subsidies and grants for operating purposes	85	92	0
Fees, charges and targeted rates for water supply	508	426	317
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	4	0	0
Total operating funding	1,745	1,634	1,624
<i>Applications of operating funding</i>			
Payments to staff and suppliers	1,777	1,444	1,413
Finance costs	72	3	43
Internal charges and overheads applied	123	132	165
Other operating funding applications	0	0	0
Total applications of operating funding	1,972	1,579	1,621
Surplus (deficit) of operating funding	(227)	55	3
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	11
Increase (decrease) in debt	400	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	400	0	11
<i>Applications of capital funding</i>			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	424	0	0
- to replace existing assets	0	0	11
Increase (decrease) in reserves	(251)	55	3
Increase (decrease) of investments	0	0	0
Total application of capital funding	173	55	14
Surplus (deficit) of capital funding	227	(55)	(3)
Funding balance	0	0	0

Solid Waste - Internal Borrowings

Actual 2013
\$000

Opening balance 1 July 2012	-
Internal loans raised during the year	424
Internal loans repaid during the year	(24)
Closing balance at 30 June 2013	400


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

The interest charged on internal borrowings for the year ended 30 June 2013 is disclosed above under Finance Costs.



Stormwater

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
<p>People and property are protected from the impacts of flooding</p> 	No more than one injury per year is attributed to poorly designed or maintained drains or pipes	Target met	<p>There were no actual injuries attributable to poorly designed or maintained drains or pipes. However, there were several complaints about missing manhole covers. In one instance, it was reported that a child's foot had gone down a Manhole, but there was no reference to injury.</p> <p>In all cases the incidents were repaired by Council's contractors. Stormwater grates have been installed on manholes identified as prone to surcharging.</p> <p>In all cases the incidents were repaired by Council's contractors.</p> <p>(2011/12: no injuries reported).</p>
<p>Reliable stormwater system</p> 	No residential dwellings are flooded in a one year event	Target met	<p>The purpose of this KPI is to measure how reliable Council's stormwater system is. The system should be robust enough to ensure that no dwelling is flooded in a one-year event. However, Council does not have a working definition of a one-year event. Therefore, for the purpose of this KPI, any flooded dwelling will constitute a failure to meet the target.</p> <p>There have been no reported flooding of dwellings. However, the garden of one property was flooded, and water went under the house.</p> <p>(2011/12: no properties flooded).</p>
	No urban roads are closed by flooding during a one year event	Target met	No urban roads closed (2011/12: no urban roads closed).

Capital Work Programme for 2012/2013

Project	Actual	Budget	Variance Explanation
Renewal of ageing assets (to replace existing assets)	45,352	389,000	The balance of this budget was carried over to 2013/14 as part of the Draft Annual Plan process, as Council undertook less work than anticipated.
Stormwater Calibration and Development (to improve the level of service)	1,010	55,000	Further enhancement of Feilding Stormwater model is being developed after rainfall data has been analysed.
New Reticulation Work (to meet additional demand)	2,169,704	2,700,000	Pharazyn Street Stage 1 and 2 works complete. Stage 3 works has been programmed. Completion expected September 2013.
Development of Stormwater Structure Plan (to meet additional demand)	0	100,000	Structure Plan being developed in conjunction with Roading and Planning Teams. Due to the fact that more work was undertaken in the previous financial year than anticipated, a lot less was required this year than anticipated.
Total	2,216,066	3,244,000	

Funding Impact Statement for the year ending 30 June 2013 for Stormwater

	Actual 2013 \$000	LTP 2013 \$000	LTP 2012 \$000
<i>Sources of operating funding</i>			
General rates, uniform annual general charges and rates penalties	181	181	172
Targeted rates (other than a targeted rate for water supply)	603	588	678
Subsidies and grants for operating purposes	0	0	0
Fees, charges and targeted rates for water supply	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	784	769	850
<i>Applications of operating funding</i>			
Payments to staff and suppliers	278	273	197
Finance costs	59	55	17
Internal charges and overheads applied	80	58	196
Other operating funding applications	0	0	0
Total applications of operating funding	417	386	410
Surplus (deficit) of operating funding	366	383	440
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	62	57	206
Increase (decrease) in debt	2,084	2,857	(4)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	2,146	2,914	202
<i>Applications of capital funding</i>			
Capital expenditure			
- to meet additional demand	2,191	3,010	1,622
- to improve the level of service	0	88	58
- to replace existing assets	99	46	436
Increase (decrease) in reserves	223	154	(1,474)
Increase (decrease) of investments	0	0	0
Total application of capital funding	2,513	3,298	642
Surplus (deficit) of capital funding	(366)	(383)	(440)
Funding balance	0	0	0

Stormwater - Internal Borrowings

Actual 2013
\$000

Opening balance 1 July 2012	578
Internal loans raised during the year	2,293
Internal loans repaid during the year	(209)
Closing balance at 30 June 2013	2,662

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


The interest charged on internal borrowings for the year ended 30 June 2013 is disclosed above under Finance Costs.



Wastewater

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
<p>Wastewater services meet user needs</p> 	<p>96% of customers are satisfied with their wastewater services (Email Panel)</p>	<p>Target not met</p>	<p>Email Panel results (of those who used wastewater services)</p> <ul style="list-style-type: none"> • 21% were very satisfied • 60% were satisfied • 13% were not satisfied. • 6% did not know <p>(2011/12 Communitrak Survey: 96% satisfaction).</p>
<p>Wastewater services are available for urban residences</p> 	<p>95% of urban residences are within connection distance of a sewer lateral (GIS and Huefner Records)</p>	<p>Target not met</p>	<p>For the purpose of this KPI we have taken the total number of urban residences, as defined by our District Plan. This includes some small communities that do not have reticulated wastewater. Using rating information we have determined how many are connected, or able to be connected, to the sewerage system. Using this method 69% of urban properties are either connected, or able to be connected, to the wastewater system.</p> <p>The new wastewater system in Himatangi Beach should improve this result.</p> <p>(New measure for 2012/13)</p>
<p>Wastewater services are provided at the agreed level of service for the lowest possible cost</p> 	<p>The harmonised household charge is comparable to a peer group of similar districts: within plus or minus 20%</p>	<p>Target met</p>	<p>The harmonised household charge is a standard charge across the district for wastewater schemes. Our peer group is made up of Councils who have similar rating systems and either have a similar population to MDC or are close by. The Councils, together with their wastewater charge, are:</p> <p>Rangitikei: \$510 South Taranaki: \$509 Tararua: \$420 Horowhenua: \$357</p> <p>The average wastewater charge for this group is \$449. This compares to \$452 for MDC, which is within 20%.</p> <p>(Source: First year of respective Councils' LTPs) (New measure for 2012/13)</p>
<p>A reliable wastewater service is provided</p> 	<p>No more than one unplanned event which disrupts the availability of wastewater services (Customer Service and contractor records)</p>	<p>Target met</p>	<p>No unplanned outages of the network reported.</p> <p>(Source: City Care) (New measure for 2012/13)</p>
	<p>All affected users are given 24 hours notice of planned shut downs</p>	<p>Target met</p>	<p>There were no planned shutdowns of the Waste Water system. Consumers provided with a minimum.</p> <p>(Source: City Care) (New measure for 2012/13)</p>

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
	90% of complaints or issues are responded to within two hours	Target not met	<p>The contract for the provision of this service stipulates the following, on-site response times:</p> <p>P1 (urgent): within one hour P2 (moderate): within one day P3 (not urgent): within five days.</p> <p>For the purposes of this KPI we are measuring only P1 requests for service. There were 106 P1 requests. 21 were not responded to within the one-hour timeframe. However, of these, nine were responded to within two hours. This means that, of the 106 P1 requests, 94 were responded to within two hours (89%).</p> <p>P1 requests include, but are not limited to, sewer overflows or blockages, sewerage in streams or rivers, urgent pump station alarms.</p> <p>(Source: City Care)</p> <p>(2011/12: 54% responded to within one hour, which was last year's target).</p>

<p>Wastewater systems have minimal impact on the environment</p> 	All resource consent conditions are met	Target not met	<p>Key wastewater treatment plants are being upgraded to meet higher resource consent standards. Some non-compliance at Feilding STP was recorded during the year. Around 1,300 compliance tests were held, of which around did 70 not comply. This was mainly for suspended solids in the water. Typically this occurs in the summer during low river flows when suspended solids make up a greater proportion of the water.</p> <p>The current upgrade will improve the situation.</p> <p>(New measure for 2012/13)</p>
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Capital Work Programme for 2012/2013

Project	Actual	Budget	Variance Explanation
Himatangi Beach Wastewater Scheme (to improve the level of service)	3,842,669	4,500,000	Physical works commenced January 2013. Treatment Plant built and lined, community reticulation completed and good progress being made with on-lot works and connections.
Feilding Wastewater Treatment Plant Upgrade (to improve the level of service)	5,217,159	4,500,000	Upgrade currently underway. Anaerobic lagoon including cover complete. Civil works for aerobic pond #1 complete with pond lined. Aeration system delivered, Actiflo clarifier and Diskfilter delivered. First treated storage lagoon almost complete. Please note that the budget for this has subsequently been increased to \$5.5m.
Feilding Wastewater Treatment Plant Upgrade land purchase (to improve the level of service)	4,930	1,000,000	Land purchase to take place in the 2013/14 financial year.
Feilding Wastewater Treatment Plant upgrade - treated storage reservoir (to improve the level of service)	624,000	1,500,000	Tender let to Downer NZ and construction commenced February 2013. Bulk earthworks substantially complete. The balance of this budget has been carried forward to the 2013/14 financial year in order to complete this stage of the project. The work was not completed during the year as other, higher priority projects were undertaken.
Feilding pipe renewal (to replace existing assets)	442,000	410,000	Renewals undertaken in Beattie Street and Kimbolton Road.
Rongotea Wastewater Treatment – Upgrade (To replace existing assets)	1,389	200,000	The preliminary design has been completed. Programme of works has been developed. Funding has been carried over into 2013/14. The project was not completed during the financial year as the upgrade of Kimbolton Wastewater Treatment Plant was considered a higher priority and there were limited resources to undertake both projects. The upgrade at Feilding Wastewater Treatment Plant also affected the amount of resources available.

Project	Actual	Budget	Variance Explanation
Kimbolton Wastewater Treatment Plant - further upgrade work (to improve the level of service)	212,230	307,000	Upgrade design completed. Floating wetlands installed. New filter purchased. Due to land issues that have delayed this project, the balance of unspent funds have been carried over to 2013/14.
Cheltenham - realignment of discharge drain (to improve the level of service)	0	75,000	A programme of work has been developed but, due land issues, funding has been carried over to 2013/14. Work is expected to be completed in the 2013/14 financial year.
Halcombe Wastewater Treatment Plant - new aerator (to improve the level of service)	25,000	51,000	Council secured a second-hand aerator, which came in a lot cheaper than budget.
Sanson - implementation of a flow monitoring system to ensure that resource consent conditions are met (to improve the level of service)	0	77,000	Pricing of new flow monitoring equipment undertaken. The scope of this project has expanded due to the possibility of pumping treated waste to Bulls. The project is on hold until a decision is made in relation to that possibility.
Total	10,369,377	12,620,000	

Funding Impact Statement for the year ending 30 June 2013 for Wastewater

	Actual 2013 \$000	LTP 2013 \$000	LTP 2012 \$000
<i>Sources of operating funding</i>			
General rates, uniform annual general charges and rates penalties	0	0	0
Targeted rates (other than a targeted rate for water supply)	3,110	2,801	3,738
Subsidies and grants for operating purposes	0	0	0
Fees, charges and targeted rates for water supply	880	639	668
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	3,990	3,440	4,406
<i>Applications of operating funding</i>			
Payments to staff and suppliers	2,034	2,431	2,063
Finance costs	558	426	1,088
Internal charges and overheads applied	93	126	250
Other operating funding applications	0	0	0
Total applications of operating funding	2,685	2,983	3,401
Surplus (deficit) of operating funding	1,305	457	1,005
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	1,969	3,215	0
Development and financial contributions	3,530	2,687	233
Increase (decrease) in debt	7,181	7,240	2,417
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	12,680	13,142	2,650
<i>Applications of capital funding</i>			
Capital expenditure			
- to meet additional demand	60	41	66
- to improve the level of service	11,319	10,211	2,731
- to replace existing assets	1,181	2,003	662
Increase (decrease) in reserves	1,425	1,344	196
Increase (decrease) of investments	0	0	0
Total application of capital funding	13,985	13,599	3,655
Surplus (deficit) of capital funding	(1,305)	(457)	(1,005)
Funding balance	0	0	0

Wastewater - Internal Borrowings

	Actual 2013 \$000
Opening balance 1 July 2012	7,886
Internal loans raised during the year	7,531
Internal loans repaid during the year	(350)
Closing balance at 30 June 2013	15,067

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




The interest charged on internal borrowings for the year ended 30 June 2013 is disclosed above under Finance Costs.



Water Supply

What has Council achieved in 2012/2013?

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
Reliable water supply service 	There are no unexpected disruptions to service	Target not met	<p>There were eight unplanned shutdowns for the year.</p> <p>This affected 38 properties in Feilding (four of the shutdowns) and 106 properties in Himatangi Beach (three of the shutdowns). Of the 106 Himatangi Beach shutdowns, 100 occurred within two days of each other in mid May. The remaining six occurred in January.</p> <p>There was also one shutdown in Halcombe, but this did not affect any properties.</p> <p>Most unplanned shutdowns occur because of breaks in water mains or from routine maintenance that requires additional work.</p> <p>(2011/12: 27 unplanned shutdowns).</p>
	Customers are no more than eight hours without water	Target met	<p>There were 16 planned shutdowns during the year, which affected 155 residences. There were eight unplanned shutdowns, as detailed in above measure.</p> <p>No customers were more than eight hours without water during each shutdown – the longest time without water was six hours.</p> <p>Most planned shutdowns are due to the need to replace service valves or leaky fire hydrants. Shutdowns may also be required when installing new water meters.</p> <p>(2011/12: no customer more than eight hours without water).</p>
	Customers are provided with at least 24 hours notice prior to planned shut downs	Target met	<p>Consumers provided with a minimum of 24 hours notice of planned shutdowns.</p> <p>(2011/12: all customers provided 24 hours notice).</p>
	All urgent requests for service are responded to within one day - dirty, cloudy, smelly, bad tasting water, or no water at all	Target not met	<p>The contract for the provision of this service stipulates the following, on-site response times:</p> <p>P1 (urgent): within one hour P2 (moderate): within one day P3 (not urgent): within five days.</p> <p>For the purposes of this KPI we are measuring only P1 requests for service. For the year ending 30 June there were 248 P1 requests. 198 of these (80%) were responded to within one hour. 236 were responded to within one day (95%).</p> <p>P1 requests include, but are not limited to, burst water mains, major water leaks, loss of water to customers, complaints regarding water quality.</p> <p>(2011/12: 151 requests of which 68% responded to within one hour).</p>

Level of Service and Link to Outcome	Key Performance Indicator and Target	Target Attained	Comments
	The Feilding water supply complies with New Zealand Fire Service Fire Fighting Water Supplies Code of Practice	Target met	Flow testing carried out in May, with no issues. (New measure for 2012/13)
Water supply extraction has minimal environmental impact 	All water extraction meets or exceeds resource consent requirements	Target met	No known instances of exceeding resource consent requirements. (New measure for 2012/13)
Safe drinking water supply 	Meets Drinking Water Standards 2005	Target not met	Compliance with NZ Drinking Water Standards 2005 not met (2010/11: compliance not met). Treatment Plants Full compliance was achieved for the Himatangi Beach treatment plant. Feilding Almadale treatment plant did not comply because it did not meet the bacterial or the protozoa criteria of the standard at all times. The Feilding Awa Street treatment plant did not comply because it did not meet the bacterial or chemical criteria at all times. Distribution Zones Full compliance was achieved in all distribution zones. The remaining water supply areas are tested against The New Zealand Drinking Water 2000 Standards which are applicable to small drinking water supplies until 1 July 2015. Authorities must make all practicable steps to comply by these dates. Full compliance was not achieved for the Treatment plants due to the Protozoa criteria of the standard (for all plants) and the Radiological criteria (for Waituna West) not being met. Full compliance for Distribution Zones was achieved for Halcombe Stanway and for Waituna West. (2010/11: compliance not met).

Capital Work Programme for 2012/2013

Project	Actual	Budget	Variance Explanation
Renewal of Ageing Assets (to replace existing assets)	466,715	1,500,000	Works in Stafford and Monckton Streets complete. Kimbolton Road, CBD and part of Manchester Street works substantially complete. Kimbolton Road work, between North and Beattie Streets, awarded to JB Ware Ltd with physical work expected to begin in September 2013. The bulk of this funding has been carried over due to a system error which meant it appeared that more work had been carried out than was actually the case.
Metering and backflow protection (to improve the level of service)	3,739	37,000	Due to resourcing issues, work is set to begin at the beginning of the 2013/14 financial year
Asset structure plan (to improve the level of service)	6,992	100,000	Feilding growth studies finalised in conjunction with Development Contribution Review. Due to the fact that more work was undertaken in the previous financial year than anticipated, a lot less was required this year than anticipated.

Project	Actual	Budget	Variance Explanation
Himatangi Beach water storage reservoir (to improve the level of service)	86,163	225,000	Updated prices for new reservoir were obtained and tender let for steel reservoir. Construction on-going with balance of funds carried into the 2013/14 financial year, as the steel tank from Australia was delayed.
Rongotea new water scheme (to improve the level of service)	13,844	2,900,000	Negotiations continuing with Ministry of Health to refine project works and confirm final subsidy amount. Project expected to commence in the 2013/14 financial year.
Total	577,453	4,762,000	

Funding Impact Statement for the year ending 30 June 2013 for Water Supply

	Actual 2013 \$000	LTP 2013 \$000	LTP 2012 \$000
<i>Sources of operating funding</i>			
General rates, uniform annual general charges and rates penalties	0	0	0
Targeted rates (other than a targeted rate for water supply)	3,012	3,046	3,419
Subsidies and grants for operating purposes	0	0	0
Fees, charges and targeted rates for water supply	798	205	205
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0
Total operating funding	3,810	3,251	3,624
<i>Applications of operating funding</i>			
Payments to staff and suppliers	1,691	1,760	1,550
Finance costs	267	294	553
Internal charges and overheads applied	226	141	288
Other operating funding applications	0	0	0
Total applications of operating funding	2,184	2,195	2,391
Surplus (deficit) of operating funding	1,626	1,055	1,233
<i>Sources of capital funding</i>			
Subsidies and grants for capital expenditure	0	1,200	0
Development and financial contributions	194	379	264
Increase (decrease) in debt	(1,609)	673	1,584
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding	(1,415)	2,251	1,848
<i>Applications of capital funding</i>			
Capital expenditure			
- to meet additional demand	0	290	0
- to improve the level of service	70	2,121	1,865
- to replace existing assets	516	2,016	763
Increase (decrease) in reserves	(376)	(1,121)	453
Increase (decrease) of investments	0	0	0
Total application of capital funding	210	3,307	3,081
Surplus (deficit) of capital funding	(1,626)	(1,055)	(1,233)
Funding balance	0	0	0

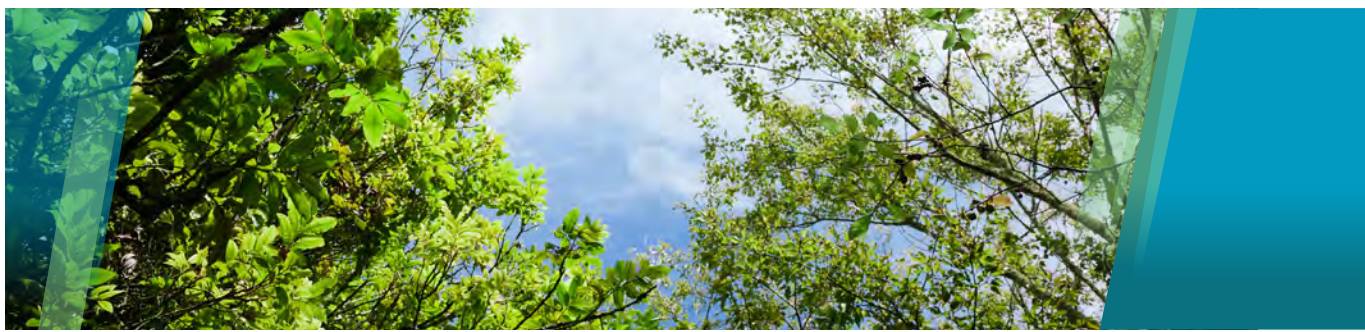
Water Supply - Internal Borrowings

Actual 2013
\$000

Opening balance 1 July 2012	4,663
Internal loans raised during the year	101
Internal loans repaid during the year	(1,712)
Closing balance at 30 June 2013	3,052

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

The interest charged on internal borrowings for the year ended 30 June 2013 is disclosed above under Finance Costs.



Overall Funding Impact Statement

Manawatu District Council: Overall Funding Impact Statement for year ended 30 June 2013
(whole of Council)

	Actual 2013 \$000	Annual Plan 2013 \$000	Actual 2012 \$000	Annual Plan 2012 \$000
<i>Sources of operating funding</i>				
General rates, uniform annual general charges and rates penalties	3,186	3,139	3,308	3,263
Targeted rates (other than a targeted rate for water supply)	21,654	21,107	22,011	21,815
Subsidies and grants for operating purposes	2,045	1,764	2,283	1,872
Fees, charges and targeted rates for water supply	4,660	3,761	3,629	3,608
Internal charges and overheads recovered	237	541	268	640
Local authorities fuel tax, fines, infringement fees and other receipts	3,253	3,369	2,140	2,576
Total operating funding	35,035	33,681	33,639	33,774
<i>Applications of operating funding</i>				
Payments to staff and suppliers	25,117	25,949	26,215	25,887
Finance costs	1,176	1,737	856	1,810
Other operating funding applications	0	0	0	0
Total applications of operating funding	26,293	27,686	27,071	27,697
Surplus (deficit) of operating funding	8,742	5,995	6,568	6,077
<i>Sources of capital funding</i>				
Subsidies and grants for capital expenditure	5,329	8,446	4,020	9,040
Development and financial contributions	3,218	3,555	559	1,390
Increase (decrease) in debt	13,727	13,011	3,384	26,752
Gross proceeds from sale of assets	0	1,500	(9)	22
Lump sum contributions	0	0	0	0
Total sources of capital funding	22,274	26,512	7,954	37,204
<i>Applications of capital funding</i>				
Capital expenditure				
- to meet additional demand	2,259	3,341	551	4,406
- to improve the level of service	14,350	16,542	9,611	29,206
- to replace existing assets	9,796	12,964	11,192	13,092
Increase (decrease) in reserves	4,611	(1,268)	(6,832)	(4,296)
Increase (decrease) of investments	0	927	0	873
Total application of capital funding	31,016	32,507	14,522	43,281
Surplus (deficit) of capital funding	(8,742)	5,995	(6,568)	(6,077)
Funding balance	0	0	0	0

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

The Finance costs disclosed above are in relation to external loans only, as the internal interest received by 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.



Part Three

Financial Information

This section of the Annual Report contains the following information:

- Financial Statements
- Notes to the Financial Statements
- The following Policy Reports:
 - Liability Management and Investment Policies
 - Revenue and Financing Policy
 - Council Controlled Organisations

Statement of Comprehensive Income

For the year ended 30 June 2013

	Note	Actual 2013 \$000	Council Budget 2013 \$000	Actual 2012 \$000	Group Actual 2013 \$000	Actual 2012 \$000
<i>Revenue</i>						
Rates revenue (excluding water by meter rates)	3	24,840	24,246	25,319	24,668	24,993
Financial income	4	237	541	268	200	246
Subsidies and grants	5	7,374	10,209	6,303	7,419	6,353
Development and financial contributions		500	591	453	500	453
Other revenue	6	10,706	10,094	10,834	11,738	12,008
Other operating gains/(losses)	7	41	-	(76)	(286)	(76)
Total revenue	2	43,698	45,681	43,100	44,239	43,977
<i>Expenditure</i>						
Personnel costs	8	7,931	8,102	7,239	8,089	7,356
Depreciation and amortisation	9	11,310	11,991	12,045	11,713	12,465
Finance costs	10	1,176	1,737	856	1,176	856
Other operating expenses	11	17,078	17,847	17,859	17,221	18,149
Total operating expenditure (excluding losses)	2	37,495	39,677	37,999	38,199	38,826
Operating surplus/(deficit) before gains, losses and tax		6,203	6,004	5,102	6,040	5,151
Losses on transfer of assets to other vesting authorities	7	-	-	(999)	-	(999)
Surplus/(deficit) before tax		6,203	6,004	4,103	6,040	4,152
Income tax expense	12	-	-	-	-	-
Net surplus/(deficit) after tax		6,203	6,004	4,103	6,040	4,152
<i>Other comprehensive income</i>						
<i>Items that will be reclassified in the future years to surplus/ (deficit)</i>						
Gains/(Losses) on financial assets at fair value through Other Comprehensive Income	24	174	-	-	174	-
<i>Items that will not be reclassified in the future years to surplus/ (deficit)</i>						
Impairment losses on restricted buildings through other comprehensive income	24	(440)	-	-	(440)	-
Gains/(Losses) on revaluation of Infrastructure assets	24	(13,747)	18,218	28,730	(13,747)	28,730
Total other comprehensive income		(14,013)	18,218	28,730	(14,013)	28,730
Total comprehensive income for the year		(7,810)	24,222	32,833	(7,973)	32,882

Explanations of major variances against budget are provided in Note 35.
The accompanying notes form part of these financial statements.

Balance Sheet

As at 30 June 2013

	Note	Council			Group	
		Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Assets						
<i>Current assets</i>						
Cash and cash equivalents	13	5,572	1,135	1,590	6,065	1,770
Debtors and other receivables	14	8,820	5,319	3,972	8,782	3,959
Investments in Council Organisations and similar entities	15A	64	-	28	-	-
Other financial assets	15B	3	141	54	213	258
Non-current assets held for sale	16	1,187	1,500	31,145	1,187	31,145
Total current assets		15,646	8,095	36,789	16,247	37,132
<i>Non-current assets</i>						
Property, plant and equipment	17	572,623	611,493	571,874	585,900	584,970
Intangible assets	18	982	1,980	1,300	982	1,300
Forestry assets	19	196	273	284	196	284
Non-current assets held for sale	16	-	3,178	-	-	-
Investments in Council Organisations and similar entities	15A	1,790	3,345	803	515	191
Other financial assets	15B	2,868	1,880	3,237	2,868	3,237
Total non-current assets		578,459	622,149	577,498	590,461	589,982
Total assets		594,105	630,244	614,287	606,708	627,114
Liabilities						
<i>Current liabilities</i>						
Creditors and other payables	20	9,231	6,419	5,231	9,256	5,326
Provisions	21	37	54	57	37	57
Employee entitlements	22	827	665	711	845	720
Borrowings	23	6,573	2,298	3,904	6,573	3,904
Total current liabilities		16,668	9,436	9,903	16,711	10,007
<i>Non-current liabilities</i>						
Provisions	21	694	619	829	694	829
Borrowings	23	22,562	29,267	11,504	22,562	11,504
Total non-current liabilities		23,256	29,886	12,333	23,256	12,333
Total liabilities		39,924	39,322	22,236	39,967	22,340
Equity						
Retained earnings	24	457,045	471,263	481,979	467,529	492,544
Other reserves	24	97,136	119,659	110,072	99,212	112,230
Total equity		554,181	590,922	592,051	566,741	604,774
Total Liabilities and Equity		594,105	630,244	614,287	606,708	627,114

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2013

	Note	Actual 2013 \$000	Council Budget 2013 \$000	Actual 2012 \$000	Group Actual 2013 \$000	Actual 2012 \$000
Balance at 1 July		592,051	566,700	559,218	604,774	571,892
Total comprehensive income/(expense) for the year ended 30 June		(7,810)	24,222	32,833	(7,973)	32,882
Net assets transferred to PNCC on boundary change	24	(30,060)	-	-	(30,060)	-
Balance as at 30 June	24	554,181	590,922	592,051	566,741	604,774

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2013

	Note	Actual 2013 \$000	Council Budget 2013 \$000	Actual 2012 \$000	Group Actual 2013 \$000	Actual 2012 \$000
<i>Cash flows from operating activities</i>						
Receipts from rates revenue		25,094	24,246	25,138	24,922	24,858
Interest received		244	529	313	204	294
Dividends received		21	12	12	21	12
Receipts from other revenue		14,626	20,894	13,898	15,783	15,128
Payments to suppliers and employees		(24,699)	(25,864)	(25,018)	(25,139)	(25,512)
Interest paid		(1,047)	(1,737)	(956)	(1,047)	(955)
Goods and services tax (net)		(201)	-	277	(202)	295
Net cash from operating activities	25	14,038	18,080	13,664	14,542	14,120
<i>Cash flows from investing activities</i>						
Proceeds from sale of property, plant and equipment		58	1,500	115	58	115
Proceeds from sale of forestry assets		112	135	69	112	69
Purchase of intangibles assets		(18)	(667)	251	(18)	251
Purchase of property, plant and equipment		(23,612)	(32,180)	(22,274)	(24,503)	(23,000)
Net acquisition of investments		(323)	(388)	621	377	539
Net cash from investing activities		(23,783)	(31,600)	(21,218)	(23,974)	(22,026)
<i>Cash flows from financing activities</i>						
Proceeds from borrowing		18,658	14,876	6,000	18,658	6,000
Repayment of borrowings		(4,931)	(1,865)	(2,616)	(4,931)	(2,616)
Net cash from financing activities		13,727	13,011	3,384	13,727	3,384
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		3,982	(508)	(4,170)	4,295	(4,522)
Cash, cash equivalents and bank overdrafts at the beginning of the year		1,590	1,643	5,760	1,770	6,292
Cash, cash equivalents and bank overdrafts at the end of the year	13	5,572	1,135	1,590	6,065	1,770

The accompanying notes form part of these financial statements.



Notes to the Financial Accounts

1. Statement of Accounting Policies

Reporting Entity

Manawatu District Council (the Council) is a territorial local authority governed by the Local Government Act 2002.

The group consists of Manawatu District Council and three controlled organisations, The Feilding Civic Centre Trust, the Manawatu Community Trust and Heartland Contractors Ltd (100% owned). All controlled organisations are incorporated and domiciled in New Zealand.

The primary objective of the Council is to provide goods or services for the community and social benefits, rather than making a financial return.

Accordingly, the Council has designated itself and the group as Public Benefit Entity (PBEs) for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of the Council and Group are for the year ended 30 June 2013. The financial statements were authorised for issue by Council on 3 October 2013.

Statement of Compliance and Basis of Preparation

These financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, the Financial Reporting Act and in accordance with generally accepted accounting practice in New Zealand. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. All available reporting exemptions allowed under the framework for PBEs have been adopted.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. These financial statements have also been prepared on the basis of the assumptions stated.

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

The financial statements are presented in New Zealand dollars and values are rounded to the nearest thousand dollars (\$'000). The functional currency of the Council and its subsidiaries is New Zealand dollars.

Subsidiaries

A subsidiary is an entity where the Council has the power to control its financing and operating policies, so as to obtain benefits from the activities of that entity. This power exists where the Council controls the majority voting power on the governing body, or where such policies have been irreversibly predetermined by the 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 subsidiary.

The Council's investment in its subsidiaries are carried at cost in the Council's own "parent entity" financial statements.

Basis of Consolidation

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant inter-entity balances, transactions, income and expenses are eliminated on consolidation.

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 the Council recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture.

Budget Figures

The budget figures are those approved by the Council in its 2012-22 Long Term Plan. The budget figures were prepared using accounting policies consistent with those used for the preparation of the financial statements.

Revenue

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

- Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised at the time the rates are invoiced.
- 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 Land Transport New Zealand, which subsidises part of the costs in maintaining the local roading infrastructure network.
- Revenue from other services is recognised when the service has been rendered to a third party.
- Sales of goods are recognised when the goods are delivered.
- Interest income is accrued on a time basis, by reference to the investment principle and the effective interest applicable.
- Dividends (net of imputation credits) are recognised when the right to receive payment has been established.
- Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in the 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.

Borrowing Costs

The Council and group have elected to defer the adoption of NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities. Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

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

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 the functional currency using the exchange rates prevailing at the dates 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.

Income Tax

Income tax expense includes current tax and deferred tax

Current tax is the amount of income tax payable based on the taxable surplus 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 financial statements and the corresponding tax bases used in the computation of taxable surplus.

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 group 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 surpluses 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 surplus.

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 income 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 balance sheet.

Commitments and contingencies are disclosed exclusive of GST.

Financial Instruments

The Council is party to financial instruments as part of its normal operations. These include bank accounts, investments, accounts receivable, accounts payables and borrowings. All financial instruments are recognised in the balance sheet and all revenues and expenses in relation to financial instruments are recognised in the statement of comprehensive income.

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 in 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.

Trade and Other Receivables

Trade and other receivables are initially recognised at fair value, and then subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment is established when there is objective evidence, that the Council will not be able to collect all amounts due, according to the original terms of the agreements. The amount of the provision is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account for receivables.

Financial Assets

Financial assets are categorised into the following four categories: financial assets at fair value through surplus or deficit; held-to-maturity investments; loans and receivables; and financial assets at fair value through other comprehensive income. The classification depends on the purpose for which each investment was acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

The fair value of financial instruments traded in active markets is based upon the quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows are used to determine fair value for the remaining financial instruments.

- **Financial Assets at Fair Value through Surplus or Deficit**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading. After initial recognition they are measured at their fair values. Gains or losses due to change in fair value are recognised in the surplus or deficit.

Currently, the Council does not hold any financial assets in this category.

- **Loans and Receivables**

These are initially recorded at fair value and are subsequently recognised at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

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 shown as a contingent asset.

Receivables are classified as "Accounts Receivables" in the balance sheet. Advances and loans are classified as "Other Financial Assets" in the balance sheet.

- **Held to Maturity Investments**

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

After initial recognition they are measured at amortised cost using the effective interest method. 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 Income**

Financial assets at fair value through other comprehensive income 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 the 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 subsidiary).

Gains and losses are recognised directly in other comprehensive income except for impairment losses, which are recognised in the surplus or deficit. In the event of impairment, any cumulative losses previously recognised in other comprehensive income will be removed from other comprehensive income and recognised in the surplus or deficit, even though the asset has not been derecognised. On derecognition the cumulative gain or loss previously recognised in other comprehensive income is 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 group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Property, Plant and Equipment

Property, plant and equipment consists of:

- Operational assets: include land, buildings, library books, plant and equipment, and motor vehicles.
- Restricted assets: include parks, reserves and associated assets owned by the Council which provide a benefit or service to the community and cannot be disposed of because of legal or other Council restrictions.
- Infrastructure assets: are 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.

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 the 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.

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 to 80 years	(1%-2.5%)
Plant and equipment	4 to 10 years	(10%-20%)
Motor vehicles	3 to 5 years	(20% to 33%)
Library books	10 years	(10%)
Infrastructural assets		
<i>Roading network</i>		
Top surface (seal)	5 to 18 years	(5.5%-20%)
Pavement (base course)	67 years	(1.49%)
Sealed	25 to 60 years	(1.6%-4%)
Unsealed	5 to 15 years	(6.6%-20%)
Formation	-	(not depreciated)

Culverts	50 to 100 years	(1% to 2%)
Footpaths	25 to 70 years	(1.4% to 4%)
Kerbs	50 to 100 years	(1% to 2%)
Signs	13 years	(7.5%)
Streetlights	50 to 70 years	(1.4% to 2%)
Bridges	80 to 120 years	(1% to 1.25%)
<i>Water system</i>		
Pipes	60 years	(1.66%)
Valves, hydrants	60 years	(1.66%)
Pump stations	5 to 25 years	(4% to 25%)
Tanks	50 to 100 years	(1% to 2%)
<i>Sewerage system</i>		
Pipes	60 to 100 years	(1% to 1.66%)
Manholes	60 to 100 years	(1% to 1.66%)
Treatment plant	50 years	(2%)
<i>Drainage network</i>		
Pipes	60 to 100 years	(1% to 1.66%)
Manholes, cesspits	60 to 100 years	(1% to 1.66%)

Revaluation

Those asset classes that are revalued are valued on either a one-year or a three-yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. If a material difference exists, a revaluation will be undertaken.

- **Operational and Restricted - Land and Buildings**

These assets are revalued to fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Quotable Value NZ as at 30 June 2011. Council's policy is to revalue land and buildings every three years.

- **Infrastructural Asset Classes: Water Reticulation, Sewerage Reticulation and Stormwater Systems**

These assets are revalued annually to fair value on a depreciated replacement cost basis as determined by an independent valuer. The valuation was performed internally by engineering staff and certified by C H Jenkins of SPM Consultants Ltd as at 1 July 2012.

All infrastructural asset classes carried at valuation were valued. Council's policy is to revalue these assets annually.

- **Infrastructural Asset Classes: Roads**

These assets are revalued annually to fair value on a depreciated replacement cost basis as determined by an independent valuer. The valuation was performed internally by engineering staff and certified by C H Jenkins of SPM Consultants Ltd as at 1 July 2012.

- **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. Under NZ IFRS, the 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. All additions and disposals since that valuation are accounted for at cost.

Accounting for Revaluations

The 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 income and are accumulated in an asset revaluation reserve 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 off-sets 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 income.

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. Costs that are directly associated with the development of software for internal use by the 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 of the asset (usually five years). The amortisation charge for each period is recognised in the surplus or deficit.

Easements

Easements are not valued.

Forestry Assets

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

The forestry crop is independently revalued to fair value

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

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

Impairment of Assets

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

Financial Liabilities

Financial liabilities (trade payables, income in advance, loans/borrowings, bonds and deposits) are initially recognised at their fair value. These are subsequently recorded at amortised cost.

Employee Entitlements

Short-Term Entitlements

Provision is made for employee entitlements accumulating as a result of services rendered. These include salaries and wages accrued up to balance date and annual leave earned to, 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.

Long-Term Entitlements - 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, the Council has a legal obligation to rehabilitate landfill sites post-closure and to provide on-going 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 the Council or group to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

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

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, the Council recognises the leased asset and corresponding liability in the balance sheet 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 the 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 charged as an expense in the period in which they are incurred.

Equity

Equity is the community's interest in the 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 and
- Fair value through other comprehensive income reserve;

Restricted and Council Created Reserves

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

Restricted reserves are those subject to specific conditions accepted as binding by the 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. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Asset Revaluation Reserves

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

Fair Value through Other Comprehensive Income Reserve

This reserve comprises the cumulative net change in the fair value of fair value through other comprehensive income assets.

Related Parties

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

Critical Accounting Estimates, Assumptions and Estimates

All judgements, 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

Note 21 presents and analysis of the exposure of Manawatu District Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

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, the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example, storm water, wastewater and water supply pipes that are underground.
This risk is minimised by Council performing a combination of physical inspections and condition modelling assessment of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth.

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

To minimise this risk, Manawatu District 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 Group, and have been adjusted for local conditions based on experience.

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

Experienced independent valuers and a certifier perform Councils infrastructural asset revaluations.

Standards, Amendments and Interpretation issued but not yet effective and have not been early adopted

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology,

and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Council expects to transition to the new standards in preparing its 30 June 2015 financial statements. The Council has not assessed the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

2. Summary Cost of Services

	Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000
<i>Revenue*</i>			
Community Facilities	6,116	7,591	5,418
District Development	1,958	1,983	2,094
Emergency Management	320	314	288
Environmental and Regulatory	3,761	3,640	3,505
Governance and Strategy	1,250	1,221	1,284
Roading	11,537	11,893	17,417
Solid Waste	1,745	1,634	1,877
Stormwater	857	826	900
Wastewater	8,625	9,341	4,093
Water Supply	4,025	4,829	3,643
Total activity revenue	40,194	43,273	40,518
Other income	3,504	2,409	2,002
Total operating revenue	43,698	45,681	43,100
<i>Expenditure</i>			
Community Facilities**	7,352	7,328	6,137
District Development	2,092	2,336	2,028
Emergency Management	263	314	278
Environmental and Regulatory	3,321	4,011	3,244
Governance and Strategy	1,036	1,272	1,261
Roading **	10,969	11,032	12,044
Solid Waste	2,006	1,579	1,731
Stormwater	799	811	709
Wastewater	2,779	3,795	4,102
Water Supply	3,434	3,346	3,635
Total activity expenditure	34,051	35,825	35,171
Other expenditure/ (overheads allocated)	3,444	3,853	2,827
Total operating expenditure	37,495	39,678	37,999

* **Note A:** 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 Income, these transactions are eliminated in the other income and other expenditure lines.

** **Note B:** For the 2013 year, the Community Facilities group of activities include Leisure Resources and Properties (other than the administration building). These were treated as separate group of activities in 2012. Rooding group of activities includes the CBD Redevelopment activity in 2013 year. CBD Redevelopment activity was part of the District Development group of activities last financial year. The reclassification has no impact in funding mechanism or equity.

3. Rates Revenue

	Council and Group	
	Actual 2013 \$000	Actual 2012 \$000
<i>General Rates attributable to Activities:</i>		
Community Facilities	263	206
District Development	1,875	1,967
Emergency Management	132	179
Environmental and Regulatory	454	439
Stormwater	181	164
Total General Rates	2,905	2,955
<i>Uniform Targeted Rates (UTR) and Targeted Rates attributable to Activities:</i>		
Community Facilities	4,750	4,412
Governance and Strategy	1,248	1,283
District Development	59	56
Emergency Management	188	108
Environmental and Regulatory	1,768	1,597
Roading	5,767	6,188
Solid Waste	1,148	1,398
Stormwater	603	618
Wastewater	3,110	3,110
Water	3,012	3,240
Total Uniform Targeted Rates and Targeted Rates	21,653	22,010
plus Rates Penalties	282	353
Total Revenue from Rates	24,840	25,318

Rates Remissions

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

	Actual 2013 \$000	Actual 2012 \$000
Rates Levied	24,975	25,429
less Rates Remissions	(135)	(111)
Rates Revenue Net of Remissions	24,840	25,318

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

4. Financial Income

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Interest income for financial assets not at fair value through surplus or deficit	216	256	179	234
Dividend income	21	12	21	12
Total Financial Income	237	268	200	246

5. Subsidies and Grants

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
New Zealand Transport Agency subsidies	5,292	6,226	5,292	6,226
Grants received	897	14	942	64
Other subsidies	1,185	63	1,185	63
Total Subsidies and Grants	7,374	6,303	7,419	6,353

There are no unfulfilled conditions and other contingencies attached to subsidies or grants received.

6. Other Revenue

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
User fees and charges	7,431	3,757	7,431	3,757
Petrol tax	183	201	183	201
Vested assets	75	4,959	75	4,959
Other income	3,017	1,917	4,049	3,091
Total Other Revenue	10,706	10,834	11,738	12,008

7. Other Gains/Losses

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Gain/(loss) on changes in fair value of forestry assets (note 19)	25	(55)	25	(55)
Gain/(loss) on disposal of property, plant and equipment	16	(21)	(311)	(21)
Total operating gain/(losses)	41	(76)	(286)	(76)
Losses on transfer of assets to other vesting authorities	-	(999)	-	(999)

8. Personnel Costs

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Salaries and wages	7,567	6,955	7,721	7,070
Employer contributions to defined contribution plans	248	227	248	228
Increase/(decrease) in employee entitlement liabilities	116	57	120	58
Total Personnel Costs	7,931	7,239	8,089	7,356

9. Depreciation and Amortisation

Depreciation and Amortisation Expense per Group of Activities	Council	
	Actual 2013 \$000	Actual 2012 \$000
Community Facilities	1,219	1,192
District Development	0	0
Emergency Management	2	3
Environmental and Regulatory	6	5
Governance and Strategy	0	0
Roading Network	6,791	7,345
Solid Waste	34	0
Stormwater and Drainage	382	402
Wastewater	961	1,145
Water Supply	1,249	1,235
Support Services	666	719
	11,310	12,045

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Depreciation (note 16)	10,974	11,717	11,377	12,137
Amortisation (note 17)	336	328	336	328
Total Depreciation and Amortisation	11,310	12,045	11,713	12,465

10. Finance Costs

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
<i>Interest Expense</i>				
Interest on bank borrowings	1,118	834	1,118	834
Provisions: discount unwinding (note 21)	58	22	58	22
Total Finance Costs	1,176	856	1,176	856

11. Other Operating Expenses

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Fees to principal auditor				
Audit fees for financial statement audit MDC	106	104	106	104
Audit fees for AP/ LTP and amendments	-	93	-	93
Audit fees for Manawatu Community Trust	-	-	18	9
Fees to other auditors				
Audit fees for Feilding Civic Centre Trust	-	-	2	2
Internal audit fees	5	4	5	4
Impairment of Investment	(107)	(119)	(107)	(119)
Impairment of Accounts Receivable	177	66	177	67
Minimum lease payments under operating leases	47	94	47	94
Legal fees	141	95	141	95
Other operating expenses:				
Chemicals	577	634	577	634
Consultants and Consultant Costs	1,031	1,044	1,031	1,044
Contract Payments	3,945	3,602	3,945	3,602
Energy - Electricity and Gas	746	740	756	748
Grants Made to other Organisations	1,770	1,610	1,598	1,539
Insurance	451	557	453	601
Maintenance and Materials	1,747	2,243	1,848	2,380
Operational Projects	4,204	4,553	4,204	4,553
Rates Paid	199	211	208	211
Refuse Disposal Costs	33	77	42	77
Other expenses	2,006	2,251	2,170	2,411
Total Other Expenses (note 1)	17,078	17,859	17,221	18,149

note 1 Rates Remitted are deducted from rates revenue rather than treated as an operating expense (as disclosed in note 3).

12. Income Tax

Relationship between Tax Expense and Accounting Surplus/(Deficit)	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Surplus/(deficit) before tax	6,203	4,103	6,040	4,152
Tax at 28%	1,737	1,149	1,691	1,163
Plus/(less) tax effect of:				
Non-deductible expenditure	-	-	-	-
Non-taxable income	(1,739)	(1,164)	(1,693)	(1,164)
Taxation loss not recognised	2	15	2	15
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 (2012: \$nil).

Components of Tax Expense	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Current tax expense	-	-	-	-
Adjustments to current tax in prior years	-	-	-	-
Deferred tax asset arisen from previously unrecognised tax loss	2	-	2	-
Deferred tax expense	(2)	-	(2)	-
Income Tax Expense	-	-	-	-

Deferred tax assets/(liabilities)	Property Plant and Equipment	Unused tax losses	Total
<i>Council</i>			
Balance at 1 July 2011	-	-	-
Charged to surplus or deficit	-	-	-
Charged to other comprehensive income	-	-	-
Balance at 30 June 2012	-	-	-
Charged to surplus or deficit	(2)	2	-
Charged to other comprehensive income	-	-	-
Balance at 30 June 2013	(2)	2	-
<i>Group</i>			
Balance at 1 July 2011	-	-	-
Charged to surplus or deficit	-	-	-
Charged to other comprehensive income	-	-	-
Balance at 30 June 2012	-	-	-
Charged to surplus or deficit	(2)	2	-
Charged to other comprehensive income	-	-	-
Balance at 30 June 2013	(2)	2	-

Additional Disclosure

Council has unrecognised tax losses of \$495,689 (2012: \$494,065) with a tax effect of \$138,793 (2012: \$138,338), 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 \$495,689, 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 \$501,041 (2012: 501,041), 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 \$501,041, 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.

13. Cash and Cash Equivalents

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Cash at bank and in hand	570	376	863	477
Short term deposits with a term of three months or less	5,002	1,214	5,202	1,293
Total Cash and Cash Equivalents	5,572	1,590	6,065	1,770

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 \$179,000 (2012: \$178,000). Refer to note 24 for detail of trust funds.

14. Debtors and Other Receivables

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Rates receivables	1,544	1,649	1,544	1,649
New Zealand Transport Agency Subsidy	1,138	630	1,138	630
Other receivables	2,917	1,126	2,924	1,146
Related party receivables	49	49	-	-
Accrued Revenue	2,326	153	2,330	167
GST Receivable	860	431	857	432
Prepayments	372	142	375	143
Less provision for impairment of receivables	(386)	(208)	(386)	(208)
Total	8,820	3,972	8,782	3,959

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.

MDC does not provide for any impairment on rates receivable (except for rate penalties), 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 MDC to commence legal proceedings to recover any rates that remain unpaid five months after the due date for payment. If payment has not been made within three months of the Court's judgement, then MDC 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. MDC 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 MDC's pool of debtors. Expected losses have been determined based on an analysis of MDC'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 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
As at 1 July	208	142	208	144
Additional provisions made during the year	178	66	178	66
Receivables written off during period	-	-	-	(2)
As at 30 June	386	208	386	208

As at 30 June 2013, all overdue debtors and other receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

Council - Rates receivables 2013	Gross \$000	Impairment \$000	Net 2013 \$000	Net 2012 \$000
Not past due - current year - 2013	1,067	-	1,067	1,114
Past due by 1 year - 2012	268	(20)	248	324
Past due by 2 years - prior to 2011	209	(45)	164	207
Total	1,544	(65)	1,479	1,645

Council provides for impairment of rates penalties only.

Council - Other receivables and Related party receivables 2013	Gross \$000	Impairment \$000	Net 2013 \$000	Net 2012 \$000
Not past due	2,166	-	2,166	740
Past due 1-30 days	253	(46)	207	66
Past due 31-61 days	32	-	32	54
Past due > 61 days	515	(275)	240	111
Total	2,966	(321)	2,645	971

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

15A. Investments in Council Controlled Organisations and similar entities

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
<i>Investments in Council Controlled Organisations and similar entities classified as current</i>				
Loans and receivables				
Community loans -Manawatu Community Trust	64	28	-	-
Total Current Portion	64	28	-	-
<i>Investments in Council Organisation and similar entities classified as non-current</i>				
Loans and receivables				
Community loans - Manawatu Community Trust	1,275	612	-	-
NZ Local Government Funding Agency borrower's notes	224	-	224	-
Available for sale				
Unlisted shares in Manawatu - Wanganui LASS Limited	1	1	1	1
Unlisted shares in NZ Local Government Insurance Corp Ltd	190	190	190	190
Unlisted shares in NZ Local Government Funding Agency	100	-	100	-
Investments in subsidiary (at cost)				
Heartland Contractors Ltd - shares	-	-	-	-
Total Non-Current Portion	1,790	803	515	191
Total Investments in Council Organisation and similar entities	1,854	831	515	191

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

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

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

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

Council has a number of 203,964 shares in NZ Local Government Insurance Corp Ltd (T/A Civic Assurance), whose shareholders are local government authorities. NZ Local Government Insurance Corp Ltd is exempt from being a Council Controlled Organisation by virtue of section 6(4)f of the Local Government Act 2002.

Council acquired 100,000 \$1.00 shares in NZ Local Government Funding Agency (NZLGFA) in December 2012 and is one of 30 local authority shareholders. Refer to Note 28 for more information. NZLGFA is exempt from being a Council Controlled Organisation as per section 6(4) of the Local Government Act 2002.

During the period, Council received NZLGFA borrower's notes with a face value of \$112,000 at fixed interest rates ranging from 3.59% to 4.46% per annum (2012:n.a.) and NZLGFA borrower's notes of a face value of \$112,000 at

floating rates ranging from 3.14% to 3.30% as at 30 June 2013 (30 June 2012: n.a.). The NZLGFA borrower's notes are recognised at amortised cost. The face value of NZLGFA borrower's notes as at 30 June 2013 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.

15B. Other Financial Assets

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
<i>Current Portion</i>				
Loans and receivables				
Community loans - other	3	54	3	54
Community loan - Manfeild Park Trust	-	-	-	-
Term deposits with maturity less than one year	-	-	210	204
Held to Maturity				
Local authority stock	-	-	-	-
Total Current Portion	3	54	213	258
<i>Non-Current Portion</i>				
Loans and receivables				
Community loans - other	95	17	95	17
Community loan - Manfeild Park Trust	1,732	1,604	1,732	1,604
Term deposits with maturity of over one year	600	600	600	600
Held to Maturity				
Local authority stock	-	750	-	750
Available for Sale*				
Listed Shares in Fonterra	441	266	441	266
Total Non-Current Portion	2,868	3,237	2,868	3,237
Total Other Financial Assets	2,871	3,291	3,081	3,495

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 5.71% to 5.96% (2012: from 6.20% to 7.59%).

The fair value of community loans is \$3,170,135 (2012: \$2,314,524). The face value of community loans is \$6,362,032 (2012: \$5,613,703). Some of these community loans are only repayable, should the entity concerned cease to operate for the purpose that the loan was given for. Detail of these loans is provided below.

Community Loans at nil fair value

On 30 September 2004 MDC 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 community loans with Manawatu Historical Vehicle Trust totalling \$200,000 which are secured over buildings, 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 made an impairment of \$21,000 through surplus/deficit to reflect the conversion to a suspensory loan of \$21,000 owed by the Feilding and District Steam Rail Society Inc, as at 20 December 2012. As a result, Council has a \$71,000 as at 30 June 2013 (\$50,000 as at 30 June 2012) community loan with the Feilding & District Steam Rail Society Inc, which is secured over buildings, but only repayable if the society ceases to operate a facility for presentation and storage of steam engines in Feilding.

The Council has a \$2,500,000 community loan to the Manfeild Park Trust. In 2010 Council suspended interest and principal repayments for a five-year period. The fair value of this loan has been amended to reflect this and is recorded at \$1,731,806 (2012:\$1,603,524).

Listed shares

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

Impairment

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

For more information on financial assets refer to Note 32 Financial Instruments.

16. Non-Current Assets Held for Sale

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
<i>Non-Current Assets held for sale are:</i>				
Land held for sale	791	261	791	261
Buildings and improvements held for sale	396	396	396	396
	1,187	657	1,187	657
<i>Non Current asset held for transfer as a result of boundary change are:</i>				
Land - for transfer	-	1,322	-	1,322
Restricted building and improvements - for transfer	-	260	-	260
Utility and infrastructural asset - for transfer	-	28,906	-	28,906
Total Non-Current Asset held for transfer	-	30,488	-	30,488
Total	1,187	31,145	1,187	31,145
Opening balance assets for sale	31,145	-	31,145	-
Assets classified as held for sale during the period	530	31,145	530	31,145
Less assets transferred as a result of boundary change	(30,488)	-	(30,488)	-
Closing balance assets held for sale	1,187	31,145	1,187	31,145

The Council approved the sale of land and buildings, represented by Sanson Hotel and adjacent land, of a total net book value of \$657,191 during last period. The contract for sale and purchase did not take place as planned during the 2012/13 financial year. Property is being actively advertised on the market.

The Council has approved the sale of land of a total book value of \$529,855, situated in South Street, Feilding.

The accumulated property revaluation reserve recognised in equity for the current assets held for sale is \$28,900 (2012: \$28,900).

Prior Year Comparatives

\$30,487,700 were held for transfer for nil consideration to Palmerston North City Council as a result of boundary change effective with 1 July 2012.

The accumulated property revaluation reserve recognised in equity for the non current assets held for transfer as a result of boundary change is \$(1,664,594).

17. Property, Plant and Equipment

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

2013	Cost/ Revaluation \$000	Accumulated Depreciation and Impairment Charges \$000	Carrying Amount \$000
Council			
<i>Operational assets</i>			
Land	9,691		9,691
Buildings and Improvements	7,340	(388)	6,952
Library books	2,592	(1,792)	800
Plant, Equipment and Furniture	2,185	(1,417)	768
Motor vehicles	982	(423)	559
Work in progress	39		39
Total operational assets	22,828	(4,020)	18,809
<i>Infrastructural assets</i>			
Land	4,949		4,949
Solid Waste	410	(34)	376
Wastewater	36,437	(947)	35,490
Stormwater	17,795	(382)	17,413
Water Supply	42,607	(1,239)	41,368
Roading network	352,832	(6,791)	346,041
Land under roads	65,071		65,071
Work in progress	14,362		14,362
Total infrastructural assets	534,463	(9,393)	525,070
<i>Restricted assets</i>			
Land	13,662		13,662
Buildings and Improvements	16,668	(2,105)	14,563
Plant and equipment	1,290	(826)	464
Work in progress	55		55
Total restricted assets	31,675	(2,931)	28,744
Total Council	588,967	(16,344)	572,623
<i>Other Group Assets</i>			
Manawatu Community Trust - Land	3,122		3,122
Manawatu Community Trust - Buildings and Improvements	10,400	(657)	9,743
Manawatu Community Trust - Equipment	21	(4)	17
Feilding Civic Centre Trust - Furniture, Equipment and Leasehold Improvements	909	(514)	395
Total	14,452	(1,175)	13,277
Group Assets - property, plant and equipment	603,419	(17,519)	585,900

Each valuer valued the total class of asset as defined in the accounting policies.

2012	Cost/ Revaluation \$000	Accumulated Depreciation and Impairment Charges \$000	Carrying Amount \$000
Council			
<i>Operational assets</i>			
Land	10,782		10,782
Buildings and Improvements	6,377	(189)	6,188
Library books	2,407	(1,551)	856
Plant, Equipment and Furniture	1,790	(1,359)	431
Motor vehicles	924	(359)	565
Work in progress	676		676
Total operational assets	22,956	(3,458)	19,498
<i>Infrastructural assets</i>			
Land	4,949		4,949
Solid Waste	25	(25)	-
Wastewater	35,408	(1,077)	34,331
Stormwater	17,796	(387)	17,409
Water Supply	41,778	(1,302)	40,476
Roading network	363,466	(7,017)	356,449
Land under roads	65,103		65,103
Work in progress	4,544		4,544
Total infrastructural assets	533,069	(9,808)	523,261
<i>Restricted assets</i>			
Land	13,430		13,430
Buildings and Improvements	15,863	(715)	15,148
Plant and equipment	1,295	(769)	526
Work in progress	11		11
Total restricted assets	30,599	(1,484)	29,115
Total Council	586,624	(14,750)	571,874
<i>Other Group Assets</i>			
Manawatu Community Trust - Land	3,122		3,122
Manawatu Community Trust - Buildings and Improvements	9,829	(334)	9,495
Manawatu Community Trust - Equipment	21	(4)	17
Feilding Civic Centre Trust - Furniture, Equipment and Leasehold Improvements	913	(451)	462
Total	13,885	(789)	13,096
Group Assets - property, plant and equipment	600,509	(15,539)	584,970

Each valuer valued the total class of asset as defined in the accounting policies.

2013

	Carrying Amount 1 July 2012 \$000	Revaluation Movement \$000	Additions \$000	Reclassification \$000	Disposals \$000	Impairment of assets \$000	Current Year Depreciation \$000	Carrying Amount 30 June 2013 \$000
Council								
<i>Operational assets</i>								
Land	10,782	-	16	(577)	(530)	-	-	9,691
Buildings and Improvements	6,188	-	963	-	-	-	(199)	6,952
Library books	856	-	185	-	-	-	(241)	800
Plant, Equipment and Furniture	431	-	545	-	-	-	(208)	768
Motor vehicles	565	-	153	-	(37)	-	(123)	559
Work in progress	676	-	(637)	-	-	-	-	39
Total operational assets	19,498	-	1,226	(577)	(567)	-	(771)	18,809
<i>Infrastructural assets</i>								
Land	4,949	-	-	-	-	-	-	4,949
Solid Waste	-	-	410	-	-	-	(34)	376
Wastewater	34,331	(2,083)	4,206	-	(17)	-	(947)	35,490
Stormwater	17,409	(564)	950	-	-	-	(382)	17,413
Water Supply	40,476	1,734	397	-	-	-	(1,239)	41,368
Roading network	356,449	(12,834)	9,217	-	-	-	(6,791)	346,041
Land under roads	65,103	-	-	-	(32)	-	-	65,071
Work in progress	4,544	-	9,818	-	-	-	-	14,362
Total infrastructural assets	523,261	(13,747)	24,998	-	(49)	-	(9,393)	525,070
<i>Restricted assets</i>								
Land	13,430	-	-	232	-	-	-	13,662
Buildings and Improvements	15,148	-	263	345	(1)	(440)	(752)	14,563
Plant and equipment	526	-	-	-	(4)	-	(58)	464
Work in progress	11	-	44	-	-	-	-	55
Total restricted assets	29,115	-	308	577	(5)	(440)	(810)	28,744
Total Council	571,874	(13,747)	26,531	-	(621)	(440)	(10,974)	572,623

		2013							Carrying Amount 30 June 2013 \$000
		Carrying Amount 1 July 2012 \$000	Revaluation Movement \$000	Additions \$000	Reclassification \$000	Disposals \$000	Impairment of assets \$000	Current Year Depreciation \$000	
Other Group Assets									
Manawatu Community Trust - Land	3,122	-	-	-	-	-	-	3,122	
Manawatu Community Trust - Buildings and Improvements	9,495	-	908	-	(328)	-	(332)	9,743	
Manawatu Community Trust - Equipment	17	-	4	-	-	-	(4)	17	
Feilding Civic Centre Trust - Furniture, Equipment and Leasehold Improvements	462	-	-	-	-	-	(67)	395	
Total	13,096	-	912	-	(328)	-	(403)	13,277	
Group Assets - property, plant and equipment		584,970	(13,747)	27,443	-	(949)	(11,377)	585,900	

Each valuer valued the total class of asset as defined in the accounting policies.

2012	Carrying Amount	Revaluation Movement	Additions	Disposals	Current Year Depreciation	Carrying Amount
	1 July 2011					30 June 2012
	\$000	\$000	\$000	\$000	\$000	\$000
Council						
<i>Operational assets</i>						
Land	5,974	-	5,009	(201)	-	10,782
Buildings and Improvements	6,711	-	16	(350)	(189)	6,188
Library books	903	-	177	-	(224)	856
Plant, Equipment and Furniture	428	-	243	-	(240)	431
Motor vehicles	559	-	193	(63)	(124)	565
Work in progress	22	-	654	-	-	676
Total operational assets	14,597	-	6,292	(614)	(777)	19,498
<i>Infrastructural assets</i>						
Land	5,424	-	-	(475)	-	4,949
Solid Waste	-	-	-	-	-	-
Wastewater	28,710	4,757	5,043	(3,044)	(1,135)	34,331
Stormwater	17,359	961	703	(1,212)	(402)	17,409
Water Supply	36,285	3,578	2,649	(803)	(1,234)	40,476
Roading network	350,335	19,434	14,127	(20,103)	(7,345)	356,449
Land under roads	68,357	-	15	(3,269)	-	65,103
Work in progress	7,789	-	-	(3,245)	-	4,544
Total infrastructural assets	514,259	28,730	22,538	(32,151)	(10,116)	523,261
<i>Restricted assets</i>						
Land	15,455	-	47	(2,072)	-	13,430
Buildings and Improvements	16,015	-	599	(695)	(770)	15,148
Plant and equipment	669	-	-	(90)	(53)	526
Work in progress	198	-	-	(187)	-	11
Total restricted assets	32,337	-	646	(3,044)	(823)	29,115
Total Council	561,193	28,730	29,476	(35,809)	(11,717)	571,874
<i>Other Group Assets</i>						
Manawatu Community Trust - Land	3,122	-	-	-	-	3,122
Manawatu Community Trust - Buildings and Improvements	9,153	-	676	-	(334)	9,495
Manawatu Community Trust - Equipment	9	-	12	-	(4)	17
Feilding Civic Centre Trust - Furniture, Equipment and Leasehold Improvements	507	-	37	-	(82)	462
Total	12,791	-	725	-	(420)	13,096
Group Assets - property, plant and equipment	573,984	28,730	30,201	(35,809)	(12,137)	584,970

Each valuer valued the total class of asset as defined in the accounting policies.

18. Intangible Assets

	Council and Group	
	Actual 2013 \$000	Actual 2012 \$000
<i>Balance at 1 July</i>		
Cost	2,558	2,481
Accumulated amortisation and impairment	(1,258)	(930)
Opening carrying amount	1,300	1,551
Additions	18	77
Disposals at cost	(170)	-
Less accumulated amortisation on disposals	170	-
Amortisation charge	(336)	(328)
Closing carrying amount	982	1,300
<i>Balance at 30 June</i>		
Cost	2,746	2,558
Accumulated amortisation and impairment	(1,594)	(1,258)
Closing carrying amount	1,152	1,300

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.

19. Forestry Assets

	Council and Group	
	Actual 2013 \$000	Actual 2012 \$000
Balance at 1 July	284	408
Increases due to purchases	-	-
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	25	(55)
Decreases due to harvest	(113)	(69)
Balance at 30 June	196	284

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

Future Commitments

In accordance with the Afforestation Agreement entered into in 1976 MDC has an obligation to meet 23.3% of all future costs associated with the first harvest of the forest and will receive 23.3% of all income.

Joint Assets

The Gordon Kear Forest crop is valued at \$0.8 m at 30 June 2013 (2012: \$1.2m). MDC's portion is detailed above. At 30 June 2013 the remaining 116.8 hectares of pinus radiata forest were in varying stages of maturity ranging from 19 to 35 years. Harvesting commenced during the 2006/07 financial year and is expected to continue over the next three years. During the 2013 year 49.3 hectares were harvested. PNCC owns 100% of the Gordon Kear forest land and site improvements.

Independent registered valuer, Alan Bell has valued forestry assets as at 30 June 2013. A pre-tax discount rate of 10% (2012: 10%) has been used in discounting the present value of expected cash flows. Valuation is based on a going concern basis and only includes the value of the current crop.

Joint Liabilities

MDC repaid their share of the joint forestry loans loan during the 2010/11 financial year.

Joint Venture Commitments and Contingencies

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

MDC's share of operations during the year

	Actual 2013 \$000	Actual 2012 \$000
Income from harvesting	241	85
Expenses paid	(30)	(32)
Interest capitalised to loan	-	-
Cost of bush harvested	(112)	(69)
Increase/(decrease) in asset value	24	(55)
	<u>123</u>	<u>(71)</u>

Financial Risk Management Strategies

The joint venture is exposed to financial risks arising from changes in timber prices. The joint venture is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices. The joint venture reviews its outlook for timber prices regularly in considering the need for active financial risk management.

20. Creditors and Other Payables

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Trade payables	6,104	2,528	6,056	2,603
Deposits and bonds	1,984	1,505	1,986	1,506
Accrued expenses	470	544	490	555
Amounts due to related parties (note 29)	8	5	8	5
Revenue in advance	665	649	716	657
Total creditors and other payables	<u>9,231</u>	<u>5,231</u>	<u>9,256</u>	<u>5,326</u>

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.

21. Provisions

	Council and Group	
	Actual 2013	Actual 2012
	\$000	\$000
<i>Current Provisions are represented by:</i>		
Landfill aftercare provision	37	57
Total Current Provisions	37	57
<i>Non-Current Provisions are represented by:</i>		
Financial guarantees	-	-
Landfill aftercare provision	694	829
Total Non-Current provisions	694	829
Opening balance	886	798
Additional provisions made during the year	-	108
Amounts used during the year	(89)	(42)
Unused amounts reversed during the year	(124)	-
Discount unwinding (note 10)	58	22
Closing Balance	731	886

Provision for Landfill Aftercare Costs

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

Feilding Landfill

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

Closure responsibilities include providing for:

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

Post Closure costs include providing for:

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

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

The following major assumptions have been made in the calculation of the provision:

- The annual price index used is the Local Government Cost Index as detailed in the 2012-2022 Long Term Plan
- An Annual discount rate of 6.5%
- Aftercare period of 30 years after closure

Other Landfills

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

22. Employee Entitlement Liabilities

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Accrued pay	154	149	160	154
Annual leave	673	562	685	565
Total Employee Entitlement Liabilities	827	711	845	720
<i>Comprising:</i>				
Current	827	711	845	720
Non-current	-	-	-	-
Total Employee Entitlement Liabilities	827	711	845	720

23. Borrowings

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Opening Balance of Term Borrowings	15,408	12,024	15,408	12,024
Loans raised during the year	18,658	6,000	18,658	6,000
Loans repaid during the year	(4,931)	(2,616)	(4,931)	(2,616)
Closing Balance of Term Borrowings	29,135	15,408	29,135	15,408
<i>Current</i>				
Secured loans	6,573	3,904	6,573	3,904
Total current borrowings	6,573	3,904	6,573	3,904
<i>Non-current</i>				
Secured loans	22,562	11,504	22,562	11,504
Total non-current borrowings	22,562	11,504	22,562	11,504

As at 30 June 2013 there is a credit card facility in place with BNZ for a limit of \$30,000. There is a 'Multi-option' facility – Treasury solution in place with BNZ available for \$10 million of which \$7.9 million used as of balance date.

Fixed-Rate Debt

\$11 million of debt has been issued at floating interest rate and the remainder is at fixed rates of interest. The borrowing rates range from 3.52% to 7.15% (2012: 4.26% to 7.15%).

Security

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

MDC's loans are secured over the rating revenue of the district.

Management

MDC 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 MDC'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.

24. Equity

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Retained Earnings				
As at 1 July	481,979	477,169	492,544	487,684
<i>Transfers to:</i>				
From Restricted reserves	657	572	657	572
<i>Transfers from:</i>				
To Restricted reserves	(69)	(122)	(69)	(122)
Property revaluation reserves on disposal	-	85	82	85
Revaluation reserve on assets transferred to other vesting agencies	(1,665)	172	(1,665)	172
Net assets transferred to PNCC on boundary change	(30,060)	-	(30,060)	-
Surplus/(deficit) for the year	6,203	4,103	6,040	4,152
As at 30 June	457,045	481,979	467,529	492,544
Restricted Reserves				
As at 1 July	2,570	3,020	2,570	3,020
<i>Transfers to:</i>				
From Retained earnings	69	122	69	122
<i>Transfers from:</i>				
To Retained earnings	(657)	(572)	(657)	(572)
As at 30 June	1,982	2,570	1,982	2,570
Asset Revaluation Reserves (ARR)				
As at 1 July	107,502	79,029	109,660	81,187
Revaluation gains/(losses)	(13,747)	28,730	(13,747)	28,730
Revaluation portion on disposed assets	-	(85)	(82)	(85)
Impairment loss on restricted buildings through other comprehensive income	(440)	-	(440)	-
Revaluation reserve on assets transferred to other vesting agencies	1,666	(172)	1,665	(172)
As at 30 June	94,980	107,502	97,056	109,660
Fair value through other comprehensive income				
As at 1 July				
Net revaluation gain/(losses)	174	-	174	-
As at 30 June	174	-	174	-
Total Other Reserves	97,136	110,072	99,212	112,230
Total Equity	554,181	592,051	566,741	604,774

Retained Earnings

Included in Retained Earnings are the General funds, Accumulated funds and Depreciation Reserve.

General Funds

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Opening balances	470,348	469,386	480,913	479,901
Transfer from restricted reserves	657	572	657	572
Transfer to restricted reserves	(69)	(122)	(69)	(122)
Property revaluation reserve on disposal	-	85	82	85
Revaluation reserve on assets transferred to other vesting agencies	(1,665)	172	(1,665)	172
Net assets transferred to PNCC on boundary change	(30,060)	-	(30,060)	-
Transfers to General funds	6,767	255	6,603	305
Closing Balance	445,977	470,348	456,461	480,913

Accumulated Funds

Included in the Accumulated Funds in the balance sheet are two types of reserves. These are separate funds and growth funds detailed below.

Separate Funds

When Council has used targeted rates for a specified purpose, unspent funds are separated accounted for and are applied in subsequent years to the specified activity.

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Opening balances	3,921	4,661	3,921	4,661
Transfers to Separate Funds	33,105	28,938	33,105	28,938
Transfers from Separate Funds	(35,168)	(29,678)	(35,168)	(29,678)
Closing Balance	1,858	3,921	1,858	3,921

Growth Funds

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

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Opening balances	581	467	581	467
Transfers to Growth Funds	500	444	500	444
Transfers from Growth Funds	(225)	(330)	(225)	(330)
Closing Balance	856	581	856	581

Depreciation Fund

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

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Opening balances	7,129	2,655	7,129	2,655
Transfers to Depreciation Fund	7,666	8,118	7,666	8,118
Transfers from Depreciation Fund	(6,441)	(3,644)	(6,441)	(3,644)
Closing Balance	8,354	7,129	8,354	7,129
Total Retained Earnings	457,045	481,979	467,529	492,544

Restricted Reserves consist of:

Trust Funds	Council and Group			
	Balance 1 July \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
2013				
Hook Bequest	10	1	-	11
Trewin Bequest	1	-	-	1
Wakerill Trust	1	-	-	1
Robert Dickson Library Trust	3	-	-	3
P.A. Broad Memorial Trust	6	-	-	6
Historical Trust	3	-	-	3
Childrens Welfare Trust	-	-	-	-
Robert Dickson Educational Trust	25	1	(5)	21
Museum Trust	2	-	-	2
Feilding and District Relief Trust	126	5	-	131
Total Trust Funds 2013	177	7	(5)	179
2012				
Hook Bequest	11	-	(1)	10
Trewin Bequest	1	-	-	1
Wakerill Trust	1	-	-	1
Robert Dickson Library Trust	3	-	-	3
P A Broad Memorial Trust	6	-	-	6
Historical Trust	3	-	-	3
Children's Welfare Trust	-	-	-	-
Robert Dickson Educational Trust	28	2	(5)	25
Museum Trust	2	-	-	2
Feilding and District Relief Trust	122	6	(2)	126
Total Trust Funds 2012	177	8	(8)	177

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
Childrens Welfare Trust	Advice/guidance/assistance to solo mothers and their children on education matters and advancement in life
Robert Dickson Educational Trust	Advice/guidance/assistance to solo mothers and their children on education matters and advancement in life
Museum Trust	Council directs trust to enhance the Library's local research area
Feilding and District Relief Trust	Donations ex 2004 flood

Special Funds	Council and Group			
	Balance 1 July \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June \$000
2013				
General Purpose Special Fund	877	21	(651)	247
Land Subdivision Reserve Special Fund	596	23	-	619
Emergency Fund	920	-	(920)	-
Insurance Fund	-	18	919	937
	2,393	62	(652)	1,803
2012				
General Purpose Special Fund	1,393	50	(566)	877
Land Subdivision Reserve Special Fund	571	25	-	596
Emergency Fund	880	40	-	920
	2,844	115	(566)	2,393

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
Emergency Fund	emergency expenditure, closed and transferred to the Insurance Fund
Insurance Fund	for small claims not covered by external insurance policy

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

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Trust Funds	179	177	179	177
Special Funds	1,803	2,393	1,803	2,393
Total Trust and Special Funds	1,982	2,570	1,982	2,570

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
<i>Asset Revaluation Reserves consist of:</i>				
Operational assets				
Land	2,937	2,937	2,937	2,937
Buildings and Improvements	996	996	996	996
Infrastructural assets				
Land	594	863	594	863
Utilities (Water, Stormwater, Wastewater and Solid Waste)	19,680	21,586	19,680	21,586
Roading network	63,203	72,782	63,203	72,782
Restricted assets				
Land	3,666	3,955	5,450	5,740
Buildings and Improvements	3,904	4,383	4,196	4,756
Total	94,980	107,502	97,056	109,660

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

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Surplus/(deficit) after Tax	6,203	4,103	6,040	4,152
<i>Add/(less) Non-Cash items:</i>				
Depreciation and amortisation	11,310	12,045	11,713	12,465
Interest capitalised to loan	-	-	(6)	-
Vested assets	(75)	(4,959)	(75)	(4,959)
Impairment of investment	(107)	(119)	(107)	(119)
(Gains)/losses in fair value of forestry assets	(24)	55	(24)	55
(Gains)/losses on disposal of property, plant and equipment	(16)	21	312	21
Losses on transfer of assets to other vesting authorities	-	999	-	999
<i>Add/(less) items classified as Investing or Financing Activities:</i>				
Increase/(decrease) in capital expenditure accruals	2,827	(957)	2,848	(957)
(Gains)/losses on disposal of investments classified as available for sale	-	-	-	-
<i>Add/(less) movements in Working Capital items:</i>				
(Increase)/Decrease in Accounts Receivable	(3,667)	1,194	(3,785)	1,185
Increase (Decrease) in Accounts Payable	(2,173)	859	(2,143)	846
Increase (Decrease) in Provisions	(155)	88	(155)	88
Increase (Decrease) in Employee Benefits	116	57	122	58
Net GST	(201)	278	(198)	286
Net cash from Operating Activities	14,038	13,664	14,542	14,120

26. Capital Commitments and Operating Leases

	Council		Group	
	Actual 2013	Actual 2012	Actual 2013	Actual 2012
	\$000	\$000	\$000	\$000

Capital Commitments

Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment	14,688	10,789	14,714	11,641
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Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

In respect to capital commitment for roading maintenance and upgrade, included in the above current commitment figure, \$3.8m (2012: \$3.8m) will be financed by way of subsidy from the New Zealand Transport Authority.

In respect to capital commitment for Himatangi Beach Community Sewerage Scheme, included in the above current commitment figure, \$2.2m (2012: \$1.1m) will be financed by way of subsidy from the Ministry of Health.

Operating Leases as Lessee

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

Property and Equipment	Council		Group	
	Actual 2013	Actual 2012	Actual 2013	Actual 2012
	\$000	\$000	\$000	\$000

Non-Cancellable Operating Leases as lessee

Not later than one year	93	84	93	86
Later than one year and not later than two years	93	84	93	84
Later than two years and not later than five years	44	123	44	123
Later than five years	-	-	-	-
Total non-cancellable operating leases	230	291	230	293

Operating Leases as Lessor

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

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

	Council		Group	
	Actual 2013	Actual 2012	Actual 2013	Actual 2012
	\$000	\$000	\$000	\$000

Non-Cancellable Operating Leases as lessor

Not later than one year	155	-	155	-
Later than one year and not later than two years	150	-	150	-
Later than two years and not later than five years	413	-	413	-
Later than five years	1,233	-	1,233	-
Total non-cancellable operating leases	1,951	-	1,951	-

27. Contingencies

Contingent Liabilities

Risk Pool Insurance

In prior years Manawatu District Council obtained public liability and professional indemnity insurance cover from New Zealand Mutual Liability RiskPool. 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. RiskPool have advised that calls may be required for past pool periods. As the amount and timing is uncertain no provision has been made for any future calls.

Building Act Claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect to the issue of building consents and building inspections work done. At the date of this report there was one matter under this Act which has been brought to MDC's attention, but this matter has not progressed sufficiently to be recognised as contingent liabilities or quantified.

Uncalled capital – NZLGFA

The Council is a shareholder of the New Zealand Local Government Funding Authority (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 30 shareholders of the NZLGFA. In that regard, it has uncalled capital of \$1 million. 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 2013, the NZLGFA had borrowings totalling \$2.3 billion (2012: \$835 million). 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

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

Other legal proceedings - unquantified claims

MDC signed a relationship agreement with the Department of Building and Housing on 21 November 2011. This agreement is to co-operate with the government to deliver the financial assistance package established by Central Government to assist homeowners in completing repairs. The timeframe for lodging claims under the Weathertight Homes Resolution Services Act 2006 states that the building to which the claim relates "was built (or alterations giving rise to the claim were made to it) before 1 January 2012 and within the period of 10 years immediately before the day on which the claim is brought". As at balance date, there is one claim lodged with the Council in

January 2007, whereby the claimant had expressed an interest in accessing the financial assistance package, under the Weathertight Homes Resolution Services Act 2006. To date Council has no further notification that the claimant wants to proceed to date. No estimated costs could be quantified by the Council as costs will be provided via the financial assistance package by way of experts report.

There are no unquantified claims to be recognised at balance date (2012: \$nil).

Contingent Assets

Buildings on Reserve Land

MDC has a number of sports clubs that have constructed facilities (e.g. clubrooms) on reserve land. The clubs control the use of these facilities and MDC 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 balance sheet.

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 MDC is not aware of any circumstance in which the loan becomes repayable. These loans are recorded at fair value (\$nil) in the balance sheet. These loans total \$1.97m (2012: \$1.95m).

28. Related Party Transactions

MDC is the ultimate parent of the group and controls three entities, being Heartland Contractors Ltd, the Feilding Civic Centre Trust, and the Manawatu Community Trust.

The following transactions were carried out with related parties:

	Actual 2013 \$000	Actual 2012 \$000
Heartland Contractors Limited (Non Trading)	Nil	Nil
The Mayor, Deputy Mayor and Chief Executive are directors of this company.		
Feilding Civic Centre Trust		
Grant provided by MDC	172	71
Services provided by MDC	14	12
Amounts payable to MDC at year end	7	-
Manawatu Community Trust		
Services provided by MDC	84	54
Services provided by MDC (rates)	166	314
Services provided by MDC (volumetric water charges)	55	0
Interest paid to MDC	54	37
Amounts payable to MDC at year end	42	48
Loans repaid to the MDC	50	100
Loans drawn down from MDC during the year	750	-
Loan owing to MDC (as at balance date)	1,340	640
Manawatu-Wanganui LASS Limited		
The Chief Executive is a director of this company.		
Services provided by MDC	101	-
Services provided by MDC (rates)	0	-
Services provided to MDC	64	95
Amounts payable by MDC at year end	4	5

MDC is also a related party in a joint venture forestry asset with Palmerston North City Council. Related party transactions within the joint venture asset have been disclosed in Note 19 - Forestry Assets.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2012: \$nil).

Elected Members and Key Management Personnel

Elected members and key management personnel, as part of a normal customer relationship, were involved in minor transactions with MDC (such as payment of rates and purchase of rubbish bags etc).

During the year Council had transactions with Focal Point Limited, a company in which Councillor Matthew Bell is a shareholder and director. The value of purchases totalled \$3,020 (2012: \$4,373). There were \$346 (2012: \$52) outstanding at balance date. Revenue received from the company during the year totalled \$291 (2012: \$nil), of which nil receivable at balance date (2012: \$nil). These transactions occurred on normal commercial terms.

Councillor Tony Jensen is an executive member of the Johnston Park Bowls Club. During the year Council received \$297 in revenue (2012: \$270) of which \$243 is outstanding at balance date (2012: \$270).

Mayor Margaret Kouvelis is a trustee of Te Manawa Services Charitable Trust. During the year Council gave grants to Te Manawa Services Charitable Trust amounting to \$8,696 (2012: \$22,548) of which \$nil (2012: \$nil) was owing at balance date. These transactions occurred on normal commercial terms.

Chief Executive Lorraine Vincent and Support Services and Environment Group Manger Shayne Harris are trustees of Sport Manawatu. During the year Council gave grants to Sport Manawatu amounting to \$82,403 (2012: \$95,302), of which \$nil (2012: \$nil) was owing at balance date. Revenue received from Sport Manawatu during the year totalled \$nil (2012: \$nil) of which \$nil (2012: \$nil) was owing at balance date.

There is no provision recognised for the impairment of any loans or other receivable to related parties (2012: \$nil).

Key Management Personnel Compensations

(includes senior management, the Mayor and Councillors)

	Actual 2013 \$000	Actual 2012 \$000
Salaries and other short term employee benefits	995	966
Past-employment benefits	-	-
Other long term benefits	27	26
Termination benefits	-	-
	<u>1,022</u>	<u>992</u>

29. Remuneration

Elected Members

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

	Actual 2013 \$000	Actual 2012 \$000
<i>Current Elected members</i>		
Mayor Margaret Kouvelis (elected Mayor in March 2012)	86,400	24,492
Mayor Ian McKelvie (to December 2011)	-	33,716
Councillor Matthew Bell (Acting Mayor from December 2011 to March 2012)	-	20,357
Councillor Matthew Bell (from Jul 2011 to Dec 2011 and from Mar 2012)	34,408	26,953
Councillor Margaret Kouvelis (to March 2012)	-	17,248
Councillor John Baxter	26,995	27,405
Councillor John Salmon	24,541	25,010
Councillor Barbara Cameron	24,541	24,959
Councillor Steve Gibson (to October 2012)	7,218	24,466
Councillor Margaret Giles	24,541	24,466
Councillor Alison Short	26,995	26,912
Councillor Howard Voss	24,541	25,010
Councillor Tony Jensen	24,541	24,466
Councillor Wayne Ellery (from June 2012)	24,541	187
	329,262	325,647

Chief Executive

For the year ended 30 June 2013, the remuneration paid to the Chief Executive was \$220,270 (2012: \$199,169). In addition, the value of the motor vehicle benefits received was \$10,000 (2012: \$10,000).

Employee staffing levels and remuneration as at:	Council	
	30 June 2013	30 June 2012
<i>Staffing level</i>		
The number of employees employed by the Council	135	131
The number of full-time employees	99	97
The full-time equivalent number of all other employees	16.9	14.9
<i>Total annual remuneration paid to employees:</i>		
Number of employees receiving total annual remuneration of		
- less than \$60,000	80	80
- between 60,001 and \$80,000	32	29
- between \$80,001 and \$100,000	14	14
- between \$100,001 and \$220,000	9	8

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

30. Severance Payments

For the year ended 30 June 2013 Council made two severance payments: one of \$1,200 and another of \$10,106.28 (2012: Nil).

31. Events after the Balance Sheet Date

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

32. Financial Instruments

Financial Instrument Categories

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

	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Financial Assets				
<i>Loans and receivables</i>				
Cash and cash equivalents	5,572	1,590	6,065	1,770
Debtors and other receivables	8,820	3,972	8,782	3,958
Other financial assets:				
- Term deposits - Other	600	600	810	804
- Term deposits: NZ Local Government Funding Agency notes	224	-	224	-
- Community loans	1,830	1,675	1,830	1,675
- Community loans - related party	1,340	640	-	-
Total loans and receivables	18,386	8,477	17,711	8,207
<i>Total held to maturity</i>				
Other financial assets:				
- Local authority stock	-	750	-	750
Total held to maturity	-	750	-	750
<i>Available for sale</i>				
Other financial assets:				
Unlisted shares in NZ Local Government Funding Agency (NZLGFA)	100	-	100	-
Unlisted shares in NZ Local Government Insurance Corp Ltd (NZIG)	190	190	190	190
Unlisted shares in Manawatu-Wanganui LASS Limited (LASS)	1	1	1	1
Listed shares in Fonterra (FCG)	441	266	441	266
Total available for sale	732	457	732	457
Total financial assets	19,118	9,684	18,443	9,414
Financial Liabilities				
<i>Financial liabilities at amortised cost</i>				
Creditors and other payables	9,231	5,231	9,256	5,326
Borrowings:				
- Bank overdraft	-	-	-	-
- Secured loans	29,135	15,408	29,135	15,408
Total financial liabilities at amortised cost	38,366	20,639	38,390	20,734

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			
		Quoted market price	Observable inputs	Significant non-observable inputs
	Total	(Level 1)	(Level 2)	(Level 3)
	\$000	\$000	\$000	\$000
30 June 2013 - Council				
Financial assets				
Community Loan	1,732	-	1,732	-
Listed shares - Fonterra Group	441	441	-	-
30 June 2013 - Group				
Financial assets				
Community Loan	1,732	-	1,732	-
Listed shares - Fonterra Group	441	441	-	-
30 June 2012 - Council				
Financial assets				
Community Loan	1,604	-	1,604	-
30 June 2012 - Group				
Financial assets				
Community Loan	1,604	-	1,604	-

The shares in Fonterra Co-operative Group Ltd became listed on the NZX during the year. The fair value as at 30 June 2013 has been determined with reference to the NZX share price on 30 June 2013. The changes in fair value of shares has been recognised in other comprehensive income.

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

Financial Instrument Risks

MDC has a series of policies to manage the risks associated with financial instruments. MDC is risk averse and seeks to minimise exposure from its treasury activities. MDC 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. MDC 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 MDC to fair value interest rate risk. MDC'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 MDC to cash flow interest rate risk.

Credit Risk

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

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

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

Maximum Exposure to Credit Risk

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

	Balance as at 30 June			
	Council		Group	
	Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
Cash at bank and term deposits	6,396	2,190	7,099	2,574
Debtors and other receivables	8,820	3,972	8,782	3,958
Community loans	3,170	2,315	1,830	1,675
Local authority stock and other investments	732	1,207	732	1,207
Financial guarantees	-	-	-	-
Total credit risk	19,118	9,684	18,443	9,414

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

Council is exposed to a credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in Note 27.

Credit Quality of Financial Assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

	Balance as at 30 June				
	Rating	Council		Group	
		Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000

Counterparties with Credit Ratings

<i>Cash and term deposits</i>					
Cash at bank and bank term deposits	AA-	6,172	2,190	6,875	2,574
NZLGFA borrower's notes	AA	224	-	224	-
Total cash at bank and term deposits		6,396	2,190	7,099	2,574
<i>Other investments</i>					
Unlisted shares in NZ Local Government Funding Agency (NZLGFA)	AA	100	-	100	-
Total other investments		100	-	100	-

	Balance as at 30 June				
	Rating	Council		Group	
		Actual 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000

Counterparties without Credit Ratings

Local authority stock, community loans		-	-	-	-
Existing counterparty with no defaults in the past		3,802	3,254	2,462	2,614
Existing counterparty with defaults in the past		-	-	-	-
Total local authority stock, community and rural housing loans		3,802	3,254	2,462	2,614

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 MDC 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. MDC aims to maintain flexibility in funding by maintaining sufficient short-term investments.

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

MDC 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 MDC'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.

Financial Liabilities	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
<i>Council 2013</i>					
Creditors and other payables	9,231	9,231	9,231	-	-
Secured loans	29,135	33,658	7,896	16,030	9,732
Financial guarantees	-	-	-	-	-
Total	38,366	42,889	17,127	16,030	9,732
<i>Group 2013</i>					
Creditors and other payables	9,256	9,256	9,256	-	-
Secured loans	29,135	33,658	7,896	16,030	9,732
Financial guarantees	-	-	-	-	-
Total	38,390	42,914	17,152	16,030	9,732
<i>Council 2012</i>					
Creditors and other payables	5,231	5,231	5,231	-	-
Secured loans	15,408	17,067	5,348	11,719	-
Financial guarantees	-	-	-	-	-
Total	20,639	22,298	10,579	11,719	-
<i>Group 2012</i>					
Creditors and other payables	5,326	5,326	5,326	-	-
Secured loans	15,408	17,067	5,348	11,719	-
Financial guarantees	-	-	-	-	-
Total	20,734	22,393	10,674	11,719	-

Council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 27.

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.

Financial Assets	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
<i>Council 2013</i>					
Cash and cash equivalents	5,572	5,572	5,572	-	-
Debtors and other receivables	8,820	8,820	8,820	-	-
Other financial assets:					
- Term deposits	824	967	-	788	179
- Community loans	1,830	6,091	9	998	5,084
- Community loans - related party	1,340	1,970	142	570	1,258
Total	18,386	23,420	14,543	2,356	6,521
<i>Group 2013</i>					
Cash and cash equivalents	6,065	6,065	6,065	-	-
Debtors and other receivables	8,782	8,782	8,782	-	-
Other financial assets:					
- Term deposits	1,034	1,177	210	788	179
- Community loans	1,830	6,091	9	998	5,084
Total	17,711	22,115	15,066	1,786	5,263
<i>Council 2012</i>					
Cash and cash equivalents	1,590	1,590	1,590	-	-
Debtors and other receivables	3,972	3,972	3,972	-	-
Other financial assets:					
- Term deposits	600	606	606	-	-
- Community loans	1,675	9,579	123	1,020	8,436
- Community loans – related party	640				
- Other investments	-	674	33	641	-
- Local authority stock	750	803	-	803	-
Total	9,227	17,224	6,324	2,464	8,436
<i>Group 2012</i>					
Cash and cash equivalents	1,770	1,770	1,770	-	-
Debtors and other receivables	3,958	3,958	3,958	-	-
Other financial assets:					
- Term deposits	804	209	209	-	-
- Community loans	1,675	8,628	56	686	7,886
- Other investments	-	674	33	641	-
- Local authority stock	750	803	-	803	-
Total	8,957	16,042	6,026	2,130	7,886

Sensitivity Analysis

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.

Council	2013				2012				
	Footnote	-100bps Profit \$000	Other Equity \$000	+100bps Profit \$000	-100bps Profit \$000	Other Equity \$000	+100bps Profit \$000	-100bps Profit \$000	Other Equity \$000
Interest Rate Risk									
<i>Financial assets</i>									
	1	(26)	-	26	(16)	-	16	-	-
Cash and cash equivalents									
	3	(1)	-	1	-	-	-	-	-
Other financial assets:									
	2	(31)	-	31	(23)	-	23	-	-
	3	-	-	-	-	-	-	-	-
	4	110	-	(110)	-	-	-	-	-
		52		(52)	(39)		39		
Total sensitivity to interest rate risk									
Equity Price Risk									
<i>Financial assets</i>									
		-10%		10%	-10%		10%		
Other financial assets:									
	5	-	-	-	-	-	-	-	-
	5	-	-	-	-	-	-	-	-
	5	-	-	-	-	-	-	-	-
	6	-	(4)	-	-	4	-	-	-
		-	(4)	-	-	4	-	-	-
Total sensitivity to equity price risk									

Explanation of Sensitivity Analysis - Council

Financial Assets

1. Cash and cash equivalents

Cash and cash equivalents include deposits at call totalling \$2,570,556 (2012: \$1,589,664) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$25,706 (2012: \$15,897).

2. Community loans

Council has floating rate community advances with a principal amount totalling \$3,170,135 (2012: \$2,314,524). A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$31,701 (2012: \$23,145).

3. Local authority stock and other investments

Council has floating rate term bonds and deposits totalling \$112,000 (2012:nil) that are held to maturity. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$1,120 (2012: nil).

Financial Liabilities

4. Secured loans

Council has a floating rate debt with a principal amount totalling \$11,000,000 (2012: 4,000,000). A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$110,000 (2012: \$40,000).

Equity

5. Unlisted shares

Council holds unlisted equity instruments in NZ Local Government Insurance Corp Ltd, which are not traded and will continue to be held by Council. The market value of these shares is difficult to determine, but the net asset backing of this shareholding was \$239,692 in June 2012. Council accounts for these shares at cost.

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

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

6. Listed shares

Council holds listed shares in Fonterra Group, which are not traded and will continue to be held by Council. The sensitivity for listed shares has been calculated based on a -10%/+10% movement in the quoted bid share price at year-end for the listed shares. The Fonterra Group shares became listed on NZX during the 2013 financial year.

Group	2013				2012			
	Footnote	-100bps Profit \$000	Other Equity \$000	+100bps Profit \$000	-100bps Profit \$000	Other Equity \$000	+100bps Profit \$000	Other Equity \$000
Interest Rate Risk								
<i>Financial assets</i>								
Cash and cash equivalents	1	(26)	-	26	(18)	-	18	-
Other financial assets:								
- Term deposits	3	(1)	-	1	(8)	-	8	-
- Community loans	2	(18)	-	18	(17)	-	17	-
- Other investments	3	-	-	-	-	-	-	-
<i>Financial liabilities</i>								
Secured loans	4	110	-	(110)	-	-	-	-
Total sensitivity to interest rate risk		65	-	(65)	(43)	-	43	-
Equity Price Risk								
<i>Financial assets</i>								
Other financial assets:								
- NZ Local Government Insurance Corp Ltd	5	-	-	-	-	-	-	-
- Shares in Manawatu-Wanganui LASS Limited	5	-	-	-	-	-	-	-
- Shares in NZ Local Government Funding Agency	5	-	-	-	-	-	-	-
- Shares in Fonterra	6	-	(4)	-	-	4	-	-
Total sensitivity to equity price risk		-	(4)	-	-	4	-	-

Explanation of Sensitivity Analysis - Group

Financial Assets

1. Cash and cash equivalents

Cash and cash equivalents include deposits on call totalling \$2,629,463 (2012: \$1,770,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$26,295 (2012: \$17,700).

2. Community loans

The Group has floating rate community advances with a principal amount totalling \$1,830,135 (2012: \$1,674,524). A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$18,301 (201: \$16,745).

3. Local authority stock and other investments

The Group has floating rate term bonds and deposits totalling \$112,000 (2012: \$nil) that are held to maturity. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$1,120 (2012: nil).

Financial Liabilities

4. Secured loans

The Group has a floating rate debt with a principal amount totalling \$11,000,000 (2012: 4,000,000). A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$110,000 (2012: \$40,000).

Equity

5. Unlisted shares

The Group holds unlisted equity instruments in NZ Local Government Insurance Corp Ltd, which are not traded and will continue to be held by the Group. The market value of these shares is difficult to determine, but the net asset backing of this shareholding was \$239,692 in June 2012. The Group accounts for these shares at cost.

The Group holds unlisted equity instruments in Manawatu Wanganui LASS Ltd, which are not traded and will continue to be held by the Group. The market value of these shares is difficult to determine. The Group accounts for these shares at cost.

The Group purchased during the year unlisted equity instruments in New Zealand Local Government Funding Agency Ltd, which are not traded and will continue to be held by the Group. The Group accounts for these shares at cost, as there is no active market and thus the share price cannot be measured reliably.

6. Listed shares

Group holds listed shares in Fonterra Group, which are not traded and will continue to be held by the Group. The sensitivity for listed shares has been calculated based on a -10%/+10% movement in the quoted bid share price at year-end for the listed shares. The Fonterra Group shares became listed on NZX during the 2013 financial year.

33. Comparatives

Comparatives are figures disclosed in the financial statements for the year ended 30 June 2012. In order to comply with the new presentation requirements of the Local Government (Financial Reporting) Regulations 2011, certain comparatives within the statement of comprehensive income have been reclassified where appropriate.

The reclassification of comparatives has no impact on equity.

	Council		Group			
	Audited Balances \$000	Reclassification Disclosure \$000	Actual 2012 \$000	Audited Balances \$000	Reclassification Disclosure \$000	Actual 2012 \$000
Revenue						
Rates revenue (excluding water rates)	25,319	-	25,319	24,993	-	24,993
Financial income	268	-	268	246	-	246
Subsidies and grants	-	6,303	6,303	-	6,353	6,353
Development and financial contributions	-	453	453	-	453	453
Other revenue	17,590	(6,756)	10,834	18,814	(6,806)	12,008
Other operating gains/(losses)	(1,075)	999	(76)	(1,075)	999	(76)
Total revenue	42,102	999	43,100	42,978	999	43,977
Expenditure						
Personnel costs	7,239	-	7,239	7,356	-	7,356
Depreciation and amortisation	12,045	-	12,045	12,465	-	12,465
Finance costs	856	-	856	856	-	856
Other operating expenses	17,859	-	17,859	18,149	-	18,149
Total operating expenditure (excluding losses)	37,999	-	37,999	38,826	-	38,826
Surplus/(deficit) before gains and losses and tax	4,103	-	5,102	4,152	-	5,151
Losses on transfer of assets to other vesting authorities	-	(999)	999	-	(999)	999
Surplus/(deficit) before tax	4,103	-	4,103	4,152	-	4,153
Income tax expense	-	-	-	-	-	-
Net surplus/(deficit) after tax	4,103	-	4,103	4,152	-	4,153

	Council		Group			
	Audited Balances \$000	Reclassification Disclosure \$000	Actual 2012 \$000	Audited Balances \$000	Reclassification Disclosure \$000	Actual 2012 \$000
<i>Other comprehensive income</i>						
Gains/(losses) on the revaluation of Infrastructure assets	28,730	-	28,730	28,730	-	28,730
Gains/(Losses) on the revaluation of Land and Buildings	-	-	-	-	-	-
Total other comprehensive Income	28,730	-	28,730	28,730	-	28,730
Total comprehensive income for the year	32,833	-	32,833	32,882	-	32,883

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 Revenue and Financing Policy in the Council's LTP.

MDC 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. Interest is added to the trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated (see note 24).

Special Funds have been set aside by Council for specific purposes (see note 24).

35. Explanation of Major Variances against Budget

Detailed below are explanations for major variations between the actual results and the estimated figures in the 2012/13 Annual Plan, which is the first year of the Long Term Plan 2012-2022.

Income Statement

The operating surplus before losses and tax for the year is \$6.2m against a budgeted surplus of \$6.0m. The following are the most significant variances:

- The budget included subsidies for the Himatangi Wastewater Scheme (\$3.2m) and the Rongotea Water Supply Scheme (\$1.2m). Work for Himatangi Wastewater Scheme has been delayed and only \$1.1m was received to year-end. Work on the Rongotea Water Supply Scheme has been postponed and consequently the subsidy has not been received.
- Revenue from Development Contributions is \$91k below budget. This is a result of fewer subdivision applications being received or approved subdivision consents that have not yet been actioned.
- External interest expense is \$0.6m lower than budgeted. Council has elected to fund a portion of its capital work through internal borrowing instead of fully funding through external sources. The external loans raised this period were at a lower interest rate than budgeted. In addition, the loans raised were lower than budgeted by \$2.4m (see comment below).
- Existing funds were used to fund capital expenditure and therefore investment balances during the year were lower than budgeted. As a result interest received is \$0.3m lower than budgeted for.
- The loan to the Manawatu Community Trust for the Feilding Integrated Family Health Centre has not been uplifted. This has impacted on both Council's interest income and interest expense this year.
- Additional expenditure was incurred with the solid waste kerbside recycling due to a revision of the contract. However, this has been recovered through gate takings. Also, additional depreciation and interest expenses have been incurred with the purchase of recycling bins, which were not provided for in the budget.
- Environmental expenses are down from the budgeted amount due to renegotiating the contract with PNCC to a lesser amount.

- Due to a decrease in the valuation of infrastructural assets (1 July 2012), the depreciation expenditure is lower than budgeted.

Balance Sheet

The most significant movements are:

- Not all capital work budgeted for was completed during the year, resulting in both property, plant and equipment and the associated borrowing being lower than budget. Individual variations are documented within the individual activity reports.
- Council revalued its infrastructural assets on 1 July 2012. This resulted in a decrease in the asset valuation and corresponding revaluation reserve of \$13.7m. The budget provided for a revaluation increase of \$18.2m. When budgeting for revaluation Council used the planned inflation rate. The actual revaluation is based on actual contract rates, technology changes and changes in the property market.

Statement of Changes in Equity

- The Statement of Changes in Equity includes a loss of \$30m on transfer of assets to Palmerston North City Council as a result of boundary change effective with 1 July 2012. This was not included in the 2012/13 budget.

Statement of Cash Flows

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



Report on Liability Management and Investment Policies

Liability Management Policy

Commentary

During the course of the financial year, Council repaid \$4.9 million of debt, raised \$18.7 million of debt, resulting in an increase of debt from \$15.4 million at the start of the financial year to \$29.1 million at 30 June 2013.

Key Statistics

Actual 2012		Actual 2013	Budget 2013
2.0%	Gross Interest Expense compared to Operating Revenue not to exceed 10%	2.6%	3.8%
3.4%	Gross Interest Expense compared to Rates Revenue not to exceed 20%	4.5%	7.2%
19.4	Net Cash flows from operating activities to exceed Gross Interest Expense by 1.5 times	12.6	10.4
0.94	Net Working Capital Ratio is greater than 1 (Current assets compared to current liabilities excluding current portion of debt and Properties for Sale)	1.43	0.92
2.5%	Total Debt compared to Total Assets	4.9%	5.0%

Measure: no more than 35% of net term debt planned to be refinanced in any financial period without pre-arranged facility being in place. Result: \$18.7m of net debt was raised for the year ended 30 June 2013 (\$6.0m for year ended 30 June 2012), of which \$3.9m being 25.3% (2012: \$6.0m being 38.9%) was refinanced. For the year ended 30 June 2013, \$7m being 24.0% of net debt matures in 2014/2015, therefore below the 35.0% threshold, compared to a percentage of 45% for the year ended 30 June 2012, when however, a pre-arranged facility was in place to re-finance.

Council has complied with all aspects of its Liability Management Policy.

Investment Policy

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

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

Interest Received

Interest received on investments at \$237k was down on last year's \$268k due to a fall in market interest rates.

Other Equity Investments

Council has maintained its joint forestry with Palmerston North City Council along with its historical investment in Local Government Cost Index.

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

Council complied with its Investment Management Policy during the year.



Report on Revenue and Financing Policy

Introduction

Council's current Revenue and Financing Policy was adopted as part of the 2012-2022 Long Term Plan (LTP). The Funding Policy sets out who will pay and how for Council's functions.

Part 6 s 103 (3) of the Local Government Act 2002 specifies that every local authority must provide in its annual report sufficient information about the Revenue and Financing Policy to enable an informed assessment of the extent to which the objectives and provisions of the policy have been met during the year.

This report summarises progress against the policy for the year ended 30 June 2013 and includes:

- Overall performance
- Summary table, including notes on key variations

Overall Performance

Overall the funding mix proposed by the Funding Policy was achieved.

The most significant variation was in Solid Waste Disposal due to a new contract in place resulting in an amendment of the Revenue and Financing Policy. Please refer to Solid Waste activity for more details. There is also a large variance in Property, as the rent charged on Council buildings is not taken into account in the Revenue and Financing Policy.

Summary Table

Significant Activity	Actual		Function	Funding Policy	
	Public	Private		Public	Private
Community Facilities	69%	31%	Cemeteries	60%	40%
	96%	4%	District Libraries	95%	5%
	65%	35%	Makino Aquatic Centre	65%	35%
	97%	3%	Parks and Reserves	95%	5%
	47%	53%	Property	100%	0%
	100%	0%	Local Halls and Complexes	100%	0%
	100%	0%	Public Conveniences	100%	0%
	100%	0%	Public Conveniences in Parks and Reserves	90%	10%
District Development	100%	0%	Community Development	100%	0%
	100%	0%	Economic Development	100%	0%
	20%	80%	Feilding CBD Security	20%	80%
Emergency Management	100%	0%	Civil Defence	100%	0%
	100%	0%	Rural Fire	100%	0%
Environmental and Regulatory Management	42%	58%	Animal Control	45%	55%
	41%	59%	Building Control	40%	60%
	79%	21%	District Planning	79%	21%
	93%	7%	Environmental Health	94%	6%
	49%	51%	Liquor Licensing	48%	52%

Significant Activity	Actual		Function	Funding Policy	
	Public	Private		Public	Private
Governance and Strategy	100%	0%	Governance and Strategy	100%	0%
Roading Network	51%	49%	Roading	55%	45%
	0%	100%	Feilding CBD Redevelopment	0%	100%
Solid Waste	32%	68%	Solid Waste Collection	30%	70%
	76%	24%	Solid Waste Disposal	30%	70%
	100%	0%	Recycling System and Centre	100%	0%
	0%	100%	Feilding Kerbside Collection	0%	100%
Stormwater	20%	80%	Urban Stormwater	20%	80%
	0%	100%	Rural Land Drainage	0%	100%
Wastewater	0%	100%	Wastewater	0%	100%
Water Supply	0%	100%	Water Supply	0%	100%



Report on Council Controlled Organisations

The Manawatu Community Trust

The Manawatu Community Trust was formed on 23 June 2008. The purpose of the Trust is the provision of housing for the elderly and disabled of the Manawatu district, the promotion of health and wellbeing services for the residents of the Manawatu district, as well as promotion of any purposes within the Manawatu district for the relief of poverty and for the benefit of the residents of the Manawatu district. Following is the income statement for the year ended 2013.

Manawatu Community Trust

Income Statement for the Year ended 30 June 2013

	2013 \$000	2012 \$000
<i>Income</i>		
Rents Received	1,117	1,093
Interest	9	13
Grants and Donations	45	30
Other Income	23	1
Total Income	1,194	1,137
<i>Expenditure</i>		
Employee benefit expenses	122	86
Depreciation	337	338
Other expenses	569	637
Finance costs	54	37
Loss on assets disposal	328	-
Property Plant and Equipment impairment loss	-	-
Total Operating Expenditure	1,410	1,097
Operating Surplus/(Deficit)	(216)	40
Other comprehensive income	-	-
Net Surplus/(Deficit)	(216)	40

Heartland Contractors Limited

Council has exempted this from being a CCO.

Feilding Civic Centre

Council has exempted this from being a CCO.

Wanganui-Manawatu Lass Limited

This company has been set up in 2008 by seven Local Councils to investigate the possibilities of economies of scales by joint procurement. Council has exempted this from being a CCO.

Statement of Intent Reporting: Manawatu Community Trust: year ending 30 June 2013

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

The Trust will meet the following outcomes:

1. Housing Provision

Provide affordable and sustainable housing to residents who meet the eligibility criteria set.

Management Comment:

A full rent review was completed on 19 March 2013. In light of the increases faced by the trust which included an increase of 42% for property insurance and to maintain the programmes of refurbishment and upgrade the trust decided to apply the following increases as at 1 July 2013.

- That rents for MCT flats be increased by 3% rounded to the nearest dollar effective at 1 July 2013.
- All newly upgraded flats rental be \$130.

2. Housing Maintenance

Develop criteria to assess units to a standard appropriate for housing the elderly and disabled.

Identify the housing stock which require major upgrades.

Be responsive to urgent maintenance requirements or resident health and safety needs.

Management Comment

All upgraded and refurbished MCT flats have been reassessed against the Manawatu Community Trust standards for housing for the elderly and disabled and

included in the overall rating which provides the trust with a warrant of fitness on each flat.

18% - 37 flats have an A rating overall (highest level)

14.6% - 30 flats have a B rating overall

66.8% - 137 flats have a C rating overall

0% - 0 flats have a D rating overall

In the last year there has been a 500% increase in flats with an A rating from 3% to 18% of the overall housing stock.

Identified housing stock which requires a major upgrade include:

Elizabeth flats 1 – 7,

Rawhiti Flats 1 – 6,

Argyle Flats 1 – 9

Rangimarie Flats 1 – 12, 14,15.

Requests for maintenance are received by the office on a daily basis. These totalled \$93,927 for the year ended 30 June 2013, an average of \$7,827 per month. This average per month was \$8,348 last year and \$12,720 two years ago.

3. Housing Occupancy

Maintain a high occupancy level.

Keep a waiting list when housing is fully tenanted.

Management Comment:

For the year ended the average occupancy level over the year was 92%. Alexandra complex had an average occupancy level of 68.3%. This was largely due to the fact that this complex was under an upgrade programme and as flats became empty they were left empty until the upgrade work was completed. This was achieved by years end. We have ended the year with a higher number than usual of empty flats. We have five Flats in Cargill Ave being upgraded at present and two other flats are awaiting refurbishment. Both Sanson and Rongotea flats experienced similar occupancy levels to the previous year of around 88%

4. Health

Lead and facilitate the development and establishment of an Integrated Family Health Centre in Feilding.

Management Comment:

At years end the trust was in negotiation with MCDHB on a sale/lease agreement for the buildings and land. These negotiations commenced in March 2013. The trust was also in negotiations with the Feilding doctors group on a head lease agreement. Both these negotiations are continuing. The trust has also established a Feilding Health Care Fundraising Network developing a strategy for the fundraising.

5. Finance

The Trust has complied with current finance and investment policies and achieved its planned performance indicators.

Management Comment:

The trust has complied with current finance and investment policies and achieved its planned performance indicators.

Ensure that a positive financial return on investment in line with the nature and condition of the housing portfolio is achieved for re-investment in housing and repayment of Capital Loan.

Management Comment:

The net surplus for the year shows a net deficit due to the one off loss on disposal of assets replaced in Alexandra flats as a result of the refurbishment upgrade project that took place during the year.

Management Comment:

89% of rental income for the year ending 30 June 2013 was spent on capital improvements and major maintenance

Provide Financial Reporting to the Manawatu District Council as required.

Management Comment:

The trust reported to Manawatu District Council on 18 October 2012 and 2 April 2013

Maintain the ratio of consolidated public equity to total assets to be no less than 70:30. This is defined as Total Equity/Total Liabilities and Equity. At 30 June 2013, this ratio was 88:12

Management Comment:

Refer Final Accounts.



Part Four

Other Information

This section of the Annual Report contains the following information:

- Manawatu District Council: Mayor and Councillors
- Manawatu District Council: Executive Team
- Manawatu District Council: Activities and Functions
- Member's Responsibilities
- Equal Employment Opportunities Statement
- Maori Capacity to Contribute to Decision-Making
- Grants 2012/2013
- Glossary



Manawatu District Council: Mayor and Councillors



Mayor: Margaret Kouvelis
Phone: 323 0000 (CI)
323 0550 (Hm)

Feilding Ward



Cr Matt Bell
Ph: 323 3147
(Deputy Mayor)



Cr Barbara Cameron
Ph: 323 5332



Cr Tony Jensen
Ph: 323 7569



Cr Wayne Ellery
Ph: 323 4230



Cr Steve Gibson

* Cr Gibson's resignation was formally received by Council on 18 October 2012.

Southern Manawatu Rural Ward (previously Kairanga Ward)



Cr Margaret Giles
Ph: 324 8987



Cr John Salmon
Ph: 357 6910



Cr Howard Voss
Ph: 356 9779

Northern Manawatu Rural Ward (previously Kiwitea-Pohangina Ward)



Cr John Baxter
Ph: 328 7019



Cr Alison Short
Ph: 328 9768



Manawatu District Council: Executive Team



Chief Executive
Lorraine Vincent



Infrastructure Group
Manager
Hamish Waugh



Community Services Group
Manager
Brent Limmer



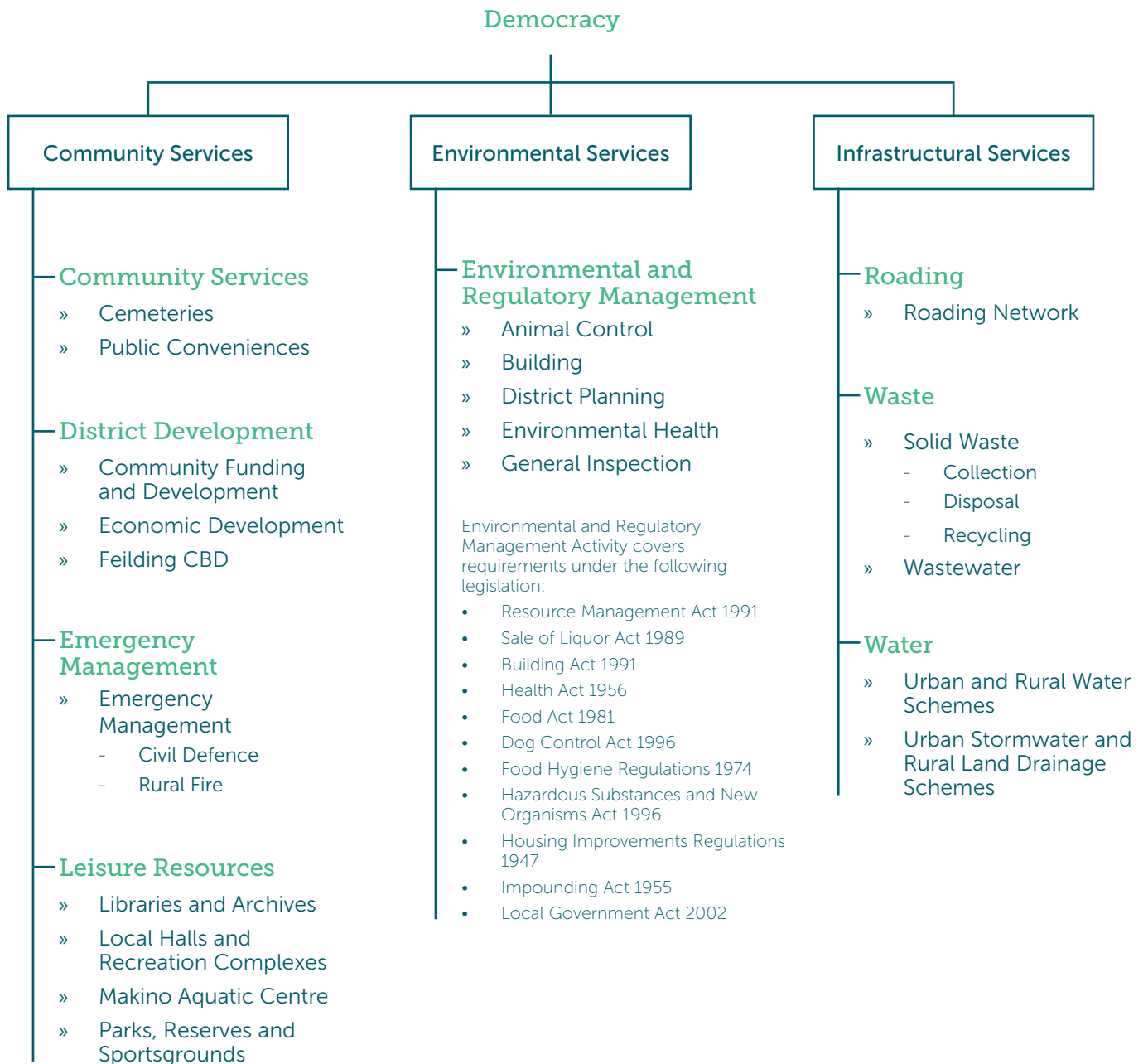
Support Services and
Environmental Group Manager
Shayne Harris



Human Resources Manager
Linda Gordon



Manawatu District Council: Activities and Functions





Member's Responsibilities

Standing Committee Membership to 30 June 2013

Elected Members	Strategic Planning and Policy	Workshop Meeting Committee	Hearings Committee	Marae Consultative Standing Committee	MDC/PNCC Joint Strategic Planning Committee
Mayor	✓	✓ (C)		✓ (C)	✓
Cr Baxter	✓ (C)	✓	✓		
Cr Bell	✓	✓ (DC)	✓ (C)		✓
Cr Cameron	✓	✓	✓		✓
Cr Ellery	✓	✓	✓		
Cr Gibson*	✓	✓			
Cr Giles	✓	✓			
Cr Jensen	✓	✓		✓	✓
Cr Salmon	✓	✓	✓		
Cr Short	✓	✓		✓	
Cr Voss	✓ (DC)	✓	✓ (DC)		✓

* Cr Gibson's resignation was formally received by Council on 18 October 2012.

Subcommittee Membership

Elected Members	Community Funding	Chief Executive's Employment
Mayor	✓	✓ (C)
Cr Baxter		✓
Cr Bell		✓ (DC)
Cr Cameron	✓	✓
Cr Ellery	✓	✓
Cr Gibson*	✓	✓
Cr Giles	✓ (DC)	✓
Cr Jensen	✓	✓
Cr Salmon		✓
Cr Short	✓ (C)	✓
Cr Voss		✓

Key:

✓ = Member of Committee

(C) = Chairperson

(DC) = Deputy Chairperson

* Cr Gibson's resignation was formally received by Council on 18 October 2012.



Equal Employment Opportunities Statement

The Local Government Act 2002 requires the Council to publish its plans for ensuring equal employment opportunity, and to report on its performance.

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

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

<i>Gender</i>	<i>Religious, cultural or political belief</i>
<i>Race</i>	<i>Disability</i>
<i>Family responsibilities</i>	<i>Age</i>
<i>Marital status</i>	<i>Sexual preference</i>
<i>Employment Status</i>	

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

- Recruitment policy and procedures
- Remuneration strategy
- Harassment policy

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

Summary of the 2012/13 Equal Employment Opportunities Programme

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

Development of Maori Capacity to Contribute to Decision-Making

The Manawatu district is home to a number of Marae. In recognition of the important part they play within the community and as a result of a request from Tangata Whenua representatives, a Marae Consultative Committee was established in 1992. Its principal purpose is to liaise between Council and local Tangata Whenua.

Membership of the Committee comprises one member from each Marae: Aorangi, Kauwhata, Kotuku, Parewahawaha, Poupatate, Te Rangimarie, Taumata O Te Ra, Te Hiiri, Te Iwa and Te Tikanga, along with two elected members appointed by Council. The meetings are chaired by the Mayor.

Meetings are held on a bi-monthly basis, with items of business reflecting the Council's current activities and issues identified by committee members. The committee meetings provide a forum for regular communication and an effective avenue for Tangata

Whenua to have input into the council's decision-making processes.

In 2011, members of the Marae Consultative Committee were given the opportunity to opt for a Maori ward. It was decided that such a ward was not necessary. However, the Committee did take the opportunity to review its terms of reference and re-confirmed them without change.

The Marae Consultative Committee continues to represent the interests of Tangata Whenua – the people of the land. Tangata Whenua are those Maori who belong to the Iwi and Hapu of the Manawatu District. However, they do not represent all Maori, i.e. those who come from elsewhere or simply are unable to trace their whakapapa.

A continuing focus for the Marae Committee will be to ensure that all Maori of the district are represented, and are able to have a say in Council decision-making.



Grants 2012/2013

During 2012/13, Council approved a number of grants from its General Grants Fund.

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

Urupa/Private Cemetery Fund

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

	\$
St Michaels and All Angels	250
Taumata O Te Ra Marae	240
Te Tikanga Marae Committee	1,139
Maungatauari Urupa Committee	150
Poupatate Marae Incorporated	3,277
	5,056

Partnership Fund

Funds to provide financial assistance to community organisations that undertake programmes that enhance community well-being and improve community outcomes.

	\$
Feilding and Districts Youth Board	7,000
Manchester House Social Services	30,000
Feilding and District Art Society	18,000
Manawatu Historic Vehicle Collection Trust	45,000
Social Issues Network Council	1,200
PN Surf Life Saving Club Inc.	10,000
Feilding and District Steam Rail Inc.	4,000
Te Manawa Services	10,000
Feilding and District Pipe Band	3,500
Neighbourhood Support - Safer Community	10,000
Feilding Brass Inc.	6,000
Manawatu Rural Support Service	10,000
Young Dreams	4,405
Parents Inc. - Attitude Youth Division	1,304
	160,409

Swimming Pool Grants

Grants to schools where there is a community use component to the school's pool facility.

	\$
Awahou School	200
Sanson School - one off	500
Rangiwahia School	200
	900

Representative Grants

Representative grants are made to people representing the Manawatu district or New Zealand at national and international events

	\$
Stephanie Dickens	500
Helen Dickens	500
Michael Ireland	500
Corey Perrett	500
Lytton Street School - Jump Jam Team	1,000
Jordan Twigge	500
Grady Jackson	300
Danielle Zentveld	500
Sam Wells	250
Jack Beatson	250
Cole Hawkins	300
Samuel Jed Southcombe	500
Matthew Bell	500
	6,100

Community Promotions Grants

Contribution to Manawatu based non-profit organisations who organise and run events that raise the profile of the Manawatu district.

	\$
Heritage Park Rhododendron Charitable Trust	1,000
Feilding High School PTA	1,000
Lions Club Fitzherbert Charitable Trust	970
NZ Cycling National Committee	1,000
Step N Thyme Leisure Marchers	205
Rotary Club of Feilding	450
Feilding Promotions	4,300
NZ Orienteering Fed	4,200
Manawatu Softball Assoc.	1,000
Feilding Promotions	3,000
Kiwitea School	67
Dressage NZ	1,000
Parentline Manawatu Inc.	1,000
Bainesse School BOT Jubilee	435
Apiti Show Committee	652
Manawatu and West Coast A&P Assoc.	435
Reel Earth Environmental Film Festival Society	453
	21,167

Trust Funds

Council administers trust funds that have been vested to Council over the years and are available for a specific purposes. The total grants allocated from these funds during the 2012/13 financial year were;

	\$
Robert Dickson Trust Fund	5,485
Hook Bequest Trust	200
	5,685

Creative New Zealand Grants

Funding provided by Creative New Zealand, that Council allocates on their behalf, to arts and cultural activities occurring within the Manawatu district.

	\$
Rangiwahia Environmental Arts Centre Trust (REACT)	507
Feilding and Districts Art Society Inc (FADAS)	3,250
Rangiwahia Environmental Arts Centre Trust (REACT)	938
Feilding Multicultural Committee	668
Feilding Multicultural Committee	1,100
Te Punanga Whakaari Theatre Productions	4,690
Feilding Civic Centre Trust	659
Feilding Bible Chapel	750
Feilding and Districts Art Society	412
Manawatu Overtones	500
Rongotea Uniting Parish	200
Catherine McCall	1,000
Feilding Brass Inc	320
Artistic Solutions Trust	1,925
Te Puanga Whakaari Theatre Productions	1,870
5 Senior Dance Students at Dance Unlimited	1,250
Feilding and Districts Art Society Inc (FADAS)	1,485
	21,523



Glossary

Activity – a good or service provided by or on behalf of a local authority.

Annual Plan – a document adopted by a local authority which sets out the budget for the year, and the sources of funding for the year.

Annual Report – a document that a local authority prepares each year, which provides the public with information on the performance of the local authority during the year (both in financial and non-financial terms).

Asset – assets are land, buildings and facilities owned by Council.

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

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

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

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

Communitrak Survey – survey which measures satisfaction with Council services, and asks questions on Council policy and direction, rates issues, contact with Council, information and representation. The survey also compares Council performance against a peer group of councils and national survey of 1,006 interviews conducted in January 2007.

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

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

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

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

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

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

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

Group of Activities – two or more related activities.

Long Term Council Community Plan (LTCCP) – a plan, covering at least 10 years, adopted under section 93 of the Local Government Act 2002, that describes the activities the local authority will engage in over the life of the plan, why the local authority plans to engage in those activities and how those activities will be funded.

Local Authority – a territorial authority or regional council as defined by the Local Government Act 2002.

Local Governance Statement – a collection of information prepared under section 40 of the Local Government Act 2002 that includes information about the ways in which a local authority engages with its community and makes decisions, and the ways in which citizens can influence those processes.

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

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

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

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