



Manawatu District Council

Annual Report 2011-2012

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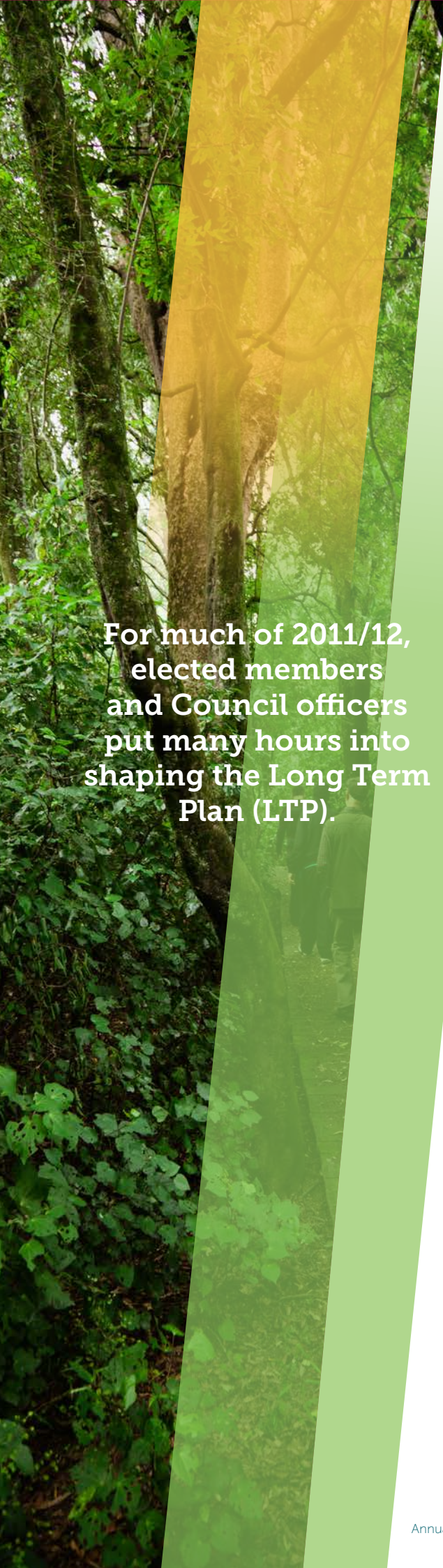
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Part One
Introduction





For much of 2011/12, elected members and Council officers put many hours into shaping the Long Term Plan (LTP).

Introduction from the Mayor and Chief Executive

The last 12 months have been full of planning, project implementation, new thinking and plenty of change.

For much of 2011/12, elected members and Council officers put many hours into shaping the Long Term Plan (LTP). A key part of that sculpturing work was the development of a new Council vision and outcomes that will guide future decision-making. Council adopted the LTP in June after consideration of some excellent public submissions. It was also delighted to receive an unqualified audit opinion.

In September last year, Manawatu District and Palmerston North City Councils, Destination Manawatu and Vision Manawatu endorsed the Regional Development Strategy (RDS). The RDS, developed as a recommendation of the 2009 Economic Development Review, has 16 ambitious goals. Underpinning these goals is the theme that Manawatu will be the best place to raise a family. Each of the four agencies, as well as many other organisations, is now working towards achieving these goals, which weave through respective strategic plans.

A key milestone in the collaborative Regional Archives project was also reached – the fit-out of the old Coach House building to create a state-of-the-art archives building, now the home of local authority archives within the region. The formal opening occurred 4 October 2012.

Former Mayor Ian McKelvie, elected in November 2011 as Member of Parliament for Rangitikei, was formally farewelled in February 2012. Just a month later, the district welcomed new Mayor, Margaret Kouvelis. The election of Mayor Kouvelis left a vacancy in the Feilding Ward. Following its second By-Election, Councillor Wayne Ellery joined Council's governance team.

The year's momentum continued with the final decision received from the Local Government Commission on the boundary change with Palmerston North. The original proposal was adopted largely unchanged, taking effect 1 July 2012.

Other milestones from the year include:

District Plan Review

Council launched its District Plan review, agreeing to review the plan section by section and starting with the Feilding town centre and growth areas around Feilding. Currently, informal feedback is being sought on what the Central Business District (CBD) should look like and how people feel about ideas mooted for residential and industrial growth. Council will take these comments and use them to assist drafting revised sections of the District Plan. They will be released for formal public consultation early 2013.

Communitrak Survey

Improvement in almost every area of Council service was a pleasing result to the latest Communitrak survey. The survey gauges views of 400 randomly selected residents about Council services. A number of services recorded 90% plus satisfaction. Of particular note were library (98%), sewage disposal (96%), water supply (96%), parks and reserves (94%) and satisfaction with the state of the district's footpaths and car parks (94%).

Infrastructure Projects

Work continued on a number of major infrastructure upgrades, including the Feilding Wastewater Treatment Plant. Plenty was achieved last year and funding was carried over to the present year for this vital project to continue. A top priority for Council is to work through its resource consent applications and ensure the districts' wastewater infrastructure is sustainable and as clean as possible.

Details on these significant works, and much more, is available in this Annual Report. This is Council's key document in which we tell our district what we have achieved, spent and received during the year against work outlined in the LTP.

Having reported on a fast-paced year that was, we look forward to a year ahead that will undoubtedly involve change by us and change to us.



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

Margaret Kouvelis
Mayor



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

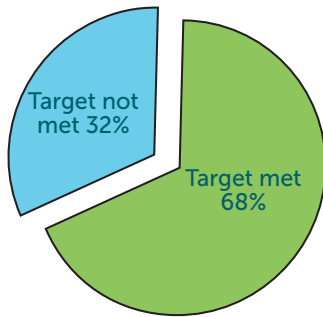
Lorraine Vincent
Chief Executive

Key Trends

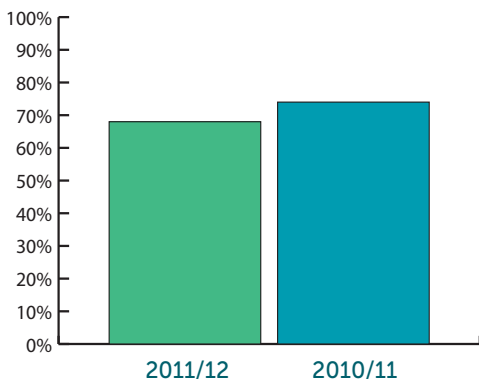
Council includes Key Performance Indicators (KPIs) in its Long Term and Annual Plans to assess how well we are delivering services to the community. We report on these KPIs in the Annual Report.

In 2011/12 Council met the majority of its KPIs (indicated by the term Target Met).

How many targets did we meet in 2011/2012?

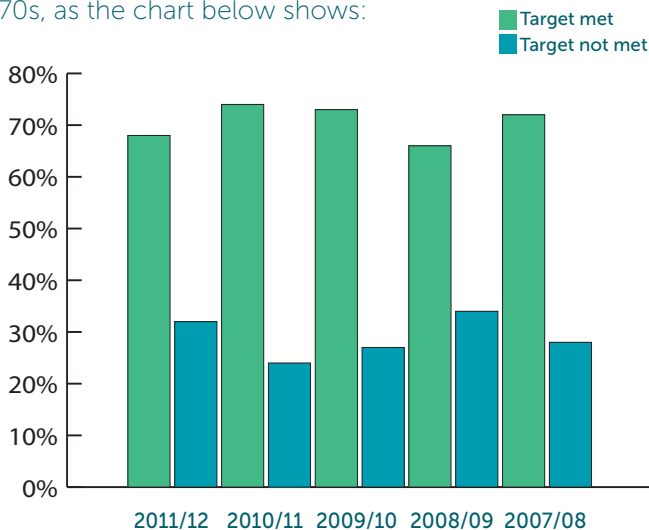


However, the number of targets met has declined on last year:



Of the 25 targets we did not meet, 12 only just missed the mark. Many of these were Communitrak survey results, which were 1 or 2% short of the target. Another two were for KPIs concerning time to issue building consents, which again were only a few percentage points short of the 100% target.

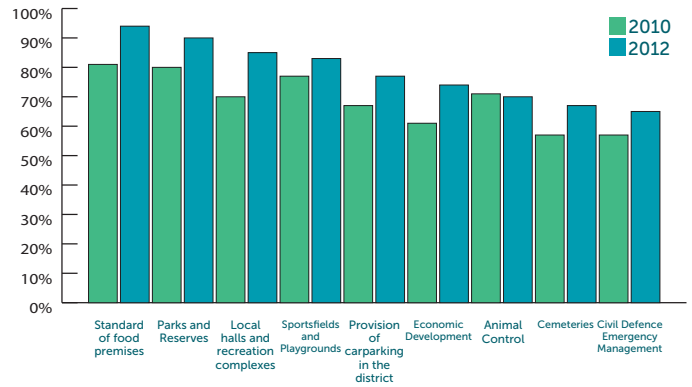
In the last five years the percentage of targets Council has met has consistently been in the high 60s to mid 70s, as the chart below shows:



Communitrak

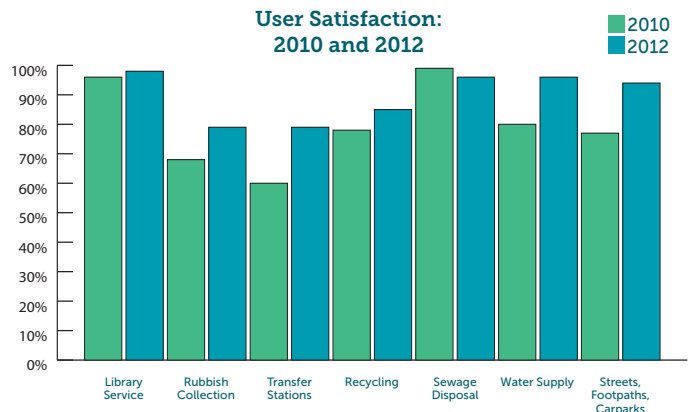
We use the Communitrak survey to measure a number of our KPIs. Commentary on each Communitrak result is contained in Part Two of this report. Overall* satisfaction has increased in each area, except in animal control which has remained stable at around 70% – see chart below.

Overall Satisfaction: 2010 and 2012



*Overall satisfaction measures the satisfaction rating of everyone involved in the survey, whether or not they have used the service during the last year.

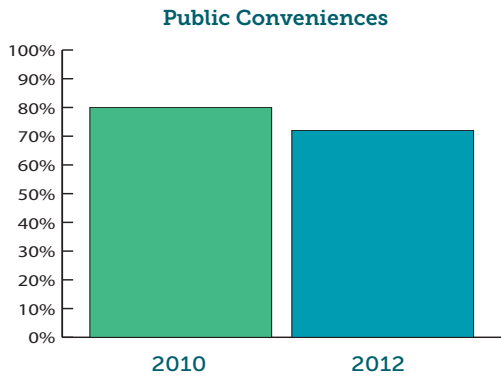
User Satisfaction: 2010 and 2012



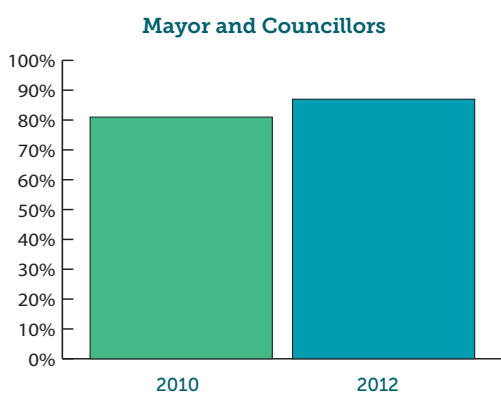
User* satisfaction has also increased, except in Sewage Disposal, which has dropped from 99% to 96%. – see chart below.

*User satisfaction measures the satisfaction of those who have used the service in the last year.

One area of concern is public conveniences – see chart below. Satisfaction ratings slipped 8% from the previous survey. Most of the comments relate to the state of the toilets – cleanliness, standard, availability of soap, toilet paper. Overall, the 72% satisfaction rating is only slightly lower than the average rating over the last 12 years of 75%. Specific details are contained under the public conveniences section in Part Two.



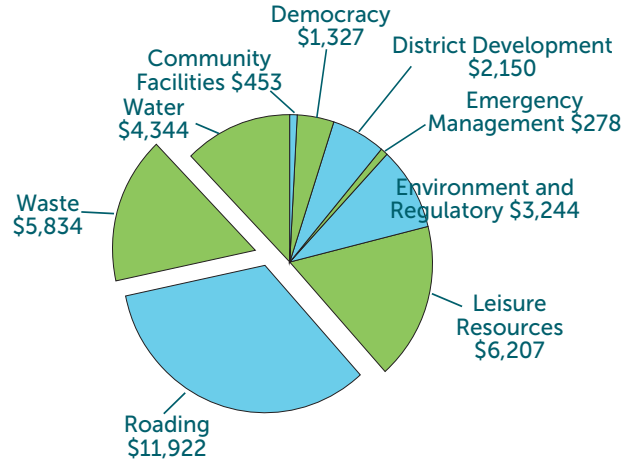
The community also expressed satisfaction with the Mayor and Councillors – up from 81% to 87% – compared to the previous survey:



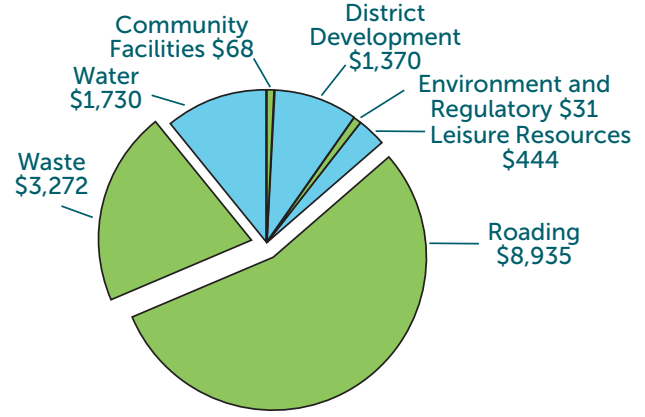
Financial Trends

Where was the money spent?

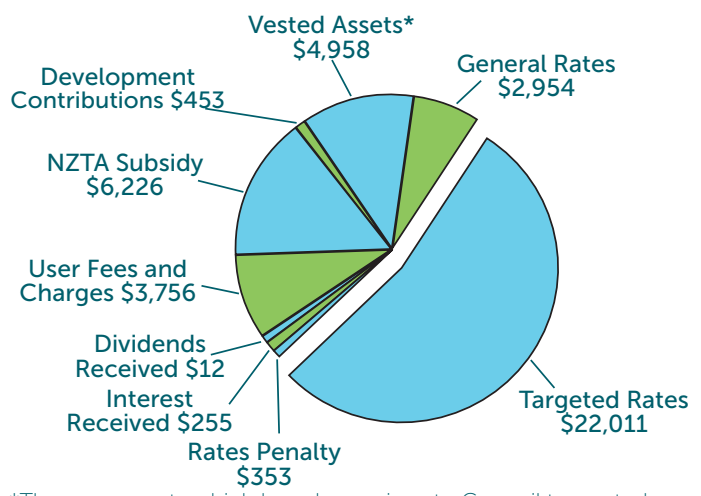
Operating Expenditure by Group (\$000s)



Capital Expenditure by Group (\$000s)



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



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



Outlines how Council has spent money collected from ratepayers, residents, financial institutions and government agencies.

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 2011/12 financial year in the 2009-2019 Long Term Council Community Plan (LTCCP).

The Annual Report:

- Reports against the Manawatu District Council's key activities, performance indicators and budgets outlined in the 2009-2019 LTCCP – we are reporting against what we said we would do in the 2011/12 financial year
- Reports against Council policies such as the Funding Policy and Borrowing Management and Investment Policies
- Outlines how Council has spent money collected from ratepayers, residents, financial institutions and government agencies

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

The report is broken into four sections:

Section One:

Introduction

Section one provides an overview of the 2011/12 year including key highlights.

Section Two:

Groups of Activities

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

Section Three:

Policy Reports

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

Section Four:

Other Information

Section four provides other information, including summary information about the Manawatu District Council, elected representatives, staff 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 2012 fairly reflect the financial position and operations of Manawatu District Council.



Margaret Kouvelis
Mayor



Lorraine Vincent
Chief Executive

Date: 18 October 2012

Independent Auditor's Report

To the readers of Manawatu District Council and group's annual report for the year ended 30 June 2012

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 carry out the audit of the financial statements, non financial performance information and other information required by schedule 10 of the Local Government Act 2002 (other information) of the Manawatu District Council and group on her behalf.

We have audited:

- The financial statements of the Manawatu District Council and group on pages 16 to 124 and 128 to 129, that comprise the balance sheet as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies, explanatory information and other information required by schedule 10 of the Local Government Act 2002; and
- The non financial performance information of the Manawatu District Council and group on pages 16 to 75 that includes other information required by schedule 10 of the Local Government Act 2002.

Opinion on the financial statements, non financial performance information and other information

In our opinion:

- The financial statements of the Manawatu District Council and group on pages 16 to 124 and 128 to 129:
 - » comply with generally accepted accounting practice in New Zealand; and
 - » fairly reflect:
 - the Manawatu District Council and group's financial position as at 30 June 2012; and
 - the results of its operations and cash flows for the year ended on that date.
- The non financial performance information of the Manawatu District Council and group on pages 16 to 75:
 - » complies with generally accepted accounting practice in New Zealand; and
 - » fairly reflects the Manawatu District Council and group's levels of service for the year ended 30 June 2012, including:
 - the levels of service as measured against

the intended levels of service adopted in the long-term council community plan; and

- the reasons for any significant variances between the actual service and the expected service.
- The other information of the Manawatu District Council and group contained in the financial statements and the non financial performance information, complies with the requirements of Schedule 10 of the Local Government Act 2002 applicable to the annual report and fairly reflects the required information.

Our audit was completed on 18 October 2012. 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 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 financial statements, non financial performance information and other information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, [non financial performance information] and other information. 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 financial statements, non financial performance information and other information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, non financial performance information and other information whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Manawatu District Council and group's financial statements, non financial performance information and other information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Manawatu 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 financial statements, non financial performance information and other information;
- determining the appropriateness of the reported non financial performance information within the Council's framework for reporting performance; and
- the overall presentation of the financial statements, non financial performance information and other information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, [non financial performance information] and other information. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and non financial performance information that:
 - » comply with generally accepted accounting practice in New Zealand;
 - » fairly reflect the Manawatu District Council and group's financial position, financial performance and cash flows;
 - » fairly reflect its service performance, including achievements compared to forecast; and
- other information in accordance with Schedule 10 of the Local Government Act 2002 that fairly reflects the required information.

The Council is responsible for such internal control as it determines is necessary to enable the preparation of financial statements, non financial performance information and other information that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of the Auditor

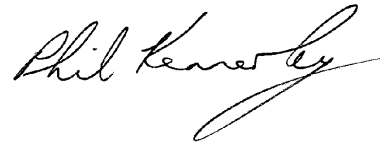
We are responsible for expressing an independent opinion on the financial statements, [non financial performance information] and other information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor General,

which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit and carrying out the audit of the long term plan, we have no relationship with or interests in the Manawatu District Council.



Phil Kennerley

Audit New Zealand

On behalf of the Auditor General

Palmerston North, New Zealand

Part Two

Groups of Activities





Over the past year, Council has undertaken activities that contribute towards the social, economic, environmental and cultural wellbeing of the community.

Guide to Part Two

This section summarises results from the 2011/12 financial year for Council's Groups of Activities.

Groups of Activities

In 2011/12, Council provided various services organised into nine Groups of Activities. These are:

- Community Facilities
- Democracy
- District Development
- Emergency Management
- Environmental and Regulatory
- Leisure Resources
- Roading
- Waste
- Water

Each Group Activity summary includes the following information:

Overall Goal(s)

Explains the overall aims for each activity.

Description

The nature and scope of the activity.

Why is Council involved?

Summarises the reasons for Council involvement in each activity, including the key outcomes the activity will contribute towards.

Links to Community Outcomes

Describes the links between the activity groups and Manawatu District's community outcomes.

The effects Council's activities have had on Community Wellbeing

Describes the effects Council's activities have had on community wellbeing during the 2011/12 financial year. According to the Local Government Act 2002, local authorities are expected to promote the current and future social, economic, environmental and cultural wellbeing of their communities. Local authorities are therefore required to take account of all four aspects of wellbeing when making decisions.

Local Government New Zealand (2002) defines social, economic, environmental and cultural wellbeing:

Social – this might encompass those factors that enable individuals, their families, hapu and communities to set goals and achieve them – these include factors such as education, health, the strength of community networks and associations, financial and personal security, rights and freedoms of equity.

Economic – this might encompass those factors relating to the capacity of the economy to generate the employment wealth necessary to provide many of

the prerequisites for social well-being, such as health services.

Environmental – this might encompass factors that relate ultimately to the capacity of the natural environment to support, in a sustainable way, the activities that constitute community life.

Cultural – this might encompass the shared beliefs, values, customs, behaviours and identities reflected through language, stories, experiences, visual and performing arts, ceremonies and heritage.

Over the past year, Council has undertaken activities that contribute towards the social, economic, environmental and cultural wellbeing of the community. The effects are summarised either at the group or activity level.

What Council has achieved in 2011/12

Summarises key work programmes, capital developments and special projects during the 2011/12 financial year.

How Council has measured its performance

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

Financial Summary

Presents the actual costs and sources of funding for the 2011/12 financial year for each activity. For comparison purposes, the first column contains actual data for 2011/12 and the last column contains budget information for 2011/12.



Ensuring that the Manawatu District cemeteries are something of which the community can be proud.

Community Facilities

Cemeteries

The community has asked for:

A community that has access to effective services

In response to this Council aims to:

Ensure there are facilities for the burial of deceased persons in accordance with the Burial and Cremation Act 1964 by:

- Meeting the social and cultural requirements for the provision of cemeteries in the community
- Providing and maintaining cemeteries
- Ensuring that the Manawatu District cemeteries are something of which the community can be proud

The following effects on community well-being have been identified:

Environmental, social and cultural well-being: While the Burial and Cremation Act 1964 requires local authorities to provide cemeteries to maintain public health and safety, provision of cemeteries is also of social and cultural significance providing a historical resource for the district and important places for burial and remembrance.

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Cemetery service that meets community needs	65% overall community satisfaction with cemeteries as measured in Communitrak Survey	Target met	<p>Very/Fairly satisfied: 67%</p> <p>Not very satisfied: 3%</p> <p>Don't Know: 30%</p> <p>(Previous Survey – 2010: 57%)</p> <p>The overall satisfaction rating has increased 10% (from 57% to 67%) on the previous survey (undertaken in 2010) and is higher than the long-term trend for the past 12 years – mid 50s to mid 60s. A fall in the number of 'don't knows' – from 38% to 30% - is likely to have boosted the satisfaction rating.</p>
A quality Cemetery service that meets visitor needs	90% visitor (user) satisfaction with cemeteries as measured in Communitrak Survey	Target not met	<p>Very/Fairly satisfied: 89%</p> <p>Not very satisfied: 5%</p> <p>Don't Know: 6%</p> <p>(2010: 86%)</p> <p>While we have only just missed the target, visitor satisfaction is generally higher than the last five years – the exception is 2008 when it was 91%.</p>
A quality Cemetery service that keeps cemeteries well maintained and in a tidy condition	Number of complaints about untidy cemeteries - no more than 10 per annum (Council records)	Target not met	<p>Council received 13 complaints regarding district cemeteries for the year ending 30 June 2012 (2010/11: seven complaints received).</p> <p>Four complaints related to sunken graves. The contractor addressed this by applying topsoil to the graves.</p> <p>The remaining nine complaints concerned the state of cemeteries, particularly long grass. Council received these complaints mainly during the summer/autumn period, which was wetter than usual and made mowing difficult. Once conditions improved, the contractor remedied these issues.</p>

Operating and Capital Work Programme for 2011/2012

Project	Actual	Budget	Variance Explanation
Kimbolton Cemetery - New Fence	6,820	10,000	<p>We subsequently found that a new fence was not required. Expenses relate to the removal of the roadside hedge.</p> <p>The removal of the hedge improved traffic sight lines so as to improve safety of ingress and egress.</p>
Total	6,820	10,000	

Public Conveniences

The community has asked for:

A community that has access to effective services

In response to this Council aims to:

Provide and maintain public conveniences to standards that enhance community well-being and maintains public health and safety by:

- Providing and maintaining public conveniences to established criteria and standards – open 24 hours a day, 7 days a week
- Meeting health requirements and community demand for public conveniences
- Ensuring public conveniences are safe and attractive
- Monitoring demand for public conveniences on tourist, bus and key arterial routes and where appropriate meet demand

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Public conveniences effectively meet community needs	78% user satisfaction with public conveniences as measured in Communitrak Survey	Target not met	Very/Fairly satisfied: 72% Not very satisfied: 28% Don't Know: 0% (2010: 80%). The satisfaction rating has dropped from the previous survey (2010) and is a little lower than the long term (12-year) average of 75%. See comments below regarding the issues.
Public conveniences are located in places where they are needed	Number of complaints about public conveniences not being available - no more than 10 per annum (Council records)	Target not met	There were 21 complaints about toilets not being available for the period ending 30 June 2012. These complaints usually concern toilets that are unusable, for example, they are too dirty to use, there are broken toilets and/or sinks, no toilet paper etc. In 2010/11 there were seven complaints about non-availability. However, the sharp increase on last year may have more to do with the way complaints were categorised rather than an increase in complaints. For example, last year there were 35 complaints about the state of toilets. It is possible that some of these should have been assigned to the non-availability category.
Public conveniences are clean and tidy and are serviced regularly	Number of complaints about unclean/untidy toilets - no more than 10 per annum (Council records)	Target not met	There were 24 complaints about toilets being unclean/untidy for the period ending 30 June 2012. (2010/11: 35 complaints) As with the above comments, these complaints relate to toilets that are dirty, and/or have broken facilities. Please note that complaints in this category may also be included in the above category. Many of these complaints relate to vandalism. Council has taken action to address these issues. Signs have been put up encouraging members of the public to report any untidy/unclean toilets, and this may in part be responsible for the increase in complaints. It does however enable Council to remedy the situation more quickly. Also, a night toilet has been completed in Feilding CBD so that the main toilets can be closed, resulting in a decrease in vandalism.

Operating and Capital Work Programme for 2011/2012

Project	Actual	Budget	Variance Explanation
Ongoing maintenance and cleaning of public conveniences	129,943	145,000	
Total	129,943	145,000	

Community Facilities

Funding Summary for the year ended 30 June 2012

	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
<i>Operating Costs (by Activity)</i>			
Cemeteries	294	285	281
Public Conveniences	159	184	234
Total Operating Costs (by Activity)	453	469	515
<i>Operating Revenue (by Activity)</i>			
Cemeteries	256	285	277
Public Conveniences	193	184	212
Total Operating Revenue (by Activity)	449	469	489
Net Operating Cost of Service	4	-	26
<i>Operating Costs</i>			
Operating Costs	435	450	497
Interest	-	-	-
Depreciation and Amortisation	18	19	19
Total Operating Costs	453	469	515
<i>Operating Revenue</i>			
General Rates	-	-	-
Targeted Rates	362	353	392
Subsidies and Grants	1	1	1
User Fees and Charges	86	115	93
Sundry Revenue	-	-	3
Interest Received	-	-	-
Vested Assets	-	-	-
Development Contributions	-	-	-
Total Operating Revenue	449	469	489
Net Operating Cost of Service	4	-	26
Transfers to/(from) Reserves and Special Funds	-	-	(44)
To Fund Capital Expenditure	-	-	-
Net Operating Costs	4	-	(17)
<i>Capital Expenditure</i>			
New Work	9	10	-
Renewal Work	59	60	5
Loan Repayments	-	-	-
Total Capital Expenditure	68	70	5
<i>Capital Funding Sources</i>			
Loans Raised	-	-	-
Transfers (to)/from Reserves and Special Funds	67	70	-
Funded from Operational Revenue	-	-	-
Current years Depreciation Expense	18	19	19
Total Capital Funding Sources	85	89	19
Net Capital Costs	(17)	(19)	(14)

Assisting the community in identifying the expectations and priorities for the future (community outcomes).

Democracy

The Community has asked for:

A vital community that is cohesive and is characterised by community involvement

In response to this Council aims to:

Provide for effective local democratic governance and efficiently, effectively and fairly respond to community present and future needs by:

- Assisting the community in identifying the expectations and priorities for the future (community outcomes)
- Ensuring Council's strategic direction aligns with community aspirations
- Meeting the Council's planning and reporting responsibilities
- Advocating on the district's behalf to other agencies, including central and regional government, on various issues
- Increasing awareness of Council's activities and decisions which affect the community
- Providing for effective, democratic local government
- Seeking to increase Maori involvement in local decision-making

The following effects on community well-being have been identified:

Community well-being: This activity, through the underlying democratic process and development of policies relating to all activities and functions of Council, contributes to all aspects of community well-being; social, economic, environmental and cultural well-being.

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
An accessible Democracy and Policy Development service where opportunities are provided for involvement in decision-making	80% community satisfaction with the way Council involves the public in decision making as measured in Communitrak Survey	Target not met	<p>Satisfied: 54%</p> <p>Neither satisfied nor dissatisfied: 25%</p> <p>Dissatisfied 9%</p> <p>Very dissatisfied 4%</p> <p>Don't know 8%</p> <p>(2010: satisfied – 49%)</p> <p>The lower number of satisfied respondents may be due to the relatively low numbers of people who actively participate in Council decision-making – i.e. through submission processes, public meetings and so forth. Only a small amount of those questioned – 13% - were actually dissatisfied.</p> <p>These results are comparable with last year, where 14% were dissatisfied and 23% were neither satisfied nor dissatisfied.</p>
A quality Democracy and Policy Development service that effectively advocates on behalf of the district	70% community satisfaction with the performance of the Mayor and Councillors as measured in Communitrak Survey	Target met	<p>69% of respondents rated the Mayor and Councillors as very/fairly good and 18% as acceptable. Taken together this constitutes a satisfaction rating of 87%. (2010: 81%).</p> <p>6% of respondents rated the Mayor/Councillor performance as not very good/poor and 7% had no opinion.</p>

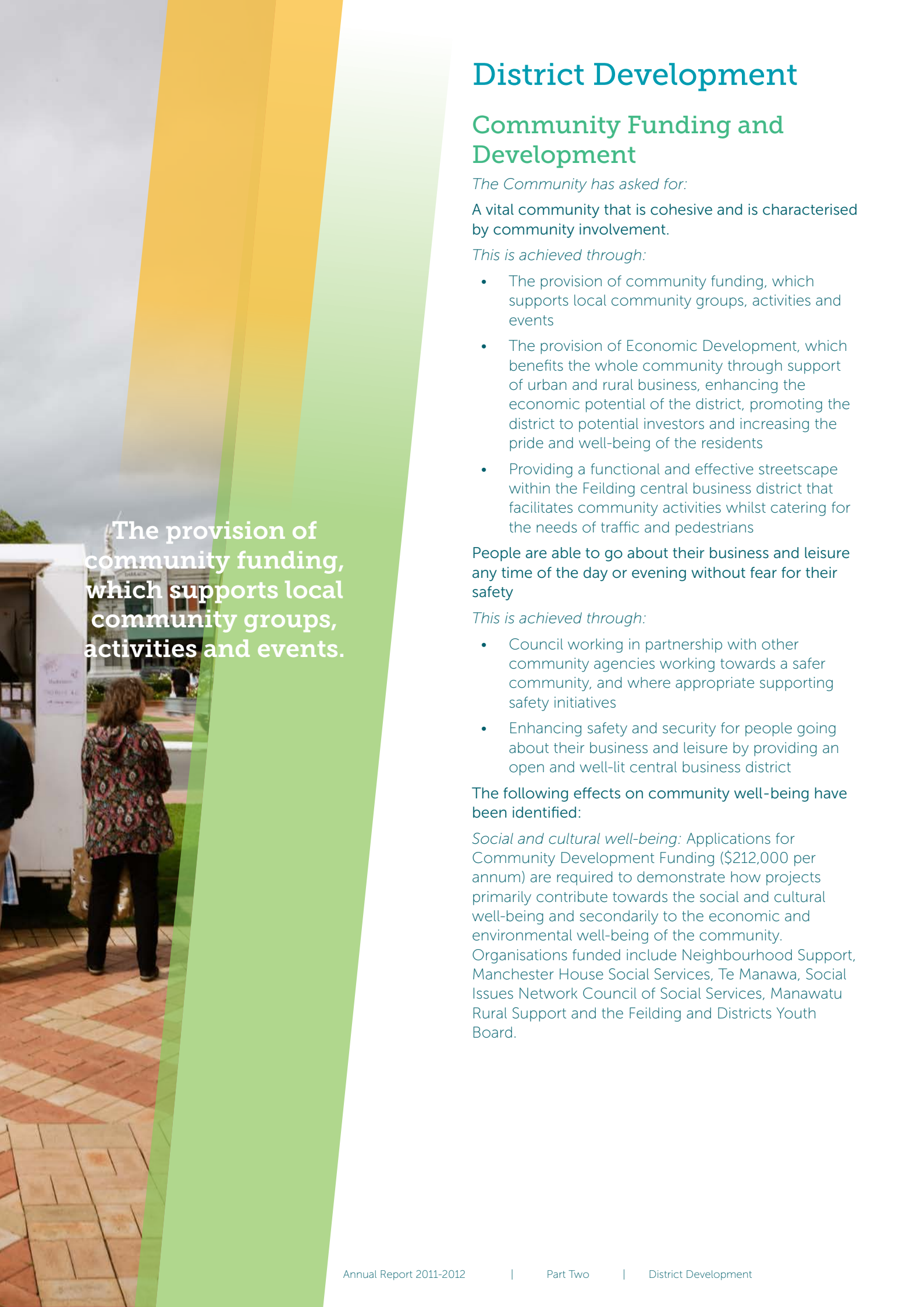
Operating and Capital Work Programme for 2011/2012

Project	Actual	Budget	Variance Explanation
LTP Consultation and Preparation	31,741	50,000	<p>The Long Term Plan 2012-22 was adopted on time with a clear Audit opinion. Project completed within budget.</p> <p>Most of the expenditure relates to LTP document development and other consultation costs, such as surveys and stakeholder meetings.</p> <p>The remainder of this budget was carried over to 2012/13.</p>
Communitrak Survey	32,345	27,333	<p>The Communitrak Survey ran between November 2011 and June 2012. The survey is now complete.</p> <p>We intend replacing the Communitrak Survey with greater use of Council's Email Panel. The Email Panel is a randomly selected panel of district residents who answer questions via email.</p> <p>The over expenditure has occurred because we ran these two surveys during the year, while transitioning from one to the other.</p>
Boundary Change	30,928	50,000	<p>This project is now complete. Expenses relate to legal and administrative costs, which are shared with Palmerston North City Council.</p>
Total	95,014	127,333	

Democracy

Funding Summary for the year ended 30 June 2012

	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
<i>Operating Costs</i>			
Operating Costs	1,327	1,334	1,263
Interest	-	-	-
Depreciation and Amortisation	-	-	-
Total Operating Costs	1,327	1,334	1,263
<i>Operating Revenue</i>			
General Rates	-	-	-
Targeted Rates	1,283	1,284	1,295
Subsidies and Grants	-	-	-
User Fees and Charges	-	-	-
Sundry Revenue	1	-	60
Interest Received	-	-	-
Vested Assets	-	-	-
Development Contributions	-	-	-
Total Operating Revenue	1,284	1,284	1,355
Net Operating Cost of Service	43	50	(92)
Transfers to/(from) Reserves and Special Funds	(33)	(50)	(43)
To Fund Capital Expenditure	-	-	-
Net Operating Costs	10	-	(136)



The provision of community funding, which supports local community groups, activities and events.

District Development

Community Funding and Development

The Community has asked for:

A vital community that is cohesive and is characterised by community involvement.

This is achieved through:

- The provision of community funding, which supports local community groups, activities and events
- The provision of Economic Development, which benefits the whole community through support of urban and rural business, enhancing the economic potential of the district, promoting the district to potential investors and increasing the pride and well-being of the residents
- Providing a functional and effective streetscape within the Feilding central business district that facilitates community activities whilst catering for the needs of traffic and pedestrians

People are able to go about their business and leisure any time of the day or evening without fear for their safety

This is achieved through:

- Council working in partnership with other community agencies working towards a safer community, and where appropriate supporting safety initiatives
- Enhancing safety and security for people going about their business and leisure by providing an open and well-lit central business district

The following effects on community well-being have been identified:

Social and cultural well-being: Applications for Community Development Funding (\$212,000 per annum) are required to demonstrate how projects primarily contribute towards the social and cultural well-being and secondarily to the economic and environmental well-being of the community. Organisations funded include Neighbourhood Support, Manchester House Social Services, Te Manawa, Social Issues Network Council of Social Services, Manawatu Rural Support and the Feilding and Districts Youth Board.

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Support community organisations through funding for community programmes and events	\$212,000 in funding distributed per annum (Council records)	Target met	Council distributed \$231,174 of funding in 2011/12. Please see page 28, under Community Development Funds, for details (2010/11: \$211,000).
Provision of community forums	Number of forums held per annum - 2 (Council records)	Target met	The final Photovoice session was held on 27 February. Final Youth Forum was held on 26 April where the Youth presented on projects detailed in the draft LTP (2010/11: two forums).
User satisfaction with the quality of advice provided by Council about community funding and development	80% of users satisfied with the quality of advice (customer survey)	Target no longer relevant	Survey not undertaken. Feedback about the operation of the policy was obtained from stakeholders and taken into consideration as part of a review of the Community Funding and Development Policy content and operation, undertaken by Council in August 2010. Changes to the policy and its funding processes were adopted by Council at its 24 August 2010 Strategic Planning and Policy meeting. Policy to be reviewed during the 2012/13 year and updated to reflect new vision and outcomes adopted through the Long Term Plan 2012-22.
Advocate to Ministry of Justice for funding that supports community safety projects	\$50,000 obtained per annum (Council records)	Target no longer relevant	The \$50,000 funding, originally made available in 2010/11 for Youth at Risk, Community Patrol and Neighbourhood Support, was a transitional arrangement. The Ministry of Justice no longer funds Youth at Risk as this is more closely related to the Ministry of Social Development. Funding for Community Patrol and Neighbourhood Support is made to the respective national organisations, who distribute funds at the local level.

Operating and Capital Work Programme for 2011/2012

Project	Actual	Budget	Variance Explanation
Community Development Funds	231,174	251,461	At the completion of the 2011/12 funding year there was an unspent amount of \$18,000. This amount was not carried forward to the 2012/13 funding year. This includes funding for the following: <ul style="list-style-type: none"> - Rates Grant: \$71,724 - Partnership Fund: \$122,690 - Representative Grant: \$8,587 - Community Promotion Grants: \$12,373 - Swimming Pool Grants: \$800 - Community Funds: \$15,000
Sport Manawatu: Annual Grant	69,972	69,972	Grant paid in full.
Events Coordinator	12,026	12,026	Grant paid in full.
Te Manawa Museums Trust	20,000	20,000	Grant paid in full.
New Zealand Rugby Museum	10,000	10,000	Grant paid in full.
Rugby World Cup	15,000	15,000	Grant paid in full.
Community Committee Project Fund	8,387	40,000	As per the 2012/2022 LTP the unspent funds per community committee are to be carried forward to 2012/13 but must be spent along with 2012/13 funds during 2012/13 financial year.
Feilding Integrated Family Health Centre	0	1,000,000	LTP decision - funding carried forward one year.
Photovoice	30,000	30,000	Grant paid in full.
Total	398,558	1,448,459	

Economic Development

The Community has asked for:

A vital community that is cohesive and is characterised by community involvement

In response to this Council aims to:

Assist and encourage the sustainable economic development of Manawatu district urban and rural communities through partnerships by:

- Supporting provision of services related to economic development through appropriate agencies
- Encouraging the District Plan to protect land suitable for economic development
- Providing support for ongoing implementation of Regional Economic Development Strategy
- Supporting promotion of the district as a quality destination for tourists and visitors
- Promoting Feilding and the district as a quality place to live with excellent facilities and infrastructure

The following effects on community well-being have been identified:

Economic well-being: The whole community benefits from Economic Development through support of urban and rural business, enhancing the economic potential of the district, promoting the district to potential investors and increasing the pride and well-being of the residents. A healthy district economy is vital to the present and future viability of the community. Specific activities that contribute toward economic well-being include the development of Manfeild Park, work undertaken by key agencies Vision Manawatu, Destination Manawatu, Sport Manawatu and Feilding Promotion.

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Economic Development service that meets the needs of the community as per the Regional Economic Development Strategy	75% community satisfaction with Economic Development as measured in Communitrak Survey	Target not met	Very/Fairly satisfied: 74% Not very satisfied: 12% Don't Know: 14% (2010: 61%) This is a significant increase on the last survey but is likely to be due more to the fact that the 'don't knows' almost halved: 14% in 2012 and 27% in 2010. Over the last five years' satisfaction has tracked upwards. Those not satisfied tend to cite a lack of promotion by Council regarding employment opportunities.
A quality Economic Development service that facilitates government support and investment in the region (via contract with Vision Manawatu)	\$700,000 obtained per annum from government grants (Council records)	Target no longer relevant	The contract with Vision Manawatu has changed and this KPI can no longer be measured due to changes to central government funding criteria. New performance measures are being developed flowing from the Regional Development Strategy (RDS) and Council's new strategic direction set by the LTP 2012-2022.
An accessible Economic Development service where Manawatu businesses have access to BIZ programmes (via contract with Vision Manawatu)	20% of businesses involved are located in Manawatu District (Council records)	Target no longer relevant	The contract with Vision Manawatu has changed and this KPI can no longer be measured due to changes to central government funding criteria. New performance measures are being developed flowing from the RDS and Council's new strategic direction set by the LTP 2012-2022.
A responsive Economic Development service that secures new events for the region (via contract with Key Agencies)	Four new events per annum (Council records)	Target no longer relevant	The contracts with Vision Manawatu and Destination Manawatu have changed and this KPI can no longer be measured due to changes to central government funding criteria. New performance measures are being developed flowing from the RDS and Council's new strategic direction set by the LTP 2012-2022.

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Economic Development service that delivers regional marketing campaigns promoting the district (via contract with Key Agencies)	Five regional marketing campaigns delivered per annum (Council records)	Target no longer relevant	<p>This KPI relates to Destination Manawatu. The contract with Destination Manawatu has been changed. Destination Manawatu no longer deliver marketing campaigns. Rather they undertake marketing strategies to achieve key outcomes, for example, the Country Road initiative. As with Vision Manawatu, performance measures for Destination Manawatu are being revisited and will flow from the RDS and Council's new strategic direction set by the LTP 2012-2022.</p> <p>Some of the activities Destination Manawatu has undertaken during the year include:</p> <ul style="list-style-type: none"> - Supported a number of community groups and initiatives that build a sense of spirit and pride within the Manawatu region. - Undertook regional branding, including billboards at major entrance points to the region
An accessible Feilding and Districts Information Centre that meets the needs of the community (via Destination Manawatu contract with Feilding Promotion)	Feilding and Districts Information Centre is open and available as advertised: Monday-Friday, 9am-5pm; Saturday 9am-1pm (Council records)	Target met	Feilding and Districts Information Centre has been open as advertised during the period ending 30 June 2012 (2010/11: opening hours were Monday-Friday, 9am-5pm; Saturday 9am-1pm).

Operating and Capital Work Programme for 2011/2012

Project	Actual	Budget	Variance Explanation
Vision Manawatu: provision of economic development services via a contractual arrangement	171,806	172,299	Expenditure tracked as expected and in line with contract.
Destination Manawatu: provision of tourism services via a contractual arrangement	270,418	252,403	Expenditure tracked as expected and in line with contract.
Feilding Promotion: provision of tourism services to the district, promotion and event management and support to the business and retail sector	161,498	161,385	Contract payments tracked as expected. Contract has now expired (June 2012) and is being renegotiated in light of new Long Term Plan outcomes.
Bio Commerce Centre: provision of operational grant	20,000	20,000	Grant paid in full.
Manfeild Park Trust: community investment	250,000	250,000	Expenditure tracked as expected and in line with contract. Changes have been made to 2012/13 funding, which have been implemented as part of new long term plan.
Cycleway Signage	0	50,000	Funding yet to be uplifted. Project now being implemented and will be reported on during first quarter of 2012/13 financial year.
Coach House Fit Out	649,065	423,450	<p>Project started, on track for completion by the end of August. Reliability testing mid-August.</p> <p>At the 15 December 2011 Council meeting, Council resolved to fund the whole fit-out of the Coach House. The original proposal, as disclosed in the 2011/12 Annual Plan, was to share costs with the MW LASS. Once the fit-out was complete, MW LASS would lease the property for the Regional Archives project.</p> <p>However, after discussion with MW LASS regarding the complexity of the company raising funds, Council agreed to fund the entire fit out in exchange for a higher rental return and a longer initial lease period of 15 years. Council resolved to add \$425,000 to this budget (bringing it to \$848,450), to include fit out costs and increase the rental that the MW LASS will pay to lease the building. This means the project is well within budget.</p>
Total	1,522,787	1,329,537	

Feilding CBD Development

The Community has asked for:

A vital community that is cohesive and is characterised by community involvement

A community where people are able to go about their business and leisure any time of the day or evening without fear for their safety

In response to this Council aims to:

Upgrade the Feilding Central Business District so that an environment for revitalisation and growth is created for the benefit of the Manawatu District in which commercial activity is enhanced, community use is promoted and a greater sense of ownership and pride is generated. This will be achieved by:

- Continuing to develop a vibrant, viable and character retail shopping centre
- Encouraging the protection and restoration of designated heritage aspects of the Feilding CBD
- Ensuring the CBD is safe, attractive and used by the community
- Promoting and beautifying other small village centres in the Manawatu district

The following effects on community well-being have been identified:

Social, cultural and economic well-being: There are significant benefits for social, cultural and economic well-being associated with the development of an attractive business centre. Feilding CBD provides the main retail business area in the Manawatu district. A redeveloped CBD contributes to a sense of civic pride, promotes the district, creates a positive atmosphere, a place for community gatherings and celebration and is available to everyone. It helps maintain the attractiveness of the area for retail and provides business and employment opportunities.

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality CBD area where footpaths are clean and tidy	Pavers kept clean and tidy: complete comprehensive washing of pavers every six months (Council records)	Target met	Pavers kept clean and tidy. Different portions of CBD pavers are washed on a bi-monthly, rotational basis, ensuring that all pavers are washed (2010/11: 6-monthly wash undertaken in March 2011).
A quality CBD area where streets are clean and tidy	Streets are kept clear of dirt and litter and inspected daily to collect rubbish (Council records)	Target met	Streets have been kept clear of dirt and litter. Daily inspections take place to ensure this is the case (2010/11: daily inspections undertaken).
A safe CBD area where street furniture is safe and functional	Street furniture is safe and functional: specific requests for repair are responded to within one hour (Council records)	Target met	Street furniture is safe and functional. There was one request for the repair of two seats within the CBD, which was responded to within one hour (2010/11: no requests received).

Operating and Capital Work Programme for 2011/2012

Capital Works	Actual	Budget	Variance Explanation
Kimbolton Road (Manchester Square to Warwick Street)	448,091	365,000	The additional expenditure has been covered by a \$95,000 grant from Central Energy Trust. The grant was used for street lighting.
Total	448,091	365,000	

District Development

Funding Summary for the year ended 30 June 2012

	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
<i>Operating Costs (by Activity)</i>			
Community Funding and Development	1,179	1,375	1,113
Economic Development	777	910	930
Feilding CBD	194	248	195
Total Operating Costs (by Activity)	2,150	2,533	2,239
<i>Operating Revenue (by Activity)</i>			
Community Funding and Development	1,111	1,167	1,060
Economic Development	912	910	916
Feilding CBD	295	296	267
Total Operating Revenue (by Activity)	2,319	2,374	2,243
Net Operating Cost of Service	(169)	159	(4)
<i>Operating Costs</i>			
Operating Costs	1,850	2,139	1,930
Interest	300	394	308
Depreciation and Amortisation	-	-	-
Total Operating Costs	2,150	2,533	2,239
<i>Operating Revenue</i>			
General Rates	1,967	1,963	1,804
Targeted Rates	281	282	267
Subsidies and Grants	-	-	41
User Fees and Charges	-	-	-
Sundry Revenue	14	47	63
Interest Received	57	82	68
Vested Assets	-	-	-
Development Contributions	-	-	-
Total Operating Revenue	2,319	2,374	2,243
Net Operating Cost of Service	(169)	159	(4)
Transfers to/(from) Reserves and Special Funds	(213)	(207)	(266)
To Fund Capital Expenditure	48	48	48
Net Operating Costs	(334)	-	(222)
<i>Capital Expenditure</i>			
New Work	1,370	1,368	1,248
Renewal Work	-	-	-
Loan Repayments	95	121	95
Total Capital Expenditure	1,465	1,489	1,343
<i>Capital Funding Sources</i>			
Loans Raised	851	2,368	851
Transfers (to)/from Reserves and Special Funds	85	73	-
Funded from Operational Revenue	48	48	48
Current years Depreciation Expense	-	-	-
Total Capital Funding Sources	984	2,488	889
Net Capital Costs	481	(1,000)	444



Emergency Management

Civil Defence

The community has asked for:

A vital community that is cohesive and is characterised by community involvement

In response to this Council aims to:

- Provide leadership during an emergency situation by promoting a resilient community capable of responding
- Co-ordinate efficient and effective emergency management through partnership and community co-operation
- Reduce risk and minimise the adverse effects of natural and manmade disasters on people, the environment, infrastructure and property
- Ensure that there is an effective district-wide emergency management capability to respond to and recover from natural and manmade events
- Promote community awareness of hazards and emergency management, to create a resilient and prepared community

The following effects on community well-being have been identified:

Social and economic well-being: The provision of Emergency Management (both civil defence and rural fire) services contributes towards social and economic well-being through minimising risk to life and property. Emergency Management is responsible by statute to ensure that the community is capable of responding and recovering from the aftermath of disaster. This includes both natural (e.g. earthquakes, floods) and manmade events (e.g. chemical spills) as well as rural fires, e.g. vegetation fire.

Provide leadership during an emergency situation by promoting a resilient community capable of responding.

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality civil defence service is provided which meets community needs through the provision of planning, training and public awareness programmes	65% overall community satisfaction with civil defence as measured in Communitrak Survey	Target met	<p>Very/Fairly satisfied: 65%</p> <p>Not very satisfied: 6%</p> <p>Don't Know: 29%</p> <p>(2010: 57%)</p> <p>The satisfaction rating is up on the previous survey and has been tracking between the high 50s and low 60s.</p> <p>Much criticism of this service concerns perceptions of a lack of emergency management visibility. Some respondents also expressed concerns about experiences during the 2004 storm event. The jump in satisfaction from 2010 might have something to do with the number of comments concerning unmaintained drains and potential flooding. These comments were not present in the 2012 survey.</p> <p>Also of note is the consistently high number of 'don't knows'.</p>
An effective civil defence service is provided where Council is prepared for emergency situations	Annual review of Civil Defence Emergency Management Plan (CDEM) (Council records)	Target met	<p>The Civil Defence and Emergency Management activity at MDC was reviewed as part of the development of Long Term Plan 2012-22.</p> <p>Some new initiatives arising from the review of the activity are:</p> <ul style="list-style-type: none"> - regular MDC CDEM Management Team meeting - refresher training for all staff on Coordinated Incident Management . - implementation of new Emergency Management Information System (EMIS) and associated training - a review initiated of the Standard Operating Procedures for the MDC Emergency Operations Centre.
Quality information is provided to residents on how to prepare for an emergency	Twenty advertising and/or education events during the year (Council records)	Target met	<p>There were 24 advertising and/or education events during the year (2010/11: 26 – 16 presentations and 10 displays).</p> <p>Interest in emergency preparedness has remained high throughout the year amongst the community with queries for emergency planning and personal preparedness information received from schools, aged care facilities and community groups.</p> <p>Presentations on the theme of personal preparedness have been given to the following Groups:</p> <ul style="list-style-type: none"> - Halcombe Community Committee 8/08/2011 - Salvation Army Lunch Club 16/08/2011 - Pohangina Community Committee 6/09/2011 - Manchester House Senior Citizens 28/09/2011 - Feilding Brownies 3/10/2011 - 12 June – presentation to Marae Consultative Committee re development of emergency planning on marae and support to the community in welfare (ongoing project) - 20 June – supported Sanson School's Civil Defence project presentation to the community – judged students projects and gave power point presentation to attendees.

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Quality information is provided to residents on how to prepare for an emergency (continued)			<ul style="list-style-type: none"> - Ongoing advertising in various media sources re Ex Shakeout over these months and will be ongoing until the date of the drill. Huge amount of Get Ready information has gone out via media / website(s) and Neighbourhood Support Group networks etc. - Civil Defence advertising has been developed into the 2012 – 2013 A-Z business directory. <p>Welfare Centre (Schools) visits: Feb/March</p> <ul style="list-style-type: none"> - Kimbolton School - Waituna West School - Kiwitea School - Mt Biggs School - Newbury School - Rongotea School - Baines School - Longburn School - Awahou School - Highland Home – Pohangina <p>CDEM Displays:</p> <ul style="list-style-type: none"> - Central District Field Days (participated in CDEM Group site) - 15/16/17 March - RNZAF Airshow – Ohakea – 31 March <p>Inter agency training</p> <p>EMO invited to oversee and participate EOC/ICP (incident control point) exercise at RNZAF Ohakea in preparation for the upcoming airshow. Excellent relationship building opportunities between district CDEM and Ohakea. District EMO subsequently was part of Incident Management Team (IMT) for and during the airshow as support to RNZAF.</p> <p>Emergency Management Information System Training and development.</p> <p>District EMO has been heavily involved in the development and implementation of Emergency Management Information System (EMIS) for local purposes. EMIS is now at the stage where training of MDC EOC personnel is underway.</p>

Operating and Capital Work Programme for 2011/2012

Project	Actual	Budget	Variance Explanation
Provision of service by Horizons Regional Council	92,112	163,996	The division of the Emergency Management budget between Civil Defence and Rural was incorrect in the LTCCP. The Civil Defence Budget should be \$109,331.
Total	92,112	163,996	

Rural Fire

The community has asked for:

A vital community that is cohesive and is characterised by community involvement

In response to this Council aims to:

- Provide leadership during an emergency situation by promoting a resilient community capable of responding
- Minimise the risk to people and property through the provision of effective emergency management before, during and after an event, consistent with the Civil Defence Emergency Management Group (CDEMG) Plan

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality rural fire service is provided which protects the interests of the community by monitoring the rural fire situation	Frequency of monitoring - ongoing (Council records)	Target met	Monitoring carried out in line with MDC/Horizons contract arrangements (2010/11: monitoring carried out in line with expectations).
A quality rural fire permit scheme is provided	No more than 10 complaints per annum about non-permitted fires during restricted fire season (Council records)	There was no restricted fire season during 2011/12	While there was no restricted fire season during the year, there is a permanent fire restriction within 3km of the coast. There were no callouts to this area regarding unpermitted fires. (2010/11: there 26 unpermitted fires during the restricted fire season: 26 December 2010 to 11 February 2011, many of which were accidental.)

Operating and Capital Work Programme for 2011/2012

Project	Actual	Budget	Variance Explanation
Provision of service by Horizons Regional Council	150,831	109,331	The division of the Emergency Management budget between Civil Defence and Rural was incorrect in the LTCCP. The Rural Fire budget should be \$163,996.
Total	150,831	109,331	

Emergency Management

Funding Summary for the year ended 30 June 2012

	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
<i>Operating Costs (by Activity)</i>			
Civil Defence	101	118	89
Rural Fire	177	178	195
Total Operating Costs (by Activity)	278	296	284
<i>Operating Revenue (by Activity)</i>			
Civil Defence	109	118	196
Rural Fire	179	179	135
Total Operating Revenue (by Activity)	288	296	331
Net Operating Cost of Service	(10)	-	(47)
<i>Operating Costs</i>			
Operating Costs	275	295	282
Interest	-	-	-
Depreciation and Amortisation	3	1	2
Total Operating Costs	278	296	284
<i>Operating Revenue</i>			
General Rates	180	179	131
Targeted Rates	108	109	196
Subsidies and Grants	-	9	-
User Fees and Charges	-	-	-
Sundry Revenue	-	-	3
Interest Received	-	-	-
Vested Assets	-	-	-
Development Contributions	-	-	-
Total Operating Revenue	288	296	331
Net Operating Cost of Service	(10)	-	(47)
Transfers to/(from) Reserves and Special Funds	-	-	-
To Fund Capital Expenditure	-	-	-
Net Operating Costs	(10)	-	(47)
<i>Capital Expenditure</i>			
New Work	-	-	-
Renewal Work	-	-	-
Loan Repayments	-	-	-
Total Capital Expenditure	-	-	-
<i>Capital Funding Sources</i>			
Loans Raised	-	-	-
Transfers (to)/from Reserves and Special Funds	-	-	-
Funded from Operational Revenue	-	-	-
Current years Depreciation Expense	3	1	2
Total Capital Funding Sources	3	1	2
Net Capital Costs	(3)	(1)	(2)



Environmental and Regulatory Management

Animal Control

The community has asked for:

A community where people are able to go about their business and leisure any time of the day or evening without fear for their safety

In response to this Council aims to:

- Provide effective animal control that involves dealing with animals, especially dogs that pose a danger to people, stock, domestic animals and protected wildlife in the district by:
- Enforcing the Impounding Act and existing bylaws relating to Animal Control including dogs and wandering stock
- Providing specified areas for exercising dogs
- Rewarding dog owners for effective control of dogs through an incentive system and review where necessary
- Providing (where appropriate) or facilitating the provision of education programmes for animal owners, particularly dog owners

The following effects on community well-being have been identified:

Environmental well-being: The activities undertaken by this group make a significant contribution to the community's environmental well-being. Animal Control, Building Control, Environmental Health, General Inspection and Liquor Licensing activities assist to safeguard public and environmental health and safety through effective regulatory controls, education and other methods. District Planning services ensures a healthy environment through appropriate development, sustainable land use and protection of environmental resources.

**Enforcing the
Impounding Act
and existing bylaws
relating to Animal
Control including dogs
and wandering stock.**

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
The provision of Animal Control service 24 hours, 7 days a week	70% overall satisfaction with animal control service as measured in Communitrak Survey	Target met	Very/Fairly satisfied: 70% Not very satisfied: 16% Don't Know: 14% (2010: 71%). The satisfaction rating for Animal Control has fallen a little over the last three years, following a sharp increase of 20% between 2008 and 2009. Generally, satisfaction has been between the mid 60s and mid 70s. Most comments from survey respondents concern dangerous dogs, stray dogs, complaints not dealt with effectively and more policing required.
A quality Animal Control service	80% user satisfaction with the service (Customer Survey)	Target not met	The customer satisfaction survey recorded 78% satisfaction (2010/11: 93%). From the feedback received there is no obvious reason why the satisfaction has fallen 15%. However, it may be explained by the small sample size.
A responsive Animal Control service where complaints about dog attacks and wandering stock are responded to in a timely manner	95 % of complaints are responded to within 15 minutes (Council Records)	Target not met	There were 63 dog attacks for the year ending 30 June 2012. There were 153 complaints about wandering stock for the year ending 30 June 2012. (2010/11: 63 dog attacks and 178 wandering stock complaints). Currently there is no way to measure response times. A new system has been put in place so that response times can be measured in future. While this is the case, we believe that our shared service arrangement with Rangitikei District Council has lead to a more responsive animal control team.
A proactive Animal Control service that provides dog education programmes to schools and interested parties	All interested Manawatu District schools are provided with the Dog Education programme at least once every three years (Council records)	Target met	The Dog education programme was delivered to five schools: St. Josephs; Feilding Intermediate; Kairanga; Kiwitea; and Kimbolton. The children are taught the dos and don'ts about what to do if approached by a dog, dog owner responsibilities, and community responsibilities. In total, 296 children attended the programme (2010/11: 552 children).

Operating and Capital Work Programme for 2011/2012

Project	Actual	Budget	Variance Explanation
Dog Pound Upgrade	30,861	60,000	Driveway has been sealed. Security fencing still to be done.
Total	30,861	60,000	

Building Control

The community has asked for:

A community where people are able to go about their business and leisure any time of the day or evening without fear for their safety

In response to this Council aims to:

Provide an important service that ensures buildings are sanitary and designed to resist fire and earthquakes and protect the community from poor building practice for future generations.

Council will meet legislative requirements and community expectations by:

- Safeguarding public and environmental health and safety through effective regulatory controls, education and other methods
- Maintaining public confidence in Council's regulatory services through effective inspection services and education about regulatory functions
- Processing consent applications in a timely, legislatively correct and efficient manner
- Ensuring district construction meets requirements of the Building Act 2004

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
An accessible Building Control service where information and education about regulatory function is made available	Ensure that web page is current and updated on a quarterly basis (Council records)	Target met	All Building Services website pages reviewed as part of the website development. The website went live on 1 August 2012 (2010/11: public information was uploaded onto the website on 5 July 2011).
	Produce industry education information/ news bulletins on a quarterly basis (Council records)	Target met	Letter sent to all commercial building owners on 22 May 2012 advising of changes to amendment Act 2012 and effects on compliance schedule regime. Letter sent out to all commercial building owners on 2 July 2012 advising of DBH Practice Advisory note on Long span steel roof trusses. Information bulletins are only issued when necessary, not on a quarterly basis (2010/11: public information pamphlets published and made available on a quarterly basis).
A responsive Building Control service where consent applications are processed in a timely manner	100% of building consents are processed within statutory time frame of 20 working days from the receipt of the application (Council records)	Target not met	Of the 675 BCs issued to 30 June 2012, 648 (96%) were issued within 20 day time frame (2010/11: 96%). Due to staff resourcing issues there were a number of consents that went over time. This is being addressed and should improve in future.
	100% of code compliance certificates are issued within statutory time frame of 20 working days after the final inspection has passed (Council records)	Target not met	Of the 618 CCCs issued, 98% (605) were issued within the 20-day time frame (2010/11: 98%). Due to staff resourcing a number of CCCs were not issued within the time frames. This service is provided by Palmerston North City Council on behalf of Council.
	100% of PIMS are issued within statutory time frame of 20 working days from receipt of application (Council records)	Target not applicable	No PIMS issued during this period. Legislative changes enacted in December 2010 has made them voluntary (2010/11: No PIMS issued).
A responsive Building Control service where inspections are undertaken in a timely manner	85% of inspections carried out within 3 working days from date of receipt of request	Target met	100% inspections carried out within 2.25 working days (2010/11: 100% within 3 working days). The quicker turnaround time reflects the fact that there were less inspections during the year. This is possibly down to poor weather and economic conditions.

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A responsive Building Control Service where complaints about dangerous buildings are dealt with in a timely manner to ensure public safety	100% of building related complaints are responded to within 48 hours, complainants are provided with advice and guidance about what action will be taken and in what time frame (Council records)	Target not applicable	No dangerous building complaints received for this period (2010/11: two complaints received).
A quality Building Control Service ensured through maintaining Building Control Accreditation	Council can perform the functions required by the Building Act by maintaining the current Building Control Accreditation status. A review is undertaken every two years (Council records)	Target met	All tasks identified on the BCA Quality Management system monitoring plan have been completed for this period. For example, we carried out the annual internal audit and continued to monitor service level agreements and KPIs (2010/11: target not relevant). Council gained accreditation in October 2011.

Operating and Capital Work Programme for 2011/2012

Project	Actual	Budget	Variance Explanation
Provision of service by Palmerston North City Council	752,622	674,393	Variance due to incorrect coding for structural engineering fees and printing of pamphlets and publications. Fixed fee contract introduced in November 2011.
Earthquake Prone Building Project	1,275	94,000	Peer reviews still to be carried out for reports from building owners. Additional buildings also identified not captured in first report. These need to be assessed by the engineer. The remaining funding has been carried over to 2012/13.
Total	753,897	768,393	

Environmental Health

The community has asked for:

A community where people are able to go about their business and leisure any time of the day or evening without fear for their safety

In response to this Council aims to:

Meet legislative requirements and community expectations by helping to safeguard public and environmental health and safety through effective regulatory controls, education and other methods. This is achieved by:

- Ensuring reasonable levels of noise through effective control of non-compliance
- Promoting and educating appropriate standards for public and environmental health across the district

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
To ensure public safety through the provision of the service	80% community satisfaction with the standard of food premises in the district as measured in Communitrak Survey	Target met	Very/Fairly satisfied: 94% Not very satisfied: 3% Don't Know: 2% (2010: 81%) Satisfaction has trended upwards over the last few years and is 13% up on the last survey. This upward trend is associated with the decrease in 'don't knows' in response to the question. The number of people 'not satisfied' has been steady since 2003 – between 3% and 6%.
An effective Environmental Health Service where regulations are effective in protecting the community	Inspect all low risk premises annually (Council records)	Target not met	55% of premises inspected. Staffing resources impacted on the amount of inspections undertaken (2010/11: 97.5%).
	High risk premises are inspected at least twice yearly (Council records)	Target not met	55% of premises inspected. Staffing resources impacted on the amount of inspections undertaken (2010/11: 100%). A change in regulations means that large organisations, such as supermarkets, will have their own inspectors. This will mean Council will have more resources to undertake the remaining inspections.
A responsive Environmental Health Service where enquiries and complaints are responded to in a timely manner	95% of complaints are responded to within one working day (Council records)	Target met	Council received 974 complaints during the year. 945 (97%) of them were responded to within one working day, at 30 June 2012. (2010/11: there was no system in place to measure this last year).
A responsive Environmental Health Service where applications are processed in a timely manner	90% of applications for permits are processed and issued within 20 working days (where complete information is provided - Council records)	Target met	Council issued 147 permits during the year. 144 (98%) of these were issued within 20 working days (2010/11: 93%).
A quality Environmental Health service where enquiries and complaints are responded to in an effective manner	Complaints are responded to effectively - 80% satisfaction (customer survey, where every 10th complainant is contacted)	Target not met	The customer satisfaction survey recorded 68% satisfaction. There were 37 respondents involved in the survey, who had contacted the after hours call centre. Results from 2010/11 are not directly comparable: <ul style="list-style-type: none"> - 100% satisfaction with removal of abandoned vehicles - 89% satisfaction with fly tipping - 88% satisfaction with noise control
Noise Control: Enquiries and complaints are responded to in a timely manner	95% of noise complaints are responded to within one hour (Council records)	Target met	Council received 458 noise complaints during the year. 440 (96%) of them were responded to within one hour (2010/11: 93%).

Operating and Capital Work Programme for 2011/2012

Not applicable

District Planning

The community has asked for:

A self-sufficient environment that preserves, values and develops our natural resources

In response to this Council aims to:

Meet legislative requirements and community expectations by:

- Ensuring a healthy environment through appropriate development, sustainable use and protection of environmental resources
- Helping to safeguard public and environmental health and safety through effective regulatory controls, education and other methods
- Acknowledging and taking cultural issues into account

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A responsive District Planning service where resource consent applications are processed in a timely manner	All notified and non-notified land use resource consent applications are processed within the prescribed statutory time frames: 50% for non-notified and 90% for notified (Council records)	Target met	<p>Total resource consents for the year were 166 (2010/11: 196). There has been a decline in consents over the last two years, likely due to deteriorating economic conditions.</p> <p>A total of 98 land use consents were processed between 1 July 2011 and 30 June 2012. 94 land use consents were non-notified with four being limited notified. 97 (99%) land use consents met the statutory time frames under the Resource Management Act 1991.</p> <p>A total of 68 non-notified subdivision consents were processed between 1 July 2011 and 30 June 2012. 67 (99%) subdivision consents met the statutory time frames under the Resource Management Act 1991.</p> <p>Timeframes were extended under Section 37 of the Resource Management Act 1991 for one land use consent and one subdivision consent.</p> <p>Timeframes for the different types of consents are as follows:</p> <ul style="list-style-type: none"> - Notified and limited notified consents requiring a hearing: 70 working days - Non-notified consents: 20 working days - Notified and limited notified consents not requiring a hearing: 50 working days
A responsive District Planning service where enquiries and complaints are dealt with in a timely manner	All complaints and instances of non-compliance with the District Plan rules or resource consent conditions are dealt with efficiently, within three months of complaint being received (Council records)	Target met	<p>22 complaints were received between 1 July 2011 and 30 June 2012. The complaints were resolved or actioned within one month. One complaint is ongoing and an abatement notice has been served.</p> <p>Complaints received by Council relate to breaches to the District Plan rules and non-compliance with consent conditions (2010/11: 18 complaints).</p>
A quality District Planning service where customers receive accurate advice	Customers are provided with accurate advice regarding district planning enquiries. Staff keep abreast of legislative changes and attend professional development courses at least once a year (Council records)	Target met	<p>Attendance at Council training workshops, seminars and conferences ongoing (2010/11: staff attended professional development courses).</p>
A quality District Planning service where environmental policy, regulations and the District Plan are reviewed to ensure that the natural environment is protected	Continue monitoring of environmental health through State of the Environment Report - Report produced every five years (Council records)	Target met	<p>Work is currently underway to produce a State of Environment report in 2013. The report will include environmental indicator such as noise levels, resource consent issues and air quality.</p>

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
	Review environmental policy, regulations and District Plan to ensure protection of natural environment - action is taken when required (Council records)	Target met	The District Plan review is underway as a sectional review. The review has commenced and feedback is sought on the Feilding town centre and Feilding's future growth areas. These sections will be notified in February 2013.
An accessible District Planning service where education and information is provided about planning functions	Ensure that the Manawatu District Council's web page relating to planning is current: updated on a quarterly basis (Council records)	Target met	The District Planning web page was redesigned as part of Council's new web site. The web page is now up to date and now contains updated planning content, including new application forms and updated brochures. Updates are carried out when necessary (2010/11: updates carried out as necessary).
	That brochures and forms produced by the planning section are updated when necessary: updated on a quarterly basis (Council records)	Target met	Planning brochures reworded and updated. A more professional look to the brochures is being discussed (2010/11: brochures updated on a quarterly basis).
An accessible District Planning service where opportunities are provided for involvement in decision making	All plan changes and notified consents are posted on the Manawatu District Council's web page and are included in the Bulletin page of the Feilding Herald (Council records)	Target met	A notice of requirements for a new designation and an alteration of a designation - Feilding Wastewater Treatment Plan - was posted on Council's web page on 1 March 2012. Council initiated Plan Change 35 - Manfeild Park Plan Change was posted on the web page on 22 March 2012. Due to the timing of the notification they were not included on Council's weekly Bulletin page in the Feilding Herald - they were advertised in the Public Notices section of the local newspapers - 1 March 2012 for the designation and 22 March 2012 for the Manfeild Park change. (There were no plan changes in 2010/11)

Operating and Capital Work Programme for 2011/2012

Project	Actual	Budget	Variance Explanation
Feilding Growth	18,463	50,000	We are currently scoping out what is required to complete the project. Remaining funding has been carried over as part of the Long Term Plan process.
District Plan Review	69,295	124,331	Sectional review of the District Plan underway. Issues and options paper has been developed for the Feilding Town Centre. Other issues and options papers being developed. Remaining funding has been carried over as part of the Long Term Plan process.
Total	87,758	174,331	

Liquor Licensing

The community has asked for:

A community where people are able to go about their business and leisure any time of the day or evening without fear for their safety

In response to this Council aims to:

Ensure bylaw enforcement for public safety benefits. Premises selling liquor, which are fully licensed, contribute to ensuring responsible drinking habits in the district.

To meet legislative requirements and community expectations by:

- Helping to safeguard public and environmental health and safety through effective regulatory controls, education and other methods
- Providing efficient and effective services for issuing liquor licences and inspecting premises

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
An effective Liquor License service where regulations protect the community	All premises are inspected at least on an annual basis (Council records)	Target not met	Of the 55 premises, 85% (47) of inspections have been carried out for the period ending 30 June 2012 (2010/11: 57%). Eight premises were not inspected during the year. This is because they only operate for part of the year and we missed inspecting them when they were open.
A responsive Liquor License service where applications are processed in a timely manner	All applications for Liquor Licences are processed and issued within 10 working days (where complete information is provided - Council records)	Target met	214 applications were received for the period 1 July 2011 to 30 June 2012 – 116 licence applications and 98 Managers applications. All were issued within 10 working days. (2010/11: 102 licence applications and 77 Managers applications).

Operating and Capital Work Programme for 2011/2012

Not applicable

Environment and Regulatory

Funding Summary for the year ended 30 June 2012

	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
<i>Operating Costs (by Activity)</i>			
Animal Control	419	461	374
Building Control	1,433	1,605	1,474
Environmental Health	576	695	523
Liquor Licensing	50	67	77
District Planning	766	990	720
Total Operating Costs (by Activity)	3,244	3,818	3,168
<i>Operating Revenue (by Activity)</i>			
Animal Control	469	461	402
Building Control	1,413	1,569	1,641
Environmental Health	731	695	692
Liquor Licensing	62	67	84
District Planning	830	875	671
Total Operating Revenue (by Activity)	3,505	3,667	3,490
Net Operating Cost of Service	(261)	151	(322)

	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
<i>Operating Costs</i>			
Operating Costs	3,239	3,814	3,163
Interest	-	-	-
Depreciation and Amortisation	5	4	5
Total Operating Costs	3,244	3,818	3,168
<i>Operating Revenue</i>			
General Rates	439	438	433
Targeted Rates	1,597	1,599	1,530
Subsidies and Grants	-	-	-
User Fees and Charges	1,466	1,628	1,514
Sundry Revenue	3	2	12
Interest Received	-	-	-
Vested Assets	-	-	-
Development Contributions	-	-	1
Total Operating Revenue	3,505	3,667	3,490
Net Operating Cost of Service	(261)	151	(322)
Transfers to/(from) Reserves and Special Funds	-	(151)	(29)
To Fund Capital Expenditure	-	-	-
Net Operating Costs	(261)	-	(351)
<i>Capital Expenditure</i>			
New Work	31	60	-
Renewal Work	-	-	-
Loan Repayments	-	-	-
Total Capital Expenditure	31	60	-
<i>Capital Funding Sources</i>			
Loans Raised	-	-	-
Transfers (to)/from Reserves and Special Funds	31	60	-
Funded from Operational Revenue	-	-	-
Current years Depreciation Expense	5	4	5
Total Capital Funding Sources	36	64	5
Net Capital Costs	(5)	(4)	(5)



Support independent, lifelong education and encourage participation in leisure and social activities.

Leisure Resources

Libraries and Archives

The community has asked for:

A vital community that is cohesive and is characterised by community involvement

A community that has access to effective services

In response to this Council aims to:

Support independent, lifelong education and encourage participation in leisure and social activities by:

- Providing an efficient, up-to-date, accessible library service that supports the development of a knowledgeable and informed community
- Ongoing commitment to provide a safe, multi-use library facility incorporating current technology and facilities
- Providing responsive library services that cope with demand, now and in the future
- Continuing extending and improving opportunities to promote the Maori language
- Providing a quality customer-friendly library service
- Encouraging community participation

The following effects on community well-being have been identified – this applies to all the activities within the Leisure Resources Group:

Social and cultural well-being: Council acknowledges that leisure, in all its various forms, is an important component of individual and community life. Libraries and archives, local halls and recreation complexes, parks, reserves, sports grounds and the Makino Aquatic Centre provide places for leisure, active recreation, opportunities for education, social gatherings and community celebrations to occur. Quality leisure resources contribute to a sense of civic pride as well as healthy active communities.

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Library service meets customer expectations	95% user satisfaction with library service as measured in Communitrak Survey	Target met	Very/Fairly satisfied: 98% Not very satisfied: 2% Don't Know: 0% (2010: 96%) Satisfaction for the Library has consistently been in the 90s over the past 12 years.
Programmes are provided for children during the school holidays	Four Holiday and Summer Reading programmes provided (Council records)	Target met	Five Programmes. Holiday programmes run in July and October 2011 and April 2012 school holidays. Winter Warmers reading programme for 936 children run in September 2011. Summer Reading 2011/12 completed with a total of 430 children registered in primary, intermediate and high school level programmes. Details in monthly reports and in reports made for Eastern and Central Community Trust. Bright Sparks pre school programme run weekly during term time (2010/11: six programmes held).
Provide a children's library services	Children's librarian to visit district primary schools to read to junior classes: nine times per year (Council records)	Target met	Children's Librarian made 31 class visits during the Winter Warmers programme (2010/11: 23 classes). Children's Librarian and Library Manager read to Manchester Street School classes during Book Week. Other school visits made by Children's Librarian recorded in monthly reports.
Library staff offer a customer friendly and effective service	90% user satisfaction with library staff (Biennial Library Survey)	Target not relevant for 2011/12	The last survey undertaken in September 2010. The results for this were positive and showed 98% satisfaction with staff service.

Operating and Capital Work Programme for 2011/2012

Project	Actual	Budget	Variance Explanation
Processing and cataloguing archive photographs	2,000	6,000	Ongoing. Wildbore collection of Pohangina photographs has been digitised and hard copies made. Annotations currently being added to Feilding Salvation Army photographs. Rongotea collection of Mrs Vera Hunt has been digitised, annotated and hard copies made to be made.
Review of Feilding Public Library Building	0	20,000	A review was only to take place if it was clear that the current building needed to be altered or extended to meet changes in the pattern or scale of usage. Current usage has remained constant for several years (Council records). The building is more than adequate to meet this usage and receives praise from out of town visitors and new members.
Total	2,000	26,000	

Renewal Works	Actual	Budget	Explanation of Variance/Update
Library book purchases	177,361	183,786	Purchases complete.
Total	177,361	183,786	

Local Halls and Recreation Complexes

The community has asked for:

A vital community that is cohesive and is characterised by community involvement

In response to this Council aims to:

Provide indoor community venues for a range of social, cultural, recreational and educational uses by:

- Providing and maintaining indoor community venues
- Ongoing implementation of the Manawatu District Hall Management Policy (August 2002), to be reviewed every five years

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Quality Local Halls and Recreation Complexes are provided that meet community needs	80% overall satisfaction as measured in Communitrak survey	Target met	Very/Fairly satisfied: 85% Not very satisfied: 5% Don't Know: 10% (2010: 70%) The large jump in satisfaction from the previous survey (2010), is associated with the 13% drop in 'don't knows' rather than a change in the number of 'not satisfied' – down from 7% last time to 5%.
	85% user satisfaction as measured in Communitrak survey	Target met	Very/Fairly satisfied: 91% Not very satisfied: 5% Don't Know: 4% (2010: 86%) User satisfaction has generally met the 85% target over the past five years – the exception being 2007 where satisfaction was 81%.
Accessible Local Halls and Recreation Complexes where Hall Committees have a say in the ongoing management of the facility they operate	Council meets annually with hall committees to discuss the management of the facility they operate (Council records)	Target met	Annual Hall meeting took place in September 2011 (2010/11: August 2010). The meeting provided Council officers with important information, such as the need for building assessments for forward planning purposes.
Reliable Local Halls and Recreation Complexes that are maintained in good working condition	100% of the annual programme of renewals is completed (Council records)	Target not met	63% of the annual renewal programme has been carried out (2010/11: 73% of the programmes were completed). Some projects not able to be carried out this financial year due to external factors. Details listed in the following sections.

Operating and Capital Work Programme for 2011/2012

Project	Actual	Budget	Variance Explanation
Bunnythorpe Community Centre: Council contribution towards new community centre	0	240,000	No building site or building plans in place yet. Commitment will remain post boundary change.
Beaconsfield - Paint Roof	2,455	2,937	Work complete.
Cheltenham - repaint toilets, kitchen and supper room	0	4,373	Projected cost significantly exceeded budget – almost double. As a consequence the project was not started. It may be undertaken during the 2012/13 financial year.
Halcombe Hall - toilet vinyl and paint exterior	10,820	17,274	Work complete. Vinyl - \$2,933.75 Unplanned works - \$710.00 Interior painting - \$7,175.43
Mt. Biggs Hall - painting maintenance and interior painting	1,685	12,223	Work complete. Paint maintenance - \$1,090 Interior paint - \$595
Rangiwahia Hall - paint roof	4,875	7,104	Work complete.
Kairanga Hall - additional maintenance	29,643	30,000	Work complete. This is for the replacement of the hall roof.

Project	Actual	Budget	Variance Explanation
Palmerston North Surf Life Saving Club	0	25,000	The Palmerston North Surf Life Saving Club has made second attempt funding applications – the Lotteries Commission required more information. It is likely funding will be available in the 2012/13 financial year. MDC funding carried forward to 2012-13 financial year as part of Long Term Plan 2012-22. A total of \$50,000 is now available to the club in the 2012/13 financial year.
Total	49,478	338,911	

Makino Aquatic Centre

The community has asked for:

A vital community that is cohesive and is characterised by community involvement

A community that has access to effective services

In response to this Council aims to:

Provide an efficient, safe and modern aquatic facility that meets the leisure needs of Manawatu district residents through:

- Activities and programmes that cater for all ages
- Ongoing commitment to review and implement an effective regional marketing strategy
- Quality, customer-friendly service
- Increased use of Makino Aquatic Centre (MAC)

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A wide range of services is available to the public	85% customer satisfaction with the variety of services available (MAC customer satisfaction survey)	Target met	The satisfaction rating was 95% (2010/11: 90%). The programmes we have conducted include: Flippaball, Canoe polo, Youth Nights, Schools Water Safety and Nanny Water Safety Training.
Top quality customer service is provided: general friendliness, fairness and competence in enforcing pool rules, diligence and care in responding to special requests	Fewer than 10 written complaints per year regarding customer service (MAC records)	Target met	During the year we received three letters from the public (2010/11: no complaints received). They related to a lack of car parking and the heating of changing rooms. We are investigating these issues and seek to make improvements in the 2012/13 year.
Safe swimming facilities are provided	85% customer satisfaction with the safety supervision provided by lifeguards (MAC customer satisfaction survey)	Target met	The satisfaction rating was 95% (2010/11: 90%). Lifeguards' customer service training undertaken is helping improve this area.
	Meet New Zealand water quality standard NZ5826/2000 (MAC records)	Target met	MAC continues to meet NZ Water Quality Standard of 5826/2010 fully (2010/11: water standards fully met). All pools operating well during the year.

Operating and Capital Work Programme for 2011/2012

Project	Actual	Budget	Variance Explanation
Stage 1 Planning for MAC Developments	8,859	100,000	Focus group administration and survey work to date has cost \$8,859. We will continue planning during 2012/13. Balance of funding has been carried over to the 2012/13 financial year as part of the Long Term Plan 2012-22.
Paint changing rooms	1,500	10,000	Some painting has been completed (walls and benches). The rest will stay on hold as we look in more detail at redevelopment options for the site over the 2012/13 financial year.
Paint external pool building	0	21,866	This painting is on hold as we look in more detail at redevelopment options for the site over the 2012/13 financial year.
Total	10,359	131,866	

Parks, Reserves and Sports Grounds

The community has asked for:

A self-sufficient environment that preserves, values and develops our natural resources

In response to this Council aims to:

- Provide parks, reserves and sports grounds for active and passive leisure pursuits with the aim of enhancing community wellbeing and overall pleasantness of the district by:
 - Managing Parks and Reserves with future generations in view
 - Managing leisure opportunities in fragile areas (eg beaches, coastlines) in ways that minimise environmental damage
 - Providing and maintaining good quality parks, reserves and sports grounds for all
 - Developing appropriate parks and reserves as educational facilities for residents of the Manawatu district
 - Ensuring parks, reserves and sports grounds are responsive and maintained as local 'community spaces'

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
Good quality parks, reserves and sportsgrounds are provided which are managed with future generations in view	Development and implementation of strategic management plans for parks, reserves and sportsgrounds, on time and within budget (Council records)	Target met	Parks and Reserves Asset Management Plan updated as part of LTP development (2010/11: management plans kept up-to-date). Internal review of Reserve Management Plans started.
	95% user/visitor satisfaction with parks and reserves as measured in Communitrak survey	Target not met	Very/Fairly satisfied: 94% Not very satisfied: 4% Don't Know: 2% (2010: 90%) While we have just missed the target visitor satisfaction is higher than in previous years. The general trend over the past five years is high 80s to low 90s.
	90% overall satisfaction with parks and reserves as measured in Communitrak Survey	Target met	Very/Fairly satisfied: 90% Not very satisfied: 4% Don't Know: 6% (2010: 80%) Overall satisfaction is generally higher than the long term, 12-year trend – high 70s to 80s. As is often the case there tends to be a correlation between lower satisfaction and higher 'don't know' responses.
	95% user/visitor satisfaction with sportsgrounds and playgrounds as measured in Communitrak Survey	Target not met	Very/Fairly satisfied: 91% Not very satisfied: 6% Don't Know: 3% (2010: 89%) While we have not met this target, 91% user satisfaction is in line with the trend for the last few years of the mid 80s to low 90s.
	82% overall satisfaction with sportsgrounds and playgrounds as measured in Communitrak Survey	Target met	Very/Fairly satisfied: 83% Not very satisfied: 5% Don't Know: 12% (2010: 77%) 83% overall satisfaction is higher than previous year's results, which have generally tracked around the high 60s to mid 70s.
Develop appropriate parks and reserves as educational facilities for residents of the Manawatu district	Provision of relevant up-to-date information, on time and within budget (Council records)	Target met	New booklet produced on the type of plants to suitable for planting in the District. New Information signs installed in Kowhai Park (2010/11: development of signs and information relating to different parks undertaken). These were completed on time and within budget.

Operating and Capital Work Programme for 2011/2012

Project	Actual	Budget	Variance Explanation
Council's commitment to maintenance and development of Totara Reserve Regional Park	46,598	70,000	Council's share of the maintenance of Totara Reserve Regional Park was part of a contract with Fulton Hogan. All MDC commitments to the Park were met for the 2011/12 financial year. The formal handover of the park to Horizons Regional Council was 30 June 2012.
Leisure and Recreation Review	0	30,000	The review started in 2011 and we prioritised leisure projects for inclusion in the Long Term Plan. The project was then put on hold due to resource constraints and the priority of completing the Long Term Plan 2012-22. Work reinitiated in June 2012. Opus Ltd. engaged to assist with assessment of future leisure and recreation needs in the Manawatu District.
Total	46,598	100,000	

Renewal Works	Actual	Budget	Explanation of Variance/Update
Replacement of play equipment	117,783	158,806	Purchases complete. A number of good deals with playground suppliers, together with the use of bark rather than matting in some playgrounds, meant we came in under budget.
Total	117,783	158,806	

Capital Works	Actual	Budget	Explanation of Variance/Update
Himatangi Beach skateboard park	10,000	31,306	Working with Community Committee on what is needed. Plans drawn and work finished on stage 1 of building the track. Funding for this project has been carried over to 2012/13.
Kitchener Park - ongoing development	3,235	10,000	Maintenance work on going. New planting carried out.
Johnston Park - upgrade roadway/drainage	0	100,000	While some minor work has been carried out on drainage and fencing, Council reprioritised funding as part of LTP deliberations. Therefore, the project, as a whole, is not proceeding.
Total	16,325	141,306	

Leisure Resources

Funding Summary for the year ended 30 June 2012

	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
<i>Operating Costs (by Activity)</i>			
Libraries and Archives	1,325	1,324	1,207
Local Halls and Recreation Complexes	517	797	438
Makino Aquatic Centre	1,337	1,459	1,297
Parks, Reserves and Sportsgrounds	3,028	1,842	2,044
Total Operating Costs (by Activity)	6,207	5,422	4,986
<i>Operating Revenue (by Activity)</i>			
Libraries and Archives	1,324	1,324	1,258
Local Halls and Recreation Complexes	83	157	4
Makino Aquatic Centre	1,391	1,323	1,341
Parks, Reserves and Sportsgrounds	1,751	1,855	1,940
Total Operating Revenue (by Activity)	4,550	4,658	4,543
Net Operating Cost of Service	1,657	764	443

	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
<i>Operating Costs</i>			
Operating Costs*	5,139	4,366	3,929
Interest	-	-	-
Depreciation and Amortisation	1,068	1,056	1,057
Total Operating Costs	6,207	5,422	4,986
<i>Operating Revenue</i>			
General Rates	-	-	-
Targeted Rates	3,970	3,971	4,003
Subsidies and Grants	-	-	-
User Fees and Charges	543	475	541
Sundry Revenue	(67)	-	(132)
Interest Received	-	-	-
Vested Assets	-	-	-
Development Contributions	104	212	130
Total Operating Revenue	4,550	4,658	4,543
Net Operating Cost of Service	1,657	764	443
Transfers to/(from) Reserves and Special Funds To Fund Capital Expenditure	(40)	(255)	130
Net Operating Costs	1,617	509	574
<i>Capital Expenditure</i>			
New Work	-	43	287
Renewal Work	444	483	489
Loan Repayments	-	-	-
Total Capital Expenditure	444	526	776
<i>Capital Funding Sources</i>			
Loans Raised	-	-	-
Transfers (to)/from Reserves and Special Funds	281	112	281
Funded from Operational Revenue	-	-	-
Current years Depreciation Expense	548	547	548
Total Capital Funding Sources	829	659	829
Net Capital Costs	(385)	(133)	(53)

* The amounts include the write off totalling \$998,523 representing the Totara Reserve assets transferred to Horizon Regional Council



Develop and maintain a roading network appropriate to community usage, demand and ability to fund.

Roading

The community has asked for:

A community that has access to effective services

In response to this Council aims to:

Develop and maintain a roading network appropriate to community usage, demand and ability to fund by:

- Providing a quality*, safe* roading network
- Providing a cost-effective* roading network
- Providing a roading network that is efficient* and responsive to community need
- Providing quality, safe bridges which provide continuous all-weather roads over rivers, streams and uneven terrain
- Providing quality, safe footpaths
- Providing a safe and efficient network of cycle and walkways

* Definitions

- Quality is defined as meeting the required standard to ensure maximum performance is achieved throughout its lifetime
- Safety is defined as maximising the wellbeing of road users by minimising risks and danger
- Cost effective is defined as achieving the best outcome for the investment incurred
- Efficient is defined as achieving an outcome with minimum effort

The roading and footpaths network provide significant benefits to the community, including:

- Connections to other transportation networks
- Access and mobility for people, goods and services
- Locality and property identification
- Separation of pedestrians from main flow of traffic (ie footpaths)

The following effects on community well-being have been identified:

Economic and Social well-being: Well-maintained roads are an integral means of ensuring access around and beyond the district and are essential for the economic and social well-being of the district.

The roading and footpaths network provide significant benefits to the community, including:

- connections to other transportation networks
- access and mobility for people, goods and services
- locality and property identification
- separation of pedestrians from main flow of traffic (i.e. footpaths)

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Rooding Network where adequate carparking is provided, car parking controls are appropriately implemented and enforced	80% community satisfaction with carparking provision within the district as measured by Communitrak Survey	Target not met	<p>Very/Fairly satisfied: 77%</p> <p>Not very satisfied: 20%</p> <p>Don't Know: 3%</p> <p>(2010: 67%)</p> <p>While we have not met this target, 77% satisfaction constitutes a 10% increase on the last survey. Despite analysis of both surveys, there are no obvious reasons for the 10% increase in satisfaction.</p> <p>Much of the dissatisfaction in the 2012 survey relates to not enough parking in the CBD, narrow angle parking, loss of parking with street improvements and dangerous parking on narrow one-way streets.</p>
A responsive Rooding Network where enquiries are responded to in a timely manner	Acknowledgment of written requests within three working days of receipt (Council records)	Target not met	<p>Ongoing commitment to ensure written requests acknowledged within three working days.</p> <p>Please note: currently we have no systems to measure this*. This KPI has not been included in the new Long Term Plan.</p>
	Substantive response to written requests within fifteen days of receipt (Council records)	Target not met	<p>Ongoing commitment to ensure substantive response to written requests within fifteen working days.</p> <p>Please note: currently we have no systems to measure this*. This KPI has not been included in the new Long Term Plan.</p>
	Confirmation of when work has been completed within two hours, by telephone (Council records)	Target met	<p>We communicate with customers when required.</p> <p>Please note: currently we have no systems to measure this.</p> <p>*While this is the case Council has systems in place to ensure that rooding related enquiries are dealt with in a timely manner. Enquiries are logged with Council's Customer Service System in the first instance. From there each enquiry/complaint is sent to the appropriate Council staff member or relevant contractor. The report then outlines what steps were taken to rectify the issue. The date the request was resolved is noted.</p>
A quality Rooding Network where roads are in good condition, up to date and fit for purpose	Level of comfort while driving on an unsealed road: road users can drive comfortably on unsealed road straight at 60km per hour without loss of control (Council records - monthly road inspection audits)	Target met	<p>Unsealed roads currently in good condition. Maintenance continuing. Regular auditing of unsealed roads undertaken. The audits are undertaken every month in terms of contractor performance. Faults are recorded and financial penalties applied where required. The driving comfort is a general test for unsealed roads (2010/11: ongoing maintenance and auditing undertaken).</p> <p>Summer programme of restorative works has reduced customer dissatisfaction and number of complaints received.</p>
	Level of comfort while driving on a sealed road: sealed roads to achieve a smooth travel index (sti) measure of 95	Target met	<p>Current smooth travel index result of 98 indicating that the pavement condition is good.</p> <p>(2010/11: 98)</p>
A quality Rooding Network where streets, footpaths and carparks are clean, tidy and free of litter	75% user satisfaction with the state of streets, footpaths and carparks as measured by Communitrak Survey	Target met	<p>Very/Fairly satisfied: 94%</p> <p>Not very satisfied: 6%</p> <p>Don't Know: 0%</p> <p>(2010: 77%)</p> <p>This is a very good result for Council. Not only has the target been exceeded by nearly 20%, it's also a 17% increase on the last survey.</p> <p>There are a number of possible reasons for this and two stand out. The first is the upgrade of Denbigh Street. In previous surveys the state of Denbigh Street featured as a prominent concern.</p>

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality Rooding Network where streets, footpaths and carparks are clean, tidy and free of litter (continued)			<p>The second is that two years ago Council changed maintenance contractors. There was a general improvement in all areas of maintenance. The survey took place in the second year of the contract, so it is likely this has contributed to the improvement in satisfaction.</p> <p>The completion of other streets, such as Stewart Road, Campbell Road, Himatangi Beach Road, and Elizabeth Street, may also have contributed to this improvement.</p>
A safe Rooding Network where lighting is provided to enhance safety for all road users, and to aid navigation and security	Lighting that makes driving easy and safe and complies 100% with industry standards	Target met	<p>Regular (monthly) night-time monitoring undertaken by the streetlight contractor. Faults responded to immediately (2010/11: regular monitoring undertaken).</p> <p>While much of the lighting network pre-dates current standards, all new light installations comply with New Zealand Industry Standards.</p> <p>(2010/11: compliant with New Zealand Industry Standards).</p> <p>Council receives regular updates from NZTA regarding black spot areas within the rooding network, conducts safety studies of noted areas and implements lighting to assist with traffic safety improvement. The new LTP now contains levels of service about road safety generally. Council acts on all general safety reports it receives, for example, from the Police, NZTA etc.</p>

Operating and Capital Work Programme for 2011/2012

Project	Actual	Budget	Variance Explanation
Sealed Pavement Maintenance	1,164,402	1,279,574	Programmed works completed in preparation to re-surfacing programme.
Unsealed Pavement Maintenance	406,765	496,948	Programmed maintenance re-repairs and grading continuing.
Routine Drainage and Structures Maintenance	565,495	600,000	Programmed culvert and bridge maintenance works completed.
Environmental Maintenance	692,344	515,555	Works completed to meet levels of service for roadside vegetation control. The additional expenditure reflects cost fluctuations.
Traffic Services and Level Crossing Maintenance	341,947	350,000	Programmed essential maintenance completed.
Network and Asset Management	749,090	992,778	Professional service and asset management functions completed. Renewal costs have been included in this category.
Total	3,782,444	4,234,855	

Renewal Works	Actual	Budget	Explanation of Variance/Update
Unsealed Road Metalling	268,595	287,790	Programmed remetalling of roads completed. Roads setup for winter operating conditions.
Sealed Road Resurfacing	2,405,400	2,369,024	Annual reseal programme complete.
Drainage and Structure Renewals	413,141	400,000	Programmed activities completed. Traffic accident damage sustained in last quarter creating overspend budget.
Pavement Rehabilitation	3,368,232	3,000,000	Highway 56, No.1 Line Longburn, Stewart Road, Campbell Road, Himatangi Beach Road, and Elizabeth Street complete. Denbigh Street Stage 3a in progress.
Traffic Services and Associated improvements	194,098	190,000	Programmed Traffic Sign and Streetlight renewals completed.
Preventative Maintenance	90,000	90,000	River protection completed at Totara Reserve, Pohangina.
District Footpath Renewals	140,639	175,000	Denbigh Street Stage 2 complete. Stage 3a in progress.
Total	6,880,105	6,511,814	

Capital Works	Actual	Budget	Explanation of Variance/Update
Minor Improvements	881,979	775,000	Programmed works completed in conjunction with rehabilitation and safety works. The budget for this is \$915,000, but was listed in the 2011/12 Annual Plan as \$775,000 in error.
New Footpaths	0	0	Refer renewal category above.
Main South Road	0	2,000,000	Survey and design completed. Drainage renewals completed 2011/12. Heavy metal re-build 2012/13. Seal 2013/14.
Cycleways	42,132	57,500	Assisting Destination Manawatu with signage for new Manawatu Cycle Route. New bike stands for Feilding CBD to be installed.
Pavement Rehabilitation - Denbigh Street Stage 2	0	380,000	Works included in categories above. Stage 2 100% completed. Stage 3a in progress.
Road Reconstruction	154,000	154,000	Works included in categories above. Denbigh Street Stage 2 completed.
Total	1,074,297	3,366,500	

Roading

Funding Summary for the year ended 30 June 2012

	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
<i>Operating Costs</i>			
Operating Costs*	4,498	3,943	7,118
Interest	79	213	86
Depreciation and Amortisation	7,345	6,744	6,562
Total Operating Costs	11,922	10,900	13,766
<i>Operating Revenue</i>			
General Rates	-	-	-
Targeted Rates	5,963	5,957	5,849
Subsidies and Grants	6,226	6,450	8,078
User Fees and Charges	8	-	7
Sundry Revenue	23	-	86
Interest Received	-	-	-
Vested Assets	4,770	-	-
Development Contributions	202	438	292
Total Operating Revenue	17,192	12,845	14,312
Net Operating Cost of Service	(5,270)	(1,945)	(546)
Transfers to/(from) Reserves and Special Funds	202	406	292
To Fund Capital Expenditure	3,916	4,720	3,916
Net Operating Costs	(1,152)	3,181	3,662
<i>Capital Expenditure</i>			
New Work	433	4,283	449
Renewal Work	8,502	7,913	7,852
Loan Repayments	77	98	77
Total Capital Expenditure	9,012	12,294	8,378
<i>Capital Funding Sources</i>			
Loans Raised	-	3,224	-
Transfers (to)/from Reserves and Special Funds	2,908	404	2,908
Funded from Operational Revenue	3,916	4,720	3,916
Current years Depreciation Expense	3,480	3,553	3,105
Total Capital Funding Sources	10,304	11,901	9,929
Net Capital Costs	(1,292)	393	(1,551)



Providing efficient and cost-effective solid waste management to an appropriate level.

Waste

Solid Waste

The community has asked for:

A community that has access to effective services; and

A self-sufficient environment that preserves values and develops our natural resources

In response to this Council aims to provide:

Waste Management – to deliver efficient and cost effective solid waste services to customers while safeguarding public health, taking into account cultural issues and minimising adverse effects on the environment.

Waste Minimisation – to promote waste reduction towards zero waste through education, development and implementation of recycling, reuse and recovery methods.

These objectives will be met by:

- Moving towards a zero waste management philosophy
- Providing efficient and cost-effective solid waste management to an appropriate level
- Working in co-operation with other local authorities towards development of cost-effective regional solid waste services and facilities
- Providing education about waste minimisation opportunities
- Advocating to central government for reductions in waste packaging through Local Government New Zealand

The following effects on community well-being have been identified:

Environmental well-being: The waste activity includes reducing, collection, disposal and recycling of solid waste and the management of wastewater. Council strives to provide waste management services that are sustainable, both environmentally and economically. Recycling and sustainable land-use are important elements in minimising waste volumes and managing waste well; making significant contributions towards achieving environmental well-being.

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A quality rubbish collection service is available to each household	Less than 10 complaints about rubbish collection per year (Council records)	Target not met	<p>There were sixty complaints about rubbish collection (2010/11: 31 complaints).</p> <p>The number of complaints has doubled since last year as there has been a notable drop in the service provided. This is mainly around missed/late bag collections. In each case we work to remedy the situation as soon as possible. Council is changing contractors shortly. This should improve the situation.</p>
	80% user satisfaction with rubbish collection as measured in Communitrak Survey	Target not met	<p>Very/Fairly satisfied: 79%</p> <p>Not very satisfied: 5%</p> <p>Don't Know: 16%</p> <p>(2010: 68%)</p> <p>While the target has not been met, 79% satisfaction is generally at the upper end of the long-term trend. With the exception of 2003-2005, satisfaction has been in the high 60s to high 70s. In the three-year period 2003-2005 it was in the low to mid 80s.</p> <p>The change in the 'don't know' category – 23% to 16% - likely explains the increase in satisfaction. 'Not very satisfied' has dropped by 4% but there are no obvious reasons from the survey why this should be.</p>
Quality recycling facilities are provided to each household on a weekly basis	90% user satisfaction with recycling services as measured in Communitrak Survey	Target not met	<p>Very/Fairly satisfied: 85%</p> <p>Not very satisfied: 12%</p> <p>Don't Know: 3%</p> <p>(2010: 78%).</p> <p>85% satisfaction is in line with the long-term trend of mid 80s to low 90s. Dissatisfaction mainly concerns lack of recycling facilities, which has been addressed by a higher level of service in the 2012-2022 Long Term Plan.</p>
	There is an increased tonnage of recyclables collected each year: 1,900 tonnes for 2011/12 (Council records)	Target met	<p>2,638.60 tonnes of recyclables for the year ending 30 June 2012.</p> <p>(2010/11: 2,166 tonnes)</p> <p>There was a large increase in recycled material on last year. While Council did nothing specific to effect this, there are a number of reasons which may explain it. First transfer station fees were increased, which may have encouraged more people to recycle. Tougher economic times may also have encouraged more recycling.</p> <p>Looking forward Council has a number of initiatives that should further increase recycling. Education programmes are planned and new wheelie bins will be available in Feilding. There are also plans for the rural areas, for example, education on colour sorting of bottles.</p>
Quality transfer stations are provided throughout the district for the disposal of waste (currently there are four transfer stations)	80% user satisfaction with transfer stations as measured in Communitrak Survey	Target not met	<p>Very/Fairly satisfied: 79%</p> <p>Not very satisfied: 17%</p> <p>Don't Know: 4%</p> <p>(2010: 60%)</p> <p>While we did not meet the target, 79% satisfaction constitutes a 19% increase on the last survey. There was also a significant drop in not satisfied, from 40% to 17%. Dissatisfaction generally related to cost, standard of facilities, opening hours and location.</p> <p>Despite analysis of both surveys, there is no obvious reason why satisfaction increased.</p> <p>From 2007 the trend was low to mid 60s. This was a significant drop from 2005 and 2006, when satisfaction was in the mid to high 80s.</p>

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
An accessible Solid Waste service where information and education about waste minimisation is made available	Waste minimisation is provided on Council's website and is updated on a quarterly basis (Council records)	Target met	Information available through MDC website updated as required (2010/11: Council adopted the Waste Management and Minimisation Plan).

Operating and Capital Work Programme for 2011/2012

Project	Actual	Budget	Variance Explanation
Refuse collection contract	442,073	444,000	Services provided in line with Contract.
Transfer Station operation, including rural transfer stations and recycling centres	343,599	356,000	Services provided in line with Contract.
Total	785,672	800,000	

Waste Water

The community has asked for:;

A community that has access to effective services; and

A self-sufficient environment that preserves values and develops our natural resources

In response to this Council aims to provide:

Waste Management – to deliver efficient and cost effective wastewater services to customers while safeguarding public health, taking into account cultural issues and minimising adverse effects on the environment by:

- Collection, treatment and disposal of sewage (including trade wastes) through wastewater schemes within the district
- Meeting requirements of the Resource Management Act 1991 and Regional Plans for discharge of treated effluent to waterways and land
- Ensuring wastewater operations meet good practice and are effective in protecting the health and well-being of people and the environment
- Consulting with Maori/local Iwi on matters which concern them
- Upgrading the Feilding, Kimbolton and Longburn Wastewater Treatment Plant to meet requirements of the Manawatu Catchment Water Quality Regional Plan by 2009
- Encouraging trade waste industries to have waste minimisation and management programme
- Ensuring that customer service is responsive and the service remains reliable

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
An accessible wastewater service where connections are available to residents within sewerage-serviced communities	Properties within sewerage-serviced areas are connected to the network within 10 working days of Council receiving payment (Council records)	Target met	There were nine new sewer connections, all installed within 10 working days (2010/11: 29 new sewer connections, all installed within 10 working days).
A responsive wastewater service where service complaints are responded to in a timely manner	90% of high priority faults are responded to within one hour (Council records)	Target not met	There were 61 high priority callouts, 33 (54%) of which were responded to within one hour. Call outs of this type are for incidents like sewer overflows, blockages, sewage in waterways and pump station (2010/11: 66% of high priority callouts responded to within one hour. Data for June 2011 was missing). Please note that new systems were used for recording this information, which took time to bed-in. We are still working on drawing the correct information from the data supplied. Therefore we can't verify the above information.
	Written complaints are responded to within 10 working days (Council records)	Target met	There were no written complaints received during the year (2010/11: no written complaints received).
	Reporting system is available 24 hours a day, seven days a week for 99% of the time (Council records)	Target met	Reporting system is available 24 hours a day, seven days a week for 99% of the time. The Council call centre is available between Monday and Friday, 8am to 5pm. The rest of the time an after hours call service is available (2010/11: as per above).
A quality wastewater service where sewage is managed without adversely affecting the quality of the receiving environment	There are no complaints relating to odours from wastewater treatment facilities or pump stations (Council records)	Target met	There were no complaints relating to odours from wastewater treatment facilities or pump stations (2010/11: no complaints received). To ensure that wastewater odours are kept to a minimum pump stations are routinely cleaned.

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
	Wastewater treatment and release complies with resource consent conditions. No prosecutions are taken against wastewater treatment facilities for non-compliance (Council records)	Target not met	Some resource consent non-compliance. The issues concern ammonia and phosphorous and affect treatment plants in Feilding, Rongotea, Kimbolton, Sanson and Halcombe. Funding has been committed in the 2012/13 financial year to deal with the issues at Feilding, Rongotea and Kimbolton. Options will be investigated for Sanson and Halcombe. There have been no prosecutions (2010/11: there were some resource consent issues but no prosecutions).
A reliable wastewater service is provided	95% user satisfaction with sewage disposal services as measured in Communitrak Survey	Target met	Very/Fairly satisfied: 96% Not very satisfied: 2% Don't Know: 2% (2010: 99%) Satisfaction with sewage disposal continues to trend in the 90s.
Wastewater is managed without risk to public health	Number of overflows per year - no more than one per year	Target not met	There were four sewage overflows during the year (2010/11: two overflows).
	Overflows are cleaned up within three hours of being reported	Target met	All four overflows cleaned up within three hours of being reported (2010/11: cleaned up within three hours of being reported).

Operating and Capital Work Programme for 2011/2012

Project	Actual	Budget	Variance Explanation
Emptying of septic tanks at Kimbolton and Cheltenham	4,000	4,000	Work complete.
Feilding Wastewater CCTV/ flow monitoring	0	58,000	Funds carried forward into 2012/13. Programme being developed for a combined MDC/RDC CCTV and pipeline investigation contract.
Feilding Wastewater infiltration investigation	0	100,000	Funds carried forward into 2012/13. Programme being developed for a combined MDC/RDC CCTV and pipeline investigation contract.
Water and Wastewater Compliance Monitoring IT System	0	50,000	Funds carried forward into 2012/13. Discussions underway with supplier.
Total	0	212,000	

Renewal Works	Actual	Budget	Variance Explanation
Wastewater asset replacement	609,392	604,500	Work complete.
Feilding Wastewater asset replacement	606,823	700,000	Full programme of works on-going. Campbell Street and Taylor Ave completed at the end of 2011/12. Monckton St, Stafford St, and Beattie St programmed for completion Q1 2012/13. Balance of funds carried forward to 2012/13.
Emptying of Bunnythorpe, Halcombe and Longburn sludge ponds	0	205,000	This funding has been carried forward to 2012/13. As the boundary change between PNCC and MDC has now taken effect (as of 1 July 2012) the funding has been reallocated to ponds within the MDC area: Halcombe; Rongotea; and Kimbolton.
Total	1,216,215	1,509,500	

Capital Works	Actual	Budget	Variance Explanation
Continued upgrade of Feilding Wastewater Treatment Plant	2,056,269	3,600,000	Anaerobic Pond construction underway, Aerobic Pond improvement due to commence. clarifier on site, approximately \$3,000,000 spent or committed to date. Resource consent application process ongoing.
Feilding WWTP sludge processing and disposal	0	1,638,728	Specific process improvement around sludge dewatering and management deferred until 2012/13 to follow current capital improvements and resource consent application process.
Himatangi Beach Wastewater Scheme	545,051	5,823,218	Physical works contract awarded, land purchase negotiations concluded - awaiting final documentation, Ministry of Health funding approved. On-lot investigations underway, physical works were expected to start September 2012.
Feilding asset growth	62,189	60,000	Project on hold pending Feilding Growth Strategy review.

Renewal Works	Actual	Budget	Variance Explanation
Pipe connection to Palmerston North	0	280,000	Project handed over to PNCC following Boundary Change decision. No or limited MDC involvement in this going forward.
Pipework rehabilitation	0	20,000	This project has not gone ahead due to the boundary change between PNCC and MDC.
Arnott Street extension	143,130	200,000	Project complete.
Feilding Wastewater Treatment Plant - irrigation	3,025	4,000,000	Project subject to resource consent award and subsequent conditions. Budget includes land purchase. Deferred to 2012/13.
Feilding Wastewater Treatment Plant sludge dewatering	0	1,588,000	Specific process improvement around sludge dewatering and management deferred until 2012/12 to follow current capital improvements and resource consent application process.
Total	2,809,664	17,209,946	

Waste

Funding Summary for the year ended 30 June 2012

	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
<i>Operating Costs (by Activity)</i>			
Solid Waste	1,731	1,804	1,544
Wastewater	4,103	3,922	3,522
Total Operating Costs (by Activity)	5,834	5,726	5,066
<i>Operating Revenue (by Activity)</i>			
Solid Waste	1,877	1,810	1,800
Wastewater	4,093	6,072	3,873
Total Operating Revenue (by Activity)	5,970	7,882	5,674
Net Operating Cost of Service	(136)	(2,156)	(608)
<i>Operating Costs</i>			
Operating Costs	4,187	4,097	3,798
Interest	504	782	519
Depreciation and Amortisation	1,143	879	749
Total Operating Costs	5,834	5,758	5,066
<i>Operating Revenue</i>			
General Rates	-	-	-
Targeted Rates	4,589	4,574	4,232
Subsidies and Grants	62	2,085	111
User Fees and Charges	1,191	1,018	1,267
Sundry Revenue	-	-	9
Interest Received	-	-	-
Vested Assets	74	-	-
Development Contributions	54	206	44
Total Operating Revenue	5,970	7,882	5,674
Net Operating Cost of Service	(136)	(2,124)	(608)
Transfers to/(from) Reserves and Special Funds	56	164	6
To Fund Capital Expenditure	42	2,047	70
Net Operating Costs	(38)	87	(532)
<i>Capital Expenditure</i>			
New Work	2,647	15,412	2,078
Renewal Work	625	1,608	274
Loan Repayments	105	254	105
Total Capital Expenditure	3,377	17,274	2,457
<i>Capital Funding Sources</i>			
Loans Raised	2,401	13,099	2,401
Transfers (to)/from Reserves and Special Funds	398	273	398
Funded from Operational Revenue	42	2,047	70
Current years Depreciation Expense	1,143	879	749
Total Capital Funding Sources	3,984	16,298	3,618
Net Capital Costs	(607)	975	(1,161)



**A good water supply
contributes to personal
health and well-being.**

Water

Urban Stormwater/Rural Land Drainage

The community has asked for:

A community that has access to effective services

In response to this Council aims to:

Manage stormwater so as to minimise the risk to people and property and to minimise adverse environmental effects from stormwater runoff (Stormwater).

Maximise the drainage within the land drainage scheme areas in order to maximise rural production efficiency (Land Drainage).

These objectives will be achieved by:

- Achieving reasonable environmental quality standards with stormwater discharge
- Providing safe and effective stormwater services for the district
- Continuing the further development of urban stormwater schemes
- Improving the look of open stormwater drains within urban areas
- Consulting with Maori/local Iwi on matters which concern them

The following effects on community well-being have been identified:

Environmental, social and economic well-being: Water is a basic requirement for life and vital to maintain a healthy community. Council's water activities comprise the administration of Urban Stormwater/Rural Land Drainage schemes and Water Supply schemes.

The provision of urban stormwater services provides benefits to the environmental, social and economic well-being of the community through decreasing risks from flooding, protecting the community (including people, property and community assets), maintaining the economic productivity of rural land and property values and encouraging residential development. A good water supply contributes to personal health and well-being.

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
An accessible stormwater service where connection is readily available to properties within the scheme area	Properties within stormwater service areas are connected to the network within 10 working days of paying application fee (Council records)	Target met	There were 10 new stormwater connections, all installed within 10 working days (2010/11: 18 new connections within 10 working days).
A quality stormwater service where properties and people are protected from the impacts of flooding	No urban properties are flooded in any annual storm event (Council records)	Target met	No properties were flooded during the year. There were no flooding events during the year (2010/11: no properties flooded).
	No urban roads are closed by flooding during any annual storm event (Council records)	Target met	No roads closed by flooding in an annual event. (2010/11: no roads closed).
A safe stormwater service that poses no hazard to the health of residents	No health nuisances reported from Council stormwater facilities (noise, mosquitoes) (Council records)	Target met	No health nuisances reported to Council. (2010/11: no health nuisances reported).
	No injury incidents reported which can be attributed to poorly-maintained drains (Council records)	Target met	No injury incidents reported to Council. (2010/11: no reported injuries).
A reliable stormwater system that is managed in a manner to minimise flooding and interruptions to service	No more than three disruptions per year (Council records)	Target met	No disruptions to service. (2010/11: no disruptions to service).

Operating and Capital Work Programme for 2011/2012

Project	Actual	Budget	Variance Explanation
Operations and Maintenance activities	709,409	958,000	The reasons for the large variance are: <ul style="list-style-type: none"> - A number of scheduled loans were not raised, which meant less interest payments - A number of scheduled assets were not constructed which meant less depreciation payments - A number of operational savings
Total	709,409	958,000	

Renewal Works	Actual	Budget	Variance Explanation
Asset Renewal	0	67,100	Funds have been carried over to 2012/13. The asset renewal work programme was not been carried out due to programming and scheduling issues.
Total	0	67,100	

Capital Works	Actual	Budget	Variance Explanation
Feilding - improvements to Stormwater Asset Management Plan	0	21,850	Funding has been carried over to 2012/13.
Ngair Street, Longburn - stormwater upgrade	194,293	160,000	Construction work complete. Project managed with road upgrades. Approved contract variations increased project cost by \$34,293 to \$194,293.
Rongotea Stormwater capital work	10,449	80,000	Work has been completed. The original work scope was reduced which explains the underspend.
Feilding Stormwater growth	149,291	2,530,000	Arnott St and Pharazyn St stormwater Stage 1 under construction. Balance of unspent funds carried over into 2012/13 into the second stage of the programme.
Total	207,113	4,741,850	

Water Supply

The community has asked for:

A community that has access to effective services

In response to this Council aims to:

Provide an efficient, safe water supply that is sustainable, both in terms of delivery and cost to the community, to ensure that the present needs of the community are met without constraining future generations and that the community is encouraged to conserve water. This will be achieved by:

- Facilities which are managed in a sustainable manner with respect to future generations
- A reliable, responsive service
- Safe, pleasant tasting and looking drinking water
- Consultation with Maori/local Iwi on matters which concern them

What has Council achieved in 2011/2012?

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
An accessible water supply where connection is readily available to properties within a scheme area	Properties within water scheme areas are connected to the network within 10 working days from date of application (Council records)	Target met	There were 19 new water connections, all installed within 10 working days. (2010/11: 20 new water connections, all installed within 10 working days.)
A quality water supply where water tastes good and there are no unpleasant colours or odours	65% user satisfaction with water supply as measure in Communitrak Survey	Target met	Very/Fairly satisfied: 96% Not very satisfied: 4% Don't Know: 0% (2010: 80%) This is a good result for Council, constituting a 16% increase in satisfaction since the last survey. There are a number of possible reasons why satisfaction has risen so much. In the two years between surveys a number of process improvements have been effected at the water treatment plant. Among other things, processes for chemical dosing have been streamlined, pumps have been upgraded and Council has reduced its reliance on bore water supplies. These improvements may have contributed to the improved satisfaction rating.
A safe water supply that poses no hazard to the health of residents	Water is safe to drink. New Zealand Drinking Water 2000 Standards are achieved (Council records)	Target not met	Compliance with NZ Drinking Water Standards not met (2010/11: compliance not met. See comments below). The New Zealand Drinking Water 2000 Standards are applicable to small drinking water supplies until 1 July 2015 and for large water supplies 1 July 2012. 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 but not for Waituna West, which failed the E.coli Criteria. However, this was during the time when the boiled water notice was in place. Since then we have installed a secure bore. This means there is a significantly reduced risk of contaminants getting into the water supply.

Level of Service	Key Performance Indicator and Target	Target Attained	Comments (if applicable)
A safe water supply that poses no hazard to the health of residents (continued)			<p>The remaining water supply areas are tested against Drinking Water Standards for New Zealand 2005 (Revised 2008). Full compliance was achieved for all Treatment plants and Distribution Zones except for Feilding Almadale Treatment plant which did not meet the Bacterial criteria of the standard at all times.</p> <p>The Council was commended by the drinking water assessor for the improvement to supply due to the secure ground water status at Feilding Awa Street , Himatangi and Bunnythorpe.</p>
A reliable water supply system where there are no unexpected disruptions to service	There are no unexpected disruptions to service without prior notice - 24 hours where programmed work requires a water shut down (Council records)	Target not met	<p>There were 27 scheduled shut downs during the year. In all cases 24-hour notice was provided (2010/11: 27 shutdowns, with 24 hours notice).</p> <p>However, we did not have systems in place to measure the number of unplanned disruptions.</p>
	Domestic customers are not without water for no more than 8 hours during one event or 24 hours per year (Council records)	Target met	No customers without water for more than 8 hours in one event or an accumulation of 24 hours in year (2010/11: no customer without water for more than 8 hours in one event or 24 hours per year).
A responsive water supply where service complaints are assessed and responded to in a timely manner	100% of urgent service complaints are responded to within one hour (Council records)	Target not met	<p>There were 151 urgent service complaints. These were for incidents like burst water mains, major water leaks and alarms at pump stations. 103 were responded to within one hour (68%).</p> <p>Please note that new systems were used for recording this information, which took time to bed-in. We are still working on drawing the correct information from the data supplied. Therefore we can't verify the above information.</p> <p>(2010/11: 28%)</p>

Operating and Capital Work Programme for 2011/2012

Project	Actual	Budget	Variance Explanation
Operation and maintenance activities	3,269,770	3,367,000	
Water and Wastewater Compliance Monitoring IT System	0	50,000	Funds carried over into 2012/13. Discussion underway with supplier.
Total	3,269,770	3,417,000	

Renewal Works	Actual	Budget	Variance Explanation
Asset Renewal	1,137,000	814,000	<p>Annual budget increased to \$1,216,000 due to a carryover of funding from 2010/11 to 2011/12.</p> <p>Work undertaken:</p> <ul style="list-style-type: none"> Aorangi St complete Kimbolton Rd CBD complete North St corner complete Stafford St design Denbigh St Stage 2 complete Denbigh St Stage 3 design Monckton St design Seddon St design Helena Plc complete
Bunnythorpe Water renewals	29,913	30,000	Installation of flow meters completed.
Total	1,166,913	844,000	

Water

Funding Summary for the year ended 30 June 2012

	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
<i>Operating Costs (by Activity)</i>			
Stormwater and Drainage	709	941	717
Water Supply	3,635	3,446	3,213
Total Operating Costs (by Activity)	4,344	4,388	3,930
<i>Operating Revenue (by Activity)</i>			
Stormwater and Drainage	900	985	763
Water Supply	3,643	5,951	3,747
Total Operating Revenue (by Activity)	4,543	6,936	4,510
Net Operating Cost of Service	(199)	(2,548)	(580)
<i>Operating Costs</i>			
Operating Costs	2,354	2,266	2,106
Interest	347	595	361
Depreciation and Amortisation	1,644	1,577	1,463
Total Operating Costs	4,345	4,439	3,930
<i>Operating Revenue</i>			
General Rates	164	163	151
Targeted Rates	3,858	3,778	3,858
Subsidies and Grants	-	2,320	-
User Fees and Charges	290	227	400
Sundry Revenue	24	-	-
Interest Received	-	-	-
Vested Assets	115	-	-
Development Contributions	93	448	101
Total Operating Revenue	4,544	6,936	4,510
Net Operating Cost of Service	(199)	(2,497)	(580)
Transfers to/(from) Reserves and Special Funds	6	210	40
To Fund Capital Expenditure	69	2,342	69
Net Operating Costs	(124)	55	(471)
<i>Capital Expenditure</i>			
New Work	390	7,928	389
Renewal Work	1,340	1,365	1,279
Loan Repayments	176	239	176
Total Capital Expenditure	1,906	9,533	1,844
<i>Capital Funding Sources</i>			
Loans Raised	439	5,403	439
Transfers (to)/from Reserves and Special Funds	171	303	301
Funded from Operational Revenue	69	2,342	69
Current years Depreciation Expense	1,644	1,577	1,463
Total Capital Funding Sources	2,323	9,625	2,272
Net Capital Costs	(417)	(92)	(428)

Overall Funding Summary

Funding Summary for the year ended 30 June 2012

	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
<i>Operating Costs</i>			
Operating Costs	25,098	25,887	27,062
Interest	856	1,810	959
Depreciation and Amortisation	12,045	11,254	10,698
Total Operating Costs	37,999	38,951	38,718
<i>Operating Revenue</i>			
General Rates	3,308	2,948	3,041
Targeted Rates	22,011	21,905	21,537
Subsidies and Grants	6,289	10,865	8,232
User Fees and Charges	3,757	3,710	3,983
Sundry Revenue	1,057	2,630	2,730
Interest Received	268	865	579
Vested Assets	4,959	-	-
Development Contributions	453	1,303	579
Total Operating Revenue	42,102	44,226	40,681
Net Operating Cost of Service	(4,103)	(5,275)	(1,963)
Transfers to/(from) Reserves and Special Funds	11	(142)	129
To Fund Capital Expenditure	4,075	9,157	4,103
Net Operating Costs	(17)	3,740	2,269
<i>Capital Expenditure</i>			
New Work	10,162	33,978	5,132
Renewal Work	11,192	11,778	10,132
Loan Repayments	686	812	686
Total Capital Expenditure	22,040	46,568	15,950
<i>Capital Funding Sources</i>			
Loans Raised	3,924	27,564	3,924
Transfers (to)/from Reserves and Special Funds	4,175	2,542	4,121
Funded from Operational Revenue	4,075	9,157	4,103
Current years Depreciation Expense	5,887	7,554	5,887
Total Capital Funding Sources	18,061	46,817	18,035
Net Capital Costs	3,979	(249)	(2,085)

A man wearing a dark hat and a checkered shirt stands behind a counter in a market. In the foreground, there are several bags of apples, some green and some red, wrapped in clear plastic. The background is slightly blurred, showing other market stalls and a striped awning.

Part Three
Financial Information



This section of the Annual Report contains the following information:

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

Statement of Comprehensive Income

For the year ended 30 June 2012

	Note	Council			Group	
		Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
Revenue						
Rates Revenue	3	25,319	24,853	24,578	24,993	24,255
Financial Income	4	268	865	579	246	551
Other Revenue	5	17,590	18,486	15,613	18,814	16,853
Other Gains/(Losses)	6	(1,075)	22	(90)	(1,075)	(90)
Total Revenue	2	42,102	44,226	40,680	42,978	41,569
Expenditure						
Personnel Costs	7	7,239	7,646	6,805	7,356	6,891
Depreciation and Amortisation	8	12,045	11,254	10,697	12,465	11,129
Finance Costs	9	856	1,810	959	856	959
Other Operating Expenses	10	17,859	18,241	20,257	18,149	20,545
Total Operating Expenditure	2	37,999	38,951	38,718	38,826	39,524
Operating Surplus/(Deficit) before tax		4,103	5,274	1,962	4,152	2,045
Income Tax Expense	11	-	-	-	-	-
Net Surplus/(Deficit) after tax		4,103	5,274	1,962	4,152	2,045
Other Comprehensive Income						
Gains on the Revaluation of Infrastructure Assets	23	28,730	16,394	7,962	28,730	7,962
Losses on the Revaluation of Land and Buildings		-	-	(2,376)	-	(3,606)
Total Other Comprehensive Income for the Year		28,730	16,394	5,586	28,730	4,356
Total Comprehensive Income for the Year		32,833	21,668	7,548	32,882	6,401

Explanations of major variances against budget are provided in Note 33.

The accompanying notes form part of these financial statements.

Balance Sheet

As at 30 June 2012

		Council			Group	
	Note	Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
Assets						
Current Assets						
Cash and Cash Equivalents	12	1,590	459	5,760	1,770	6,292
Debtors and Other Receivables	13	3,972	3,378	5,535	3,959	5,566
Other Financial Assets	14	82	-	120	258	28
Non-Current Assets held for disposal	15	31,145	-	-	31,145	-
Total Current Assets		36,789	3,837	11,415	37,132	11,886
Non-Current Assets						
Property, Plant and Equipment	16	571,874	593,331	561,193	584,970	573,984
Intangible Assets	17	1,300	1,924	1,551	1,300	1,551
Forestry Assets	18	284	218	408	284	408
Other Financial Assets	14	4,040	9,115	4,504	3,428	4,079
Total Non-Current Assets		577,498	604,588	567,656	589,982	580,022
Total Assets		614,287	608,425	579,071	627,114	591,908
Liabilities						
Current Liabilities						
Creditors and Other Payables	19	5,231	4,824	6,376	5,326	6,531
Provisions	20	57	46	74	57	74
Employee Entitlements	21	711	332	654	720	662
Borrowings	22	3,904	-	5,698	3,904	5,698
Total Current Liabilities		9,903	5,203	12,802	10,007	12,964
Non-Current Liabilities						
Provisions	20	829	616	724	829	724
Borrowings	22	11,504	19,726	6,326	11,504	6,326
Total Non-Current Liabilities		12,333	20,342	7,050	12,333	7,050
Total Liabilities		22,236	25,544	19,852	22,340	20,013
Equity						
Retained Earnings	23	481,979	469,120	477,169	492,544	487,684
Other Reserves	23	110,072	113,761	82,050	112,230	84,208
Total Equity		592,051	582,881	559,219	604,774	571,892
Total Liabilities and Equity		614,287	608,426	579,071	627,114	591,906

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2012

	Note	Council			Group	
		Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
Balance at 1 July		559,218	561,213	551,670	571,892	565,491
Total comprehensive income for the year ended 30 June		32,833	21,668	7,548	32,882	6,401
Balance as at 30 June	23	592,051	582,881	559,218	604,774	571,892

Statement of Cash Flows

For the year ended 30 June 2012

	Note	Council			Group	
		Actual 2012 \$000	Budget 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
Cash Flows from Operating Activities						
Receipts from Rates Revenue		25,138	24,853	24,523	24,858	24,230
Interest Received		313	865	546	294	511
Dividends Received		12	-	2	12	2
Receipts from Other Revenue		13,898	18,486	13,347	15,128	14,597
Payments to Suppliers and Employees		(25,018)	(25,887)	(26,542)	(25,512)	(26,820)
Interest Paid		(956)	(1,810)	(972)	(955)	(979)
Goods and Services Tax (Net)		277	0	(138)	295	(162)
Net Cash from Operating Activities	24	13,664	16,506	10,766	14,120	11,379
Cash Flows from Investing Activities						
Proceeds from sale of Property, Plant and Equipment		115	-	240	115	240
Proceeds from sale of Forestry Assets		69	-	67	69	67
Purchase of Intangibles Assets		251	-	(353)	251	(353)
Purchase of Property, Plant and Equipment		(22,274)	(45,756)	(14,226)	(23,000)	(14,224)
Net Acquisition of Investments		621	(870)	2,887	539	2,374
Net Cash from Investing Activities		(21,218)	(46,626)	(11,385)	(22,026)	(11,898)
Cash Flows from Financing Activities						
Proceeds from Borrowing		6,000	27,564	660	6,000	660
Repayment of Borrowings		(2,616)	(812)	(3,167)	(2,616)	(3,167)
Net Cash from Financing Activities		3,384	26,752	(2,507)	3,384	(2,507)
Net (Decrease)/Increase in Cash, Cash Equivalents and Bank Overdrafts		(4,170)	(3,368)	(3,126)	(4,522)	(3,026)
Cash, Cash Equivalents and Bank Overdrafts at the beginning of the year		5,760	3,826	8,886	6,292	9,320
Cash, Cash Equivalents and Bank Overdrafts at the end of the year	12	1,590	458	5,760	1,770	6,292

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

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 Limited (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 balance date of the Council is 30 June annually. The financial statements were authorised for issue by Council on 18 October 2012.

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 is New Zealand dollars.

Subsidiaries

A subsidiary is an entity where the Council has the power to control their 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



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

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 at the beginning of the year as a part of the annual 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.

- 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. Development contributions are classified as part of "Other Revenue".

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 is charged in the surplus or deficit in respect of the current year's earnings after allowing for permanent differences.

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 arise when the accounting treatment of taxation differs from the Inland Revenue Department's requirements.

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.

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 Limited as at 1 July 2011.

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 by Sara Dennis of GHD Limited as at 1 July 2011.

- **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 was initially valued at depreciated replacement cost in accordance with the guidelines released by the New Zealand Library Association and the National Library of New Zealand. 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 life 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 ongoing maintenance and monitoring services after closure. The costs to meet these post-closure landfill obligations are recognised within the provision.

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

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires 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

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.

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.

Land care Aftercare Provision

Note 20 presents an 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 assets 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 give 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 (revised 2010).

NZASB issued in February 2012 the Mandatory Effective Date of NZ IFRS 9 and Transition Disclosures (Amendments to NZ IFRS 9 and NZ IFRS 7), which amended the effective date of NZ IFRS 9 (2009) and NZ IFRS 9 (2010) so that NZ IFRS 9 is required to be

applied for annual periods beginning on or after 1 January 2015. The Council intends not to adopt this standard earlier than the mandatory effective date.

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. It proposes changes to the requirements for the classification and measurement of financial assets and financial liabilities to reduce the complexity in reporting financial instruments. Only the first phase of the new standard has been released, which covers the classification and measurement of financial assets. When adopted, it will affect the categories under which financial assets are classified in the Annual Report, but will largely leave financial liabilities unchanged and have no impact on the values currently reported.

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. As the PAS are still under development, the Council is unable to assess 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 2012 \$000	Budget 2012 \$000	Actual 2011 \$000
<i>Revenue</i>			
Community Facilities	449	469	490
Democracy	1,284	1,284	1,355
District Development	2,319	2,374	2,243
Emergency Management	288	296	331
Environmental and Regulatory	3,505	3,667	3,490
Leisure Resources	4,550	4,658	4,543
Roading	17,192	12,845	14,312
Waste	5,970	7,882	5,674
Water	4,543	6,936	4,510
Total Activity Revenue	40,100	40,412	36,948
Other Income	2,002	3,814	3,732
Total Operating Revenue	42,102	44,226	40,680
<i>Expenditure</i>			
Community Facilities	453	469	515
Democracy	1,327	1,334	1,263
District Development	2,150	2,533	2,238
Emergency Management	278	296	284
Environmental and Regulatory	3,244	3,818	3,168
Leisure Resources	6,207	5,422	4,986
Roading	11,922	10,900	13,766
Waste	5,834	5,726	5,066
Water	4,344	4,388	3,930
Total Activity Expenditure	35,759	34,886	35,216
Other Expenditure	2,240	4,065	3,502
Total Operating Expenditure	37,999	38,951	38,718

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 Income Statement, these transactions are eliminated in the other income and other expenditure lines.

3 Rates Revenue

	Council and Group	
	Actual 2012	Actual 2011
	\$000	\$000
<i>General Rates attributable to Activities:</i>		
District Development	1,967	1,674
Emergency Management	179	131
Environmental and Regulatory	439	564
Water	164	149
Other	206	178
Total General Rates	2,955	2,696
<i>Uniform Targeted Rates (UTR) and Targeted Rates attributable to Activities:</i>		
Community Facilities	442	392
Democracy	1,283	1,295
District Development	281	267
Emergency Management	108	196
Environmental and Regulatory	1,597	1,532
Leisure Resources	3,971	4,003
Roading	5,963	5,849
Waste	4,508	4,146
Water	3,858	3,858
Total Uniform Targeted Rates and Targeted Rates	22,011	21,538
plus Rates Penalties	353	344
Total Revenue from Rates	25,319	24,578

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, multi-unit properties, and land voluntarily or mandatorily protected for natural, historic or cultural conservation purposes.

	Actual 2012	Actual 2011
	\$000	\$000
Total Rates Revenue	25,430	24,677
Less Rates Remissions	(111)	(99)
Rates Revenue Net of Remissions	25,319	24,578

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

4 Financial Income

	Council		Group	
	Actual 2012	Actual 2011	Actual 2012	Actual 2011
	\$000	\$000	\$000	\$000
Interest Income for Financial Assets not at Fair Value through Surplus or Deficit	256	577	234	549
Dividend Income	12	2	12	2
Total Financial Income	268	579	246	551

5 Other Revenue

	Council		Group	
	Actual 2012	Actual 2011	Actual 2012	Actual 2011
	\$000	\$000	\$000	\$000
User Fees and Charges	3,757	4,061	3,757	4,025
New Zealand Transport Agency Subsidies	6,226	8,078	6,226	8,078
Other Subsidies	63	153	63	121
Petrol Tax	201	208	201	208
Vested Assets	4,959	-	4,959	-
Development Contributions	453	579	453	579
Other Income	1,931	2,534	3,155	3,842
Total Other Revenue	17,590	15,613	18,814	16,853

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

6. Other Gains/Losses

	Council		Group	
	Actual 2012	Actual 2011	Actual 2012	Actual 2011
	\$000	\$000	\$000	\$000
Gain/(Loss) on Changes in Fair Value of Forestry Assets (Note 18)	(55)	30	(55)	30
Gain/(Loss) on Disposal of Property, Plant and Equipment	(1,020)	(120)	(1,020)	(120)
Total Gains/(Losses)	(1,075)	(90)	(1,075)	(90)

7. Personnel Costs

	Council		Group	
	Actual 2012	Actual 2011	Actual 2012	Actual 2011
	\$000	\$000	\$000	\$000
Salaries and Wages	6,955	6,495	7,070	6,605
Employer Contributions to Defined Contribution Plans	227	215	228	216
Increase/(Decrease) in Employee Entitlement Liabilities	57	95	58	70
Total Personnel Costs	7,239	6,805	7,356	6,891

8. Depreciation and Amortisation

	Council		Group	
	Actual 2012	Actual 2011	Actual 2012	Actual 2011
	\$000	\$000	\$000	\$000
Depreciation (Note 16)	11,717	10,361	12,137	10,793
Amortisation (Note 17)	328	336	328	336
Total Depreciation and Amortisation	12,045	10,697	12,465	11,129

9. Finance Costs

	Council		Group	
	Actual 2012	Actual 2011	Actual 2012	Actual 2011
	\$000	\$000	\$000	\$000
<i>Interest Expense</i>				
Interest on Bank Borrowings	834	937	834	937
Provisions: Discount Unwinding (Note 20)	22	22	22	22
Total Finance Costs	856	959	856	959

10. Other Expenses

	Council		Group	
	Actual 2012	Actual 2011	Actual 2012	Actual 2011
	\$000	\$000	\$000	\$000
<i>Fees To Principal Auditor</i>				
Audit Fees for Financial Statement Audit MDC	104	100	104	100
Audit Fees for LTCCP and Amendments	93	-	93	-
Audit Fees for Feilding Civic Centre Trust	-	-	2	3
Audit Fees for Manawatu Community Trust	-	-	9	6
Internal Audit Fees	4	-	4	-
Impairment of Investment	(119)	(60)	(119)	(60)
Impairment of Accounts Receivable	66	65	67	65
Minimum Lease Payments under Operating Leases	94	88	94	88
Legal Fees	95	58	95	58
<i>Other Operating Expenses:</i>				
Chemicals	634	606	634	606
Consultants and Consultant Costs	1,044	719	1,044	730
Contract Payments	3,602	3,555	3,602	3,555
Energy - Electricity and Gas	740	800	748	799
Grants made to other Organisations	1,610	1,634	1,539	1,634
Insurance	557	259	601	259
Maintenance and Materials	2,243	1,803	2,380	1,848
Projects	4,553	7,269	4,553	7,269
Rates Paid	211	299	211	317
Refuse Disposal Costs	77	159	77	159
Other Expenses	2,251	2,903	2,411	3,109
Total Other Expenses (Note 1)	17,859	20,257	18,149	20,545

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

11. Income Tax

Relationship between Tax Expense and Accounting Surplus/(Deficit)

	Council		Group	
	Actual 2012	Actual 2011	Actual 2012	Actual 2011
	\$000	\$000	\$000	\$000
Surplus/(Deficit) Before Tax	4,103	1,962	4,152	2,045
Tax at 28% (2011: 30%)	1,149	589	1,163	614
Non-Deductible Expenditure	-	-	-	-
Non-Taxable Income	(1,149)	(589)	(1,163)	(614)
Prior Year Adjustment	-	-	-	-
Tax Losses Utilised	-	-	-	-
Tax Expense	-	-	-	-

Components of Tax Expense

	Council		Group	
	Actual 2012	Actual 2011	Actual 2012	Actual 2011
	\$000	\$000	\$000	\$000
Current Tax Expense	-	-	-	-
Adjustments to Current Tax in prior years	-	-	-	-
Deferred Tax Expense	-	-	-	-
Income Tax Expense	-	-	-	-

Heartland Contractors Limited has unrecognised tax losses of \$501,041 (2011: \$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 Heartland Contractors Limited will generate sufficient taxable profit in the foreseeable future against which the unused tax losses can be utilised.

12. Cash and Cash Equivalents

	Council		Group	
	Actual 2012	Actual 2011	Actual 2012	Actual 2011
	\$000	\$000	\$000	\$000
Cash at Bank and in hand	376	1,236	477	1,537
Short Term Deposits with a term of three months or less	1,214	4,524	1,293	4,755
Total Cash and Cash Equivalents	1,590	5,760	1,770	6,292

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 \$178,000 (2011: \$177,000). Refer to Note 23 for detail of trust funds.

13. Debtors and Other Receivables

	Council		Group	
	Actual 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
Rates Receivables	1,649	1,424	1,649	1,424
New Zealand Transport Agency Subsidy	630	1,746	630	1,746
Other Receivables	1,126	1,323	1,146	1,335
Related Party Receivables	49	-	-	-
Accrued Revenue	153	385	167	398
GST Receivable	431	588	432	594
Prepayments	142	211	143	211
Less Provision for Impairment of Receivables	(208)	(142)	(208)	(142)
Total	3,972	5,535	3,959	5,566

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 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 the provision for impairment of General Receivables and Community Loans are as follows:

	Council		Group	
	Actual 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
<i>As at 1 July</i>	142	77	144	78
Additional provisions made during the year	66	65	66	67
Receivables written off during period	-	-	(2)	(1)
As at 30 June	208	142	208	144

As at 30 June 2012, all overdue debtors and other receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

Council - Rates Receivables

2012	Gross \$000	Impairment \$000	Net 2012 \$000	Net 2011 \$000
Not past due - current year - 2012	1,114	-	1,114	1,040
Past due by 1 year - 2011	324	-	324	300
Past due by 2 years - prior to 2010	211	(4)	207	84
Total	1,649	(4)	1,645	1,424

Council - Other Receivables and Related Party Receivables

2012	Gross \$000	Impairment \$000	Net 2012 \$000	Net 2011 \$000
Not past due	741	(1)	740	613
Past due 1-30 days	67	(1)	66	308
Past due 31-60 days	56	(2)	54	193
Past due > 61 days	311	(200)	111	67
Total	1,175	(204)	971	1,181

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

14 Other Financial Assets

	Council		Group	
	Actual 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
Current Portion				
<i>Loans and Receivables</i>				
Community Loans - Other	54	5	54	5
Community Loan - Manawatu Community Trust	28	115	-	-
Community Loan - Manfeild Park Trust	-	-	-	-
<i>Held to Maturity</i>				
Other Investments	-	-	204	23
Local Authority Stock	-	-	-	-
Total Current Portion	82	120	258	28
Non-Current Portion				
<i>Loans and Receivables</i>				
Community Loans - Other	17	15	17	15
Community Loan - Manawatu Community Trust	612	425	-	-
Community Loan - Manfeild Park Trust	1,604	2,385	1,604	2,385
<i>Held to Maturity</i>				
Other Investments	600	600	600	600
Local Authority Stock	750	750	750	750
<i>Available for Sale</i>				
Shares in Subsidiary (Heartland Contractors Ltd)	-	-	-	-
Shares in NZ Local Government Insurance Corp Ltd	190	62	190	62
Shares in Manawatu-Wanganui LASS Limited	1	1	1	1
Shares in Fonterra	266	266	266	266
Total Non-Current Portion	4,040	4,504	3,428	4,079
Total Other Financial Assets	4,122	4,624	3,686	4,107

Community Loans

The above community loans have been advanced at interest rates ranging from 6.20% to 7.59% (2011: from 5.6% to 7.59%).

The fair value of community loans is \$2,314,524 (2011: \$2,944,744). The face value of community loans is \$5,613,703 (2011: \$6,362,703). 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.

The Council has a \$50,000 community loan with the Feilding and 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 as \$1,603,524.

Local Authority Stock

The fair value of local authority stock is \$759,113 (2011: \$775,127). The fair value has been determined by discounting future cash flows from the stock using a discount rate of 4.46% (2011: 4.81%) derived from relevant market inputs. The face value of the local authority stock is \$750,000 (2011: \$750,000). Detail of these loans is provided below.

	Actual 2012		Actual 2011	
	Face Value	Fair Value	Face Value	Fair Value
Total Current	-	-	-	-
Horowhenua District Council bond	750,000	759,113	750,000	775,127
Total Term	750,000	759,113	750,000	775,127
Total	750,000	759,113	750,000	775,127

Impairment

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

15 Non-Current Assets Held for Disposal

	Council		Group	
	Actual 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
<i>Non-Current Assets held for disposal are:</i>				
Land held for disposal	261	-	261	-
Buildings and Improvements held for disposal	396	-	396	-
	657	-	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	-
Current Portion	31,145	-	31,145	-
Term Portion	-	-	-	-
Total	31,145	-	31,145	-

The Council has approved the sale of land and buildings, represented by Sanson Hotel and adjacent land, of a total net book value of \$657,191. The completion date of the sale is expected to be by August 2012.

The accumulated property revaluation reserve recognised in equity for the non-current assets held for sale is \$28,900.

\$30,487,700 is held for transfer for nil consideration to Palmerston North City Council as a result of boundary change effective with 1 July 2012. For a further breakdown of the value of components transferred as a result of boundary change refer to events after the balance date Note 30.

The accumulated property revaluation reserve recognised in equity for the non-current assets held for transfer as a result of boundary change is \$10,542,750.

16 Property, Plant and Equipment

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

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
Waste	35,433	(1,102)	34,331
Water	59,574	(1,689)	57,885
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

2011	Cost/ Revaluation \$000	Accumulated Depreciation and Impairment Charges \$000	Carrying Amount \$000
Council			
<i>Operational Assets</i>			
Land	5,974		5,974
Buildings and Improvements	6,711		6,711
Library Books	2,229	(1,326)	903
Plant, Equipment and Furniture	1,625	(1,197)	428
Motor Vehicles	911	(352)	559
Work in progress	22		22
Total Operational Assets	17,473	(2,875)	14,598
<i>Infrastructural Assets</i>			
Land	5,424		5,424
Waste	29,452	(742)	28,710
Water	55,099	(1,456)	53,644
Roading Network	356,897	(6,562)	350,335
Land under Roads	68,357		68,357
Work in progress	7,789		7,789
Total Infrastructural Assets	523,018	(8,760)	514,259
<i>Restricted Assets</i>			
Land	15,455		15,455
Buildings and Improvements	16,015	-	16,015
Plant and Equipment	1,384	(715)	669
Work in progress	198		198
Total Restricted Assets	33,052	(715)	32,337
Total Council	573,543	(12,350)	561,193
<i>Other Group Assets</i>			
Manawatu Community Trust - Land	3,122		3,122
Manawatu Community Trust - Buildings and Improvements	9,153	-	9,153
Manawatu Community Trust - Equipment	13	(4)	9
Feilding Civic Centre Trust - Furniture, Equipment and Leasehold Improvements	876	(369)	507
Total	13,164	(373)	12,791
Group Assets - Property, Plant and Equipment	586,707	(12,723)	573,984

Comparatives:

Comparatives are information disclosed in the financial statements for the year ended 30 June 2011. To ensure consistency with the 2012 year's disclosures, certain comparatives have been reclassified as following:

\$398k being land at cost has been reclassified from Operational Assets to Infrastructural Assets.

\$857k being trees at cost have been reclassified from Roothing Network Assets to Building Improvements Assets.

The reclassification of comparatives has no impact on equity.

2012	Carrying Amount 1 July \$000	Revaluation Movement \$000	Additions \$000	Disposals \$000	Current Year Depreciation \$000	Carrying Amount 30 June \$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
Waste	28,710	4,757	5,043	(3,044)	(1,135)	34,331
Water	53,644	4,539	3,353	(2,015)	(1,636)	57,885
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

2011	Carrying Amount 1 July \$000	Revaluation Movement \$000	Additions \$000	Disposals \$000	Current Year Depreciation \$000	Carrying Amount 30 June \$000
Council						
<i>Operational Assets</i>						
Land	5,332	(310)	952	-		5,974
Buildings and Improvements	6,930	(520)	500	-	(199)	6,711
Library Books	930	-	180	-	(207)	903
Plant, Equipment and Furniture	492	-	154	-	(218)	428
Motor Vehicles	632	-	136	(77)	(132)	559
Work in progress	-	-	22	-	-	22
Total Operational Assets	14,317	(830)	1,944	(77)	(756)	14,597
<i>Infrastructural Assets</i>						
Land	5,353	(327)	398	-	-	5,424
Waste	29,260	192	-	-	(742)	28,710
Water	53,980	1,119	-	-	(1,456)	53,644
Roading Network	341,060	6,978	8,859	-	(6,562)	350,335
Land under Roads	68,357	-	-	-	-	68,357
Work in progress	4,720	-	3,069	-	-	7,789
Total Infrastructural Assets	502,730	7,962	12,326	-	(8,760)	514,259
<i>Restricted Assets</i>						
Land	17,823	(2,368)	-	-	-	15,455
Buildings and Improvements	15,950	822	192	(155)	(794)	16,015
Plant and Equipment	720	-	-	-	(51)	669
Work in progress	15	-	183	-	-	198
Total Restricted Assets	34,508	(1,546)	375	(155)	(845)	32,337
Total Council	551,555	5,586	14,645	(232)	(10,361)	561,193
<i>Other Group Assets</i>						
Manawatu Community Trust - Land	3,726	(604)	-	-	-	3,122
Manawatu Community Trust - Buildings and Improvements	9,829	(626)	304	-	(354)	9,153
Manawatu Community Trust - Equipment	5	-	6	-	(2)	9
Feilding Civic Centre Trust - Furniture, Equipment and Leasehold Improvements	416	-	166	-	(75)	507
Total	13,976	(1,230)	476	-	(431)	12,791
Group Assets - Property, Plant and Equipment	565,531	4,356	15,121	(232)	(10,792)	573,984

17 Intangible Assets

	Council and Group	
	Actual 2012	Actual 2011
	\$000	\$000
<i>Balance at 1 July</i>		
Cost	2,481	1,792
Accumulated Amortisation and Impairment	(930)	(594)
Opening Carrying Amount	1,551	1,198
Additions	77	689
Disposals	-	-
Amortisation Charge	(328)	(336)
Closing Carrying Amount	1,300	1,551
<i>Balance at 30 June</i>		
Cost	2,558	2,481
Accumulated Amortisation and Impairment	(1,258)	(930)
Closing Carrying Amount	1,300	1,551

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

All intangible assets are software.

18 Forestry Assets

	Council and Group	
	Actual 2012	Actual 2011
	\$000	\$000
<i>Balance at 1 July</i>		
Increases due to purchases	-	-
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	(55)	30
Decreases due to harvest	(69)	(157)
Balance at 30 June	284	408

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 \$1.2m at 30 June 2012 (2011: \$1.8m). MDC's portion is detailed above. At 30 June 2012 the remaining 164.2 hectares of pinus radiata forest were in varying stages of maturity ranging from 18 to 34 years. Harvesting commenced during the 2006/07 financial year and is expected to continue over the next four years. During the 2012 year 26.5 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 2012. A pre-tax discount rate of 10% (2011: 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 2012 \$000	Actual 2011 \$000
Income from Harvesting	85	242
Expenses Paid	(32)	(42)
Interest Capitalised to Loan	-	(10)
Cost of Bush Harvested	(69)	(157)
Increase/(Decrease) in Asset Value	(55)	30
	<u>(71)</u>	<u>63</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.

19 Creditors and Other Payables

	Council		Group	
	Actual 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
Trade Payables	2,528	4,046	2,603	4,198
Deposits and Bonds	1,505	916	1,506	916
Accrued Expenses	544	843	555	846
Amounts due to Related Parties (Note 27)	5	4	5	4
Revenue in Advance	649	567	657	567
Total Creditors and Other Payables	<u>5,231</u>	<u>6,376</u>	<u>5,326</u>	<u>6,531</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.

20 Provisions

	Council and Group	
	2012 \$000	2011 \$000
<i>Current Provisions are represented by:</i>		
Landfill Aftercare Provision	57	74
Total Current Provisions	<u>57</u>	<u>74</u>
<i>Non-Current Provisions are represented by:</i>		
Financial Guarantees	-	-
Landfill Aftercare Provision	829	724
Total Non-Current Provisions	<u>829</u>	<u>724</u>

	Council and Group	
	2012 \$000	2011 \$000
Opening balance	798	688
Additional provisions made during the year	108	133
Amounts used during the year	(42)	(45)
Unused amounts reversed during the year	-	-
Discount unwinding (Note 9)	22	22
Closing Balance	886	798

Provision for Financial Guarantees

In the past MDC had given a guarantee to the Manfeild Park Trust. During the current year MDC was released from the guarantee as the associated loan has been repaid by the Trust. Refer to Note 26.

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

21 Employee Entitlement Liabilities

	Council		Group	
	Actual 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
Accrued Pay	149	102	154	102
Annual Leave	562	552	565	560
Total Employee Entitlement Liabilities	711	654	720	662
Comprising:				
Current	711	654	720	662
Non-Current	-	-	-	-
Total Employee Entitlement Liabilities	711	654	720	662

22 Borrowings

	Council		Group	
	Actual 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
Opening Balance of Term Borrowings	12,024	14,696	12,024	14,696
Loans raised during the year	6,000	650	6,000	650
Loans repaid during the year	(2,616)	(3,332)	(2,616)	(3,332)
Loans recognised during the year ^{Note 1}	-	10	-	10
Closing Balance of Term Borrowings	15,408	12,024	15,408	12,024
<i>Current</i>				
Secured Loans	3,904	5,698	3,904	5,698
Total Current Borrowings	3,904	5,698	3,904	5,698
<i>Non-Current</i>				
Secured Loans	11,504	6,326	11,504	6,326
Total Non-Current Borrowings	11,504	6,326	11,504	6,326

Note 1 As at 30 June 2011 the Gordon Kear Forestry Encouragement loans had been repaid, interest expense of \$10k and repayments of \$175k for the year have been recognised (note: forestry loans are repayable to Palmerston North City Council from harvest proceeds). There are no loans recognised during the year ended 30 June 2012.

Fixed-Rate Debt

\$4 million of debt has been issued at floating interest rates and the remainder is at fixed rates of interest. The borrowing rates range from 4.26% to 7.15% as at 30 June 2012 (2011: 6.26% to 7.57%).

MDC has established loan redemption funds in respect of loans, with a nil carrying amount as at 30 June 2012 (2011: \$107,828). As the internal loans are paid off by activities on a regular basis, no loan redemption fund investment was considered necessary to be set aside to repay the principal and interest of the associated loans on the due date.

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.

23 Equity

	Council		Group	
	Actual 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
<i>Retained Earnings</i>				
As at 1 July	477,169	474,651	487,684	485,084
Transfers to:				
From Restricted Reserves	572	667	572	667
Transfers from:				
To Restricted reserves	(122)	(157)	(122)	(157)
Property revaluation reserves on disposal	257	45	257	45
Surplus/(deficit) for the year	4,103	1,962	4,152	2,045
As at 30 June	481,979	477,169	492,544	487,684
<i>Restricted Reserves</i>				
As at 1 July	3,020	3,530	3,020	3,530
Transfers to:				
From Retained earnings	122	157	122	157
Transfers from:				
To Retained earnings	(572)	(667)	(572)	(667)
As at 30 June	2,570	3,020	2,570	3,020
<i>Asset Revaluation Reserves (ARR)</i>				
As at 1 July	79,029	73,488	81,187	76,876
Revaluation Gains/(Losses)	28,730	5,586	28,730	4,356
Revaluation portion on asset disposed of	(257)	(45)	(257)	(45)
As at 30 June	107,502	79,029	109,660	81,187
Total Reserves	110,072	82,050	112,230	84,208
Total Equity	592,051	559,219	604,774	571,892

	Council		Group	
	Actual 2012	Actual 2011	Actual 2012	Actual 2011
	\$000	\$000	\$000	\$000

Restricted Reserves consist of:

Trust Funds

Hook Bequest	10	11	10	11
Trewin Bequest	1	1	1	1
Wakerill Trust	1	1	1	1
Robert Dickson Library Trust	3	3	3	3
P A Broad Memorial Trust	6	6	6	6
Historical Trust	3	3	3	3
Childrens Welfare Trust	-	-	-	-
Robert Dickson Educational Trust	25	28	25	28
Museum Trust	2	2	2	2
Feilding and District Relief Trust	126	122	126	122
	177	177	177	177

Special Funds

Land Subdivision	877	571	877	571
General Purpose	597	1,393	597	1,393
Emergency	919	880	919	880
	2,393	2,844	2,393	2,844

Total Trust and Special Funds

	2,570	3,021	2,570	3,021
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Asset Revaluation Reserves consist of:

Operational Assets

Land	2,937	2,385	2,937	2,385
Buildings and Improvements	996	996	996	996

Infrastructural Assets

Land	863	1,414	863	1,414
Utilities (Water, Stormwater, Wastewater and Solid Waste)	21,586	12,290	21,586	12,290
Roading Network	72,782	53,349	72,782	53,349

Restricted Assets

Land	3,955	4,043	5,740	5,827
Buildings and Improvements	4,383	4,552	4,756	4,926

Total	107,502	79,029	109,660	81,187
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Restricted reserves relate to:

- Trusts and bequest funds that have been provided to MDC by various people for specific projects.
- Special funds, are restricted by Council resolution and may only be applied to the purpose that established the fund.

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

	Council		Group	
	Actual 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
Surplus/(Deficit) after Tax	4,103	1,962	4,152	2,045
<i>Add/(Less) Non-Cash items:</i>				
Depreciation and Amortisation	12,045	10,697	12,465	11,129
Loans recognised during the year ^(refer Note 22)	-	10	-	10
Interest Capitalised to Loan	-	-	-	-
Vested Assets	(4,959)	-	(4,959)	-
Impairment of Investment	(119)	(110)	(119)	(110)
(Gains)/Losses in fair value of forestry assets	55	(115)	55	(115)
<i>Add/(Less) items classified as Investing or Financing Activities:</i>				
(Gains)/Losses on Disposal of Property, Plant and Equipment	1,020	(22)	1,020	(22)
(Gains)/Losses on disposal of investments classified as fair value through equity	-	-	-	-
<i>Add/(Less) movements in Working Capital items:</i>				
(Increase)/Decrease in Accounts Receivable	1,194	(1,625)	1,185	(1,587)
Increase (Decrease) in Accounts Payable	(98)	(95)	(111)	(32)
Increase (Decrease) in Provisions	88	109	88	109
Increase (Decrease) in Employee Benefits	57	93	58	95
Net GST	278	(138)	286	(143)
Net Cash from Operating Activities	13,664	10,766	14,120	11,379

25 Capital Commitments and Operating Leases

	Council		Group	
	Actual 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000

Capital Commitments

Capital Expenditure contracted for at balance date but not yet incurred for Property, Plant and Equipment	10,789	2,127	11,641	2,320
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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, \$3.8 million will be financed by way of subsidy from the New Zealand Transport Authority.

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 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
<i>Non-Cancellable Operating Leases as Lessee</i>				
Not later than one year	84	78	86	78
Later than one year and not later than two years	84	150	84	150
Later than two years and not later than five years	123	105	123	105
Later than five years	-	-	-	-
Total Non-Cancellable Operating Leases	291	333	293	333

26 Contingencies

Contingent Liabilities	Council		Group	
	Actual 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
Building Act Claims	-	-	-	-
Guarantees	-	1,525	-	1,525
Other Legal Proceedings	-	-	-	-
Total Contingent Liabilities	-	1,525	-	1,525

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.

Guarantees

MDC has been released on 10 April 2012 from the guarantee given to the ANZ Bank. The guarantee amounted to \$1,525,000 as at 30 June 2011, as disclosed above.

Other Legal Proceedings - Unquantified Claims

There are no unquantified claims to be recognised at balance date (2011: \$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 \$1.95m (2011: \$1.95m).

27 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 2012 \$000	Actual 2011 \$000
<i>Heartland Contractors Limited (Non Trading)</i>	Nil	Nil
The Mayor, Deputy Mayor and Chief Executive are directors of this company.		
<i>Feilding Civic Centre Trust</i>		
Grant provided by MDC	71	70
Services provided by MDC	12	11
There are nil balances owed to/from MDC to Feilding Civic Centre Trust (2011: \$nil).		
<i>Manawatu Community Trust</i>		
Services provided by MDC	54	46
Services provided by MDC (Rates)	314	312
Interest paid to MDC	37	45
Amounts payable to MDC at year end	48	11
Loans repaid to the MDC	100	100
Loan owing to MDC (as at balance date)	640	540
<i>Manawatu-Wanganui LASS Limited</i>		
The Chief Executive is a director of this company.		
Services provided to MDC	95	46
Amounts payable by MDC at year end	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 18 - Forestry Assets.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2011 \$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 Fleetwise Holdings Limited, a company in which the former Mayor, Ian McKelvie was a director. The value of purchases totalled \$63,273 (2011: \$179,845), of which \$nil (2011: \$17,611) was outstanding at balance date. These transactions occurred on normal commercial terms. Mr McKelvie ceased to be a Director of the Company on 14 October 2011 and ceased to hold the position of Mayor of MDC in December 2011.

The former Mayor, Ian McKelvie had been a trustee of the LAPP Fund until July 2011 when he resigned. During the year, the payments to LAPP totalled \$nil (2011: \$62,528), of which \$nil outstanding balances owed at year-end (2011: \$nil).

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 \$4,373 (2011: \$2,396). There were \$52 (2011: \$nil) outstanding at balance date. Revenue received from the company during the year totalled \$nil (2011: \$87), of which nil receivable at balance date (2011: \$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 \$270 in revenue (2011: \$226) of which \$270 is outstanding at balance date (2011: \$226).

During the year Council had transactions with Poppies Bookshop (ProEd Services Limited), a company in which the Mayor and former Councillor, Margaret Kouvelis is a shareholder and director. The value of purchases totalled \$nil (2011: \$346) of which \$nil was outstanding at balance date (2011: \$346). These transactions occurred on normal commercial terms.

The Mayor and former Councillor Margaret Kouvelis became a trustee of Te Manawa Services Charitable Trust. During the year Council gave grants to Te Manawa Services Charitable Trust amounting to \$22,548 of which \$nil was owing at balance date.

During the prior period, Council had transactions with Ulverscroft Large Print Books Ltd, a company in which Councillor John Gregory is an agent. Councillor John Gregory retired from Council in October 2010. The value of purchases until October 2010 totalled \$3,704. These transactions occurred on normal commercial terms. There is nil outstanding at balance date (2011: \$nil).

The 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 \$95,302 (2011: \$80,160), of which \$nil (2011: \$nil) was owing at balance date. Revenue received from Sport Manawatu during the year totalled \$nil (2011: \$1,560) of which \$nil (2011: \$7) was owing at balance date.

There is no provision recognised for the impairment of any loans or other receivable to related parties (2011: \$nil).

Key Management Personnel Compensations

(includes senior management, the Mayor and Councillors)

	Actual 2012 \$000	Actual 2011 \$000
Salaries and other short term employee benefits	966	1,074
Past-employment benefits	-	-
Other long term benefits	26	26
Termination benefits	-	-
Total	992	1,100

28 Remuneration

Elected Members

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

	Actual 2012 \$000	Actual 2011 \$000
<i>Current Elected Members</i>		
Mayor Margaret Kouvelis (elected Mayor in March 2012)	24,492	-
Mayor Ian McKelvie (to December 2011)	33,716	76,627
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)	26,953	32,965
Councillor Margaret Kouvelis (to March 2012)	17,248	16,622
Councillor John Baxter	27,405	25,436
Councillor John Salmon	25,010	24,112
Councillor Barbara Cameron	24,959	23,727
Councillor Steve Gibson	24,466	23,727
Councillor Margaret Giles	24,466	23,727
Councillor Alison Short	26,912	25,253
Councillor Howard Voss	25,010	23,965
Councillor Tony Jensen	24,466	16,622
Councillor Wayne Ellery (from June 2012)	187	-

	Actual 2012 \$000	Actual 2011 \$000
Councillor John Gregory (to October 2010)	-	7,817
Councillor Prue McBeth (to October 2010)	-	7,817
	325,647	328,417

Chief Executive

For the year ended 30 June 2012, the remuneration paid to the Chief Executive was \$199,169 (2011: \$199,505). In addition, the value of superannuation received was \$9,949 (2011: \$9,020) and the value of the motor vehicle benefits received was \$10,000 (2011: \$10,000).

29 Severance Payments

For the year ended 30 June 2012 there were no severance payments made (2011: \$nil).

30 Events after the Balance Sheet Date

Effective 1 July 2012 the boundary between Palmerston North City Council (PNCC) and Manawatu District Council (MDC) will be altered. This means that assets of a net book value of \$30,487,694 will be transferred for nil consideration to PNCC together with the transfer of liabilities totalling \$279,977 related to these assets. As a result, the total net book value of assets to be transferred has been disclosed as Non-financial asset held for transfer (refer to Note 15). A further breakdown of the net book value of assets held for transfer is provided below:

	\$000
Restricted Land	1,322
Restricted Building and Improvements	260
Utility Land	475
Stormwater Infrastructural Assets	1,212
Water Supply Infrastructural Assets	803
Sewerage Infrastructural Assets	3,044
Roads Reserve Land	3,269
Roading Assets	20,103
	30,488

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

31 Financial Instruments

Financial Instrument Categories

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

	Note	Council		Group	
		Actual 2012 \$000	Actual 2011 \$000	Actual 2012 \$000	Actual 2011 \$000
<i>FINANCIAL ASSETS</i>					
<i>Loans and Receivables</i>					
Cash and Cash Equivalents	12	1,590	5,760	1,770	6,292
Debtors and Other Receivables	13	3,972	5,535	3,958	5,566
Other Financial Assets:					
- Term Deposits	14	600	-	804	-
- Community Loans	14	2,315	2,945	1,675	2,405
Total Loans and Receivables		8,477	14,240	8,207	14,263
<i>Total held to Maturity</i>					
Other Financial Assets:					
- Other Investments	14	-	600	-	600
- Local Authority Stock	14	750	750	750	750
Total held to Maturity		750	1,350	750	1,350
<i>Available for Sale</i>					
Other Financial Assets:					
Shares in subsidiary (Heartland Contractors Ltd)	14	-	-	-	-
NZ Local Government Insurance Corp Ltd	14	190	63	190	63
Shares in Manawatu-Wanganui LASS Limited	14	1	1	1	1
Shares in Fonterra	14	266	266	266	266
Total available for Sale		457	330	457	330
Total Financial Assets		9,684	15,920	9,414	15,943
<i>FINANCIAL LIABILITIES</i>					
<i>Financial Liabilities at Amortised Cost</i>					
Creditors and Other Payables	19	5,231	6,376	5,326	6,531
Borrowings:					
- Bank Overdraft	22	-	-	-	-
- Secured Loans	22	15,408	12,024	15,408	12,024
Total Financial Liabilities at Amortised Cost		20,639	18,400	20,734	18,555

Fair Value Hierarchy Disclosures

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

	Valuation Technique			
	Total \$000	Quoted Market Price \$000	Observable Inputs \$000	Significant non- observable inputs \$000
30 June 2012 - Council				
<i>Financial Assets</i>				
Community Loan	1,604		1,604	
30 June 2012 -Group				
<i>Financial Assets</i>				
Community Loan	1,604		1,604	
30 June 2011 - Council				
<i>Financial Assets</i>				
Community Loan	1,485		1,485	
30 June 2011 -Group				
<i>Financial Assets</i>				
Community Loan	1,485		1,485	

All other financial instruments are recorded in the Balance Sheet at cost.

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 2012	Actual 2011	Actual 2012	Actual 2011
	\$000	\$000	\$000	\$000
Cash at Bank and Term Deposits	2,190	5,760	2,574	6,292
Debtors and Other Receivables	3,972	5,535	3,958	5,566
Community Loans	2,315	2,945	1,675	2,405
Local Authority Stock and Other Investments	1,207	1,413	1,207	1,413
Financial Guarantees	-	1,525	-	1,525
Total Credit Risk	9,684	17,178	9,414	17,201

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.

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			
	Council		Group	
	Actual 2012	Actual 2011	Actual 2012	Actual 2011
	\$000	\$000	\$000	\$000
<i>Counterparties with Credit Ratings</i>				
Cash at Bank and Term Deposits:				
AA Rating	-	5,260	-	6,291
AA- Rating	2,190	500	2,574	-
Total Cash at Bank and Term Deposits	2,190	5,760	2,574	6,291
Other Investments				
AA Rating	-	600	-	600
Total Other Investments	-	600	-	600
<i>Counterparties without Credit Ratings</i>				
Local Authority Stock, Community				
Existing counterparty with no defaults in the past	3,254	3,758	2,614	3,218
Existing counterparty with defaults in the past	-	-	-	-
Total Local Authority Stock, Community and Rural Housing Loans	3,254	3,758	2,614	3,218

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 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 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	-
<i>Council 2011</i>					
Creditors and Other Payables	6,376	6,376	6,376	-	-
Secured Loans	12,024	14,839	4,045	10,794	-
Financial Guarantees	-	-	-	-	-
Total	18,400	21,215	10,421	10,794	-
<i>Group 2011</i>					
Creditors and Other Payables	6,531	6,531	6,531	-	-
Secured Loans	12,024	14,839	4,045	10,794	-
Financial Guarantees	-	-	-	-	-
Total	18,555	21,370	10,576	10,794	-

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 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	2,315	9,579	123	1,020	8,436
- 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
<i>Council 2011</i>					
Cash and Cash Equivalents	5,760	5,760	5,760	-	-
Debtors and Other Receivables	5,535	5,535	5,535	-	-
Other Financial Assets:					
- Term Deposits	-	-	-	-	-
- Community Loans	2,945	7,407	56	550	6,801
- Other Investments	600	3,927	3,112	172	643
- Local Authority Stock	750	803	-	803	-
Total	15,590	23,432	14,463	1,525	7,444
<i>Group 2011</i>					
Cash and Cash Equivalents	6,292	6,292	6,292	-	-
Debtors and Other Receivables	5,566	5,566	5,566	-	-
Other Financial Assets:					
- Term Deposits	-	-	-	-	-
- Community Loans	2,405	7,407	56	550	6,801
- Other Investments	600	3,927	3,112	172	643
- Local Authority Stock	750	803	-	803	-
Total	15,613	23,995	15,026	1,525	7,444

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	Footnote	2012				2011			
		-100bps Profit \$000	Other Equity \$000	+100bps Profit \$000	Other Equity \$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	(16)	-	16	-	(58)	-	58	-
Other Financial Assets:									
Community Loans	2	(23)	-	23	-	(29)	-	29	-
Other Investments	3	-	-	-	-	-	-	-	-
Local Authority Stock	3	-	-	-	-	-	-	-	-
<i>Financial Liabilities</i>									
Secured Loans	4	-	-	-	-	-	-	-	-
Total Sensitivity to Interest Rate Risk		(39)	-	39	-	(87)	-	87	-
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 Fonterra	5	-	-	-	-	-	-	-	-
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 \$1,589,664 (2011: \$3,259,571) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$15,897 (2011: \$32,595).

2 Community Loans

Council has floating rate community advances with a principal amount totalling \$2,314,524 (2011: \$2,944,744). A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$23,145 (2011: \$29,447).

3 Local Authority Stock and Other Investments

Council has fixed rate term bonds and deposits totalling \$1,350,000 (2011: \$3,850,000) that are held to maturity. A movement in market interest rates does not have an impact to interest income on these fixed rate term bonds and deposits.

Financial Liabilities

4 Secured loans

Council has fixed rate debt with a principal amount totalling \$15,408,000 (2011: \$12,024,000). A movement in market interest rates on fixed rate debt does not have any impact because these secured loans are accounted for at amortised cost using the effective interest method.

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 \$187,000 in Dec 2007. Council accounts for these shares at cost.

Council holds unlisted equity instruments in Fonterra Co-operative Group Limited, which are not traded and will continue to be held by Council. The market value of these shares is assessed at \$4.52 per share as at 1 June 2011 as determined by the Directors of the Fonterra Co-operative Group Limited. 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.

Group	Footnote	2012				2011			
		-100bps Profit \$000	Other Equity \$000	+100bps Profit \$000	Other Equity \$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	(18)	-	18	-	(63)	-	63	-
Other Financial Assets:									
Term Deposits	3	(8)	-	8	-	-	-	-	-
Community Loans	2	(17)	-	17	-	(24)	-	24	-
Other Investments	3	-	-	-	-	-	-	-	-
Local Authority Stock	3	-	-	-	-	-	-	-	-
<i>Financial Liabilities</i>									
Secured Loans	4	-	-	-	-	-	-	-	-
Total Sensitivity to Interest Rate Risk		(43)	-	43	-	(87)	-	87	-
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 Fonterra	5	-	-	-	-	-	-	-	-
Total Sensitivity to Equity Price Risk		-	-	-	-	-	-	-	-

Explanation of Sensitivity Analysis - Group

Financial Assets

1 Cash and Cash Equivalents

Cash and cash equivalents include deposits at call totalling \$1,770,000 (2011: \$6,292,000) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$17,700 (2011: \$62,920).

2 Community Loans

The Group has floating rate community advances with a principal amount totalling \$1,674,524 (2011: \$2,405,000). A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$16,745 (2011: \$24,050).

3 Local Authority Stock and Other Investments

The Group has fixed rate term bonds and deposits totalling \$1,553,616 (2011: \$4,478,000) that are held to maturity. A movement in market interest rates does not have an impact on interest income on these fixed rate

term bonds and deposits.

Financial Liabilities

4 Secured Loans

The Group has fixed rate debt with a principal amount totalling \$15,408,000 (2011: \$12,024,000). A movement in market interest rates on fixed rate debt does not have any impact because these secured loans are accounted for at amortised cost using the effective interest method.

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 the Council. The market value of these shares is difficult to determine, but the net asset backing of this shareholding was \$187,000 in Dec 2007. The Group accounts for these shares at cost.

Council holds unlisted equity instruments in Fonterra Co-operative Group Limited, which are not traded and will continue to be held by Council. The market value of these shares is assessed at \$4.52 per share as at 1 June 2012 as determined by the Directors of Fonterra Co-operative Group Limited. The Group 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. The Group accounts for these shares at cost.

32 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 23).

Special Funds have been set aside by Council for specific purposes (see Note 23).

33 Explanation of Major Variances against Budget

Detailed below are explanations for major variations from the estimated figures in the 2011/12 Annual Plan.

Income Statement

The net surplus for the year is \$4.10m against a budgeted surplus of \$5.27m. The following are the most significant variances.

- » External interest expense is \$954,000 lower than budgeted. Council has elected to fund a portion of its capital work through internal borrowing instead of using external sources. In addition, the loans raised were

lower than budgeted (see comment below).

- » As a result of using our existing funds to fund capital expenditure our investment balances during the year were lower than expected. As a result interest received is \$321,000 lower than budgeted for.
- » Subsidies for the Himatangi Wastewater Scheme (\$2.00m) and the Rongotea Water Supply Scheme (\$2.32m) were budgeted for. Work on these schemes has been delayed and consequently the subsidy has yet to be received.
- » Council has budgeted a grant to the Bunnythorpe Hall Committee for \$240,000 and for the Palmerston North Surf Lifesaving Club of \$25,000. These grants have not yet been uplifted and have been carried forward to the 2012/13 year.
- » Due to a higher than expected valuation increase on infrastructural assets (1 July 2011), the depreciation expenditure is higher than budgeted.
- » The Parks and Reserves expenditure includes an asset write off of \$999,000 for the transfer of Totara Reserve to Horizons Regional Council. This was included in the 2010/11 budget.
- » Assets vesting in Council this year totalled \$4.9m. The main asset received was the Kopane Bridge from Horizons Regional Council.
- » Revenue from Development Contributions is \$850,000 below budget. This is a result of fewer subdivision applications being received or approved subdivision consents have not yet been actioned.

Balance Sheet

The most significant movements are:

- » Total investments are lower than budgeted for as a result of using existing funds instead of borrowing.
- » 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 2011. This resulted in an increase in the asset valuation and corresponding revaluation reserve of \$28.7m. The revaluation increase included in the budget was \$16.3m. When budgeting for revaluation we use the planned inflation rate. The actual revaluation is based on actual contract rates, technology changes and changes in the property market.

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 \$2.6 million of debt, raised \$6.0 million of debt, resulting in an increase of debt from \$12.0 million at the start of the financial year to \$15.4 million at 30 June 2012.

Key Statistics

	Actual 2011	Actual 2012	Budget 2012
2.4%	Gross Interest Expense compared to Revenue not to exceed 10%	2.0%	4.1%
3.9%	Gross Interest Expense compared to Rates Revenue not to exceed 20%	3.4%	7.3%
11.2	Net Cash flows from operating activities to exceed Gross Interest Expense by 1.5 times	19.4	9.1
1.61	Net Working Capital Ratio is greater than 1 (Current assets compared to current liabilities excluding current portion of debt and Properties for Sale)	0.94	0.74
2.1%	Total Debt compared to Total Assets	2.5%	3.2%

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: 38.94% (\$6.0 million) of net debt was refinanced for the year ended 30 June 2012, 45% (\$7 million) of net debt matures in 2014/2015, however a pre-arranged facility is in place to re-finance.

Council has complied with all aspects of its Liability Management policy, except for the net working capital ratio. However, a credit facility is available should the need arise. For further information refer to Note 22.

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.

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.

Interest Received

Interest received on investments at \$268k was down on last year's \$579k due to a fall in market interest rates and a reduction in investments. Investments were used to fund capital activity as opposed to drawing down additional loans.

Other Equity Investments

Council has maintained its joint forestry with Palmerston North City Council along with its historical investment in LGIC.

With one exception, Council complied with its Investment Management policy during the year. In October 2011 Council breached the maximum limit of investments in one financial institution (limit 30%). Due to the unexpected early receipt of a subsidy claim Council held 39% of its investment with the BNZ for a two-day period. For further information refer to Note 14.

Report on Revenue and Finance Policy

Summary Table

Significant Activity	Actual		Function	Funding Policy	
	Public	Private		Public	Private
Community Facilities	100%	0%	Public Conveniences	100%	0%
	66%	34%	Cemeteries	60%	40%
Democracy	100%	0%	Democracy and Policy Development	100%	0%
District Development	94%	6%	Community Funding and Development	100%	0%
	100%	0%	Economic Development	100%	0%
	65%	35%	Feilding CBD Redevelopment	65%	35%
Emergency Management	100%	0%	Civil Defence	100%	0%
	100%	0%	Rural Fire	100%	0%
Environmental and Regulatory Management	25%	75%	Animal Control	20%	80%
	21%	79%	Building Consents	20%	80%
	100%	0%	Building Policy, Monitoring and Compliance	100%	0%
	38%	62%	Environmental Health Consents	20%	80%
	100%	0%	Environmental Health Policy, Monitoring and Compliance	100%	0%
	0%	100%	Liquor Licensing Consents	20%	80%
	100%	0%	Liquor Policy, Monitoring and Compliance	100%	0%
	100%	0%	District Planning Policy, Monitoring and Enforcement	100%	0%
Leisure Resources	22%	78%	District Planning Consents	40%	60%
	95%	5%	Libraries and Archives	95%	5%
	100%	0%	Local Halls and Recreation Complexes	100%	0%
	91%	9%	Parks, Reserves and Sportsground	90%	10%
Roading	69%	31%	Makino Aquatic Centre	65%	35%
	48%	52%	Roading	55%	45%
Waste	0%	100%	Wastewater	0%	100%
	42%	58%	Solid Waste Collection	30%	70%
	100%	0%	Solid Waste Disposal	50%	50%
	100%	0%	Recycling System and Centre	100%	0%
	0%	100%	Recycling Feilding Kerbside	0%	100%
Water Supply	5%	95%	Rural Land Drainage	5%	95%
	20%	80%	Urban Stormwater	20%	80%
	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 and the promotion of health and wellbeing services for the residents of the Manawatu district. Following is the income statement for the year ended 2012.

Manawatu Community Trust – Income Statement for the Year ended 30 June 2012

	2012 \$000	2011 \$000
<i>Income</i>		
Rents Received	1,093	1,108
Interest	13	15
Grants and Donations	30	47
Total Income	1,136	1,170
<i>Expenditure</i>		
Employee Benefit Expenses	86	57
Depreciation	338	357
Other Expenses	636	668
Finance Costs	37	44
Property Plant and Equipment impairment loss	-	1,230
Total Operating Expenditure	1,097	2,356
Operating Surplus/(Deficit)	39	(1,186)
Other Comprehensive Income	-	-
Net Surplus/(Deficit)	39	(1,186)

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 2012

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

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.

residents who meet the eligibility criteria set.

Management comment: A full rent review was completed on 13 March 2012 the results of the review were:

- a. *That rentals for MCT flats be increased by 4% rounded to the nearest dollar effective at 1 July 2012.*
- b. *New tenancies for non-refurbished Cedar Crescent Flats was increased to \$114 per week.*

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 MCT flats have been assessed against the standards for housing for the elderly and disabled

3% have an A rating overall (highest level)

16% have a B rating overall

81% have a C rating overall

0% have a D rating overall

Identified housing stock which requires a major upgrade include:

Alexandra Complex (this work is in progress at the present time), 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 \$100,178 for the year ended 30 June 2012, an average of \$8,348 per month. This compared with the previous year of \$12,720 per month.

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 95%. Alexandra complex had an average occupancy level of 77.9%. This was largely due to the fact that empty flats have been kept for Alexandra residents to move into during the upgrade of their own flat. Both Sanson and Rongotea experienced periods of 50% occupancy between October 2011 and Feb 2012 but full occupancy during the other months.

4. Health

Lead and facilitate the development and establishment of an Integrated Family Health

Centre in Feilding.

Management comment: This work gained increased momentum following the awarding of a feasibility contract from the Ministry of Health to Sapere Research Group. A full report is due in late July which will include a comprehensive business case on the model of care, options for the operation and management of the centre, Financial modelling and a review design aspects.

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. The return on investment for 2012 year is 2.73% compared to a negative one in 2011.

Management comment: 64.18% of rental income for the year ending 30 June 2012 was spent on capital improvements and major maintenance

Capital Loan reduction of \$100,000 by 30 June 2012.

Management comment: The Trust refinanced the historical loan from MDC and repaid principal of \$100 000 during the year.

Provide Financial Reporting to the Manawatu District Council as required.

Management comment: The Trust reported to Manawatu District Council on 20 October 2011 and 19 April 2012

Maintain the ratio of consolidated public equity to total assets to be no less than 60:40. This is defined as Total Equity/Total Liabilities and Equity. At 30 June 2012, this ratio was 94: 6, same as at 30 June 2011.

Management comment: Refer Final Accounts

A low-angle photograph of a massive tree trunk in a lush green forest. A man wearing a dark cap, glasses, and a vest is standing at the bottom right, looking up at the tree with his hand resting on its trunk. The tree's bark is thick and textured, with some moss or lichen visible. The background is filled with dense green foliage and other trees, creating a sense of a deep forest.

Part Four
Other Information



This section of the Annual Report contains the following information:

- Manawatu District Council: Directory
- Manawatu District Council: Mayor and Councillors
- Manawatu District Council : Organisation Structure
- Manawatu District Council: Activities and Functions
- Member's Responsibilities
- Manawatu District Council: Statement of Resources
- Equal Employment Opportunities Statement
- Maori Capacity to Contribute to Decision-Making
- Grants 2011/12
- Glossary

Manawatu District Council: Directory

The logo for the Manawatu District Council has a flowing style of "M" endeavouring to give the feeling of the hills that are prominent around this area. The tail of the "M" becomes smoother to indicate the relatively flat plains within the hills. The Manawatu River through the hills is also indicated by the flowing "M".

The "M moves over five diagonal bars representing the five former Councils which make up the new district (Feilding Borough Council, KIWITEA County Council, Manawatu District Council, Oroua County Council and Pohangina County Council). The feeling of movement also indicates that the Council will be seen as a lively, progressive and forward thinking local authority.



Council Office: 135 Manchester Street, Feilding
Postal Address: Private Bag 10-001, Feilding 4743
Telephone: (06) 323 0000
Fax: (06) 323 0822
E-mail: public@mdc.govt.nz
Web: www.mdc.govt.nz
Auditors: Audit New Zealand,
45 Pipitea Street, Wellington
*(on behalf of the Office of the
Controller and Auditor General)*

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 Steve Gibson
Ph: 323 5533



Cr Tony Jensen
Ph: 323 7569



Cr Wayne Ellery
Ph: 323 4230

Kairanga Ward



Cr Margaret Giles
Ph: 324 8987



Cr John Salmon
Ph: 357 6910



Cr Howard Voss
Ph: 356 9779

Kiwitea-Pohangina Ward



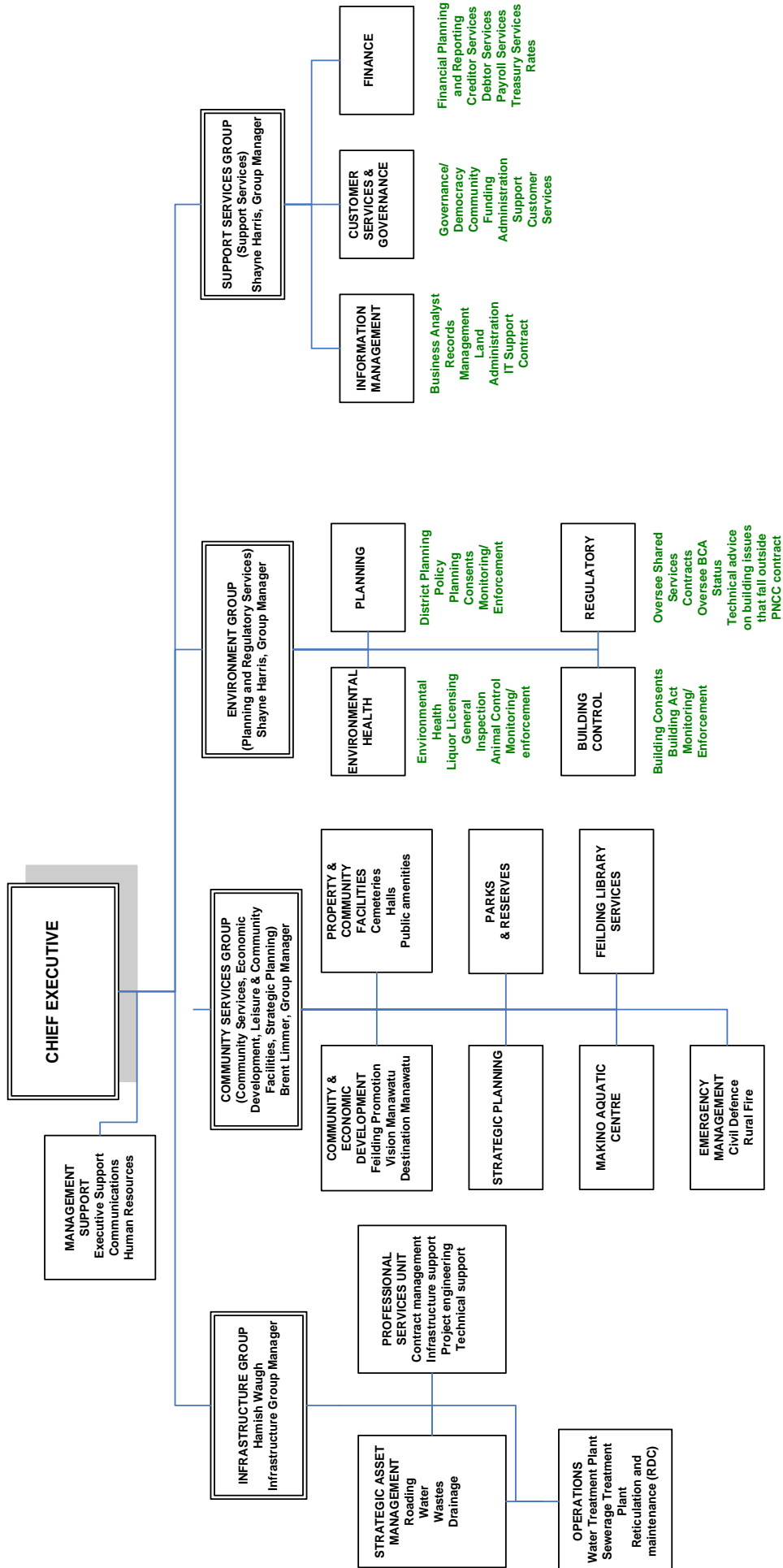
Cr John Baxter
Ph: 328 7019



Cr Alison Short
Ph: 328 9768

Staff Organisation Chart

June 2012



Executive Team



Chief Executive
Lorraine Vincent



Infrastructure Group
Manager
Hamish Waugh



Community Services Group
Manager
Brent Limmer

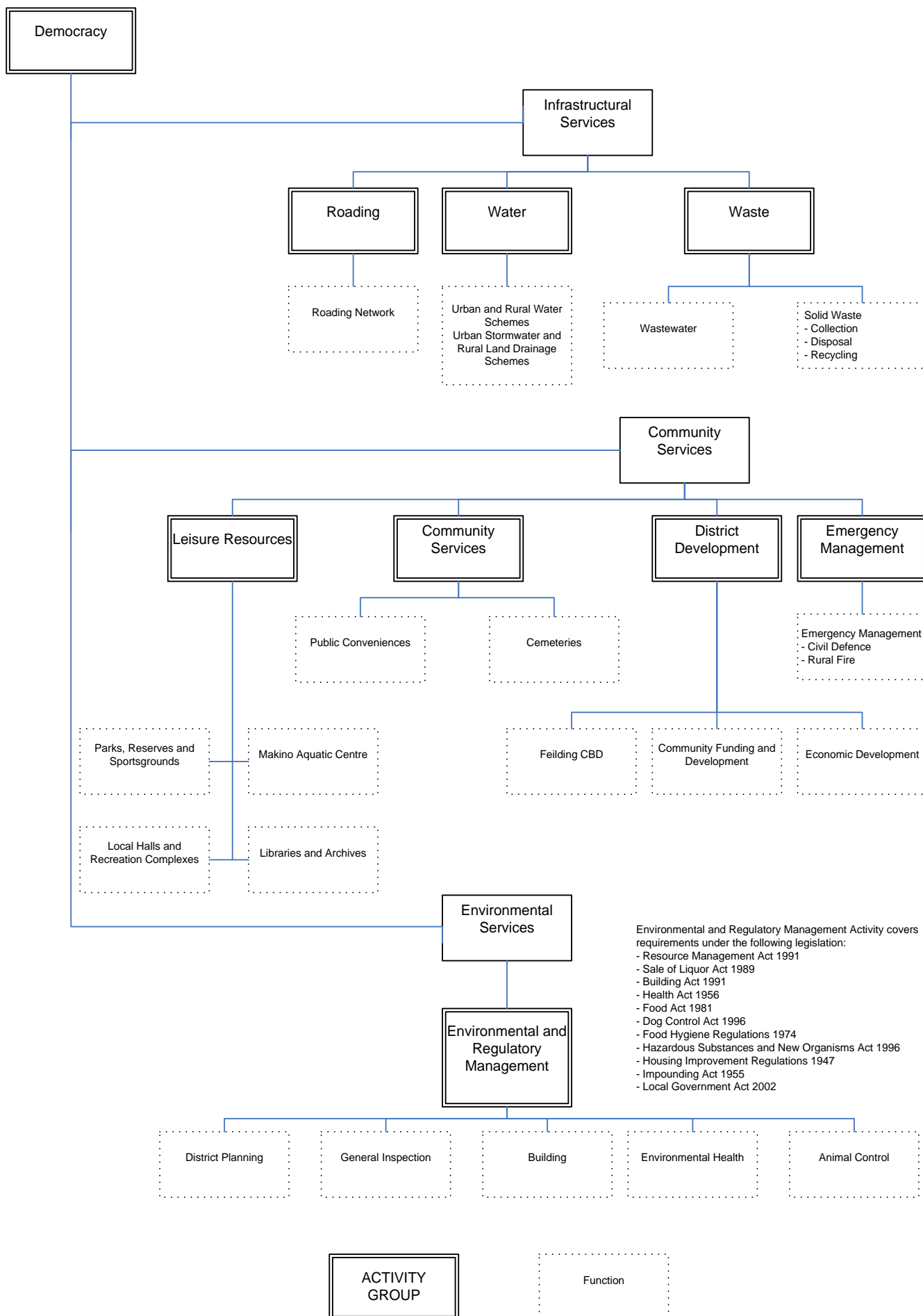


Support Services and
Environmental Group Manager
Shayne Harris



Human Resources Manager
Linda Gordon

Manawatu District Council: Activities and Functions



Member's Responsibilities

Standing Committee Membership at 30 June 2012

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 Gibson	✓	✓			
Cr Giles	✓	✓			
Cr Jensen	✓	✓		✓	✓
Cr Salmon	✓	✓	✓		
Cr Short	✓	✓		✓	
Cr Voss	✓ (DC)	✓	✓ (DC)		✓

Subcommittee Membership

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

Key:

✓ = Member of Committee

(C) = Chairperson

(DC) = Deputy Chairperson

Manawatu District Council: Statement of Resources

Council uses significant resources to meet its objectives and provide services required by the community. The monetary value of these resources is detailed in the financial statements. Non-financial quantitative information relating to these resources is detailed below:

	30 June 2011	30 June 2012
<i>Community Services</i>		
Cemeteries: Feilding, Halcombe, Kimbolton, Pohangina, Rangiwahia, Rongotea, Sandon, Waituna West	8	8
<i>Drainage</i>		
Length of Stormwater Mains (kms)	66.7	66.7
Feilding		
Bunnythorpe	2.2	2.2
Rongotea	1.7	1.7
Sanson	1.7	1.7
<i>Leisure Resources</i>		
Libraries and Archives		
Feilding Public Library (also services seven volunteer community libraries)	1	1
Other Library Buildings	1	1
Total Book Stocks	68,305	68,552
Total Issues	392,857	385,303
<i>Local Halls and Recreation Complexes</i>		
Local Halls ^{Note 1}	19	19
Recreation complexes (Civic Centre and Te Kawanu Memorial Recreation Centre)	2	2
<i>Parks and Reserves</i>		
Total Reserves for District (ha)	538.4	538.4
<i>Swimming Pools</i>		
Makino Aquatic Centre	1	1
Pohangina Old School Grounds	1	1
Pakihikura Old School Grounds	1	1
Rewa Old School Grounds	1	1
<i>Roading and Footpaths</i>		
Length of Roads (km):		
Rural - sealed	915.3	915.3
Rural - unsealed	373.2	373.2
Urban - sealed	133.1	133.1
Urban - unsealed	11.1	11.1
Bridges	290	290
Length of footpaths (km)	136.6	136.6
Street lighting – lights	1,595	1,595
Street lighting – poles	836	836
Feilding stormwater leads (considered part of the roading asset)	12km	12km
<i>Waste</i>		
Solid Waste		
Operating Landfills	0	0
Transfer Stations	4	4

Solid Waste continued		
Recycling Centres	8	8
Closed Landfill Sites	3	3
Wastewater		
Length of mains (km):		
Feilding	100	100
Sanson	4.5	4.5
Rongotea	6.8	6.8
Halcombe	6.0	6.0
Longburn	4.3	4.3
Bunnythorpe	12.6	12.6
Kimbolton	6.5	6.5
Cheltenham	2.6	2.6
Himatangi	0.7	0.7
Awahuri	0.6	0.6
Sewage Treatment Schemes (no.)	9	9
<i>Water Supply</i>		
Length of mains (km):		
Feilding	142.5	142.5
Sanson	13.5	13.5
Longburn	2.2	2.2
Bunnythorpe	5.7	5.7
Himatangi	9.9	9.9
Kiwitea Rural Water Supply	45.5	45.5
Waituna West Rural Water Supply	45.4	45.4
Stanway/Halcombe Rural Water Supply	106.5	106.5
Oroua No 1 Rural Water Supply	17.3	17.3
Water Supply Schemes (no.):		
Urban	5	5
Rural	4	4
<i>Employees (Full-time equivalent (FTE) positions) ^{Note 2}</i>		
Chief Executive's Department	4.6	5.6
Support Services	24.9	26
Environmental	9.8	9.6
Infrastructure*	43	48.5
Community Services	23.4	24.6
*Please note that shared services arrangements have influenced the staff numbers in the Infrastructure group	106	114.3
<i>Buildings</i>		
Housing - Staff and Others	7	7
Administration Offices	1	1
Camping Grounds (both leased out)	2	2
Commercial Property (leased out)	0	0
Depots	2	2
Other Commercial Property	6	6

Notes:

1. Council also helps administer nine halls that are owned and run by their communities.
2. Employee numbers shown at 30 June 2012 reflect full-time equivalent positions and are not broken down by full-time, part-time or casual positions. The Council's total salaries and wages expenditure for the year ended 30 June 2012, excluding elected members, is detailed in Note 7 of the financial statements. In addition to employed Council staff, there are numerous volunteers throughout the district who assist activities provided by the Council. Their support is highly valued and contributes towards the effective provision of services.

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 2011/12 Equal Employment Opportunities Programme

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



The Manawatu District Council is committed to developing equal opportunities for current and future employees.

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 Standing 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 Standing 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 Standing 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 Consultative Standing 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 2011/12

During 2011/12, Council approved a number of grants from its General Grants Fund. The following schedule is provided for ratepayers' information. These include the following types of grants:

- *Rates Grants* - for Manawatu based non-profit organisations demonstrating community benefit. A large portion of this covers rates.
- *Representative Grants* - for people participating and representing the Manawatu District in national or international events.
- *Community Promotions Grants* - for Manawatu based non-profit organisations towards events located in the Manawatu District Council area.

All figures shown below are GST exclusive.

Rates Grants

Grants specially for the purpose of paying rates, made to Manawatu based non-profit organisations demonstrating community benefit.

	\$
Ruahine Kindergarten Association - Lethbridge St	889
Feilding Kindergarten - Montgomery Street	889
Kimbolton Playcentre - Lind Street	282
Halcombe Playcentre - Willoughby Street	268
Feilding Playcentre - 254A Kimbolton Road	1,171
Central Districts Playcentre Association - Te Kawau Playcentre, Rongotea	221
Sanson Playcentre	624
Hapaitia Te Kohanga Reo - 23 Owen St Fdg	1,454
Bunnythorpe Gospel Hall Trust Board	569
Parish of Rangitikei - 12 A'Court St, Sanson	181
Rongotea Uniting Parish	221
Rongotea Bible Chapel	221
Methodist Church Trustees - 33 Koputara Road, Himatangi	266
Feilding Methodist Church Trustees - 11 Grey Street, Feilding	2,268
Stewards Trust of New Zealand Inc. (Warwick Street Gospel Chapel)	2,264
Apostolic Church Trust Board - 65 Stafford St	1,741
Apostolic Church Trust Board - 67 Stafford Street	2,019
Apostolic Church Trust Board - 90 Aorangi St	607
Baha'i Faith Centre - 45 East Street, Feilding	607
The Church at Feilding -170 North St Fdg	569
Feilding Congregation of Jehovah's Witness - 99 Beattie St Fdg	569
Feilding New Life Centre Charitable Trust - 6 Fergusson St Fdg	889
Presbyterian Church Property Fdg/Oroua Presbyterian Parish North St Fdg	569
Trinity Lutheran Church 45 West St Fdg	569
Presbyterian Church St Pauls Aorangi St Fdg	569
Methodist Church of NZ Ashhurst-Bunnythorpe-Pohangina - 1 Baring St Pohangina	569
St Brigids Church - 4 Monmouth St Fdg	1,699
Feilding Seventh Day Adventist - 2 Fergusson St Fdg	569
Royal NZ Plunket Society Kimbolton/Kiwitea Branch - 2877 Kimbolton Rd	491
Royal NZ Plunket Society (Feilding) Inc - Douglas Sq, Rongotea	737

	\$
St John Ambulance Association - Feilding	7,511
Feilding Scout and Guide Hall Committee	3,175
Manchester House Social Service Society	8,947
Te Manawa Services Charitable Trust - CLC, 117 Fergusson Street	2,705
Feilding Caledonian Society, Weld Street	896
Feilding Brass, Manchester Street	499
Riding for the Disabled, 248 Awahuri Road	909
Royal NZ Plunket Society (Feilding) Inc - 32-34 Stafford St	2,168
Te Kawau Bowling Club Inc	405
Feilding Golf Club Inc	1,636
Halcombe Rugby Club	409
Feilding Rugby Executive	311
Feilding and Districts SPCA Inc - 4 Awa St	937
Feilding and District Steam Rail Society Inc.	1,193
Steam Traction Society Inc - 76 Maewa Road and Maewa Road	217
Rongotea RSA - 3 Avon Street, Rongotea	393
Oroua Womens Club Inc	951
Masonic Hall (Feilding Ltd)	808
Taumata Ote Ra Marae Committee (10 sewerage charges) 50% of services	1,546
Feilding Gospel Trust	3,433
Manfeild Park Trust	672
Manawatu Naturist Club Inc - Lake Road	375
Associated Churches of Christ (Feilding Lifepoint Church) - 116 Derby St, Fdg	2,833
Wellington Diocesan Trust Board - Anglican Parishes of the Oroua	221
Salvation Army Property NZ Trust Board - 124 Manchester St, Fdg	3,111
Church Wardens Parish of Feilding/Anglican Parish of the Oroua - 16 Camden St, Fdg	282
Feilding Lawn Tennis Club - South St, Fdg	620
	\$71,724

Sewerage Grants

Council funds sewerage costs for some district schools and other organisations. Most of these grants are funded through the specific sewerage accounts.

	\$
Feilding High School	16,415
Feilding Intermediate School	8,780
Lytton Street School	11,834
Manchester Street School	6,871
North Street School	10,307
St Josephs School	4,199
Eden Christian Kindergarten	763
Feilding Kindergarten School	1,145
Makino Kindergarten School	382
Halcombe School	3,436
Halcombe Playcentre	763

	\$
Bunnythorpe School	4,581
Longburn School	3,817
Sanson School	1,717
Sanson Playcentre	245
Rongotea School	897
Longburn Adventist School	14,888
Cheltenham School	3,054
Kimbolton Playcentre	382
Kimbolton School	1,145
	\$95,621

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
Hikatoto Urupa	1,298
St Agnes Church/Kiwitea Churchyard Trust	250
Aorangi Urupa Management Committee	1,000
	\$2,798

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 Collec Trst	10,000
Social Issues Network Council of	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
Parentline Manawatu Inc	1,000
SuperGrans Manawatu Charitable Trust	990
Whanau Ataaha Beautiful Families Trust	1,000
	\$122,690

Community Funds

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

	\$
Central Festival Trust - Rugby World Cup	15,000
	\$15,000

Swimming Pool Grants

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

	\$
Rongotea School	200
Awahou School	200
Awahou School	200
Tangimoana	200
	<hr/>
	\$800

Representative Grants

Representative grants are made to people representing the Manawatu district in national and international events

	\$
Alecia Viles	500
Lisa Swinbanks	1,100
Manawatu U17 Boys Softball Team	217
Lytton Street School - Jump Jam Team	435
North Street School - Jump Jam Team	435
Keiren Kleinschmidt	500
Sam Southcombe	1,000
Step n Thyme Leisure Marching	500
Tawhirimatea Fielding- Richardson	500
Serena Rata	450
Caterine Scoon	450
Aimee Perrett	500
Feilding Volunteer Fire Brigade	2,000
	<hr/>
	\$8,587

Community Promotions Grants

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

	\$
Bike Manawatu Inc	1,000
Destination Manawatu	2,000
Employment Plus - Youth Development Programme	315
Lions Club of Fitzherbert Charitable Trust	580
Feilding High School PTA	4,348
Step n Thyme Leisure Marching	265
Rotary Club of Feilding	365
Dressage New Zealand	1,000
Himatangi Beach Community Trust	1,000
NZ Cycling Nationals Committee	1,500
	<hr/>
	\$12,373

Trust Funds

Council administers trust funds that have been vested to Council over the years and are available for specific purposes. The total grants allocated from these funds during the 2011/12 years were:

	\$
Robert Dickson Trust Fund	4,581
Hook Bequest Trust	908
	<hr/> \$5,489

Creative New Zealand Grants

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

	\$
Te Puanga Whakaari	1,000
Feilding and District Art Society	2,000
Rangiwahia Environmental Arts Centre Inc	6,180
Therese Peterson	400
Catherine McCall	1,293
Hato Paora College	880
Feilding Civic Centre Trust	1,000
Feilding Bible Chapel	700
Feilding Brass Inc	780
Rongotea School	1,345
Feilding Playcentre	760
Feilding and Districts Art Society Inc	3,380
Feilding and Districts Historical Society	1,500
Celtic Spirit	5,000
Rewa Community Arts Group	500
	<hr/> \$26,717

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.

