



Manawatu District Council

# Annual Report

for the year ended 30 June 2015



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## 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 Manawatu District Council's (Council) actual performance against what was forecast for the 2014/15 Annual Plan and year three in the 2012–2022 Long Term Plan (LTP).

The Annual Report:

- reports against the Council's key activities, performance indicators and budgets outlined in the 2012–2022 LTP — we are reporting against what we said we would do in the 2014/15 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:

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<b>Section one:</b> Introduction	Section one provides an overview of the 2014/15 year including key highlights.
<b>Section two:</b> Groups of Activities	Section two summarises what Council has achieved in each activity group, including performance indicators.
<b>Section three:</b> 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.
<b>Section four:</b> Other Information	Section four provides other information, including summary information about the Council, elected representatives, staff and grants.

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# Section One: Introduction

## Our goals — the Mayor's message

Our vision is to be a connected, vibrant, thriving Manawatu and many people tell us that we are. In looking over this year I asked myself if we have we done what we said we would; improved our outcomes and achieved our annual goals? I'm pleased to say we have done that, while still remaining focussed on the long term goals.

This has been a Long Term Plan year — we have re-evaluated our previous ten year plan and asked you for your input to ensure that it is sustainable, aligned and relevant. In fact we found we did not need to change very much at all. We are still headed in the right direction and for the right reasons.

When I engage with the entrepreneurs of the district and internationally it is easy to see why we are growing. We have a lot of potential in our district that is attractive to overseas investors; our disease free status, first class soils, abundant water, average rainfall and proximity to the research centres in Palmerston North is a huge drawcard. In Feilding, we have developers progressing subdivisions and infill housing, at a pace which is affordable to young families wanting to locate here. We have schools that are vibrant places to learn.

While we are encouraging economic development we are mindful that our land is also our Taonga and needs to be protected. We have the luxury of being able to look ahead 50 years to identify the things we need to protect; our water and our fertile class-one soils. These are the key things that support our agribusiness. We have identified our special character areas that will attract tourism. The proposed District Plan revision incorporates these key items to guide our future development, ensuring that we have the space and resources for everything we want to achieve.

Our focus has been on growth and how to achieve it. We are collaborating with Palmerston North City on the establishment of a Council Controlled Organisation to provide economic development and tourism. We have led out and engaged with government to create a regional growth strategy ensuring that when our region prospers, our people prosper.

UltraFast broadband is the way of the future and an enabler of growth. We have targeted our industrial area to benefit from this as it is so important to international clients.

Change is inevitable, and we are spearheading change and look forward to meeting the challenges head on as we achieve our goal of making Manawatu the best rural lifestyle in New Zealand.



Margaret Kouvelis  
**Manawatu District Mayor**

# Our performance – the Chief Executive’s report

Nowadays it is cliché to mention the only thing constant in our lives is change. Change has always been with us — it is just faster this week than last week, this month than last month, this year than last year.

This Council’s aim remains — keep improving to stay responsive, modern and agile. It will always be an ongoing process (and one we will never quite reach) because our District’s technological, business and cultural expectations are also evolving — and changing.

Technology is a crucial tool to make the best use of time and therefore money. This year has seen the implementation of technologies to unchain our people from their desks. Elected members and Council staff are now better able to work on the road or away from the office.

Use of teleconferencing has reduced the need to travel for many meetings. Our building services team is using new technology to speed the processing of building inspections, while a phone application makes it easy for builders to arrange inspections and get the results back to their pocket.

Council has also been working towards having a smart library that embraces technology and ensures getting information is easier and faster. Libraries have traditionally been about books — today they are about information and communication in all forms.

From books to bathing, much work has been done refining design and securing funding for the Makino Aquatic Centre redevelopment. This is another step to ensuring we have a vibrant community asset fit for future.

Technology in itself is not a panacea for good business. People are the front, centre and rear of what Council does. We have been building new processes to support our restructure begun in June 2014. It has had some rocky patches but change is rarely smooth. We have appreciated feedback from our District so we can recalibrate services — or even decide if the service needs to be delivered.

Local government has rightly been challenged by its Minister Paula Bennett to look at what it does, how it does it, how it can make a difference for the community, and how it can do it better.

These will continue to be drivers for improvement in the next year, with Council and its people more prepared for the challenges.



Lorraine Vincent

**Chief Executive**

# Our District

Stretching from the rugged and picturesque Ruahine Ranges in the north to the sands of Himatangi Beach in the south, and most of the area between the Rangitikei River in the west and Manawatu River in the east, the Manawatu District is called home by 28,800 people.

At its heart is Feilding, which is the centre of this highly productive farming district. Feilding has been named New Zealand's most beautiful town 14 times, is home to iconic attractions including the saleyards in the centre of town, the Coach House Museum, Manfeild Park and arguably the best farmer's market in New Zealand.

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

The district is experiencing strong growth, growing by five per cent between 2006 and 2013, adding 1,400 people to the area.

# Your Council – who are we?

## Manawatu District Mayor



Margaret Kouvelis

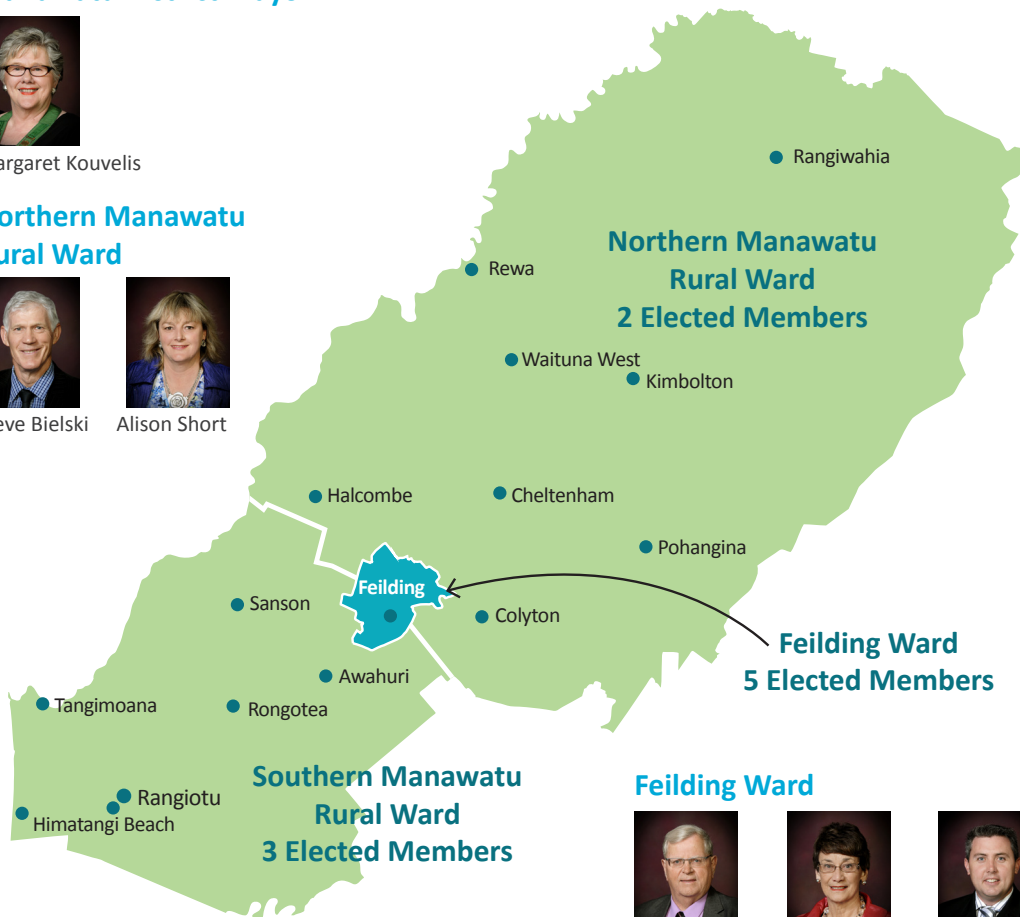
## Northern Manawatu Rural Ward



Steve Bielski



Alison Short



## Southern Manawatu Rural Ward



Jo Heslop



Howard Voss



Andrew Quarrie

## Feilding Ward



Tony Jensen  
(Deputy Mayor)



Barbara  
Cameron



Shane Casey



Wayne Ellery



Albert James

# Vision

As part of preparations for the 2012–2022 Long Term Plan, Council created a vision statement for Manawatu District. It is a stated desire for the future, and helps guide Council with the decisions it needs to make.

## Connected, vibrant, and thriving Manawatu – the best rural lifestyle in New Zealand

This statement is supported by vision statements for the District's villages, rural communities and Feilding.

### Villages vision

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

### Rural vision

The food basket of New Zealand within a sustainable rural landscape that offers outstanding recreational opportunity.

### Feilding vision

A thriving community enjoying the most vibrant country town in New Zealand, servicing the regional rural sector.

## Council outcomes

The following Council outcomes underpin Manawatu District's vision:

- Manawatu District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga
- Manawatu District will attract and retain residents
- Manawatu District develops a broad economic base from its solid foundation in the primary sector
- Manawatu and its people are connected via quality infrastructure and technology
- Manawatu's built environment is safe, reliable and attractive
- Manawatu District Council is an agile and effective organisation



# Our highlights

## Mangarere bridge refurbishment

The current Mangarere bridge has been in place since 1964 and provides a lifeline for the Mangarere Road community. In 2013 the bridge was identified as needing major refurbishment. Work began in January 2015 to replace the damaged deck, sides and fastenings. The challenge was to do the work with minimal disruption, which was achieved with excellent communication between the contractors, residents, and Council.



## Rongotea water

The Rongotea water supply is nearing completion and will provide a reliable clean domestic water supply for connected residents as well as a fire fighting capability for the village. The scheme has an 800 cu.m capacity reservoir.

## CBD redevelopment

A further component of the CBD redevelopment programme was completed with the section of Manchester Street from Fergusson Street to Eyre Street. Works involved full pavement reconstruction and asphaltic concrete resurfacing, major drainage improvements, removal of the old deep style kerb and channel, and new footpath surfacing and paving.

## Awahuri – Feilding Road and Stewart Road

First phase of improvements to the Awahuri – Feilding Road have been completed with the safety improvements to the intersection with Stewart Road. Improvements included a revised intersection connection with Stewart Road, space for a right turn bay on Awahuri – Feilding Road, and general widening of the approaches to the intersection.

## Community funding

Council has redefined its approach to Community Development, focusing on creating long term sustainability by working with service providers through a “hand up” approach rather than a “hand out”. A new policy with its own separate fund has been created for individuals and teams within the District representing New Zealand or the region at international and national events. From 2015/16 there will be three funding rounds per year for applications to the Community Fund and Regional Events Fund. Applications will be closing 30 September, 30 March and 30 June.

## Community planning

All of our communities now have plans that reflect the vision and identify key projects. Created by the community, for the community, with some seed funding from Council, they have been able to commence implementing their projects. Two projects of significance undertaken during the year were the creation of walkways in Halcombe and Pohangina Valley in partnership with Council and private property owners and were jointly funded by the community, Council and third party funders.

## District Plan changes

Plan Change 45 rezoned land from rural to residential on the periphery of Feilding in three of the five precinct growth areas. This plan change produced a more directive approach to coordinate urban development. Plan Change 46 included changes to the business zoning provisions and historic built heritage in the Feilding Town Centre.

## Main South Road sealing

Completion of a three year infrastructure project has seen the last stage of sealing completed on the Main South Road, enabling tourists easy access to the hidden places and tucked away treasures ranging from convivial country cafes and pubs; heritage sites, galleries and gardens, to scenic reserves, day walks, swimming holes, glow-worm caves, picnic areas, and camping spots.



## Some numbers

19

people and teams received representative grants to achieve their goals



10,370 m<sup>3</sup>

metal on unsealed roads



\$583 k

spent for community support



52 km

roads resurfaced



\$12,899 m

spent on roads



1,453 m

sewer lines upgraded



568

building consents issued



10

community committees funded

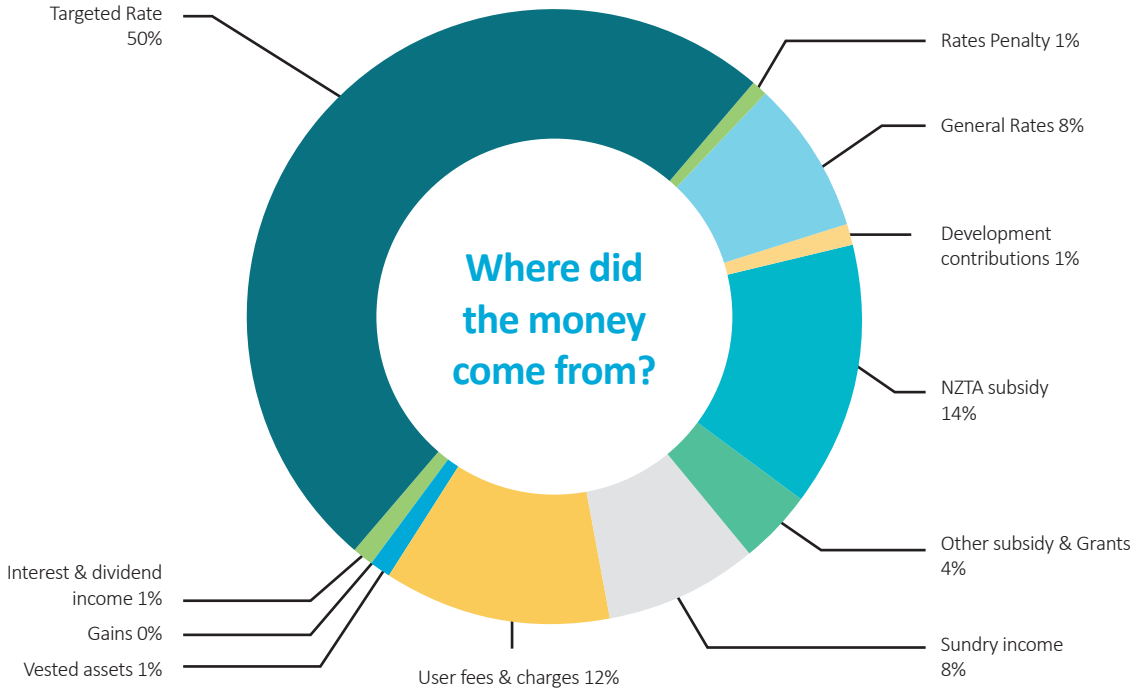


6,197 m

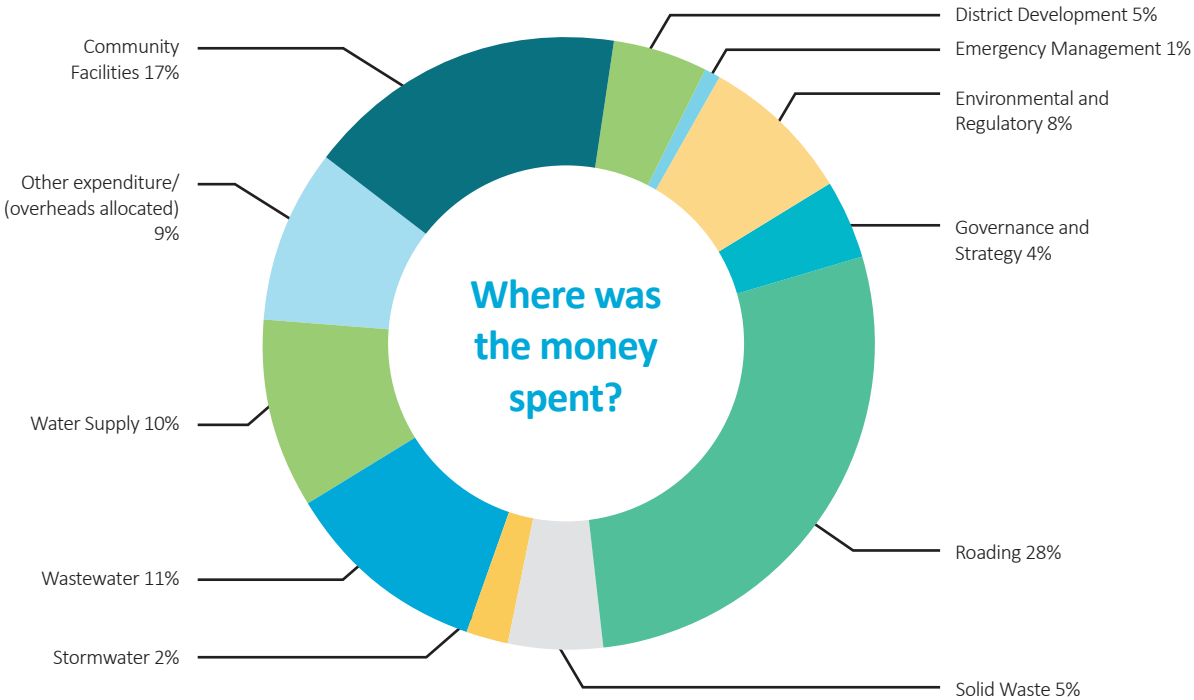
water mains replaced

# Financial Overview

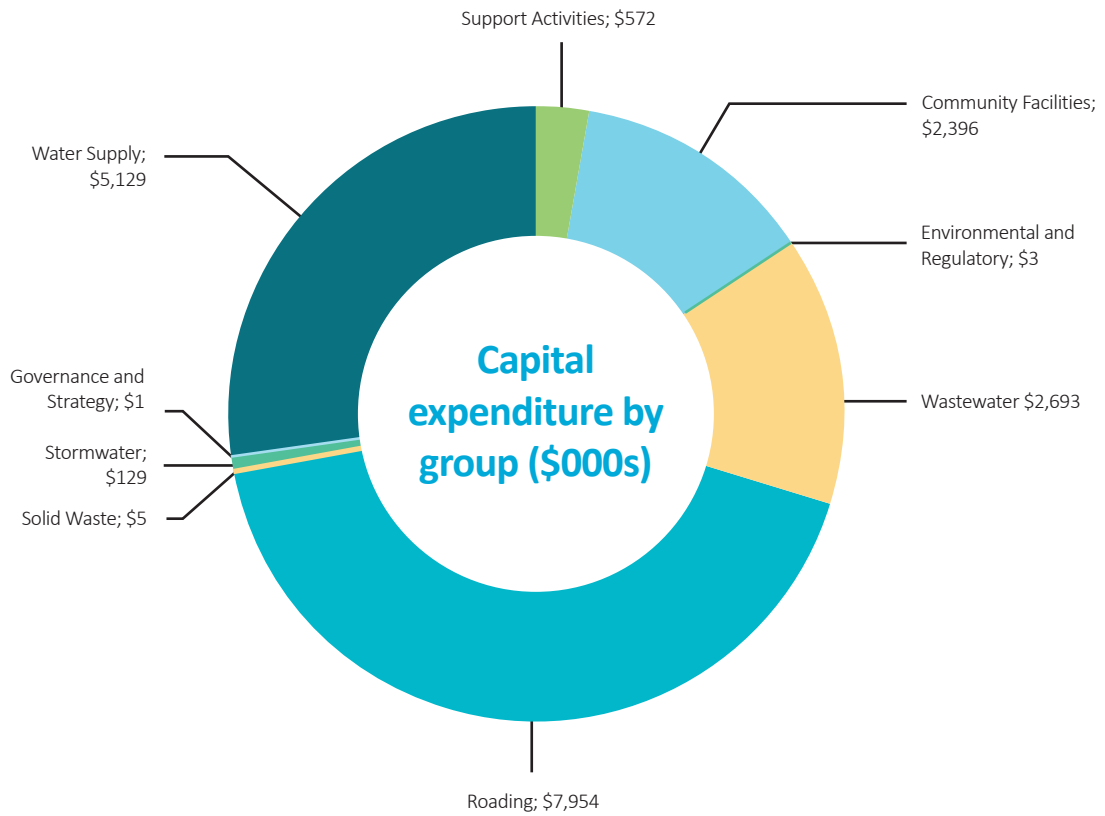
## Revenue by source



## Operating expenditure



## Capital expenditure





# Performance overview

Council includes Key Performance Indicators (KPIs) in its Long Term and Annual Plans to assess how well it is delivering services to the community. For the 2014/15 year, Council reported against 122 KPIs, which are detailed in Section Two of this report. Council has achieved the majority (67%) of the KPIs.



Council continues to meet the majority of its performance of targets, achieving 67% of its measured targets. While the shortfall in achieving some targets is very small, Council acknowledges that these need to be improved and is working towards a better outcome.

In some instances, the target has only just been missed. For example:

A desired level of service relating to the sale of liquor is that all applications are processed and issued within five working days. Of the 173 applications received 171 were processed on time (98%). The two that failed to meet the time frame were due to staffing constraints. Many of the 'not met' KPIs are within 3–4% of the target.

In other instances, changes are required to achieve KPIs. For example:

A desired level of service for the environmental and regulatory management activity is for 95% of public nuisance complaints to be investigated within one working day. We achieved this for 72% of the 477 complaints received. We have now employed a monitoring officer and the indication is that the rate of completed investigations has improved since February 2015.

Lastly, change in community dynamic is affecting attainment. For example:

The desired level of service for an information service is an increasing number of visitors to the information centre. There has been a 25% drop in walk-in visitors which may be attributable to the increased use of technology to access information. This assessment criteria for KPI will need to be reviewed.

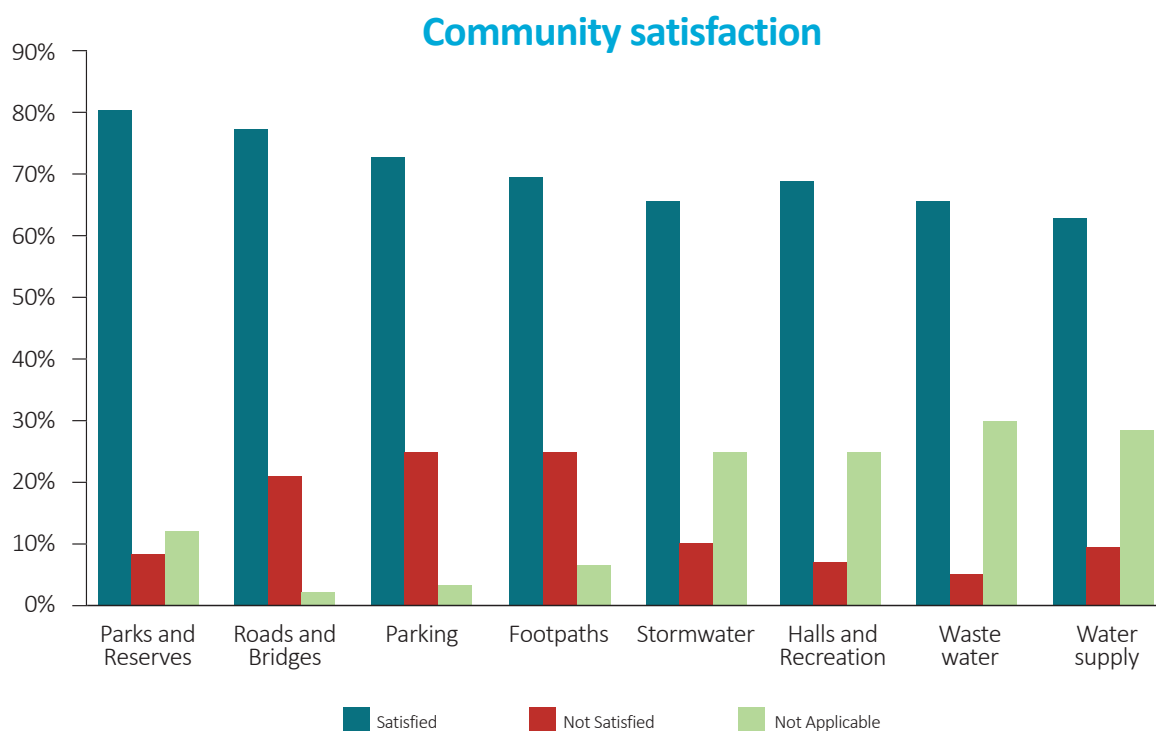
You can view all KPIs in section two of this report, which includes explanations for why, or why not, the targets were met. All KPIs are reviewed as part of the LTP process to ensure Council is providing the level of service the community wants, and is measuring its performance in an appropriate and relevant way.

# Community survey

The Council uses community surveys to measure a number of KPIs. A panel of Manawatu residents has been recruited to fairly represent the local demographic.

There are currently about 1091 panel members. In the surveys conducted over the past year, the response rate has been approximately 45%.

The surveys looked at the satisfaction levels with eight Council services. All eight services received satisfaction levels between 62% (Water supply) and 80% (Parks and Reserves).



## Note:

- 'Not Applicable' results represent those who do not use the service or have chosen not to quantify their level of satisfaction.
- Where community satisfaction levels are required for KPIs, results are shown in section two of this report under the appropriate activity.

# Statement of Compliance and Responsibility

## Compliance

The Council and management of 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 2015 fairly reflect the financial position and operations of Manawatu District Council.



Lorraine Vincent  
**Chief Executive**

15 October 2015



Margaret Kouvelis  
**Mayor**

15 October 2015

## Independent Auditor's Report

### To the readers of Manawatu District Council and group's annual report for the year ended 30 June 2015

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

- the financial statements of the District Council and group that comprise:
  - the statement of financial position as at 30 June 2015 on page 91;
  - the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2015 on page 90 and pages 92 to 93; and
  - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 94 to 166;
- the statement of service provision of the District Council on pages 22 to 83 and each group of activities carried out by the District Council on pages 22 to 85;
- the funding impact statements in relation to each group of activities of the District Council on pages 33 to 85;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 20 to 84;
- the funding impact statement of the District Council on pages 86 to 87 ; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 174 to 178.

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

- information about:
  - internal borrowing on pages 34 to 85;
  - reserve funds on pages 139 to 143;
  - remuneration paid to the elected members and certain employees of the District Council on pages 149 to 150;
  - employee staffing levels and remuneration on page 150;



- severance payments on page 150;
- council controlled organisations on pages 170 to 173;
- rating base units on page 110; and
- insurance of assets on page 132;
- a report on the activities undertaken by the District Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision making processes on pages 183 to 184; and
- a statement of compliance signed by the Mayor of the Council, and by the District Council and group's Chief Executive on page 13.

## Opinion

### Audited information

In our opinion:

- the financial statements of the District Council and group on pages 90 to 93:
  - present fairly, in all material respects:
    - the District Council and group's financial position as at 30 June 2015;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand.
- the statement of service provision of the District Council on pages 22 to 83:
  - presents fairly, in all material respects the District Council's levels of service for the year ended 30 June 2015, including:
    - the levels of service as measured against the intended levels of service adopted in the long term plan;
    - the reasons for any significant variances between the actual service and the expected service; and
  - complies with generally accepted accounting practice in New Zealand.
- the funding impact statements in relation to each group of activities of the District Council on pages 33 to 85, presents fairly, in all material respects, by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long term plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 23 to 83, presents fairly, in all material respects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long term plan or annual plan.

- the funding impact statement of the District Council on pages 86 to 87, presents fairly, in all material respects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- the disclosures on pages 174 to 178 represent a complete list of required disclosures and accurately reflects the information drawn from District Council's audited information.

### **Compliance with the other requirements of schedule 10**

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

Our audit was completed on 15 October 2015. This is the date at which our opinion is expressed.

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

### **Basis of opinion**

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

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

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

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;

- the adequacy of the disclosures in the information we audited;
- determining the appropriateness of the reported statement of service provision within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

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

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

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

#### Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and statement of service provision that:
  - comply with generally accepted accounting practice in New Zealand;
  - present fairly the District Council and group's financial position, financial performance and cash flows;
  - present fairly its service performance, including achievements compared to forecast;
- funding impact statements in relation to each group of activities that presents fairly by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that presents fairly by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long term plan or annual plan;
- a funding impact statement that presents fairly the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and

- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

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

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

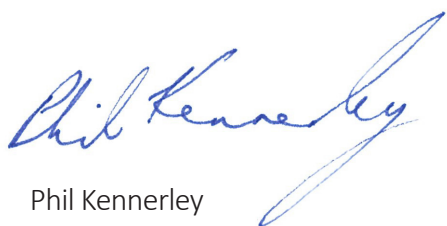
The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

## **Responsibilities of the Auditor**

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

Independence

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the Other Requirements and the audit of the District Council's 2015 25 Long Term Plan we have no relationship with, or interests, in the District Council or its subsidiaries.



Phil Kennerley

Audit New Zealand

On behalf of the Auditor General

Wellington, New Zealand

Section Two

# Groups of Activities

# Guide to Section Two: Groups of Activities

This section summarises results from the 2014/15 financial year for Council's Groups of Activities. In 2014/15, Council provided various services organised into ten Groups of Activities. These are:

<b>Community Facilities</b>	<b>Page 22</b>
<b>District Development</b>	<b>Page 35</b>
<b>Emergency Management</b>	<b>Page 42</b>
<b>Environmental and Regulatory Management</b>	<b>Page 47</b>
<b>Governance and Strategy</b>	<b>Page 59</b>
<b>Roading</b>	<b>Page 62</b>
<b>Solid Waste</b>	<b>Page 69</b>
<b>Stormwater</b>	<b>Page 73</b>
<b>Wastewater</b>	<b>Page 76</b>
<b>Water Supply</b>	<b>Page 81</b>

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

## Contribution to community outcomes

The community outcomes represent the long term goals Council is working towards. We have linked the levels of service within each activity to our community outcomes. The link is in the form of a symbol. The outcomes and associated symbols are:



**Kaitiakitanga** – Manawatu District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga which translates as holistic guardianship.



**Attract and retain residents** – Manawatu District will attract and retain residents.



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



**Quality infrastructure** – Manawatu and its people are connected via quality infrastructure and technology.



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



**Agile organisation** – Manawatu District Council is an agile and effective organisation.



Target met



Target not met



Target not applicable 2013/14



## What has Council achieved in 2014/15?

Summaries of performance within each activity are provided, which show what is being measured, including community opinion, response times, deadlines and compliance with regional standards. Key projects are also summarised.

## Operating and capital works programme for 2014/15

Progress reports for each activity's works programme are provided and measured against the major projects identified in the 2012–2022 Long Term Plan.

## Funding Impact Statement

A Funding Impact Statement for each group of activity is shown and presents the actual costs and sources of funding for the 2014/15 financial year. For comparison purposes, the first column contains actual data for 2014/15 and the last two columns contain information from the Long Term Plan for 2014/15 and 2013/14 financial years.

The Overall Funding Impact Statement on page 77 presents the actual financial results for the 2014/15 and 2013/14 financial years, compared against the annual plans (i.e. annual plan budgets) for those years.

# Community facilities

## Cemeteries

The community has asked for:

### A community that has access to effective services

In response to this Council:

Ensures 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 the District cemeteries are something the community can be proud of.

### What has Council achieved in 2014/2015?



**Level of Service:** Cemeteries provide a high quality service

Key performance indicator and target	Target attained	Comments (if applicable)
90% Funeral Director satisfaction with cemeteries from quarterly meetings		Although quarterly meetings have not been held, regular contact was maintained throughout the year. Funeral Directors report they are satisfied with Council administered cemeteries, service provision, and recent improvements such as on-line forms. No complaints were received from Funeral Directors. <i>(Last year – no complaints.)</i>
No more than 10 complaints per year about the standard of cemeteries		Five complaints about the standard of maintenance were received. These related to water and power supply interruptions, state of facilities, and maintenance at Rangiwahia.  In addition, five other requests were made about graves sinking, grass on graves and the general standard of maintenance. Council periodically tops up graves as a matter of course.  <i>(Last year –: 10 complaints, 20 queries/requests.)</i>
No more than five complaints per year about out of date cemetery records		No complaints received during the year <i>(Last year – nil.)</i>
Adequate land available to meet five years' projected demand at all times		All cemeteries have adequate land available to meet five year projected demand. <i>(Last year – target met.)</i>
100% compliance with the Burial Act 1964		All burials and ash interments comply with legislation and policy. <i>(Last year –target met.)</i>

## Major projects for 2014/2015

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Feilding Cemetery Extension	13,623	254,000	<p>Concept plan complete. We have been seeking feedback from Funeral Directors to ensure customer demands have been or are considered in the plan before moving to detailed design.</p> <p>We have extended the period for feedback and expect this to be complete by the end of August 2015.</p>
Infrastructure works at Halcombe Cemetery	0	43,000	<p>Concept plan complete. We have been seeking feedback from Funeral Directors to ensure customer demands have been or are considered in the plan before moving to detailed design.</p> <p>We have extended the period for feedback and expect this to be complete by the end of August 2015.</p>
<b>TOTAL</b>	<b>13,623</b>	<b>297,000</b>	

## District libraries

The community has asked for:

### **A community that has access to effective services**

In response to this Council:

Supports independent, lifelong education and encourages 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 to extend and improve opportunities to promote Maori language
- providing a quality customer-friendly library service
- encouraging community participation
- ensuring community libraries in Himatangi Beach, Kimbolton, Pohangina, Sanson, Rongotea and Tangimoana operate as well as the main Feilding Library.

## What has Council achieved in 2014/2015?



**Level of Service:** : Library service that provides residents of the district free access to information and lifelong learning opportunities

Key performance indicator and target	Target attained	Comments (if applicable)
Issues per head of population relative to six peer libraries —among top 30%		Feilding Public Library leads the field of peer libraries at 13.59 ahead of Te Takere at 12.8 and Waitaki at 11.1. Source: 2013/2014 Public Library Statistics. The 2014/2015 figures will be available by December 2015. <i>(Last year – led field with 13.3 items.)</i>
Active library membership exceeds 9,000		9,785 active members as at 30 June 2015. (10,346 at 30 June 2014).
96% satisfaction, as measured by Library survey of users		Biennial Library users' survey run in February 2015. There were 302 respondents who gave a 96% satisfaction rate with staff service and library collections. Negative comments focus on condition of carpet and lack of free internet and serviceable Wi-Fi. These areas will be addressed in current review process. <i>(Last survey indicated 99% satisfaction.)</i>



**Level of Service:** : Increase literacy among the District's children

Key performance indicator and target	Target attained	Comments (if applicable)
Amount spent on children's and young persons' collection exceeds 25% of annual spend		While the financial spend was not achieved, the proportion of children's material purchased was still high and acceptable. This is due to the cost of children's collection items being considerably lower than adults. Spend on children's collection was 23.8% of the total purchase. <i>(Last year – 23%)</i>

## Makino Aquatic Centre

The community has asked for:

### A community that has access to effective services

In response to this Council:

Provides 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 2014/2015?



**Level of Service:** : An affordable range of services and activities is available that meets community aquatic recreational needs

Key performance indicator and target	Target attained	Comments (if applicable)
90% user satisfaction with facilities provided, as measured by MAC survey		<p>User satisfaction survey, from 133 respondents, ending March 2015 reports 90% satisfaction with facilities provided. Results are broken down into the following areas:</p> <p>Changing rooms: 77% *                      Pool water: 99%                      Pool areas: 94%</p> <p>*Comments regarding changing rooms are that they are run down, shabby but clean, terribly cold in winter and need upgrading. All issues that will be addressed with the proposed redevelopment due to start end of August 2015. Overall satisfaction in terms of service is 99%.                      (Last year – 96% satisfaction.)</p>





**Level of Service:** : A safe and enjoyable aquatic experience is provided

Key performance indicator and target	Target attained	Comments (if applicable)
85% user satisfaction with MAC staff, as measured by MAC survey		<p>User satisfaction survey, from 133 respondents, ending March 2015 reports satisfaction with MAC staff at 98%. This is broken down into the following areas:</p> <p>Lifeguards 96%                      Front counter staff 100%                      Swim Instructors 100%                      Aqua Instructors 100%                      Management 96%</p> <p>(Last year – 99% satisfaction.)</p>
Meet New Zealand water quality standard NZ5826/2010 (MAC records)		<p>Pool testing is completed on time and meets the water quality standard NZ5826/2010, 100% compliance. pH meter is regularly calibrated to ensure testing figures are consistent.</p> <p>New pool testing equipment had been purchased to ensure greater accuracy on all tests.                      (Last year – 100% compliance.)</p>
100% compliance with Poolsafe New Zealand - Best Practice Standard New Zealand		<p>The Makino Aquatic Centre site operates with 100% compliance of the Poolsafe New Zealand best practice standard. Poolsafe accreditation was obtained on 6 March 2015 and is valid until April 2016.                      (Last year – 100% compliance.)</p>



**Level of Service:** : A safe and enjoyable aquatic experience is provided

Key performance indicator and target	Target attained	Comments (if applicable)
Six Lifeguard internal training sessions per year		<p>15 lifeguard training session conducted in 2014/15 included:</p> <ul style="list-style-type: none"> <li>• general maintenance,</li> <li>• pool Lifeguard Practice Certificate (revalidations and new staff),</li> <li>• first aid revalidations, and</li> <li>• general lifeguard-skills.</li> </ul> <p>Training occurs every 1—2 months and Pool Lifeguard practising certificates and first aid certificates are revalidated every 2 years.</p> <p>Extensive training in water treatment was undertaken by the Pool Operations Supervisor from September — November 2014.</p> <p><i>(Last year – 12 sessions held.)</i></p>
90% customer satisfaction with swimming lessons (as measured by MAC survey)		<p>User satisfaction survey ending March 2015 of 133 respondents reports 98% satisfaction with swimming lessons. This is broken down into the following areas:</p> <p>Babies: 96%</p> <p>Toddlers: 100%</p> <p>Pre-School: 98%</p> <p>School age: 95%</p> <p>Squad: 100%</p> <p><i>(Last year – 93% satisfaction.)</i></p>

## Major projects for 2014/2015

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
MAC Upgrade	302,036	650,000	<p>Detailed design complete. Project is now in the tender phase stage. Construction to commence once tender has been signed off by Council. Estimated start: end of August 2015.</p> <p>Additional funding for the redevelopment project was confirmed by Council as part of the LTP.</p>
<b>TOTAL</b>	<b>302,036</b>	<b>650,000</b>	



# Parks and Reserves

The community has asked for:

## A community that has access to effective services

In response to this Council:

Provides 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 (e.g. 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 2014/2015?



**Level of Service:** : An affordable range of venues and facilities that meet community needs

Key performance indicator and target	Target attained	Comments (if applicable)
100% compliance with NZ recreational standards		100% compliance was achieved. Contractors inspect equipment and produce reports on compliance with standards. Remedial work is carried out promptly or assets are removed altogether if unsafe. <i>(Last year – 100% compliance.)</i>



**Level of Service:** : A diverse range of public landscapes and natural environments are protected and preserved

Key performance indicator and target	Target attained	Comments (if applicable)
85% community satisfaction with the range and affordability of facilities provided (Email Panel).		90% satisfaction with Parks and Reserves from 563 respondents (PublicVoice Panel Survey March 2015). <i>(Last year – 90% satisfaction.)</i>
Complies with the requirements of the Reserve Management Act		Use, protection and development of our parks and reserves align and comply with the Reserves Act 1977. Meetings are held regularly with the Department of Conservation and Horizons Regional Council. Council bylaws support the Act. Stakeholders are educated about purpose and provisions of the Act. <i>(Last year – target met.)</i>  The Reserves Management Plans were scheduled to be updated in 2013/14 but were not completed that year. This process is still ongoing.



**Level of Service:** : Safe and accessible parks, reserves and sports grounds

Key performance indicator and target	Target attained	Comments (if applicable)
100% compliance with the Building Act		Building work carried out was undertaken in accordance with the Building Act. <i>(Last year – target met.)</i>
Promoted to the community annually and district wide — ongoing		We have been working closely with users of our parks and reserves and our communications team to ensure events are promoted.  Organisation-wide collaboration helps make events on our parks and reserves safe and successful; and we continue to make ongoing improvements to accessibility access.  <i>(Last year – target met.)</i>

## Major projects for 2014/2015

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Kitchener Park restoration	5,150	54,477	Revised master plan is being developed with the Trust. Stage 2 boardwalk replacement commenced in May 2015.
Mountain bike track: Mount Lees	0	33,000	This funding has been carried forward to 2015/16 and we are currently investigating options for this project.
New signage for parks and reserves	8,314	13,000	Signs are in place now across most of the District.  Signage for Himatangi is being undertaken as part of the 2015/16 LTP year. Kimbolton are also making progress developing their own signs with Destination Manawatu.
Rangiwahia walkway upgrade	0	5,000	This funding was carried over as part of the LTP process and will be spent at the carpark at Rangiwahia Reserve.
Replacement of CBD park benches	21,082	22,000	Complete.
Makino Park upgrade: skate park and playground	0	102,000	This work is being considered as part of the wider Makino Precinct project and has been carried forward to 2015/16.

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Himatangi Beach walkway	11,808	100,000	Work is currently underway with completion expected in September 2015.
Upgrade of Vinegar Hill toilets	9,671	177,000	At design stage. Physical works will commence in August 2015.
<b>TOTAL</b>	<b>56,025</b>	<b>506,477</b>	

## Property

The community has asked for:

### A community that has access to effective services

In response to this Council:

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

- Providing and maintaining indoor community venues

## What has Council achieved in 2014/2015?



**Level of Service:** : Quality Local Halls and Recreation Complexes are provided that meet community needs

Key performance indicator and target	Target attained	Comments (if applicable)
90% user satisfaction with halls and recreation complexes (e-mail Panel)		95% user satisfaction from 438 respondents (PublicVoice Panel Survey). <i>(Last year – 94% satisfaction from 156 responses.)</i>
All halls meet their Warrant of Fitness requirements		All halls have a current Warrant of Fitness. Defects are promptly noted and addressed. Relevant documentation is received on time. Evacuation schemes are being lodged where required. <i>(Last year – target met.)</i>
Annual halls reports completed and liaison meetings held.		16 of the 22 reports for the period have been received, reviewed and funding allocated. A liaison meeting was held with hall committee members in November 2014. <i>(Last year – all reports were received.)</i>
All low-use halls evaluated on an annual basis to assess their future viability. (Low use is defined as less than three times per year)		Low use halls have been evaluated. The ongoing rationalisation of halls continues to be evaluated, with Clydesdale Hall site being prepared for disposal. <i>(Last year – target met.)</i>



**Level of Service:** : Quality Local Halls and Recreation Complexes are provided that meet community needs

Key performance indicator and target	Target attained	Comments (if applicable)
Less than 10 requests for maintenance per year		<p>Three maintenance requests received related to a replacement downpipe, a grate for drainage channel, and mobility car parks.</p> <p>Minor works required to achieve Warrants of Fitness are identified through Independently Qualified Person (IQP) monthly inspections and remedied, or are part of a programmed replacement e.g. easing fire exit doors, and changing batteries in fire alarms every five years.</p> <p>Other projects are identified through annual hall reports. <i>(Last year – three requests were received.)</i></p>

## Major projects for 2014/2015

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Strengthening of Council's earthquake prone buildings: Feilding Community Centre and Feilding Little Theatre	40,713	496,000	Feilding Community Centre upgrade has been tendered. Physical works yet to commence. Feilding Little Theatre work will be done after the Community Centre is complete. Expecting works to commence late 2015.
Feilding Little Theatre: new roof	0	20,000	No further action. This project is on hold until earthquake strengthening is completed.
<b>TOTAL</b>	<b>40,713</b>	<b>516,000</b>	

# Property (Civic and Community Buildings)

The community has asked for:





## A community that has access to effective services

In response to this Council:

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

- Providing and maintaining indoor community venues.

## What has Council achieved in 2014/2015?

 <b>Level of Service:</b> Safe, reliable and accessible civic and community buildings meeting community needs		
Key performance indicator and target	Target attained	Comments (if applicable)
90% user satisfaction with buildings, measured by community feedback		95% user satisfaction from 438 respondents (PublicVoice Panel Survey). <i>(Last year – 94% satisfaction from 156 responses.)</i>
Less than 10 requests for maintenance per year		There were eight requests received relating to the Library, Literacy Feilding, Feilding Railway Station building, and the clock tower.  Admin building maintenance requests are reported and managed internally and not part of above.  <i>(Last year – one request received.)</i>
All buildings meet their Warrant of Fitness requirements		The Sanson Hotel has an expired Building Warrant of Fitness and no up to date evacuation scheme.  This means that compliance was not achieved. The building has been added to the IQP monthly inspection programme.  <i>(Last year – target met.)</i>

# Public conveniences

The community has asked for:

## A community that has access to effective services

In response to this Council:

Provides and maintains 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
- 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 2014/2015?



**Level of Service:** Adequate public conveniences at an acceptable standard

Key performance indicator and target	Target attained	Comments (if applicable)
Less than 10 complaints per year about the condition or provision of toilets		41 complaints / requests for service were received regarding a wide range of issues, largely relating to insufficient maintenance and cleaning, damage and blocked toilets between servicing.  <i>(Last year – 47 complaints or requests received.)</i>
95% of maintenance and cleaning requests and customer complaints regarding high-use toilets (Sansons and Feilding CBD) are actioned within two hours		Of the 41 complaints/requests for service received, 17 requests related to toilets in Manchester Square, Feilding Railway Station and Sansons.  One request for Sansons was attended within two hours of receipt from Council, but not within two hours of the original report as it was logged after hours by the Police. All other requests were actioned within two hours.  <i>(Last year – all 47 requests were attended to in the target timeframe.)</i>

## Major projects for 2014/2015

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
New toilets at Kimbolton	29,228	80,000	Work is due to commence late July 2015. All consents have been achieved and site works started.
<b>TOTAL</b>	<b>29,228</b>	<b>80,000</b>	



## Funding Impact Statement for the year ended 30 June 2015

<b>Community Facilities</b>	<b>Actual 2015 \$000</b>	<b>Annual Plan 2015 \$000</b>	<b>LTP 2015 \$000</b>	<b>LTP 2014 \$000</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	496	495	250	249
Targeted rates (other than a targeted rate for water supply)	4,960	4,924	5,184	5,037
Subsidies and grants for operating purposes	33	2	2	2
Fees and charges and targeted rates for water supply	1,104	1,194	1,200	1,096
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	15	9	2	2
<b>Total operating funding</b>	<b>6,609</b>	<b>6,624</b>	<b>6,637</b>	<b>6,385</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	4,329	4,428	4,252	4,102
Finance costs	829	956	630	616
Internal charges and overheads applied	726	949	1,051	1,093
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>5,885</b>	<b>6,333</b>	<b>5,933</b>	<b>5,811</b>
<b>Surplus (deficit) of operating funding</b>	<b>724</b>	<b>291</b>	<b>704</b>	<b>574</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	1,000
Development and financial contributions	99	85	142	138
Increase (decrease) in debt	1,694	421	(802)	2,341
Gross proceeds from sale of assets	1	1,500	1,500	1,500
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>1,795</b>	<b>2,006</b>	<b>840</b>	<b>4,979</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	50	0	0	0
- to improve the level of service	2,089	2,610	358	4,391
- to replace existing assets	257	565	261	269
Increase (decrease) in reserves	123	(878)	926	893
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>2,519</b>	<b>2,297</b>	<b>1,544</b>	<b>5,553</b>

## Funding Impact Statement for the year ended 30 June 2015

<b>Community Facilities</b>	<b>Actual 2015 \$000</b>	<b>Annual Plan 2015 \$000</b>	<b>LTP 2015 \$000</b>	<b>LTP 2014 \$000</b>
<b>Surplus (deficit) of capital funding</b>	<b>(724)</b>	<b>(291)</b>	<b>(704)</b>	<b>(574)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Community Facilities Internal Borrowings</b>				
Opening balance 1 July	6,113			
Internal loans raised during the year	1,783			
Internal loans repaid during the year	(88)			
Closing balance at 30 June	7,807			
<b>Community Facilities External Borrowings</b>				
Opening balance 1 July	1,873			
External loans raised directly by activity during the year	(650)			
Internal loans repaid directly by activity during the year	650			
Closing balance at 30 June	1,873			

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

The finance cost above includes \$727,000 interest expense in relation to loans raised internally from Council's treasury and \$102,000 interest expense charged on external loan raised directly by Community Facilities group of activities, for the year ended 30 June 2015.

# 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:

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

## What has Council achieved in 2014/2015?



**Level of Service:** Council funds and supports key community organisations in order to build district capacity.

Key performance indicator and target	Target attained	Comments (if applicable)
All organisations that receive a grant reports back to Council to a satisfactory standard every six months, identifying progress towards outcomes		This covers organisations that receive a grant under Community Development Policy, in particular the Partnership Fund. All organisations receiving grants presented their six monthly progress reports. The 12 month reporting for 2014/15 will be presented to Council in Q1 2015. <i>(Last year – target not met.)</i>
Social and cultural strength of the community is evaluated on an annual basis		<i>Social networks and the level of support offered to members of a community are indicators of the social strength of a community.</i> Council funding is contributing to social and cultural strength. Administering Creative Community NZ funds supports cultural strength. Representative grants support sport, art and cultural achievement. Manawatu Neighbourhood Support and other Partnership Funding contribute to the social strength of the community. <i>(Last year – target met.)</i>



**Level of Service:** Council funds and supports key community organisations in order to build district capacity.

Key performance indicator and target	Target attained	Comments (if applicable)
Key partnership relationships — Destination Manawatu, Vision Manawatu, Sport Manawatu and Feilding Promotion — are identified and evaluated six-monthly for contribution to Council outcomes and collaborative endeavours		<p>Relationship agreements and / or service level agreements with all key agencies are in place. The agreements outline the expectations of services delivered and linkages to Council outcomes. All contracted agencies are making satisfactory contributions towards Council outcomes.</p> <p>The 12 month reporting for 2014/15 will be presented to Council by 30 November 2015.</p> <p>Council has reviewed its economic development activities in partnership with Palmerston North City Council including services currently provided by these key agencies.</p> <p>Both Councils have agreed to implement an Economic Development Council Controlled Organisation (CCO) to provide economic development services.</p> <p><i>(Last year – target met.)</i></p>
Community funding policy reviewed alongside LTP in triennial cycle		<p>The review of the Community Funding Policy was initiated in the early part of the year and reviewed policies were adopted by Council on 19 March 2015.</p> <p><i>(Last year – target met.)</i></p>



**Level of Service:** Lead a community planning process in partnership with communities

Key performance indicator and target	Target attained	Comments (if applicable)
Communities are actively engaged and involved in the process		<p>A successful joint community halls and committees meeting was held in November 2014 to share engagement methods. Communities with plans presented during the LTP and communities with new plans were presented to Council prior to the LTP.</p> <p>Community Plans have been developed for Sanson, Halcombe, Kimbolton, Pohangina and Apiti. Projects identified in these plans are now underway. Kimbolton, Apiti, and Pohangina community plans were completed last year. Projects include river access in Pohangina.</p> <p>A steering group has been established within Council, to prioritise projects which Council will take a lead in delivering or coordinating.</p> <p><i>(Last year – target met.)</i></p>
Two community planning programmes per year		<p>Three community planning programmes were completed this year. Community plans for Rongotea, Himatangi and Rangiwahia have been completed.</p> <p>These plans were formally presented to Council on 13 April 2015.</p> <p><i>(Last year – target met.)</i></p>

## Major projects for 2014/2015

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Community Planning project	88,940	120,000	Expenditure is within budget.  Council officers by way of a submission to the LTP sought and obtained approval to carry forward unspent funds to 2015/16 for the implementation of community village plan projects.
Manfeild Park: Community Investment	150,000	150,000	Grant paid in line with LTP commitments.  In addition, an operating grant of \$168,100 is also paid to Manfeild Park Trust.
<b>TOTAL</b>	<b>238,940</b>	<b>270,000</b>	

## Economic Development

The community has asked for:

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

In response to this Council:

Assists and encourages 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



**Level of Service:** Council contracts external organisations to: retain, attract and grow businesses and jobs

Key performance indicator and target	Target attained	Comments (if applicable)
Four sustainable business programmes per year		For the 2014/15 year four sustainable business workshops were programmed. Two businesses from the Manawatu District were enrolled in 2014 and a further two for 2015. (Source: Vision Manawatu, Council records).
Positive employment trend year on year — from economic update reports		At year end 2014/15 there were 10,093 (last year 10,042) full time equivalent jobs in the Manawatu District. In 2014, employment grew 1.2 (last year 0.9%) which was below the New Zealand average of 1.7%. This matches the past ten years of employment growth in Manawatu which has been positive (1.2%) but below the New Zealand 10 year average (1.7%).  (Source: Infometrics).
Positive business growth trend year on year — from economic update reports		At year end 2014/15 there were 3,732 business units in the Manawatu District representing 0.7% of total business units in New Zealand.  <i>(Last year – 3,667, being 0.7% of business in New Zealand.)</i>  Over the past year, there has been a 1.8% increase in the number of business units in the Manawatu compared to a 2.4% decline in 2013. Manawatu performed worse than New Zealand overall reporting a 2.3% increase.  (Source: Infometrics).
Positive wealth trend, year on year		At year end 2014/15 there was positive growth in district GDP of 1.2%, compared to 2.6% for New Zealand.  Over the past ten years the District GDP growth has been positive with 2% growth compared to 2.4% for New Zealand.  (Source: Infometrics).



**Level of Service:** Council contracts external organisations to: attract and retain residents

Key performance indicator and target	Target attained	Comments (if applicable)
Sense of place campaign undertaken		Over the past year, Destination Manawatu's Sense of Place Campaign activities have included: marketing and communications support for Food HQ, developing a strategy for attracting international students to the region, and the production of the promotional magazine 'The Page'. Specifically in the Manawatu District it is the Country Road campaign.  (Source: Vision Manawatu)





**Level of Service:** Council contracts external organisations to: attract visitors

Key performance indicator and target	Target attained	Comments (if applicable)
Number of events		<p>Feilding Promotion is contracted to provide management and support of community events. Events contributing to attracting and retaining residents included:</p> <ul style="list-style-type: none"> <li>• Leave the City, Love the Country promotion</li> <li>• ‘Sort It’ job expo in collaboration with Vision Manawatu</li> <li>• Christmas Carnival, Rural Day, Armistice Parade, Rongotea Firework, Zonta Garden Ramble, A&amp;P Show, Business After 5, CD Field Days, Joseph Parker Reception, and Matariki .</li> </ul> <p>(Source: Feilding Promotion)</p>



**Level of Service:** Council contracts organisations to promote the District and operate an information service

Key performance indicator and target	Target attained	Comments (if applicable)
Increasing number of visitors to Feilding website year on year		<p>There were 130,056 visitors to the Feilding website, an increase of 98%.</p> <p><i>(Last year – 65,602 visitors, a 91% increase.)</i></p> <p>(Source: Feilding Promotion).</p>
Increasing number of visitors to the information centre		<p>There were 10,235, a decline of 25%, in the number of visitors to the Information Centre compared to the previous year.</p> <p>One of the reasons for less walk-in visitors to the Centre is likely to be because more people are using technology to access information.</p> <p><i>(Last year – 13,687.)</i></p> <p>(Source: Feilding Promotion).</p>

## Funding Impact Statement for the year ended 30 June 2015

<b>District Development</b>	<b>Actual 2015 \$000</b>	<b>Annual Plan 2015 \$000</b>	<b>LTP 2015 \$000</b>	<b>LTP 2014 \$000</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	2,134	2,124	2,092	2,013
Targeted rates (other than a targeted rate for water supply)	62	62	63	61
Subsidies and grants for operating purposes	25	24	33	32
Fees and charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	97	108	43
<b>Total operating funding</b>	<b>2,220</b>	<b>2,307</b>	<b>2,296</b>	<b>2,149</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,897	1,988	1,851	1,815
Finance costs	137	213	236	229
Internal charges and overheads applied	181	291	288	249
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>2,216</b>	<b>2,492</b>	<b>2,374</b>	<b>2,293</b>
<b>Surplus (deficit) of operating funding</b>	<b>5</b>	<b>(185)</b>	<b>(78)</b>	<b>(144)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	2,402	2,404	(96)	411
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>2,402</b>	<b>2,404</b>	<b>(96)</b>	<b>411</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	(93)	(215)	(174)	(233)
Increase (decrease) of investments	2,500	2,435	0	500
<b>Total application of capital funding</b>	<b>2,407</b>	<b>2,219</b>	<b>(174)</b>	<b>267</b>

## Funding Impact Statement for the year ended 30 June 2015

<b>District Development</b>	<b>Actual 2015 \$000</b>	<b>Annual Plan 2015 \$000</b>	<b>LTP 2015 \$000</b>	<b>LTP 2014 \$000</b>
<b>Surplus (deficit) of capital funding</b>	<b>(5)</b>	<b>185</b>	<b>78</b>	<b>144</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>District Development Internal Borrowings</b>				
Opening balance 1 July	2,184			
Internal loans raised during the year	2,500			
Internal loans repaid during the year	(98)			
Closing balance at 30 June	4,586			

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

The interest charged on internal borrowings for the year ended 30 June 2015 is disclosed above under finance costs.

# 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:

- provides leadership during an emergency situation by promoting a resilient community capable of responding
- co-ordinates efficient and effective emergency management through partnership and community co-operation
- reduces risk and minimises the adverse effects of natural and man-made disasters on people, the environment, infrastructure and property
- ensures that there is an effective district-wide emergency management capability to respond to and recover from natural and man-made events
- promotes community awareness of hazards and emergency management to create a resilient and prepared community.

## What has Council achieved in 2014/2015?



**Level of Service:** Council provides an Emergency Operating Centre and trained personnel (including Council staff and volunteers) to deal with civil defence emergencies

Key performance indicator and target	Target attained	Comments (if applicable)
Emergency Management Officers are available 24 hours a day, 7 days a week		Emergency Management Officers were available 24 hours a day, seven days a week as required. <i>(Last year – target met.)</i>
The Emergency Operating Centre will be staffed and operative within one hour of activation		The Emergency Operations Centre was activated in response to the flood event affecting the District from 20 June 2015. The Emergency Operations Centre was staffed and operative within one hour of activation. The Emergency Operations Centre operated in response mode for 20 and 21 June 2015 then moving to a recovery focus until being closed down on 6 July 2015. <i>(Last year – not activated.)</i>

20 public education initiatives per year



Nine public education initiatives were undertaken for the year ending 30 June 2015:

- Ideal Home Show in Palmerston North 18–20 July 2014 (as part of the Manawatu–Wanganui CDEM Group display)
- Get Ready Week — Static Displays and information via Manawatu District Council / Library / various media coverage — 22–28 September 2014
- Rangiwahia Community Committee — 20 November 2014 at Rangiwahia Hall. Discussed general emergency preparedness and work began on the development of a Community Response Plan for the Rangiwahia area.
- Pohangina Valley Community Committee Meeting on 4 March 2015
- Apiti Civil Defence Centre (visit to meet with new Management and discuss CDEM arrangements and procedures) 5 March 2015
- Central District Field Days on 12–14 March 2015
- Manawatu District Council on Councillors’ Workshop – 31 March 2015.
- Himatangi Beach Community Committee meeting – 4 May 2015 provided Emergency Management update.

In addition EMIS (Emergency Management Information System) development and capability were undertaken:

- Lower North Island EMIS user group (system development) meeting in Palmerston North on 18 March 2015
- Regional EMIS super user training (including Manawatu District Council officers) in Palmerston North on 26 March 2015.

*(Last year – 22 events held.)*

# Rural fire

The community has asked for:

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



In response to this Council:

- provides leadership during an emergency situation by promoting a resilient community capable of responding
- minimises 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 2014/2015?



**Level of Service:** Provide proactive and accurate rural fire service to the community, reducing the risks of fire incidents

Key performance indicator and target	Target attained	Comments (if applicable)						
Community awareness of rural fire service increases year on year, measured by the email panel		<p>The awareness of rural fire services has fluctuated slightly over the period of the 2012–22 LTP but remained strong.</p> <p>The combined percentage of those who rate themselves as having a fair, good or excellent awareness of the Rural Fire Service over the three year operative period of the 2012–22 LTP:</p> <table border="1"> <tr> <td>2013</td> <td>80%</td> </tr> <tr> <td>2014</td> <td>72%</td> </tr> <tr> <td>2015</td> <td>82%</td> </tr> </table> <p>(source PublicVoice email panel surveys 2013, 2014, 2015)</p>	2013	80%	2014	72%	2015	82%
2013	80%							
2014	72%							
2015	82%							
Annual audit of Rural Fire equipment and facilities against agreed check list		<p>The National Rural Fire Authority completed an audit of Manawatu District Council's rural fire performance during the 2013/14 year. While there were a few areas for improvement, generally the performance was satisfactory. The areas for improvement have been incorporated into a Corrective Action Plan and that plan has been approved by the National Rural Fire Authority. Actions under this plan are underway.</p> <p>During the second, third and fourth quarters, the following actions were completed:</p> <ul style="list-style-type: none"> <li>• Manawatu Volunteer Rural Fire Force re-established</li> <li>• Base for Manawatu Rural Fire Force established</li> <li>• Tanker purchased, fit out of vehicle completed and vehicle made operational</li> </ul> <p>Manawatu Volunteer Rural Fire Force deployed in response to rural fire incidents throughout the fire season. The Force was also deployed in response to the 20 June 2015 lower North Island flood event.</p>						



**Level of Service:** Provide a coordinated and appropriate response and recovery to incidents

Key performance indicator and target	Target attained	Comments (if applicable)
Less than eight complaints per year about unpermitted fires during restricted fire seasons		<p>A restricted fire season commenced on 23 January 2015 and moved to a total fire ban from 29 January 2015. An open fire season resumed from 24 February 2015.</p> <p>15 fire permits were issued during the fire season. There were 34 unpermitted fires reported. All unpermitted fires were dealt with at the time by the officer of the New Zealand Fire Service appliance on scene.</p> <p><i>(Last year – nil.)</i></p>
Annual meetings with district welfare groups and community committees have taken place		<p>The focus during the first half of the year was on the re-establishment of the Manawatu Volunteer Rural Fire Force and undertaking day to day rural fire enquiry, inspection and permitting activities.</p> <p>Public awareness activities were increased over the summer months as the fire risk increased and we moved to a restricted then prohibited fire season.</p> <p>Rural Fire staff were in attendance at the Central District Field Days to raise awareness of the rural fire service – 12–14 March 2015.</p>
No loss of life due to rural fires		<p>There has been no loss of life due to rural fires during the year.</p> <p><i>(Last year – nil.)</i></p>

### Emergency Management Internal Borrowings

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

## Funding Impact Statement for the year ended 30 June 2015

<b>Emergency Management</b>	<b>Actual 2015 \$000</b>	<b>Annual Plan 2015 \$000</b>	<b>LTP 2015 \$000</b>	<b>LTP 2014 \$000</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	200	199	139	135
Targeted rates (other than a targeted rate for water supply)	156	156	190	184
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	184	5	4	4
<b>Total operating funding</b>	<b>540</b>	<b>360</b>	<b>333</b>	<b>323</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	525	302	316	306
Finance costs	0	0	0	0
Internal charges and overheads applied	53	51	14	13
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>578</b>	<b>353</b>	<b>330</b>	<b>319</b>
<b>Surplus (deficit) of operating funding</b>	<b>(38)</b>	<b>7</b>	<b>3</b>	<b>3</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	(38)	7	3	3
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>(38)</b>	<b>7</b>	<b>3</b>	<b>3</b>
<b>Surplus (deficit) of capital funding</b>	<b>38</b>	<b>(7)</b>	<b>(3)</b>	<b>(3)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# 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:

- provides 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:
- enforces the Impounding Act and existing bylaws relating to Animal Control including dogs and wandering stock
- provides specified areas for exercising dogs
- rewards dog owners for effective control of dogs through an incentive system and review where necessary
- provides (where appropriate) or facilitates the provision of education programmes for animal owners, particularly dog owners.

### What has Council achieved in 2014/2015?




**Level of Service:** Animal Control complaints are resolved in a timely manner — response being defined as responding to the call centre and where required the complainant, and informing them of the intended action

Key performance indicator and target	Target attained	Comments (if applicable)
Animal control service is available for 24 hours a day, 7 days a week for priority one issues		An Animal Control Officer has been available 24 hours a day and seven days a week for priority one issues. <i>(Last year – target met.)</i>
96% of priority one callouts (dog attacks, secured dogs and wandering stock) responded to within 15 minutes. Note: priority one is defined as a dog attack on a person or livestock, secured dog or at animal control officer's discretion aggressive roaming dog, and stock on road. Priority two is everything else		325 priority one callouts were recorded. A system was not in place to measure the response times until 31 March 2015. In the last three months 49 priority one callouts were received and 39 were responded to within 15 minutes (80%). The longest response time was 50 minutes. <i>(Last year – 470 priority one and other calls were responded to and 329 not responded to. 65% of the responded calls were within 15 minutes.)</i>

95% of priority two complaints are responded to within one working day		570 complaints received, 553 responded to within one working day. This equates to 97%. <i>(Last year – 951 priority two calls were responded to and 329 were not responded to. 143 of the responded calls exceeded the agreed time frame.)</i>
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**Level of Service:** Animal Control complaints are resolved in a timely manner — response being defined as responding to the call centre and where required the complainant, and informing them of the intended action

Key performance indicator and target	Target attained	Comments (if applicable)
20% of all properties and dwellings, within a five-yearly cycle, are visited to check for unregistered dogs		To comply with this measure, 579 properties are required to be visited each year. During the year we visited 149 properties in regard to unregistered dogs and responded to 864 animal control callouts. Whenever a property is visited by an Animal Control Officer they look around the both the property concerned and neighbouring properties for unregistered dogs. After making an allowance for multiple callouts to the one property, we consider this measure to have been met. <i>(Last year – 480 properties were visited, target was 576.)</i>




**Level of Service:** Promoting responsible dog ownership through public education

Key performance indicator and target	Target attained	Comments (if applicable)
Three education programmes provided to schools		Dog education presentations were delivered to twelve schools during the year <i>(Last year – 23.)</i>



**Level of Service:** Provide a quality Animal Control Service

Key performance indicator and target	Target attained	Comments (if applicable)
Comply with requirements of the Dog Control Act 1996, Impounding Act 1955 and Council bylaws		Through a shared service agreement with the Rangitikei District Council, Manawatu District Council provides a shared service across both districts. There have been no instances of the service not complying with the requirements of the Dog Control Act 1996, Impounding Act 1955 and Council bylaws. <i>(Last year – two issues raised.)</i>

## Major projects for 2014/2015

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Purpose designed cages	2,617	36,000	The proposal to install purpose built pods on the back of the Animal Control vehicles was not pursued because the costs were higher than budgeted. New cages were sourced locally instead.
<b>TOTAL</b>	<b>2,617</b>	<b>36,000</b>	

## 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:

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

Council meets 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 2014/2015?



**Level of Service:** Building records and general information is available at all times

Key performance indicator and target	Target attained	Comments (if applicable)
Building records are available at all times		There have been no recorded instances of building records not being available during the project file review audits or when requested by the customer. <i>(Last year – target met.)</i>
All inspections are carried out within four working days		Average waiting timeframe for inspections during the period was 2.4 working days. In many instances inspections are booked weeks in advance, so this measure may not be appropriate. <i>(Last year – average time was 3 working days.)</i>

**Level of Service:** A responsive and accurate building control service is provided

Key performance indicator and target	Target attained	Comments (if applicable)
All consents are processed within statutory timeframes		570 consents were issued, of which 95% were issued within the 20 working days timeframe.  30 building consents were issued outside the timeframe due to staffing constraints.  <i>(Last year – 660 consents issued, 97% within statutory timeframe.)</i>
5% of buildings with building warrants of fitness are audited each year		41 properties were audited over this period, which is 12.5% of buildings with active compliance schedules.  The current procedure is for 5% of buildings with current compliance schedules are to be audited each year. This equates to 17 buildings per year. There are a total of 328 buildings with current compliance schedules.  <i>(Last year – 49, or 15.1%, were audited.)</i>
95% of Building Service complaints are investigated and resolution attempted within 10 working days of receipt. Note: some complaints take time to resolve due to the complexity of some building projects		47 complaints were received over the year and 46 resolved within 10 days – 98% compliant.  <i>(Last year – 46 complaints, 91% resolved within 10 days)</i>

**Level of Service:** Ensure that the built environment is safe

Key performance indicator and target	Target attained	Comments (if applicable)
All dangerous and insanitary building issues are resolved within two working days. Note: resolved meaning investigated and notice issued if required		One dangerous and insanitary building issue was received. It was responded to within two days of receipt. It was determined that the building was not classified as insanitary.  <i>(Last year – two issues were raised, both were actioned within two working days.)</i>
No commercial/public buildings in the district are known to have been assessed as earthquake prone after 10 years		No buildings have been assessed as earthquake prone during the 2014/15 year.  126 buildings have been assessed as earthquake prone. All have been assessed with the last 10 years.



**Level of Service:** Ensure that the built environment is safe

Key performance indicator and target	Target attained	Comments (if applicable)
All known properties with swimming pools and/or spa fencing inspected on schedule and for compliance. The current procedure is for an inspection every five years		Each swimming pool is due for inspection five years after its previous inspection. This year only four properties fell due for inspection. Two were inspected during the year, with a further two booked for inspection during July 2015, one month outside of the timeframe. <i>(Last year – 496 known pools and the five-yearly inspection programme complied with.)</i>

## 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:

Meets 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 2014/2015?



**Level of Service:** Protect public health by regulating the sale of food, funeral parlours, offensive trades, hairdressing salons and camping grounds

Key performance indicator and target	Target attained	Comments (if applicable)
All applications processed within statutory timeframes		129 Health Licences were issued during the year. There are no statutory timeframes relating to health registrations. Renewal of licences for registrations occur on July of every year <i>(Last year – 133 licences issued, 100 within the statutory timeframe.)</i>



**Level of Service:** Protect public health by regulating the sale of food, funeral parlours, offensive trades, hairdressing salons and camping grounds

Key performance indicator and target	Target attained	Comments (if applicable)
All high risk premises inspected twice a year. Defined as premises requiring temperature control for unwrapped product		<p>There are 27 registered high risk premises. During the year</p> <ul style="list-style-type: none"> <li>• 21 premises have been inspected twice</li> <li>• two premises were inspected once because they were registered (started operating ) in June 2015</li> <li>• four premises that currently hold a registration were not inspected</li> <li>• four premises that held a registration and had no inspections have subsequently withdrawn their registration</li> <li>• fifteen premises inspected more than twice no longer hold a registration.</li> </ul> <p><i>(Last year – there were 34 high risk premises and 25 inspections carried out.)</i></p>
All low risk premises inspected annually — defined as all other licences including fruit and vegetable, hairdressers, funeral parlours, camping grounds etc.		<p>There are 85 registered low risk premises. During the year</p> <ul style="list-style-type: none"> <li>• 78 premises were inspected at least once</li> <li>• Seven premises that currently hold a registration were not inspected</li> <li>• Fifteen premises that held a registration and had no inspections have subsequently withdrew their registration</li> <li>• Four premises that were inspected have withdrawn their registration.</li> </ul> <p><i>(Last year – there were 95 low risk premises, and 71 inspections carried out.)</i></p>
All voluntary food control plans are verified to MAF requirements		<p>All food control plans (43 premises) are verified to Ministry of Primary Industries requirements of the Food Act .</p> <p><i>(Last year – 23 premises were verified.)</i></p>



**Level of Service:** Environmental complaints are investigated to minimise public nuisance

Key performance indicator and target	Target attained	Comments (if applicable)
95% of complaints are responded to within one working day		<p>72% of the 477 environmental complaints (excluding noise) received during the year were responded to within one working day.</p> <p><i>(Last year – 666 complaints received. 71% responded to within one working day.)</i></p>



**Level of Service:** Environmental complaints are investigated to minimise public nuisance

Key performance indicator and target	Target attained	Comments (if applicable)
95% of noise complaints are responded to within one hour		<p>621 noise complaints received during the year. Overall 78% compliance with response timeframe.</p> <p>543 noise complaints were received after hours and responded to by the contractor (Armourguard) during the year.</p> <p>97% responded to within one hour. Complaints from outside the urban area are excluded from the one hour response timeframe in the contract as this is not achievable.</p> <p>Noise complaints response timeframes within business hours were 42% compliant. This was due to resourcing shortages. Compliance has improved since additional resources were employed.</p> <p><i>(Last year – 1,283 complaints were received and 97.5% were responded to within one hour.)</i></p>

## District Planning

The community has asked for:

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

In response to this Council:

Meets 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 2014/2015?



**Level of Service:** District Planning services are provided to ensure the sustainable management of natural and physical resources by managing / controlling development

Key performance indicator and target	Target attained	Comments (if applicable)
Meeting statutory timeframes for processing resource consents		<p>180 resource consents were processed. All resource consents were processed within the statutory timeframes under the Resource Management Act 1991.</p> <p><i>(Last year – 185 consents were issued, all within the statutory timeframe.)</i></p>



**Level of Service:** District Planning services are provided to ensure the sustainable management of natural and physical resources by managing / controlling development

Key performance indicator and target	Target attained	Comments (if applicable)
Notified and Limited Notified consents requiring a hearing within 70 working days		There were no limited notified consents processed during the year that required a hearing. <i>(Last year – four consents were processed, and two met the targeted timeframe.)</i>
Non-notified resource consents within 20 working days		There were 178 non-notified resource consents processed during the year. 177 consents were processed within 20 working days.  Sandon Holdings Ltd requested that their resource consent be determined by Council's Hearing Committee which was held on 11 September 2014.  <i>(Last year – 176 consents processed, all within the targeted timeframe.)</i>
Notified and Limited Notified resource consents not requiring a hearing — 50 working days		There were two limited notified consents received, both were processed within the timeframe.  There were no notified consents during the year.  <i>(Last year – two limited notified consents and three notified consents, all processed within the statutory timeframe.)</i>
The District Plan complies with legislative requirements and Council outcomes		The District Plan complies with the legislative requirements under the Resource Management Act 1991 and Council outcomes.  <i>(Last year – target met.)</i>
Current District Plan provisions are available online 95% of the time		The current District Plan provisions are available on Council's website <a href="http://www.mdc.govt.nz">www.mdc.govt.nz</a>
90% of complaints are investigated and responded to within three months of being received		27 complaints were received during the year. All were investigated and responded to within three months.  <i>(Last year – 18 complaints received and all were investigated within three months.)</i>
All consents are monitored within one month of monitoring date		This level of service was not achieved due to staff resourcing. The recently employed monitoring officer is addressing the backlog.  <i>(Last year – target not met.)</i>
		The State of Environment report was due for completion in December 2013 but was not completed in the 2013/14 year. This was delayed by central government. This review is still in progress.





**Level of Service:** An accessible District Planning service

Key performance indicator and target	Target attained	Comments (if applicable)
All plan changes are updated online within five working days		There were no plan changes that required to be online. <i>(Last year – five plan changes processed and met targeted timeframe.)</i>
Advice from a Planner is available during office hours, 95% of the time.		<i>Planners are available during office hours however if there are no planners available contact details are taken and the planner responds on their return. However, availability is not measured.</i>

## Major projects for 2014/2015

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
District Plan review	216,705	225,000	<p>The sectional review of the District Plan is still being progressed.</p> <ul style="list-style-type: none"> <li>Plan Change 45 — Feilding Growth was made operative 30 April 2015. The purpose of this plan change was to manage residential growth in Feilding and to introduce a more directive approach to co-ordinate urban development in and on the periphery of Feilding. The plan change resulted in the rezoning of three precincts from rural land to residential land, with some of this rezoning being differed for the future.</li> <li>Plan Change 46 — Feilding Town Centre was made operative on 30 April 2015. The purpose of this plan change was to provide a framework for business development in the Feilding Town Centre and resulted in the introduction of two business zones, Inner Business and Outer Business that are designed to recognise the different functional requirements of Feilding as a rural centre and to protect the heritage character of the town centre. The Plan Change included a review of the significant historic built heritage within the town centre and provides a design guide to ensure that development is complementary to the existing heritage buildings.</li> <li>Progress is being made on the review of the Industrial Zone including the extension of Turners Road and the expansion of the Zone to provide for industrial growth.</li> <li>Progress is being made on the rezoning of land in growth Precinct 4 — Pharazyn Street.</li> </ul>

## Major projects for 2014/2015

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
			<ul style="list-style-type: none"> <li>Progress has been made on a new general rules chapter. This new chapter is intended to address matters that apply district wide and includes provisions relating to signage, noise, temporary activities, relocated buildings, transport and network utilities.</li> <li>Progress is being made on a review of the remainder of the significant historic built heritage in the District (outside of the Feilding Town Centre) and also a review has been undertaken on the notable trees in the District. These matters are not yet part of a formal plan change.</li> <li>Substantial progress is being made on the following topics which are now being progressed as Plan Change 53. These topics have a rural focus and combine a number of topics that address the way subdivision and land use are addressed in the rural environment.</li> </ul>
<b>TOTAL</b>	<b>216,705</b>	<b>225,000</b>	

# Alcohol 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:

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

Council meets legislative requirements and community expectations by:

- helping to safeguard public and environmental health and safety through effective regulatory controls, education, and
- providing efficient and effective services for issuing liquor licences and inspecting premises.

## What has Council achieved in 2014/2015?



**Level of Service:** Protect public health by regulating the sale of liquor

Key performance indicator and target	Target attained	Comments (if applicable)
All liquor licence applications are processed and issued within five working days (where complete information provided)		173 alcohol licence applications were issued with 171 being within five working days of the file being complete — 98%  This target is based on when the decision is received back from the Commissioner to the time the licence is issued.  The two applications did not meet the timeframe which was due to staffing constraints.  <i>(Last year – 156 licences all issued within the timeframe.)</i>
All liquor licensed outlets are inspected annually		48 out of 52 alcohol licensed outlets, 92%, were inspected during the year.  Two premises are currently going through the renewal process and will be inspected as part of that process. The other two are club premises with a low risk factor and missed during their operating season.  <i>(Last year – 40 out of 51 alcohol licensed outlets inspected.)</i>

## Funding Impact Statement for the year ended 30 June 2015

<b>Environmental and Regulatory</b>	<b>Actual 2015 \$000</b>	<b>Annual Plan 2015 \$000</b>	<b>LTP 2015 \$000</b>	<b>LTP 2014 \$000</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	473	471	481	483
Targeted rates (other than a targeted rate for water supply)	1,761	1,767	1,811	1,818
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges and targeted rates for water supply	1,418	1,599	1,550	1,502
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	32	26	8	7
<b>Total operating funding</b>	<b>3,684</b>	<b>3,863</b>	<b>3,850</b>	<b>3,810</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,768	1,784	2,324	2,502
Finance costs	0	0	0	0
Internal charges and overheads applied	1,855	2,238	1,412	1,407
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>3,623</b>	<b>4,022</b>	<b>3,737</b>	<b>3,909</b>
<b>Surplus (deficit) of operating funding</b>	<b>61</b>	<b>(159)</b>	<b>113</b>	<b>(99)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	3	39	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	58	(198)	113	(99)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>61</b>	<b>(159)</b>	<b>113</b>	<b>(99)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(61)</b>	<b>159</b>	<b>(113)</b>	<b>99</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Governance and Strategy

The community has asked for:

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

In response to this Council:

Provides for effective local democratic governance and efficiently, effectively and fairly responds 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.

## What has Council achieved in 2014/2015?



**Level of Service:** Provide opportunities for community input into decision making

Key performance indicator and target	Target attained	Comments (if applicable)
Eight email panel surveys per year on important Council projects/decisions		<p>Ten email panel surveys were carried out on the following topics:</p> <ul style="list-style-type: none"> <li>• Halls and recreation complexes</li> <li>• Wastewater services</li> <li>• Water supply</li> <li>• Rural fire</li> <li>• Council decision making</li> <li>• Parks</li> <li>• Roads and bridges</li> <li>• Parking</li> <li>• Stormwater services</li> <li>• Footpaths</li> </ul> <p>The results of these surveys have been used where appropriate to inform the content of this Annual Report. (Last year – 8 surveys conducted.)</p>



**Level of Service:** Provide opportunities for community input into decision making

Key performance indicator and target	Target attained	Comments (if applicable)
65% of residents feel that they understand Council's decision making process (e-mail Panel)		<p>The combined percentage of those who rate themselves as having a fair, good or excellent understanding of Council's decision making process was 63% from 438 respondents.</p> <p><i>(Last year – 66%.)</i></p> <p>Over the three years operative period of the 2012–22 LTP the response rate for this question fluctuated slightly:</p> <p>2013 — 64%</p> <p>2014 — 66%</p> <p>2015 — 63%</p> <p>(source Public Voice e-mail panel surveys 2013, 2014, 2015)</p>

## Major projects for 2014/2015

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Email Panel	17,440	20,000	Ten email panel surveys carried out, as above. The results of these surveys were used where appropriate to inform the development of this Annual Report.
<b>TOTAL</b>	<b>17,440</b>	<b>20,000</b>	

## Funding Impact Statement for the year ended 30 June 2015

<b>Governance and Strategy</b>	<b>Actual 2015 \$000</b>	<b>Annual Plan 2015 \$000</b>	<b>LTP 2015 \$000</b>	<b>LTP 2014 \$000</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	1,648	1,654	1,324	1,229
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	1	0	0	69
<b>Total operating funding</b>	<b>1,648</b>	<b>1,654</b>	<b>1,324</b>	<b>1,298</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	527	536	500	587
Finance costs	0	0	0	0
Internal charges and overheads applied	1,314	1,118	824	711
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>1,841</b>	<b>1,654</b>	<b>1,324</b>	<b>1,298</b>
<b>Surplus (deficit) of operating funding</b>	<b>(192)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	1	35	11	3
Increase (decrease) in reserves	(193)	(35)	(11)	(3)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>(192)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Surplus (deficit) of capital funding</b>	<b>192</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Governance and Strategy - Internal Borrowings

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

# Roading

The community has asked for:

## A community that has access to effective services

In response to this Council:

Develops and maintains a road network appropriate to community usage, demand and ability to fund by:

- providing a quality, safe road network
- providing a cost-effective road network
- providing a road 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.

The road 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 2014/2015?



**Level of Service:** Provide opportunities for community input into decision making

Key performance indicator and target	Target attained	Comments (if applicable)
80% satisfaction with the road network		Email panel survey results. 79% from 563 respondents were satisfied or very satisfied with the roads and bridges. <i>(Last year – 83% satisfaction of 163 respondents.)</i>



**Level of Service:** Adequate parking provided, parking controls appropriately implemented and enforced

Key performance indicator and target	Target attained	Comments (if applicable)
95% satisfaction with the provision of parking		Email panel survey results. 72% from 563 respondents were satisfied or very satisfied with the parking provision. <i>(Last year – 79% satisfaction of 163 respondents.)</i>





**Level of Service:** The services are managed at the lowest possible cost for the required level of service

Key performance indicator and target	Target attained	Comments (if applicable)
The roading network is managed within budget, to within plus or minus 5%		Budget \$13,275,000 Actual \$12,899,000 97% of budget spent <i>(Last year – 97%.)</i> The above figures include all capital expenditure and excludes interest, depreciation and CBD redevelopment expenditure.



**Level of Service:** All-weather access is available throughout the formed road network (urban and rural)

Key performance indicator and target	Target attained	Comments (if applicable)
80% of weather events (floods and slips, or emergency incidents) responded to within 30 minutes of initial call to Council		Large scale weather event on 19–20 June 2015 caused a number of road closures due to flooding and road damage. 23 roads were closed for periods from one day to 28 days. Taonui Flood Basin caused long term closures due to stopbank breaches and requirement for mechanical pumping to clear flood water. Not all calls were responded to within 30 minutes. <i>(Last year – two road closures, both responded to within 30 minutes.)</i>
There are less than 5% of properties that have experienced interruption to road access for more than 12 hours per year		During the June 2015 weather event, two roads had no access for periods up to five days due to damage to bridges. Alternative welfare arrangements were put in place until temporary access provided. 25 properties (1%) were affected. <i>(Last year – no properties were affected.)</i>



**Level of Service:** There is a quick response to customer requests for service

Key performance indicator and target	Target attained	Comments (if applicable)
All customer requests for service are attended to within agreed timeframes		During the year, Council received 1,405 customer requests. 94% were completed. Council's customer services system currently only measures the time from initiating a job until the job is closed, not the time taken to attend. We are currently reviewing our system. <i>(Last year – 1,228 requests received. 93% were completed.)</i>



**Level of Service:** The roads feel safe to use and are regarded as safe in comparison to other similar networks

Key performance indicator and target	Target attained	Comments (if applicable)
Less than 10% of reported injury accidents cite road design as a factor		No injury accidents cite road design as a factor. <i>(Last year – there was one incident reported.)</i>
All curves are compatible with the speed environment.		<i>Traffic safety audit completed in 2013/14 period. Roll out of programme continues with the upgrade of advisory information and safety warning signage across the rural network. Approximately 4% of rural roads addressed with improved signage.</i>



**Level of Service:** Footpaths and cycle facilities are in good condition and are ‘fit for purpose’

Key performance indicator and target	Target attained	Comments (if applicable)
98% of urban streets provided with a footpath on at least one side of the road		96% comply with the policy. Ongoing capital programme to construct new sections of footpaths. <i>(Last year – 96% compliance.)</i>
75% resident satisfaction with quality and comfort of footpaths (e-mail panel)		Email panel survey results. 74% from 563 respondents were satisfied or very satisfied with the footpaths. <i>(Last year – 76% compliance from 163 responses.)</i>
96% are within acceptable defect levels, for example, cracking, breaks, high lips, trip hazards etc.		The survey completed in late 2013 showed a 95% compliance. Maintenance and renewals resulting from survey continuing in urban areas across the district. A new survey will be made once cost for the survey is accepted.
All roads within the network are inspected on a monthly basis for condition defects		All roads are inspected monthly by the contractor. Areas that require remedial work are noted. 10% of the roads are inspected each month by both Council staff and the contractor. <i>(Last year – target met.)</i>
All design standard meet current NZTA, Austroad or other adopted standards and guidelines.		All designs completed to Austroad and NZTA standards. <i>(Last year – target met.)</i>

## Major projects for 2014/2015

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Sealed Road Maintenance	1,446,625	1,096,000	Pre seal repairs completed ahead of schedule.
Unsealed Road Maintenance	430,110	210,000	Additional maintenance works completed in association with unsealed road re-metalling programme. Budget balancing with unsealed roads re-metalling
Environmental Maintenance	684,922	630,000	Cyclic vegetation control
Non-subsidised environmental maintenance	66,167	183,000	
Drainage Maintenance	272,213	190,000	Activity combined with structures maintenance below
Structure Maintenance	224,873	280,000	Activity combined with drainage maintenance above
Traffic Services	683,954	595,000	
Network and Asset Management	723,025	595,000	
<b>TOTAL</b>	<b>4,531,889</b>	<b>3,779,000</b>	

## Capital works projects for 2014/2015

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Pavement Rehabilitation	2,045,836	2,686,000	<ul style="list-style-type: none"> <li>• Apiti Road- this site has been placed on hold. Negative PFR value advising site should not proceed. alternative treatment being investigated.</li> <li>• Wilson Road completed</li> <li>• Manchester Street completed</li> <li>• Colyton Road completed</li> <li>• Leen Road completed</li> </ul>
Resurfacing Sealed Roads	2,190,926	2,172,000	65.8 km of sealed road completed
Footpath Renewals	60,982	81,000	Sections planned around urban areas. On track, but co-ordinated with "new footpath" category
New Footpaths	139,067	107,000	Humber Street Rongotea, and Gladstone Street Feilding completed.
Minor Improvements	559,578	521,000	Programmed works completed
CBD redevelopment	119,278	109,000	Manchester Street construction works completed.
<b>TOTAL</b>	<b>5,115,667</b>	<b>5,676,000</b>	

## Funding Impact Statement for the year ended 30 June 2015

<b>Roading Network</b>	<b>Actual 2015 \$000</b>	<b>Annual Plan 2015 \$000</b>	<b>LTP 2015 \$000</b>	<b>LTP 2014 \$000</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	6,023	5,992	6,135	5,921
Subsidies and grants for operating purposes	2,209	1,941	1,750	1,688
Fees and charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	187	195	223	216
<b>Total operating funding</b>	<b>8,419</b>	<b>8,128</b>	<b>8,108</b>	<b>7,825</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	5,122	3,882	3,872	3,737
Finance costs	191	198	223	228
Internal charges and overheads applied	55	367	(96)	(102)
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>5,368</b>	<b>4,447</b>	<b>3,999</b>	<b>3,863</b>
<b>Surplus (deficit) of operating funding</b>	<b>3,051</b>	<b>3,681</b>	<b>4,109</b>	<b>3,962</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	4,079	3,804	4,044	3,985
Development and financial contributions	135	128	318	308
Increase (decrease) in debt	47	60	(74)	659
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>4,261</b>	<b>3,992</b>	<b>4,288</b>	<b>4,952</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	342	1,359	908	919
- to improve the level of service	407	404	415	1,123
- to replace existing assets	7,205	7,763	8,201	8,069
Increase (decrease) in reserves	(641)	(1,853)	(1,126)	(1,197)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>7,313</b>	<b>7,673</b>	<b>8,398</b>	<b>8,914</b>

## Funding Impact Statement for the year ended 30 June 2015

<b>Roading Network</b>	<b>Actual 2015 \$000</b>	<b>Annual Plan 2015 \$000</b>	<b>LTP 2015 \$000</b>	<b>LTP 2014 \$000</b>
<b>Surplus (deficit) of capital funding</b>	<b>(3,051)</b>	<b>(3,681)</b>	<b>(4,109)</b>	<b>(3,962)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Roading Network - Internal Borrowings</b>				
Opening balance 1 July	2,760			
Internal loans raised during the year	119			
Internal loans repaid during the year	(72)			
Closing balance at 30 June	2,808			

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

The interest charged on internal borrowings for the year ended 30 June 2015 is disclosed above under finance costs.

# 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 provides:

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 are 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

## What has Council achieved in 2014/2015?



**Level of Service:** Provision of recycling facilities and regular kerbside collection to encourage recycling and waste reduction

Key performance indicator and target	Target attained	Comments (if applicable)
5% year on year decrease in waste tonnage taken to landfill		Council collected waste to landfill over annual period is 3,298 tonnes. This equates to a 1.6% decrease in waste to landfill. <i>(Last year's comparable tonnage is 3,352. The figure reported in last year's annual report of 3,636 includes our contractor's commercial waste to landfill.)</i>
5% year on year increase in tonnage of recyclables		Total recyclables diverted from landfill is 2,778 tonnes for the year. This an increase of 0.6% over previous year <i>(Last year – 2,760 tonnes.)</i>



**Level of Service:** Convenient and accessible waste management services are available to the community

Key performance indicator and target	Target attained	Comments (if applicable)
90% of residents are within 10 km of a transfer station or drop-off point		84% of residents live within 10 km of a transfer station or drop-off-point. <i>(Last year – 84%.)</i>  In order to measure this we used the usual resident population from the 2013 census which gave a base figure of 27,456. Using our GIS software, we were able to determine that 23,007 residents live within the 10 km range. (Source: Statistics NZ)



**Level of Service:** Education on best waste practices are provided to the community and businesses

Key performance indicator and target	Target attained	Comments (if applicable)
85% satisfaction with education programmes (Participant survey)  <i>(In the Long Term Plan this measure required 90%. The percentage was changed in the Annual Plan.)</i>		Eight schools responded to our survey and indicated 100% satisfaction with the content and delivery of the programme. Results are consistent with last year.
15 education programmes provided.  <i>(In the Long Term Plan this measure required 20 programmes. The measure was changed in the Annual Plan.)</i>		Fourteen schools have received the Zero Waste Education programme this year (16 last year).  Seven schools have signed up to the Enviroschools programme, with four schools Friends of Enviroschools.  <i>(Last year – five.)</i>



**Level of Service:** Feilding Transfer Station is accessible

Key performance indicator and target	Target attained	Comments (if applicable)
Opening hours: 8am to 4pm, Monday to Friday. 9am to 5pm weekends.		Transfer station opened as stated.



## Major projects for 2014/2015

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
District-wide Waste Education Strategy	55,625	46,000	Items of expenditure <ul style="list-style-type: none"> <li>• Zero Waste Education</li> <li>• Enviroschools facilitation</li> <li>• Paper for Trees programme</li> <li>• Worm trial</li> </ul>
<b>TOTAL</b>	<b>55,625</b>	<b>46,000</b>	

## Funding Impact Statement for the year ended 30 June 2015

	Actual 2015 \$000	Annual Plan 2015 \$000	LTP 2015 \$000	LTP 2014 \$000
<b>Solid Waste</b>				
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	1,352	1,346	1,148	1,124
Subsidies and grants for operating purposes	95	98	98	95
Fees and charges and targeted rates for water supply	663	665	454	440
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	1	0	0	0
<b>Total operating funding</b>	<b>2,111</b>	<b>2,109</b>	<b>1,700</b>	<b>1,659</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,681	1,698	1,506	1,470
Finance costs	69	75	3	3
Internal charges and overheads applied	275	235	132	129
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>2,025</b>	<b>2,008</b>	<b>1,641</b>	<b>1,602</b>
<b>Surplus (deficit) of operating funding</b>	<b>86</b>	<b>101</b>	<b>59</b>	<b>57</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(49)	(49)	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>(49)</b>	<b>(49)</b>	<b>0</b>	<b>0</b>

## Funding Impact Statement for the year ended 30 June 2015

<b>Solid Waste</b>	<b>Actual 2015 \$000</b>	<b>Annual Plan 2015 \$000</b>	<b>LTP 2015 \$000</b>	<b>LTP 2014 \$000</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	5	7	0	0
- to replace existing assets	0	0	0	0
Increase (decrease) in reserves	32	45	59	57
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>38</b>	<b>52</b>	<b>59</b>	<b>57</b>
<b>Surplus (deficit) of capital funding</b>	<b>(86)</b>	<b>(101)</b>	<b>(59)</b>	<b>(57)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Solid Waste - Internal Borrowings</b>				
Opening balance 1 July	353			
Internal loans raised during the year	6			
Internal loans repaid during the year	(54)			
Closing balance at 30 June	304			

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

The interest charged on internal borrowings for the year ended 30 June 2015 is disclosed above under finance costs.

# Stormwater

The community has asked for:

## A community that has access to effective services

In response to this Council:

- manages stormwater so as to minimise the risk to people and property and to minimise adverse environmental effects from stormwater runoff (Stormwater)
- maximises the drainage within the land drainage scheme areas in order to maximise rural production efficiency (Land Drainage).

These objectives are 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.

## What has Council achieved in 2014/2015?



**Level of Service:** People and property are protected from the impacts of flooding

Key performance indicator and target	Target attained	Comments (if applicable)
No more than one injury per year is attributed to poorly designed or maintained drains or pipes		No known or reported injuries. Stormwater systems are on a programme for inspection to ensure that they remain in a safe condition. <i>(Last year — nil.)</i>



**Level of Service:** Reliable stormwater system

Key performance indicator and target	Target attained	Comments (if applicable)
No residential dwellings are flooded in a one year event		Reports of flooded dwellings on Makino Rd after a localised heavy downpour on 4 June 2015. There was also severe flooding during the 20 June 2015 flood event. Both of these events were considered to be well in excess of a one year event. <i>(Last year — nil.)</i>
No urban roads are closed by flooding during a one year event		No urban roads closed due to flooding during a one year event. Some roads were affected by the 20 June 2015 flood event but this event was considered to be well in excess of a one year event. <i>(Last year — nil.)</i>

## Major projects for 2014/2015

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Renewal of ageing assets	1,835	39,000	Minor inlet improvements have been undertaken around the region including debris arresters and inlet screens. Investigations have been conducted into localised flooding in Makino Road with a view to minor inlet improvements in 2015–2016 financial year.
New Reticulation Work	113,301	1,139,000	Growth work deferred to the 2015/16 financial year to focus on key residential and industrial growth areas. All growth projects (water, wastewater, stormwater and roading) co-ordinated together in identified areas of highest need.
<b>TOTAL</b>	<b>115,136</b>	<b>1,178,000</b>	

## Funding Impact Statement for the year ended 30 June 2015

	Actual 2015 \$000	Annual Plan 2015 \$000	LTP 2015 \$000	LTP 2014 \$000
<b>Stormwater</b>				
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	169	168	192	186
Targeted rates (other than a targeted rate for water supply)	595	592	626	607
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	10	0	0	0
<b>Total operating funding</b>	<b>774</b>	<b>760</b>	<b>818</b>	<b>793</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	284	302	288	281
Finance costs	209	275	221	141
Internal charges and overheads applied	(12)	64	58	57
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>481</b>	<b>641</b>	<b>567</b>	<b>478</b>

## Funding Impact Statement for the year ended 30 June 2015

<b>Stormwater</b>	<b>Actual 2015 \$000</b>	<b>Annual Plan 2015 \$000</b>	<b>LTP 2015 \$000</b>	<b>LTP 2014 \$000</b>
<b>Surplus (deficit) of operating funding</b>	<b>293</b>	<b>119</b>	<b>251</b>	<b>315</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	55	53	61	59
Increase (decrease) in debt	64	1,428	872	(246)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>119</b>	<b>1,481</b>	<b>933</b>	<b>(187)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	113	1,480	1,186	54
- to improve the level of service	21	107	94	91
- to replace existing assets	2	39	39	37
Increase (decrease) in reserves	276	(26)	(135)	(54)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>412</b>	<b>1,600</b>	<b>1,184</b>	<b>128</b>
<b>Surplus (deficit) of capital funding</b>	<b>(293)</b>	<b>(119)</b>	<b>(251)</b>	<b>(315)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Storm Water - Internal Borrowings</b>				
Opening balance 1 July	2,999			
Internal loans raised during the year	107			
Internal loans repaid during the year	(42)			
Closing balance at 30 June	3,063			

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

The interest charged on internal borrowings for the year ended 30 June 2015 is disclosed above under finance costs.

# Wastewater

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 provides:

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, and Kimbolton Wastewater Treatment Plants to meet requirements of the Manawatu Catchment Water Quality Regional Plan
- encouraging trade waste industries to have waste minimisation and management programmes
- ensuring that customer service is responsive and the service remains reliable

## What has Council achieved in 2014/2015?



**Level of Service:** Wastewater services meet user needs

Key performance indicator and target	Target attained	Comments (if applicable)
96% of customers are satisfied with their wastewater services (e-mail panel)		E-mail panel surveyed residents in March 2015 reported 93% of the 563 respondents were satisfied with their wastewater services. This is the same result as the previous year. <i>(Last year – 93% satisfaction.)</i>



**Level of Service:** Wastewater services are available for urban residences

Key performance indicator and target	Target attained	Comments (if applicable)
95% of residences are within connection distance of a sewer lateral (GIS and Huefner Records)		94% properties zoned “village” in District Plan are rated for wastewater i.e. are either connected or have the ability to connect. Note that some village residents have elected to remain on individual septic systems. Other residents are being encouraged to connect. <i>(Last year – 94%.)</i>



**Level of Service:** Wastewater services are available for urban residences

Key performance indicator and target	Target attained	Comments (if applicable)
The harmonised household charge is comparable to a peer group of similar districts: within plus or minus 20%.		A survey of four other authorities who rate for wastewater on the same basis as MDC was carried out. Of those Councils, two charges were within the target range (Horowhenua and South Taranaki) with the other two being less expensive (Taranaki and Rangitikei).  <i>(Last year – target met.)</i>



**Level of Service:** A reliable wastewater service is provided

Key performance indicator and target	Target attained	Comments (if applicable)
No more than one unplanned event which disrupts the availability of wastewater services (Customer Service and contractor records)		There were 24 events related to sewer blockages, 8 of these events were due to 3rd party damage.  The remaining 16 events were caused by foreign objects lodged in sewer mains, fat build up and root infiltration within the network.  <i>(Last year – three events.)</i>
All affected users are given 24 hours' notice of planned shut downs		There were no instances of affected users receiving less than 24 hours' notice for a planned shutdown. Some flooded properties in Himatangi had their pumps turned off during the June 2015 flood event to avoid pumping flood water to the treatment plant.  <i>(Last year – there was one planned incident and the appropriate notification was given.)</i>
90% of complaints or issues are responded to within 2 hours		24 P1 complaints or issues were received. 90%, were responded to within 2 hours.  For the purposes of this measure we are measuring P1 requests for service.  P1 (urgent): within one hour P2 (moderate): within one day P3 (not urgent): within five days  <i>(Last year – 89 complaints received and 96% responded to within two hours.)</i>



**Level of Service:** Wastewater systems have minimal impact on the environment

Key performance indicator and target	Target attained	Comments (if applicable)
All resource consent conditions are met		<p>Feilding Wastewater Treatment Plant discharge non-compliant for ammoniacal nitrogen and nitrate nitrogen. Significant upgrades are in their final stages at Feilding. No reports issued by Horizons for other sites this financial year.</p> <p>Overflows recorded at various sewer plants during heavy rain.</p> <p>Flow meters and other telemetry equipment still to be installed at some plants to aid in compliance monitoring.</p> <p><i>(Last year – target not met.)</i></p>

## Major projects for 2014/2015

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Feilding pipe renewals	478,096	436,000	All programmed work complete. Actual costs include new connections of \$42,000.
Desludging oxidation ponds	8,185	486,000	The 2014/15 budget has been carried forward to 2015/16. Rongotea and Halcombe oxidation ponds will be desludged.
<b>TOTAL</b>	<b>486,281</b>	<b>922,000</b>	

Significant operations/maintenance	Actual (Year to Date)	Budget	Explanation of Variance/Update
Feilding reticulation-stormwater infiltration	7,456	100,000	Second half of the Feilding Inflow and Infiltration investigation is completed. Overall network condition to be reviewed as part of the network asset management function.
<b>TOTAL</b>	<b>7,456</b>	<b>100,000</b>	



## Funding Impact Statement for the year ended 30 June 2015

<b>Wastewater</b>	<b>Actual 2015 \$000</b>	<b>Annual Plan 2015 \$000</b>	<b>LTP 2015 \$000</b>	<b>LTP 2014 \$000</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	4,121	4,399	3,331	3,257
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges and targeted rates for water supply	962	657	681	660
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>5,084</b>	<b>5,056</b>	<b>4,012</b>	<b>3,917</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	2,649	2,718	2,370	2,356
Finance costs	1,280	1,299	790	778
Internal charges and overheads applied	(156)	(94)	125	122
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>3,772</b>	<b>3,923</b>	<b>3,284</b>	<b>3,256</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,311</b>	<b>1,133</b>	<b>728</b>	<b>661</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	332	417	424	385
Increase (decrease) in debt	1,235	280	152	6,406
Gross proceeds from sale of assets	0	0	0	0
<b>Lump sum contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total sources of capital funding</b>	<b>1,567</b>	<b>697</b>	<b>576</b>	<b>6,791</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	711	392	44	42
- to improve the level of service	1,263	764	563	6,786
- to replace existing assets	719	1,777	636	617
Increase (decrease) in reserves	186	(1,104)	61	7
<b>Increase (decrease) of investments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total application of capital funding</b>	<b>2,879</b>	<b>1,830</b>	<b>1,304</b>	<b>7,452</b>

## Funding Impact Statement for the year ended 30 June 2015

<b>Wastewater</b>	<b>Actual 2015 \$000</b>	<b>Annual Plan 2015 \$000</b>	<b>LTP 2015 \$000</b>	<b>LTP 2014 \$000</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,312)</b>	<b>(1,133)</b>	<b>(728)</b>	<b>(661)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Waste Water - Internal Borrowings</b>				
Opening balance 1 July	21,582			
Internal loans raised during the year	1,657			
Internal loans repaid during the year	(423)			
Closing balance at 30 June	22,817			

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

The interest charged on internal borrowings for the year ended 30 June 2015 is disclosed above under finance costs.

# Water Supply

The community has asked for:

## A community that has access to effective services

In response to this Council:

Provides 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 is 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 2014/2015?





**Level of Service:** Reliable water supply service

Key performance indicator and target	Target attained	Comments (if applicable)
There are no unexpected disruptions to service		There were two unplanned water shutdowns. One was in Feilding due to contractor damage to water mains. Emergency unplanned shut downs were also required for reactive works. The second was in Halcombe town which suffered extensive outages due to pipes being damaged during the June 2015 flood event. <i>(Last year – two unplanned shut downs.)</i>
Customers are no more than 8 hours without water		There were no shutdowns that exceeded eight hours. <i>(Last year – 24 planned shut downs where no customer was without water for more than eight hours.)</i>
Customers are provided with at least 24 hours' notice prior to planned shut downs		In all cases, customers were provided with at least 24 hours' notice. <i>(Consistent with last year.)</i>




**Level of Service:** Reliable water supply service

Key performance indicator and target	Target attained	Comments (if applicable)
All urgent requests for service are responded to within one day — dirty, cloudy, smelly, bad tasting water, or no water at all		<p>127 P1 requests, 100%, were responded to within one day.</p> <p>For the purposes of this measure we are measuring P1 requests for service.</p> <p>P1 (urgent): within one hour</p> <p>P2 (moderate): within one day</p> <p>P3 (not urgent): within five days</p> <p><i>(Last year – 97%).</i></p>
The Feilding water supply complies with New Zealand Fire Service Fire Fighting Water Supplies Code of Practice		<p>Results from annual flow testing in October 2014 indicate that over 90% of hydrants can supply water in accordance with the Fire Service Fire Fighting Water Supplies Code of Practice. Low pressure at three locations meant that hydrants would be unable to supply water in accordance with the code. Pressure improvement designs underway for these low pressure areas in conjunction with the pipeline renewal programme.</p> <p><i>(Last year – testing not carried out.)</i></p>



**Level of Service:** Water supply extraction has minimal environmental impact

Key performance indicator and target	Target attained	Comments (if applicable)
All water extraction meets or exceeds resource consent requirements		<p>The bore acquired at Kawakawa Road had issues in the summer due to a local farmer exceeding limits. A restrictor was installed to limit the volume extracted. No issues with water extraction limits since the summer. Kawakawa bore has not been used for some months.</p> <p><i>(Last year – nil.)</i></p>



**Level of Service:** Safe drinking water supply

Key performance indicator and target	Target attained	Comments (if applicable)
Meets Drinking Water Standards 2005		<p>All supplies were compliant with bacteriological requirements, but this could not be demonstrated for the Feilding distribution zone due to a period where E. coli samples were not taken.</p> <p>Feilding supply was compliant for protozoa (the evidence was not available for the Ministry of Health deadline for the Annual Review of Drinking Water Quality in New Zealand 2014 – 2015, but can now be demonstrated. Himatangi Beach and Waituna West supplies are awaiting secure bore status in order to demonstrate protozoal compliance. Sanson and Stanway–Halcombe supplies cannot demonstrate protozoal compliance at this stage; work is underway on both schemes to address this.</p> <p>Water Safety Plans have been approved for Feilding and Sanson. They are in the process of being approved for Himatangi Beach, Stanway-Halcombe and Waituna West.</p> <p>Rongotea is a new supply and has not yet been assessed.</p> <p><i>(Last year – compliance not met in all circumstances.)</i></p>

## Major projects for 2014/2015

Capital Works	Actual (Year to Date)	Budget	Explanation of Variance/Update
Renewal of Ageing Assets	3,207,716	2,104,000	<p>Specific capital works programme largely completed. Priority given to cast iron and AC water main renewal within CBD.</p> <p>Pressure improvements deferred to 2015/16.</p>
Metering and backflow protection-	75	38,000	New manifolds fitted in problem areas and extra meters programmed to be fitted.
Rongotea new water supply	1,338,762	1,520,000	Reservoir commissioned and residents invited to connect. Final commission of control equipment scheduled early in the 2015/16 financial year.
<b>TOTAL</b>	<b>4,546,553</b>	<b>3,662,000</b>	

## Funding Impact Statement for the year ended 30 June 2015

<b>Water Supply</b>	<b>Actual 2015 \$000</b>	<b>Annual Plan 2015 \$000</b>	<b>LTP 2015 \$000</b>	<b>LTP 2014 \$000</b>
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	2,633	2,572	3,299	3,173
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges and targeted rates for water supply	930	708	218	211
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>3,563</b>	<b>3,280</b>	<b>3,517</b>	<b>3,384</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,842	1,712	1,932	1,869
Finance costs	286	423	509	332
Internal charges and overheads applied	200	191	136	131
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>2,328</b>	<b>2,326</b>	<b>2,577</b>	<b>2,332</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,235</b>	<b>954</b>	<b>940</b>	<b>1,052</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,549	1,602	0	1,143
Development and financial contributions	743	138	170	163
Increase (decrease) in debt	117	2,780	2,344	309
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>2,408</b>	<b>4,520</b>	<b>2,513</b>	<b>1,615</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	50	2,338	2,379	53
- to improve the level of service	1,730	2,330	321	1,708
- to replace existing assets	3,348	4,008	1,805	1,758
Increase (decrease) in reserves	(1,486)	(3,202)	(1,052)	(852)
Increase (decrease) of investments	0	0	0	0
<b>Total application of capital funding</b>	<b>3,643</b>	<b>5,474</b>	<b>3,453</b>	<b>2,667</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,235)</b>	<b>(954)</b>	<b>(940)</b>	<b>(1,052)</b>

## Funding Impact Statement for the year ended 30 June 2015

	Actual 2015 \$000	Annual Plan 2015 \$000	LTP 2015 \$000	LTP 2014 \$000
<b>Water Supply</b>				
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Waste Water - Internal Borrowings</b>				
Opening balance 1 July	4,149			
Internal loans raised during the year	281			
Internal loans repaid during the year	(164)			
Closing balance at 30 June	4,265			

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

The interest charged on internal borrowings for the year ended 30 June 2015 is disclosed above under finance costs.

## Manawatu District Council Funding Impact Statement (Whole of Council) for the year ended 30 June 2015

	Actual 2015 \$000	Annual Plan 2015 \$000	Actual 2014 \$000	Annual Plan 2014 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges and rates penalties	3,708	3,729	3,375	3,360
Targeted rates (other than a targeted rate for water supply)	23,311	23,464	22,523	22,194
Subsidies and grants for operating purposes	2,363	2,064	2,783	2,174
Fees and charges and targeted rates for water supply	5,078	4,832	4,462	4,388
Interest and dividends from investments	311	321	249	635
Local authorities fuel tax, fines, infringement fees and other receipts	3,812	3,553	3,596	3,568
<b>Total operating funding</b>	<b>38,583</b>	<b>37,964</b>	<b>36,987</b>	<b>36,319</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	29,144	28,472	27,558	27,364
Finance costs	1,954	2,906	1,552	2,190
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>31,098</b>	<b>31,378</b>	<b>29,110</b>	<b>29,554</b>
<b>Surplus (deficit) of operating funding</b>	<b>7,485</b>	<b>6,586</b>	<b>7,877</b>	<b>6,765</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	5,628	5,406	5,665	7,936
Development and financial contributions	1,364	821	587	1,025
Increase (decrease) in debt	4,724	7,345	9,041	13,278
Gross proceeds from sale of assets	56	1,500	1	1,500
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>11,772</b>	<b>15,073</b>	<b>15,294</b>	<b>23,739</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	1,266	5,569	669	3,306
- to improve the level of service	5,620	6,630	15,248	16,735
- to replace existing assets	12,039	14,936	8,484	12,630
Increase (decrease) in reserves	(2,167)	(7,909)	(1,231)	(4,589)
Increase (decrease) of investments	2,500	2,433	0	2,422
<b>Total application of capital funding</b>	<b>19,258</b>	<b>21,659</b>	<b>23,170</b>	<b>30,504</b>
<b>Surplus (deficit) of capital funding</b>	<b>(7,486)</b>	<b>(6,586)</b>	<b>(7,876)</b>	<b>(6,765)</b>
<b>Funding balance</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>



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

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



## Section Three

# Financial Information

This section of the Annual Report contains the following information:

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

## Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2015

	Notes	Council			Group	
		Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
<b>Revenue</b>						
Rates revenue (other than a metered rate for water)	3	27,019	27,193	25,897	26,833	25,716
Financial revenue	4	311	321	249	256	190
Subsidies and grants	5	7,991	7,470	8,447	8,101	8,521
Development and financial contributions		1,364	821	587	1,364	587
Other revenue (including metered water)	6	9,430	9,467	10,311	10,589	11,280
<b>Total revenue</b>	<b>2</b>	<b>46,115</b>	<b>45,274</b>	<b>45,492</b>	<b>47,143</b>	<b>46,294</b>
<b>Expenses</b>						
Personnel costs	7	8,942	8,958	8,778	9,177	8,989
Depreciation and amortisation	8	12,073	12,132	11,631	12,548	12,044
Finance costs	9	1,954	2,906	1,552	1,958	1,552
Other operating expenses	10	21,113	19,514	18,644	21,174	19,306
Total operating expenditure	2	44,081	43,510	40,605	44,856	41,891
<b>Surplus/(deficit) before tax</b>		<b>2,034</b>	<b>1,764</b>	<b>4,887</b>	<b>2,287</b>	<b>4,403</b>
Income tax expense	11	-	-	-	-	-
<b>Surplus/(deficit) after tax</b>		<b>2,034</b>	<b>1,764</b>	<b>4,887</b>	<b>2,287</b>	<b>4,403</b>
<b>Other comprehensive revenue &amp; expense</b>						
Gains/(losses) on the revaluation of property, plant and equipment	24	24,757	9,377	(9,965)	24,757	(9,965)
Impairment losses on restricted buildings through other comprehensive revenue and expenses	24			160	0	160
Gains/(losses) on financial assets at fair value through other comprehensive revenue		(61)	-	(91)	(61)	(91)
<b>Total other comprehensive revenue and expense</b>		<b>24,696</b>	<b>9,377</b>	<b>(9,896)</b>	<b>24,696</b>	<b>(9,896)</b>
<b>Total comprehensive revenue and expense</b>		<b>26,730</b>	<b>11,141</b>	<b>(5,009)</b>	<b>26,983</b>	<b>(5,493)</b>

Explanations of major variances against budget are provided in note 34

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

## Statement of Financial Position As at 30 June 2015

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2015	2015	2014	2015	2014
		\$000	\$000	\$000	\$000	\$000
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	12	5,409	1,472	8,386	8,024	9,127
Debtors and other receivables	13	5,392	6,312	4,776	5,454	4,760
Investments in council organisations and similar entities	14	218	208	67	-	-
Other financial assets	15	162	681	738	162	738
Non-current assets held for sale	16	720	1,500	634	720	634
<b>Total current assets</b>		<b>11,902</b>	<b>10,174</b>	<b>14,600</b>	<b>14,361</b>	<b>15,259</b>
<b>Non-current assets</b>						
Property, plant and equipment	17	608,044	598,413	576,334	622,079	589,182
Intangible assets	18	166	811	645	166	645
Forestry assets	19	56	29	142	56	142
Non-current assets held for sale	16	-	2,299	-	-	-
Investments in council organisations and similar entities	14	4,060	3,416	1,946	946	755
Other financial assets	15	3,679	4,128	2,915	3,679	2,915
<b>Total non-current assets</b>		<b>616,005</b>	<b>609,096</b>	<b>581,981</b>	<b>626,926</b>	<b>593,639</b>
<b>Total assets</b>		<b>627,907</b>	<b>619,270</b>	<b>596,581</b>	<b>641,287</b>	<b>608,898</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Creditors and other payables	20	7,432	7,551	7,645	7,872	7,871
Provisions	21	44	65	77	44	77
Employee entitlements	22	1,017	868	809	1,039	826
Borrowings	23	-	6,998	7,065	-	7,065
<b>Total current liabilities</b>		<b>8,492</b>	<b>15,482</b>	<b>15,597</b>	<b>8,955</b>	<b>15,839</b>
<b>Non-current liabilities</b>						
Provisions	21	612	660	701	612	701
Borrowings	23	42,900	38,548	31,110	43,490	31,110
<b>Total non-current liabilities</b>		<b>43,512</b>	<b>39,208</b>	<b>31,811</b>	<b>44,102</b>	<b>31,811</b>
<b>Total liabilities</b>		<b>52,004</b>	<b>54,690</b>	<b>47,408</b>	<b>53,057</b>	<b>47,650</b>
<b>Equity</b>						
Retained earnings	24	463,470	462,447	461,399	473,721	471,398
Other reserves	24	112,433	102,132	87,774	114,509	89,850
<b>Total equity</b>		<b>575,903</b>	<b>564,580</b>	<b>549,173</b>	<b>588,230</b>	<b>561,248</b>
<b>Total Liabilities and Equity</b>		<b>627,907</b>	<b>619,270</b>	<b>596,581</b>	<b>641,287</b>	<b>608,898</b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Net Assets / Equity

For the year ended 30 June 2015

	Notes	Council			Group	
		Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Balance at 1 July		549,172	553,439	554,181	561,248	566,741
Total comprehensive revenue/ (expense) for the year		26,730	11,141	(5,009)	26,983	(5,493)
<b>Balance as at 30 June</b>	<b>24</b>	<b>575,902</b>	<b>564,580</b>	<b>549,172</b>	<b>588,231</b>	<b>561,248</b>

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

## Statement of Cash Flows

For the year ended 30 June 2015

	Notes	Council			Group	
		Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
<b>Cash flows from operating activities</b>						
Receipts from rates revenue		26,971	27,901	26,046	26,786	25,878
Interest received		336	305	178	282	110
Dividends received		16	12	19	16	19
Receipts from other revenue		17,453	15,969	20,212	18,753	21,555
Payments to suppliers and employees		(29,192)	(28,381)	(29,108)	(29,638)	(29,556)
Interest paid		(1,827)	(2,906)	(1,465)	(1,831)	(1,465)
Goods and services tax (net)		(20)	-	427	(56)	428
<b>Net cash from operating activities</b>	<b>25</b>	<b>13,737</b>	<b>12,899</b>	<b>16,309</b>	<b>14,312</b>	<b>16,969</b>
<b>Cash flows from investing activities</b>						
Receipts from sale of property, plant and equipment		55	1,500	376	55	376
Receipts from sale of forestry assets		218	90	206	218	206
Receipts from sale of investments		671	5,058	84	603	3
Purchase of intangibles assets		(10)	(339)	110	(10)	110
Purchase of property, plant and equipment		(19,048)	(26,796)	(22,267)	(20,172)	(22,818)
Acquisition of investments		(3,325)	(2,500)	(1,045)	(825)	(825)
<b>Net cash from investing activities</b>		<b>(21,439)</b>	<b>(22,987)</b>	<b>(22,536)</b>	<b>(20,131)</b>	<b>(22,948)</b>
<b>Cash flows from financing activities</b>						
Proceeds from borrowing		14,300	14,406	20,210	14,300	20,210
Repayment of borrowings		(9,576)	(7,061)	(11,169)	(9,584)	(11,169)
<b>Net cash from financing activities</b>		<b>4,724</b>	<b>7,345</b>	<b>9,041</b>	<b>4,716</b>	<b>9,041</b>
<b>Net (decrease)/increase in cash, cash equivalents and bank overdrafts</b>		<b>(2,978)</b>	<b>(2,743)</b>	<b>2,814</b>	<b>(1,103)</b>	<b>3,062</b>
Cash, cash equivalents and bank overdrafts at the beginning of the year		8,386	4,215	5,572	9,127	6,065
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>13</b>	<b>5,408</b>	<b>1,472</b>	<b>8,386</b>	<b>8,024</b>	<b>9,127</b>

The accompanying notes form part of these financial statements.

# Notes to the financial statements

## 1 Statement of accounting policies

### Reporting entity

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

The group consists of Manawatu District Council, which is the controlling entity and four controlled entities, The Feilding Civic Centre Trust, the Manawatu Community Trust, Awahuri Forest / Kitchener Park Trust and Heartland Contractors Ltd (100% owned). All controlled entities 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, Council has designated itself as Public Benefit Entity (PBEs) as defined under the Public Benefit Entities International Public Sector Accounting Policies (PBE IPSAS).

The financial statements of the Manawatu District Council and group are for the year ended 30 June 2015. The financial statements were authorised for issue by Council on 15 October 2015.

### Basis of preparation

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

### Statement of compliance

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

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

These financial statements comply with the PBE Standards.

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. The material adjustments arising on transition to the new PBE standards are explained in note 35.

The prospective 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.

### Presentation currency and rounding

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

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



## Standards issued and not yet effective and not early adopted

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. Council has applied these standards in preparing the 30 June 2015 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. Council will apply these updated standards in preparing its 30 June 2016 financial statements. Council expects that there will be minimal or no change in applying these updated accounting standards.

# Summary of significant accounting policies

## Basis of consolidation

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

## Controlled entities

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

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

## Joint ventures

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

## Budget figures

The budget figures are those approved by Council in its 2014-15 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those used for preparing these financial statements.

## Revenue

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

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

## **Exchange transactions**

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

## **Non-exchange transactions**

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

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

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

## **Specific revenue policies**

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

- Rates are set annually by a resolution by Council and are recognised at the start of the financial year to which the resolution relates. All ratepayers are invoiced within the financial year to which the rates have been set.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- 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.
- Rate remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its rates remission policy.
- Government grants and subsidies are recognised upon entitlement, which is when the conditions pertaining to eligible expenditure have been fulfilled. The most significant government grant is from New Zealand Transport Agency, which subsidises part of the costs in maintaining the local roading infrastructure network.
- Revenue from other services is recognised when the service has been rendered to a third party.
- Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.
- Sales of goods are recognised when the goods are delivered.
- Interest revenue is accrued on a time basis, by reference to the investment 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 Council are recognised as revenue when control over the asset is obtained.
- Revenue derived through acting as an agent for another party is recognised as a commission or fee on the transaction.
- Development contributions are recognised as revenue when Council provides, or is able to provide, the services that gave rise to the charging of the contribution. Otherwise, development contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.

## Borrowing costs

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

## Cost allocation

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

## Foreign currency

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

## Grant expenditure

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

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

## Income tax

Income tax expense includes current tax and deferred tax.

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

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

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

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting surplus nor taxable profit.

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

## Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

## Financial instruments

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

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

## Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. All these deposits are reflected at their fair value.

## Debtors and other receivables

Debtors and other receivables are recorded at their face value, less any provision for impairment.

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

## Financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

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

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

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar

instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

- **Financial assets at fair value through surplus or deficit**

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

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

- **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

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

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return of a similar financial instrument. The difference between the face value and the present value of the expected future cash flows of the loan is recognised in the surplus or deficit as grant expenditure. The loans are subsequently measured at amortised costs using the effective interest method.

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

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

- **Held-to-maturity investments**

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

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

- **Financial assets at fair value through other comprehensive revenue and expense**

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

This category encompasses:

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

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

of the asset the cumulative gain or loss previously recognised in other comprehensive revenue and expense is recognised in the surplus or deficit.

## Impairment of financial assets

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

Impairment losses are recognised in the surplus or deficit.

## Non-current assets held for sale

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

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

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

## Property, plant and equipment

Property, plant and equipment consists of:

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

## Cash and non-cash generating assets

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

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

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

## Depreciation

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

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Item	Years	Rate
Buildings	40–80	1.25–2.5%
Plant and equipment	4–10	10–25%
Motor vehicles	3–5	20–33%
Library books	10	10%
<b>Infrastructural assets</b>		
<b>Roading network</b>		
Top surface (seal)	5–18	5.5–20%
Pavement (base course)	67	1.49%
Sealed	25–60	1.6–4%
Unsealed	5–15	6.6–20%
Formation	-	not depreciated
Culverts	50–100	1–2%
Footpaths	25- 70	1.4–4%
Kerbs	50–100	1–2%
Signs	13	7.5%
Streetlights	50–70	1.4–2%
Bridges	80–120	0.8–1.25%
<b>Water system</b>		
Pipes	60–100	1–1.66%
Valves, hydrants	25–50	2–4%
Pump stations	25	4%
Treatment, supply and storage	15–50	2–6.66%
<b>Wastewater system</b>		
Pipes	30- 90 years	1.11 – 3.33%
Manholes	60- 100 years	1- 1.66%
Pump stations	25 years	4%
Treatment plant	25- 50 years	2- 4%
<b>Drainage network</b>		
Pipes	60- 100 years	1- 1.66%
Manholes, cesspits	60- 100 years	1- 1.66%

## Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that the asset will provide future economic benefits or service potential to 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.

## 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 2014. Council's policy is to revalue land and buildings every three years.

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

These assets are revalued annually to fair value on a depreciated replacement cost basis. The valuation was performed internally by engineering staff and will be peer reviewed every three years. Council's policy is to revalue these assets annually. The most recent valuation was 1 July 2014.

- **Land under roads**

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

- **Library collections**

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

## Accounting for revaluations

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 revenue and expense and are



accumulated in an asset revaluation reserve in equity for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is recognised in the surplus or deficit. Any subsequent increase on revaluation that 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 revenue and expense.

## Intangible assets

### Software acquisition and development

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

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

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

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

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

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

### Easements

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

## 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 forestry crop.

The forestry crop is independently revalued to fair value by Alan Bell of Alan Bell & Associates as at 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 property, plant and equipment and intangible assets

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

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

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

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

## Financial liabilities

- **Trade payables**

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

- **Loans and borrowings**

Loans/borrowings are initially recognised at their fair value.

Borrowings are classified as current liabilities unless the Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

## Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which services are rendered for current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned 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.

## 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 and group to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

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

Financial guarantees are subsequently measured at the higher of:

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

## Leases

### Finance leases

A finance lease is a lease which transfers to the lessee substantially all the risks and benefits incidental to ownership of an asset, whether or not title is eventually transferred.

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

The asset is depreciated over the period 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 recognised as an expense on a straight line basis over the lease term.

## Net assets/equity

Net assets or equity is the community's interest in 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
- Fair value through other comprehensive revenue and expense reserve

## Restricted and Council created reserves

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

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

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

## Asset revaluation reserves

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

## Fair value through other comprehensive revenue and expense reserve

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

## Related parties

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

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

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

### Properties that receive rent

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

### Landfill aftercare provision

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

### Infrastructural assets

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

- The physical determination and condition of an asset. For example, 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 life 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 life does not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit.

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

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

Experienced valuers perform Council's infrastructural asset revaluations.

## Comparatives

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

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

## 2 Summary Cost of Services

	Actual 2015 \$000	Council only Budget 2015 \$000	Actual 2014 \$000
<b>Revenue*</b>			
Community Facilities	6,705	6,709	8,334
District Development	2,220	2,306	2,114
Emergency Management	540	360	389
Environmental and Regulatory	3,684	3,863	3,634
Governance and Strategy	1,648	1,654	1,399
Roading	12,633	12,059	11,888
Solid Waste	2,111	2,109	1,952
Stormwater	1,034	813	859
Wastewater	5,623	5,473	6,930
Water Supply	5,969	5,021	4,210
<b>Total activity revenue</b>	<b>42,168</b>	<b>40,367</b>	<b>41,710</b>
Other revenue	3,947	4,907	3,782
<b>Total operating revenue</b>	<b>46,115</b>	<b>45,274</b>	<b>45,492</b>
<b>Expenditure*</b>			
Community Facilities	7,340	7,719	6,676
District Development	2,216	2,493	2,036
Emergency Management	589	360	331
Environmental and Regulatory	3,631	4,099	3,738
Governance and Strategy	1,841	1,654	1,358
Roading	12,217	11,476	12,391
Solid Waste	2,048	2,068	2,151
Stormwater	896	1,020	808
Wastewater	4,975	5,353	4,628
Water Supply	4,351	3,511	3,057
<b>Total activity expenditure</b>	<b>40,104</b>	<b>39,752</b>	<b>37,174</b>
Other expenditure/ (overheads allocated)	3,977	3,758	3,444
<b>Total operating expenditure</b>	<b>44,081</b>	<b>43,510</b>	<b>40,605</b>

**\* Note:**

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

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

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
<b>Total revenue comprises of:</b>				
Revenue from exchange transactions	3,554	3,554	4,622	3,733
Revenue from non-exchange transactions	42,561	4,1993	42,521	41,993
<b>Total operating revenue</b>	<b>46,115</b>	<b>45,491</b>	<b>47,143</b>	<b>46,294</b>

### 3 Rates Revenue

	Council	
	Actual 2015 \$000	Actual 2014 \$000
<b>General Rates attributable to Activities:</b>		
Community Facilities	496	199
District Development	2,134	2,031
Emergency Management	200	195
Environmental and Regulatory	473	457
Stormwater	169	186
<b>Total General Rates</b>	<b>3,472</b>	<b>3,068</b>
<b>Uniform Targeted Rates (UTR) and Targeted Rates attributable to Activities:</b>		
Community Facilities	4,960	4,909
District Development	62	60
Emergency Management	156	156
Environmental and Regulatory	1,761	1,792
Governance and Strategy	1,648	1,335
Roading	6,023	5,901
Solid Waste	1,352	1,225
Stormwater	595	613
Wastewater	4,121	3,483
Water	2,633	3,049
<b>Total Uniform Targeted Rates and Targeted Rates</b>	<b>23,311</b>	<b>22,523</b>
plus Rates Penalties	236	307
<b>Total Revenue from Rates</b>	<b>27,019</b>	<b>25,898</b>

#### Rates remissions

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

	Council and Group	
	Actual 2015 \$000	Actual 2014 \$000
<b>Rates and penalties levied</b>	<b>27,928</b>	<b>26,693</b>
less Rates Remissions	(909)	(795)
<b>Rates Revenue Net of Remissions</b>	<b>27,019</b>	<b>25,898</b>

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

#### Rating base information:

	The number of rating units within the district	The total capital value of rating units within the district \$000	The total land value of rating units within the district \$000
At the end of the preceeding financial year (i.e. 30 June 2014)	14,479	7,165,902	4,209,394

## 4 Financial Revenue

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Interest revenue for financial assets not at fair value through surplus or deficit	295	230	240	171
Dividend revenue	16	19	16	19
<b>Total Financial Revenue</b>	<b>311</b>	<b>249</b>	<b>256</b>	<b>190</b>

## 5 Subsidies and Grants

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
New Zealand Transport Agency subsidies	6,288	5,674	6,288	5,674
Grants received	58	420	168	494
Other subsidies	1,645	2,354	1,645	2,354
<b>Total Subsidies and Grants</b>	<b>7,991</b>	<b>8,447</b>	<b>8,101</b>	<b>8,521</b>

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



## 6 Other Revenue

	Council		Group	
	Actual 2015	Actual 2014	Actual 2015	Actual 2014
	\$000	\$000	\$000	\$000
User fees and charges	4,807	3,833	4,807	3,833
Water meter charges	930	858	930	858
Shared service revenue	2,313	2,159	2,313	2,159
Petrol tax	186	182	186	182
Vested assets	527	1,822	527	1,822
Other revenue	654	1,025	1,813	2,136
Gain on changes in fair value of forestry assets (note 19)	11	15	11	15
Gain on disposal of property, plant and equipment	2	417	2	275
<b>Total Other Revenue</b>	<b>9,430</b>	<b>10,311</b>	<b>10,589</b>	<b>11,280</b>

## 7 Personnel Costs

	Council		Group	
	Actual 2015	Actual 2014	Actual 2015	Actual 2014
	\$000	\$000	\$000	\$000
Salaries and wages	8,434	8,514	8,669	8,725
Employer contributions to defined contribution plans	300	282	300	282
Increase/(decrease) in employee entitlement liabilities	208	( 18)	208	( 18)
<b>Total Personnel Costs</b>	<b>8,942</b>	<b>8,778</b>	<b>9,177</b>	<b>8,989</b>

## 8 Depreciation and Amortisation

	Council	
	Actual 2015	Actual 2014
	\$000	\$000
Depreciation and Amortisation Expense per Group of Activities		
Community Facilities	1,351	1,314
District Development	-	-
Emergency Management	11	9
Environmental and Regulatory	8	8
Governance and Strategy	-	-
Roading Network	6,848	6,912
Solid Waste	59	59
Stormwater and Drainage	416	400
Wastewater	1,193	1,117
Water Supply	1,397	1,128
Support Services	791	685
	<b>12,073</b>	<b>11,631</b>

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Depreciation (note 17)	11,583	11,405	12,058	11,818
Amortisation (note 18)	490	227	490	227
<b>Total Depreciation &amp; Amortisation</b>	<b>12,073</b>	<b>11,631</b>	<b>12,548</b>	<b>12,044</b>

## 9 Finance Costs

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
<b>Interest Expense</b>				
Interest on borrowings	1,908	1,507	1,912	1,507
Provisions: discount unwinding (note 21)	46	45	46	45
<b>Total Finance Costs</b>	<b>1,954</b>	<b>1,552</b>	<b>1,958</b>	<b>1,552</b>

## 10 Other Operating Expenses

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Fees to principal auditor				
- Audit fees for financial statement audit MDC	117	103	117	103
- Audit fees for AP/ LTP and amendments	90	7	90	7
- Audit fees for Manawatu Community Trust	0	0	16	10
Fees to other auditors				
Audit fees for Feilding Civic Centre Trust	0	0	2	2
Grant expenditure from low interest loans	200	(139)	200	(139)
Impairment of Accounts Receivable	5	44	5	44
Loss on disposal of property, plant and equipment	741	10	741	0
Minimum lease payments under operating leases	26	29	26	29
Legal fees	100	142	100	142
<b>Other operating expenses:</b>				
Chemicals	711	666	711	666
Consultants and Consultant Costs	1,088	942	1,088	942
Contract Payments	4,359	3,718	4,359	3,718
Energy- Electricity and Gas	882	774	891	783
Grants Made to other Organisations	1,921	1,694	1,833	1,606
Insurance	424	351	435	363
Maintenance and Materials	2,149	1,370	2,364	1,529
Operational Projects	5,742	5,879	5,742	5,879
Rates Paid	229	216	266	233
Refuse Disposal Costs	252	284	261	293
Other expenses	2,076	2,555	1,926	3,097
<b>Total Other Expenses <sup>(note 1)</sup></b>	<b>21,113</b>	<b>18,644</b>	<b>21,174</b>	<b>19,306</b>

<sup>note 1</sup> 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 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Surplus/(deficit) before tax	2,034	4,887	2,287	4,403
Tax at 28%	569	1,368	640	1,233
Plus/(less) tax effect of:				
Non-deductible expenditure	-	-	-	-
Non-taxable revenue	(577)	(1,375)	(648)	(1,240)
Taxation loss not recognised	8	7	8	7
Prior year adjustment	-	-	-	-
Tax losses utilised	-	-	-	-
<b>Tax Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Income tax recognised directly in equity

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

### Components of Tax Expense

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Current tax expense	-	-	-	-
Adjustments to current tax in prior years	-	-	-	-
Deferred tax asset arisen from previously unrecognised tax loss	8	7	8	7
Deferred tax expense	(8)	(7)	(8)	(7)
Income Tax Expense	-	-	-	-

Deferred tax assets/(liabilities)	Property Plant and Equipment	Unused tax losses	Total
Council and Group			
Balance at 1 July 2013	(2)	2	-
Charged to surplus or deficit	(7)	7	-
Charged to other comprehensive revenue and expense	-	-	-
<b>Balance at 30 June 2014</b>	<b>(9)</b>	<b>9</b>	<b>-</b>
Charged to surplus or deficit	(8)	8	-
Charged to other comprehensive revenue and expense	-	-	-
<b>Balance at 30 June 2015</b>	<b>(17)</b>	<b>17</b>	<b>-</b>

### Additional disclosure

Council has unrecognised tax losses of \$551,000 (Last year – \$522,000) with a tax effect of \$154,000 (Last year – \$146,000), which are available for carry forward in offsetting assessable income in future income years. A deferred tax asset has not been recognised in relation to the unused tax losses of \$551,000, as it is unlikely that the Council will generate sufficient taxable profit in the foreseeable future against which the unused tax losses can be utilised.

Heartland Contractors Limited has unrecognised tax losses of \$501,000 (Last year – 501,000), which are available for carry forward in offsetting assessable income in future income years. A deferred tax asset has not been recognised in relation to the unused tax losses of \$501,000, as it is unlikely that the Company will generate sufficient taxable profit in the foreseeable future against which the unused tax losses can be utilised.

Under current income tax legislation the tax losses do not expire.

## 12 Cash and Cash Equivalents

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Cash at bank and in hand	3,409	3,086	5,874	803
Short term deposits with a term of three months or less	2,000	5,300	2,150	8,324
<b>Total Cash and Cash Equivalents</b>	<b>5,409</b>	<b>8,386</b>	<b>8,024</b>	<b>9,127</b>

The carrying value of short-term deposits with a term of three months or less approximates their fair value. The total value of cash and cash equivalents that can only be used for a specified purpose as outlined in the relevant trust funds is \$181,000 (Last year – \$182,000). Refer to note 24 for detail of trust funds.

## 13 Debtors and other receivables

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Rates receivables	1,495	1,556	1,495	1,556
New Zealand Transport Agency Subsidy	1,050	755	1,050	755
Other receivables	1,465	1,586	1,549	1,614
Related party receivables	42	51	0	7
Accrued revenue	1,167	488	1,167	488
GST receivable	315	430	315	430
Prepayments	155	203	155	203
Less provision for impairment of receivables	(297)	(292)	(297)	(292)
<b>Total</b>	<b>5,392</b>	<b>4,776</b>	<b>5,434</b>	<b>4,760</b>
<b>Total receivables comprise:</b>				
Receivables from non-exchange transactions <i>(includes amounts outstanding from rates, grants, infringements and fees and charges partly subsidised by rates)</i>	2,914	2,327	2,914	2,311
Receivables from exchange transactions <i>(includes amounts outstanding for fees and charges not subsidised by rates)</i>	2,478	2,449	2,520	2,449
<b>Total</b>	<b>5,392</b>	<b>4,776</b>	<b>5,434</b>	<b>4,760</b>

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

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

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

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

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

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

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

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
As at 1 July	292	386	292	386
Additional provisions made during the year	5	40	5	40
Receivables written off during period	-	(134)	-	(134)
As at 30 June	297	292	297	292

As at 30 June 2015, all overdue debtors and other receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

#### Council - Rates receivables

	Gross \$000	Impairment \$000	Net 2015 \$000	Net 2014 \$000
Not past due- current year	1,049	(1)	1,048	981
Past due by 1 year	245	(1)	244	265
Past due by 2 years+	201	(84)	117	232
<b>Total</b>	<b>1,495</b>	<b>(86)</b>	<b>1,409</b>	<b>1,478</b>

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

	Gross \$000	Impairment \$000	Net 2015 \$000	Net 2014 \$000
Not past due	700	-	700	1,002
Past due 1-30 days	199	-	199	95
Past due 31-61 days	219	-	219	28
Past due > 61 days	389	(211)	178	298
<b>Total</b>	<b>1,507</b>	<b>(211)</b>	<b>1,296</b>	<b>1,423</b>

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

## 14 Investments in Council Controlled Organisations and similar entities

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
<b>Investments in Council Controlled Organisations and similar entities classified as current</b>				
Loans and receivables				
Community loans- Manawatu Community Trust	218	67	-	-
<b>Total Current Portion</b>	<b>218</b>	<b>67</b>	<b>-</b>	<b>-</b>
<b>Investments in Council Organisation and similar entities classified as non-current</b>				
<i>Loans and receivables</i>				
Community loans- Manawatu Community Trust	3,113	1,191	-	-
NZ Local Government Funding Agency borrower's notes	656	464	656	464
<i>Fair value through other comprehensive revenue and expense</i>				
Unlisted shares in Manawatu-Wanganui LASS Limited	1	1	1	1
Unlisted shares in NZ Local Government Insurance Corp Ltd	190	190	190	190
Unlisted shares in NZ Local Government Funding Agency	100	100	100	100
<i>Investments in subsidiary (at cost)</i>				
Heartland Contractors Ltd- shares	-	-	-	-
Manawatu Community Trust	-	-	-	-
Feilding Civic Centre Trust	-	-	-	-
<b>Total Non-Current Portion</b>	<b>4,060</b>	<b>1,945</b>	<b>947</b>	<b>755</b>
<b>Total Investments in Council Organisation and similar entities</b>	<b>4,278</b>	<b>2,013</b>	<b>947</b>	<b>755</b>

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

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



Council has lent money to Manawatu Community Trusts. With the exception of the loan for the Feilding Intergrated Family Health Centre (FIFHC) the interest rate for these loans is Council's external borrowing rate. The amount of the loan borrowed represents fair value based on Council's external borrowing rate.

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

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Face value of the loan	2,500	-	-	-
Opening balance of the loan	-	-	-	-
Loan Raised	2,500	-	-	-
Grant expenditure from low interest loans	(350)	-	-	-
Repaid this year	(9)	-	-	-
<b>Fair value - loan to MCT for the FIFHC included above</b>	<b>2,141</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

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

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

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

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

During the year, Council received NZLGFA borrower's notes with a face value of \$304,000 (Last year – \$240,000) at fixed interest rates ranging from 3.59% to 5.21% per annum (Last year – 3.59% to 4.46%) and NZLGFA borrower's notes of a face value of \$352,000 (Last year – \$240,000) at floating rates ranging from 3.55% to 4.09% as at 30 June 2015 (Last year – 3.14% to 3.30%). The NZLGFA borrower's notes are recognised at amortised cost. The face value of NZLGFA borrower's notes as at 30 June 2015 approximates their fair value.

## Unlisted shares

Unlisted shares are recognised at cost, because they do not have a quoted market price in an active market and their fair value cannot be measured reliably.

## 15 Other financial assets

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Current Portion				
<i>Loans and receivables</i>				
Community loans- other	3	3	3	3
Community loan- Manfeild Park	-	-	-	-
Trust				
Himatangi Beach Sewerage Scheme	131	134	131	134
Contributions				
Rongotea Water Supply Scheme	28	-	28	-
Contributions				
<i>Held to maturity investments</i>				
Term deposits with maturity less than one year	-	600	-	600
<b>Total Current Portion</b>	<b>162</b>	<b>738</b>	<b>162</b>	<b>737</b>
Non-Current Portion				
<i>Loans and receivables</i>				
Community loans- other	89	92	89	92
Community loan- Manfeild Park	2,020	1,870	2,020	1,870
Trust				
Himatangi Beach Sewerage Scheme	413	603	413	603
Contributions				
Rongotea Water Supply Scheme	162	-	162	-
Contributions				
<i>Held to maturity investments</i>				
Term deposits with maturity of over one year	699	-	699	-
<i>Fair value through other comprehensive revenue and expense</i>				
Listed Shares in Fonterra	297	350	297	350
<b>Total Non-Current Portion</b>	<b>3,679</b>	<b>2,915</b>	<b>3,679</b>	<b>2,915</b>
<b>Total Other Financial Assets</b>	<b>3,841</b>	<b>3,653</b>	<b>3,841</b>	<b>3,652</b>

## Fair values

### Term deposits

The carrying amount of term deposits approximates their fair value.

### Community Loans

The above community loans have been advanced at interest rates ranging from 0% to 5.96% (Last year – from 0% to 5.96%).

The fair value of community loans is \$2,111,946 (Last year – \$1,965,584). The face value of community loans is \$5,015,671 (Last year – \$5,018,937). 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.

The Council has a \$2,500,000 community loan to the Manfeild Park Trust. Loan funds were used to finance the building of the stadium. Interest accrued against this loan until 2010 and the loan now stands at \$2,952,703. In 2010 Council suspended interest and principal repayments for a five year period. The fair value of this loan has been amended to reflect this and is recorded at \$2,019,978 (Last year – \$1,870,350).

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
<b>Face Value of the Manfeild Park Trust Loan</b>	<b>2,952</b>	<b>2,952</b>	<b>2,952</b>	<b>2,952</b>
Opening book value of the loan	1,870	1,732	1,870	1,732
Loan Raised	-	-	-	-
Repaid this year	-	-	-	-
Impairment reversal this year	150	138	150	138
<b>Fair value of Manfeild Park Trust loan above</b>	<b>2,020</b>	<b>1,870</b>	<b>2,020</b>	<b>1,870</b>

### Community Loans at nil fair value

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

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

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

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

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

### Hiatanghi Beach Sewerage Scheme and Rongotea Water Supply Scheme Contributions

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

### Listed shares

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

### Impairment

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

For more information on financial assets refer to note 32, financial instruments.

## 16 Non-Current Assets Held for Sale

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
<b>Non-Current Assets held for Sale are:</b>				
Land held for sale	336	250	336	250
Buildings and improvements held for Sale	384	384	384	384
	<b>720</b>	<b>634</b>	<b>720</b>	<b>634</b>
Current Portion	720	634	720	634
Term Portion	-	-	-	-
<b>Total</b>	<b>720</b>	<b>634</b>	<b>720</b>	<b>634</b>
Opening balance assets for sale	634	1,187	634	1,187
Assets classified as held for sale during the period	86	-	86	-
Assets revalued during the year	-	(23)	-	(23)
Less assets transferred or sold during the year	-	(530)	-	(530)
<b>Closing balance assets held for sale</b>	<b>720</b>	<b>634</b>	<b>720</b>	<b>634</b>

In prior years the Council approved the sale of land and buildings, related to the Sanson Hotel and adjacent land. The contract for sale and purchase did not take place as planned however property is being actively advertised on the market.

On 18 June 2015 Council approved the sale of a link strip in Shelton Place and the disposal of the Clydesdale Hall land, following demolition of the hall.

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





## 17 Property, Plant and Equipment

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

<b>2015</b>	<b>Cost/ Revaluation \$000</b>	<b>Accumulated Depreciation and Impairment Charges \$000</b>	<b>Carrying Amount \$000</b>
<b>Council</b>			
<b>Operational assets</b>			
Land	15,062	-	15,062
Buildings and Improvements	7,396	(302)	7,094
Library Books	2,902	(2,329)	573
Plant , Equipment and Furniture	3,162	(1,838)	1,324
Motor Vehicles	1,139	(458)	681
<b>Total operational assets</b>	<b>29,661</b>	<b>(4,927)</b>	<b>24,734</b>
<b>Infrastructural assets</b>			
Land	2,844	-	2,844
Solid Waste	429	(152)	277
Wastewater	56,478	(1,186)	55,292
Stormwater and Drainage	20,825	(416)	20,409
Water Supply	53,287	(1,544)	51,743
Roads and Footpaths	365,042	(6,848)	358,194
Land Under Roads	65,077	-	65,077
<b>Total infrastructural assets</b>	<b>563,982</b>	<b>(10,146)</b>	<b>553,836</b>
<b>Restricted assets</b>			
Land	14,454		14,454
Buildings and Improvements	15,512	(1,013)	14,499
Plant and Equipment	1,512	(991)	521
<b>Total restricted assets</b>	<b>31,478</b>	<b>(2,004)</b>	<b>29,474</b>
<b>Total Council</b>	<b>625,121</b>	<b>(17,078)</b>	<b>608,044</b>
<b>Other Group Assets</b>			
Manawatu Community Trust- Land	3,474	-	3,474
Manawatu Community Trust- Buildings and Improvements	10,593	(418)	10,175
Manawatu Community Trust- Equipment	31	(19)	12
Feilding Civic Centre Trust- Furniture, Equipment and Leasehold Improvements	993	(618)	374
<b>Total</b>	<b>15,091</b>	<b>(1,055)</b>	<b>14,035</b>
<b>Group Assets</b>	<b>640,212</b>	<b>(18,133)</b>	<b>622,079</b>



## 2014

	Cost/ Revaluation \$000	Accumulated Depreciation and Impairment Charges \$000	Carrying Amount \$000
<b>Council</b>			
<b>Operational assets</b>			
Land	14,342	-	14,342
Buildings and Improvements	6,708	-	6,708
Library Books	2,754	(2,052)	702
Plant , Equipment and Furniture	2,464	(1,667)	797
Motor Vehicles	1,071	(411)	660
<b>Total operational assets</b>	<b>27,339</b>	<b>(4,130)</b>	<b>23,209</b>
<b>Infrastructural assets</b>			
Land	2,844	-	2,844
Solid Waste	423	(93)	330
Wastewater	55,752	(1,098)	54,654
Stormwater and Drainage	19,160	(400)	18,760
Water Supply	40,769	(1,264)	39,505
Roads and Footpaths	348,767	(6,912)	341,855
Land Under Roads	65,077	0	65,077
<b>Total infrastructural assets</b>	<b>532,792</b>	<b>(9,767)</b>	<b>523,025</b>
<b>Restricted assets</b>			
Land	14,524	-	14,524
Buildings and Improvements	15,289	(280)	15,009
Plant and Equipment	1,496	(930)	566
<b>Total restricted assets</b>	<b>31,309</b>	<b>(1,210)</b>	<b>30,099</b>
<b>Total Council</b>	<b>591,440</b>	<b>(15,108)</b>	<b>576,333</b>
<b>Other Group Assets</b>			
Manawatu Community Trust- Land	3,474	-	3,474
Manawatu Community Trust- Buildings and Improvements	8,951	-	8,951
Manawatu Community Trust- Equipment	32	(14)	18
Feilding Civic Centre Trust- Furniture, Equipment and Leasehold Improvements	976	(570)	406
<b>Total</b>	<b>13,433</b>	<b>(584)</b>	<b>12,849</b>
<b>Group Assets</b>	<b>604,873</b>	<b>(15,692)</b>	<b>589,182</b>

**2015**

	Carrying Amount 1 July 2014	Revaluation Movement	Additions
	\$000	\$000	\$000
<b>Council</b>			
<b>Operational assets</b>			
Land	14,342	-	742
Buildings and Improvements	6,708	-	688
Library Books	702	-	148
Plant , Equipment and Furniture	797	-	698
Motor Vehicles	660	-	173
<b>Total operational assets</b>	<b>23,209</b>	<b>-</b>	<b>2,449</b>
<b>Infrastructural assets</b>			
Land	2,844		
Solid Waste	330	-	6
Wastewater	54,654	(1,064)	2,898
Stormwater and Drainage	18,760	1,730	335
Water Supply	39,505	8,858	5,403
Roads and Footpaths	341,855	15,233	7,954
Land Under Roads	65,077	-	0
<b>Total infrastructural assets</b>	<b>523,025</b>	<b>24,757</b>	<b>16,596</b>
<b>Restricted assets</b>			
Land	14,524	-	13
Buildings and Improvements	15,009	-	339
Plant and Equipment	566	-	21
<b>Total restricted assets</b>	<b>30,099</b>	<b>-</b>	<b>373</b>
<b>Total Council</b>	<b>576,333</b>	<b>24,757</b>	<b>19,418</b>
Other Group Assets			
Manawatu Community Trust- Land	3,474	-	-
Manawatu Community Trust- Buildings and Improvements	8,951	-	1,642
Manawatu Community Trust- Equipment	18	-	-
Feilding Civic Centre Trust- Furniture, Equipment and Leasehold Improvements	406	-	19
<b>Total</b>	<b>12,849</b>	<b>-</b>	<b>1,661</b>
<b>Group Assets</b>	<b>589,182</b>	<b>24,757</b>	<b>21,079</b>



Reclassification	Disposals	Impairment of Assets	Current Year Depreciation	Carrying Amount 30 June 2015
\$000	\$000	\$000	\$000	\$000
(3)	(19)	-	-	15,062
-	-	-	(302)	7,094
-	-	-	(277)	573
-	-	-	(171)	1,324
-	(32)	-	(120)	681
<b>(3)</b>	<b>(51)</b>	<b>-</b>	<b>(870)</b>	<b>24,734</b>
				2,844
-	-	-	(59)	277
-	(10)	-	(1,186)	55,292
-	-	-	(416)	20,409
-	(626)	-	(1,397)	51,743
-	-	-	(6,848)	358,194
-	-	-	-	65,077
-	<b>(636)</b>	<b>-</b>	<b>(9,906)</b>	<b>553,836</b>
(83)	-	-	-	14,454
-	(108)	-	(741)	14,499
-	-	-	(66)	521
<b>(83)</b>	<b>(108)</b>	<b>-</b>	<b>(807)</b>	<b>29,474</b>
<b>(86)</b>	<b>(795)</b>	<b>-</b>	<b>(11,583)</b>	<b>608,044</b>
-	-	-	-	3,474
-	-	-	(418)	10,175
-	-	-	(6)	12
-	-	-	(51)	374
-	-	-	<b>(475)</b>	<b>14,035</b>
<b>(86)</b>	<b>(795)</b>	<b>-</b>	<b>(12,058)</b>	<b>622,079</b>

**2014**

	Carrying Amount 1 July 2013 \$000	Revaluation Movement \$000	Additions \$000
<b>Council</b>			
<b>Operational assets</b>			
Land	9,691	(372)	2,462
Buildings and Improvements	6,952	(278)	342
Library Books	800	-	163
Plant , Equipment and Furniture	807	-	115
Motor Vehicles	559	-	301
<b>Total operational assets</b>	<b>18,809</b>	<b>(650)</b>	<b>3,383</b>
<b>Infrastructural assets</b>			
Land	4,949	(54)	572
Solid Waste	390	-	-
Wastewater	46,983	1,475	7,294
Stormwater and Drainage	19,031	(351)	480
Water Supply	42,511	(4,434)	2,549
Roads and Footpaths	346,135	(4,820)	7,452
Land Under Roads	65,071	-	6
<b>Total infrastructural assets</b>	<b>525,070</b>	<b>(8,184)</b>	<b>18,353</b>
<b>Restricted assets</b>			
Land	13,670	291	596
Buildings and Improvements	14,610	(201)	1,918
Plant and Equipment	464	-	91
<b>Total restricted assets</b>	<b>28,744</b>	<b>90</b>	<b>2,605</b>
<b>Total Council</b>	<b>572,623</b>	<b>(8,744)</b>	<b>24,341</b>
<b>Other Group Assets</b>			
Manawatu Community Trust- Land	3,211	263	-
Manawatu Community Trust- Buildings and Improvements	9,656	(619)	404
Manawatu Community Trust- Equipment	17	-	8
Feilding Civic Centre Trust- Furniture, Equipment and Leasehold Improvements	393	-	72
<b>Total</b>	<b>13,277</b>	<b>(356)</b>	<b>-</b>
<b>Group Assets</b>	<b>585,900</b>	<b>(9,100)</b>	<b>24,341</b>

Reclassification	Disposals	Impairment of Assets	Current Year Depreciation	Carrying Amount 30 June 2014
\$000	\$000	\$000	\$000	\$000
2,623	(62)	-	-	14,342
(97)	(7)	-	(204)	6,708
-	-	-	(261)	702
97	-	-	(222)	797
-	(79)	-	(121)	660
<b>2,623</b>	<b>(148)</b>	<b>-</b>	<b>(808)</b>	<b>23,209</b>
(2,623)	-	-	-	2,844
-	(1)	-	(59)	330
-	-	-	(1,098)	54,654
-	-	-	(400)	18,760
-	-	-	(1,121)	39,505
-	-	-	(6,912)	341,855
-	-	-	-	65,077
<b>(2,623)</b>	<b>(1)</b>	<b>-</b>	<b>(9,590)</b>	<b>523,025</b>
-	(33)	-	-	14,524
(78)	(602)	160	(798)	15,009
78	-	-	(67)	566
<b>-</b>	<b>(635)</b>	<b>160</b>	<b>(865)</b>	<b>30,099</b>
<b>-</b>	<b>(784)</b>	<b>160</b>	<b>(11,263)</b>	<b>576,333</b>
-	-	-	-	3,474
-	(142)	-	(348)	8,951
-	(1)	-	(6)	18
-	-	-	(59)	406
<b>-</b>	<b>(143)</b>	<b>-</b>	<b>(413)</b>	<b>12,849</b>
<b>-</b>	<b>(927)</b>	<b>160</b>	<b>(11,676)</b>	<b>589,182</b>

## 2015

	Actual 2015
<b>Included above is work in progress</b>	<b>\$000</b>
Operational Buildings and Improvements	15
Plant , Equipment and Furniture	302
Restricted land	30
Restricted Buildings and Improvements	211
Solid Waste	10
Wastewater	5,866
Stormwater and Drainage	800
Water Supply	3,038
<b>Total Council</b>	<b>10,272</b>
Manawatu Community Trust- Buildings	1,464
<b>Group Assets</b>	<b>11,736</b>

## 2014

	Actual 2014
<b>Included above is work in progress</b>	<b>\$000</b>
Plant , Equipment and Furniture	11
Restricted land	16
Restricted Buildings and Improvements	707
Solid Waste	10
Wastewater	5,353
Stormwater and Drainage	734
Water Supply	3,065
Roading and Footpaths	214
<b>Total Council</b>	<b>10,110</b>
Manawatu Community Trust- Buildings	141
<b>Group Assets</b>	<b>10,251</b>

### Core Infrastructural Assets

These include roads, water supplies, sewerage treatment infrastructure, stormwater, and drainage works. The table below reports on the core infrastructural assets as required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

## 2015

	Assets Constructed by Council \$000	Assets Transferred to Council \$000	Carrying Amount 30 June 2015 \$000	Replacement Cost 30 June 2015 \$000
Wastewater of which:				
Treatment Plant and Facilities	1,502	-	22,270	30,039
Other Assets (Reticulation Systems)	1,189	207	33,022	52,001
	2,691	207	55,292	82,040
Flood protection and control works	-	-	-	-
Stormwater drainage	129	206	20,409	41,342
Water Supply of which:				
Treatment Plant and Facilities	599	-	9,122	16,692
Other Assets (Reticulation Systems)	4,689	115	42,621	74,714
	5,288	115	51,743	91,406
Roads and Footpaths	7,954	0	358,194	571,236

## 2014

	Assets Constructed by Council \$000	Assets Transferred to Council \$000	Carrying Amount 30 June 2014 \$000	Replacement Cost 30 June 2014 \$000
<b>Infrastructural assets</b>				
Wastewater of which:				
Treatment Plant and Facilities	5,282	-	24,428	27,196
Other Assets (Reticulation Systems)	1,980	32	30,226	43,508
	7,262	32	54,654	70,704
Flood protection and control works	-	-	-	-
Stormwater drainage	480	-	18,760	37,309
Water Supply of which:				
Treatment Plant and Facilities	720	-	10,900	18,820
Other Assets (Reticulation Systems)	1,709	121	28,605	53,999
	2,428	121	39,505	72,819
Roads and Footpaths	7,452	-	341,855	569,867

## Insurance Cover

	Insurance Deductible*	Replacement Cover Council	Replacement Cover Group
	\$	\$000	\$000
<b>Insurance Arrangements</b>			
At 30 June 2015 Council had the following insurance cover in place for the following assets:			
Material damage cover- buildings (operational and restricted)	\$100,000	59,020	80,125
Material damage cover- plant and equipment	\$100,000	8,631	9,948
Motor vehicle cover	1% sum insured	926	946
Material damage cover- water and wastewater- treatment and supply	\$100,000	52,559	52,559

### Assets not covered by insurance

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

Council does not insure land.

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

### Risk Sharing Arrangement

Council has entered into mutual arrangement with LAPP (Local Authority Protection Programme) for disaster cover for water, stormwater and wastewater assets. The cover related to 40% of the replacement value of the assets (\$125m) and a deductible of \$596,700 applies.

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

\* Loss or damage below the insurance deductible is covered by Council (either as an operating cost or by the Insurance Reserve- see note 24)

### Impact of the 20 June 2015 Flood Event

On 20th June 2015 a significant flood event occurred in the district. This event caused the damage to our assets that were not repaired by balance date.

	Estimated unrepaired damage	Third Party Funding expected	Funded from Council's insurance and other reserves	Funded from activities
	\$000	\$	\$	\$
- Roading network	2,750	1,815	935	0
- Water supply assets	61		51	10
- Land based assets In our parks and property	160		150	10
	2,971	1,815	1,136	20

The damage to the assets is not considered significant in terms of the asset value and therefore Council has elected not to revalue the assets at balance date. Due to the net cost of the damages (net of other funding sources) Council has also not impaired the asset.

The repairs to the roading has been approved by the New Zealand Transport Agency who will partially fund these repairs in line with our approved financial assistance rate.

## 18 Intangible Assets

	Council and Group	
	Actual 2015 \$000	Actual 2014 \$000
Balance at 1 July		
Cost	2,436	2,406
Accumulated amortisation and impairment	(1,791)	(1,424)
<b>Opening carrying amount</b>	<b>645</b>	<b>982</b>
Additions	11	30
Less disposals at cost	(131)	0
Accumulated amortisation on disposals	131	0
Less amortisation charge	(490)	(367)
<b>Closing carrying amount</b>	<b>166</b>	<b>645</b>
Balance at 30 June		
Cost	2,317	2,436
Accumulated amortisation and impairment	(2,151)	(1,791)
<b>Closing carrying amount</b>	<b>166</b>	<b>645</b>

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

All intangible assets are software.

## 19 Forestry Assets

	Council and Group	
	Actual 2015 \$000	Actual 2014 \$000
<b>Balance at 1 July</b>	<b>142</b>	<b>196</b>
Increases due to purchases	0	0
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	10	15
Decreases due to harvest	(96)	(69)
<b>Balance at 30 June</b>	<b>56</b>	<b>142</b>

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

## Future Commitments

In accordance with the afforestation agreement entered into in 1976, Council 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 revenue.

## Joint Assets

The Gordon Kear Forest crop is valued at \$0.2m at 30 June 2015 (2014: \$0.6m). Council's portion is detailed above. At 30 June 2015 the remaining 40 hectares of pinus radiata forest were in varying stages of maturity ranging from 25 to 36 years. Harvesting commenced during the 2006/07 financial year and is expected to continue in the 2015/16 year. During the 2015 year 37.5 hectares were harvested. PNCC owns 100% of the Gordon Kear forest land and site improvements.

Independent registered valuer, Alan Bell of Alan Bell & Associates, has valued forestry assets as at 30 June 2015. A pre-tax discount rate of 10% (2014: 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 venture commitments and contingencies

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

### Council's share of operations during the year

	Council and Group	
	Actual 2015 \$000	Actual 2014 \$000
Proceeds from harvesting	217	205
Expenses paid	(34)	(32)
Cost of bush harvested	(96)	(69)
Increase/(decrease) in asset value	10	15
	<b>97</b>	<b>119</b>

## Financial risk management strategies

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



## 20 Creditors and Other Payables

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Trade payables	3,833	4,574	4,273	4,798
Deposits and bonds	1,738	1,836	1,738	1,836
Accrued expenses	1,169	532	1,169	534
Amounts due to related parties (note 29)	0	1	0	1
Revenue in advance	691	702	691	702
<b>Total creditors and other payables</b>	<b>7,432</b>	<b>7,645</b>	<b>7,872</b>	<b>7,871</b>
<b>Total creditor and other payables comprise:</b>				
Creditors / other payables from exchange transactions	6,741	6,943	7,181	7,169
Creditors / other payables from non-exchange transactions	691	702	691	702
<b>Total creditors and other payables</b>	<b>7,432</b>	<b>7,645</b>	<b>7,872</b>	<b>7,871</b>

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

## 21 Provisions

	Council and Group	
	Actual 2015 \$000	Actual 2014 \$000
Current Provisions are represented by:		
Financial guarantees	-	-
Landfill aftercare provision	44	77
<b>Total Current Provisions</b>	<b>44</b>	<b>77</b>
<b>Non-Current Provisions are represented by:</b>		
Financial guarantees	-	-
Landfill aftercare provision	612	701
<b>Total Non-Current provisions</b>	<b>612</b>	<b>701</b>

	Council and Group	
	Actual 2015 \$000	Actual 2014 \$000
Opening balance	778	731
Additional provisions made during the year	(131)	37
Amounts used during the year	(37)	(35)
Unused amounts reversed during the year	0	0
Discount unwinding (note 10)	46	45
<b>Closing Balance</b>	<b>656</b>	<b>778</b>

### Provision for landfill aftercare costs

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

### Feilding Landfill

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

Closure responsibilities include providing for:

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

Post closure costs include providing for:

- \* monitoring and treatment of leachate
- \* ground water and surface water monitoring
- \* on-going management including maintenance of grasscover, 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.

## 22 Employee Entitlement Liabilities

	Council and Group		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Accrued pay	249	202	261	213
Annual leave	768	607	778	613
<b>Total Employee Entitlement Liabilities</b>	<b>1,017</b>	<b>809</b>	<b>1,039</b>	<b>826</b>
Comprising:				
Current	1,017	809	1,039	826
Non-current	-	-	-	-
<b>Total Employee Entitlement Liabilities</b>	<b>1,017</b>	<b>809</b>	<b>1,039</b>	<b>826</b>

## 23 Borrowings

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Opening Balance of Term Borrowings	38,175	29,135	38,175	29,135
Loans raised during the year	14,025	20,210	14,025	20,210
Loans repaid during the year	(9,300)	(11,170)	(9,300)	(11,170)
<b>Closing Balance of Term Borrowings</b>	<b>42,900</b>	<b>38,175</b>	<b>42,900</b>	<b>38,175</b>
Current				
Secured loans	0	7,065	0	7,065
<b>Total current borrowings</b>	<b>0</b>	<b>7,065</b>	<b>0</b>	<b>7,065</b>
Non-current				
Secured loans	42,900	31,110	43,490	31,110
<b>Total non-current borrowings</b>	<b>42,900</b>	<b>31,110</b>	<b>43,490</b>	<b>31,110</b>

As at 30 June 2015 there is a credit card facility in place with Bank of New Zealand for a limit of \$30k (Last year – \$30k). There is a “multi-option” facility- treasury solution of \$10 million of which \$1.9m (Last year – \$5.9 million) used as of balance date.

### Fixed-rate debt

\$22 million of debt has been issued at floating interest rate and the remainder is at fixed rates of interest. The borrowing rates range from 3.00% to 7.19% (Last year – 4.09% to 7.19%).

When Council borrows on a fixed rate that differs from the current market rate offered, we receive a discount or pay a premium on the face value. This discount or premium is apportioned over the term of the loan and the amount repaid is equal to the face value of the loan received. The amounts disclosed above include the discount or premium of \$26,538. The face value of fixed rate debt is \$20.9m.

### Security

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

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

### Management

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

### Internal borrowings

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

## 24 Equity

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
<b>Retained Earnings</b>				
As at 1 July	461,398	457,045	471,398	467,529
Transfers to:				
From Restricted reserves	321	270	321	270
Transfers from:				
To Restricted reserves	(362)	(173)	(365)	(173)
Property revaluation reserves on disposal	80	(631)	80	(631)
Surplus/(deficit) for the year	2,034	4,887	2,287	4,403
<b>As at 30 June</b>	<b>463,470</b>	<b>461,398</b>	<b>473,721</b>	<b>471,398</b>
<b>Restricted Reserves</b>				
As at 1 July	1,885	1,982	1,885	1,982
Transfers to:				
From Retained earnings	362	173	362	173
Transfers from:				
To Retained earnings	(321)	(270)	(321)	(270)
<b>As at 30 June</b>	<b>1,925</b>	<b>1,885</b>	<b>1,925</b>	<b>1,885</b>
<b>Asset Revaluation Reserves</b>				
As at 1 July	85,806	94,980	87,882	97,056
Revaluation gains/(losses)	24,760	(9,965)	24,760	(9,965)
Revaluation portion on disposed assets	(80)	631	(80)	631
Impairment loss on restricted buildings through other comprehensive revenue and expense		160		160
<b>As at 30 June</b>	<b>110,486</b>	<b>85,806</b>	<b>112,562</b>	<b>87,882</b>
<b>Fair value through other comprehensive revenue and expense</b>				
As at 1 July	83	174	83	174
Net revaluation gain/(losses)	(61)	(91)	(61)	(91)
<b>As at 30 June</b>	<b>22</b>	<b>83</b>	<b>22</b>	<b>83</b>
<b>Total Other Reserves</b>	<b>112,433</b>	<b>87,774</b>	<b>114,509</b>	<b>89,850</b>
<b>Total Equity</b>	<b>575,903</b>	<b>549,172</b>	<b>588,230</b>	<b>561,248</b>

## Retained Earnings

Included in retained earnings are the general funds, accumulated funds and the depreciation reserve.

General funds	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Opening balances	451,491	445,977	461,491	456,461
Transfers from restricted reserves	321	270	321	270
Transfers to restricted reserves	(362)	(173)	(362)	(173)
Property revaluation reserve on disposal	80	(631)	80	(631)
Transfers to General funds	3,524	6,049	3,774	5,565
<b>Closing Balance</b>	<b>455,055</b>	<b>451,491</b>	<b>465,305</b>	<b>461,491</b>

### Accumulated funds

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

#### Separate funds

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

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Opening balances	740	1,858	740	1,858
Transfers to Separate Funds	200	143	200	143
Transfers from Separate Funds	(1,179)	(1,261)	(1,179)	(1,261)
<b>Closing Balance</b>	<b>(240)</b>	<b>740</b>	<b>(240)</b>	<b>740</b>

#### Growth funds

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

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Opening balances	774	856	774	856
Transfers to Growth Funds	612	389	612	389
Transfers from Growth Funds	(917)	(471)	(917)	(471)
<b>Closing Balance</b>	<b>469</b>	<b>774</b>	<b>469</b>	<b>774</b>

#### Depreciation fund

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

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Opening balances	8,392	8,354	8,392	8,354
Transfers to Depreciation Fund	8,413	7,882	8,413	7,882
Transfers from Depreciation Fund	(8,619)	(7,844)	(8,619)	(7,844)
<b>Closing Balance</b>	<b>8,186</b>	<b>8,392</b>	<b>8,186</b>	<b>8,392</b>
<b>Total Retained Earnings</b>	<b>463,470</b>	<b>461,397</b>	<b>473,721</b>	<b>471,398</b>

## Restricted funds

Trust funds	Council and Group			Closing Balance \$000
	Opening Balance \$000	Transfers in \$000	Transfers out \$000	
<b>2015</b>				
Hook Bequest	11	-	-	11
Trewin Bequest	1	-	-	1
Wakerill Trust	1	-	-	1
Robert Dickson Library Trust	4	-	-	4
P.A. Broad Memorial Trust	6	-	-	6
Historical Trust	3	-	-	3
Robert Dickson Educational Trust	18	1	-	19
Museum Trust	2	-	-	2
Feilding and District Relief Trust	136	5	(7)	134
	<b>182</b>	<b>6</b>	<b>(7)</b>	<b>181</b>
<b>2014</b>				
Hook Bequest	11	-	-	11
Trewin Bequest	1	-	-	1
Wakerill Trust	1	-	-	1
Robert Dickson Library Trust	3	1	-	4
P.A. Broad Memorial Trust	6	-	-	6
Historical Trust	3	-	-	3
Robert Dickson Educational Trust	21	1	(4)	18
Museum Trust	2	-	-	2
Feilding and District Relief Trust	131	5	-	136
	<b>179</b>	<b>7</b>	<b>(4)</b>	<b>182</b>

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

Hook Bequest	Assist poor or needy/charitable purposes in Feilding
Trewin Bequest	Maintenance of the Trewin monument
Wakerill Trust	Maintenance of the Wackrill monument
Robert Dickson Library Trust	Children's books
P.A. Broad Memorial Trust	Books on NZ sport and wildlife
Historical Trust	To enhance the library's local research area
Robert Dickson Educational Trust	Advice/guidance/assistance to solo mothers and their children for education matters and advancement in life
Museum Trust	Council directs trust to enhance the library's local research area
Feilding And District Relief Trust	Donations ex 2004 flood

Special Funds	Council and Group			Closing Balance \$000
	Opening Balance \$000	Transfers in \$000	Transfers out \$000	
<b>2015</b>				
General Purpose Special Fund	95	300	(314)	81
Land Subdivision Reserve Special Fund	637	22		659
Insurance Fund	972	34		1,006
	<b>1,704</b>	<b>356</b>	<b>(314)</b>	<b>1,746</b>
<b>2014</b>				
General Purpose Special Fund	247	109	(261)	95
Land Subdivision Reserve Special Fund	619	23	(5)	637
Insurance Fund	937	35		972
	<b>1,803</b>	<b>167</b>	<b>(266)</b>	<b>1,704</b>

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

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

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

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Trust Funds	181	182	181	182
Special Funds	1,746	1,704	1,746	1,704
<b>Total Trust and Special Funds</b>	<b>1,927</b>	<b>1,886</b>	<b>1,927</b>	<b>1,886</b>



## Asset Revaluation Reserves

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
Operational assets				
Land	2,116	2,116	2,116	2,116
Buildings & Improvements	680	680	680	680
Infrastructural assets				
Land	540	540	540	540
Utilities (Water, Stormwater, Wastewater and Solid Waste)	26,266	16,662	26,266	16,662
Roading network	73,615	58,382	73,615	58,382
Restricted assets				
Land	4,442	4,442	6,225	6,225
Buildings & Improvements	2,825	2,983	3,117	3,276
<b>Total</b>	<b>110,483</b>	<b>85,805</b>	<b>112,559</b>	<b>87,881</b>

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

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
<b>Surplus/(deficit) after tax</b>	<b>2,034</b>	<b>4,887</b>	<b>2,287</b>	<b>4,403</b>
Add/(less) non-cash items:				
Depreciation and amortisation	12,073	11,631	12,548	12,044
Vested assets	(527)	(1,822)	(527)	(1,822)
Grant expenditure from low interest loans	200	(139)	200	(139)
(Gains)/losses in fair value of forestry assets	(11)	(151)	(11)	(151)
(Gains)/losses on disposal of forestry assets	(122)			
(Gains)/losses on disposal of property, plant and equipment	739	(417)	739	81
Add/(less) items classified as investing or financing activities:				
Investment revenue direct to investment			0	(11)
Add/(less) movements in working capital items:				
(Increase)/decrease in accounts receivable	(717)	3,392	(663)	3,506
Increase (decrease) in accounts payable	4	(1,529)	(255)	(1,408)
Increase (decrease) in provisions	(123)	47	(123)	46
Increase (decrease) in employee benefits	207	(17)	207	(17)
Net GST	(20)	426	(91)	437
<b>Net cash from operating activities</b>	<b>13,737</b>	<b>16,308</b>	<b>14,312</b>	<b>16,969</b>

## 26 Capital Commitments and Operating Leases

Capital Commitments	Council		Group	
	Actual 2015	Actual 2014	Actual 2015	Actual 2014
	\$000	\$000	\$000	\$000
Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment				
- Buildings	-	-	5,223	-
- Roading	16,500	8,754	16,500	8,643
- Stormwater	-	1,331	-	1,331
- Wastewater	190	1,908	190	1,908
- Water Supply	190	1,708	190	1,708
<b>Total Capital Commitments</b>	<b>16,880</b>	<b>13,590</b>	<b>22,103</b>	<b>13,590</b>

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

In respect to capital commitment for roading maintenance and upgrade, included in the above current commitment figure, \$8.3m (Last year – \$4.3m) will be financed by way of subsidy from the New Zealand Transport Authority.

In respect to last year's capital commitment for Rongotea Water Supply Scheme included in the above current commitment figure, \$0.5m is be financed by way of subsidy from the Ministry of Health.

### Operating Leases as Lessee

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

	Council		Group	
	Actual 2015	Actual 2014	Actual 2015	Actual 2014
	\$000	\$000	\$000	\$000
<b>Non-cancellable operating leases as lessee</b>				
Not later than one year	91	87	91	87
Later than one year and not later than two years	91	62	91	62
Later than two years and not later than five years	124	41	124	41
Later than five years	30	-	30	-
<b>Total non-cancellable operating leases</b>	<b>336</b>	<b>190</b>	<b>336</b>	<b>190</b>

### Operating Leases as Lessor

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

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

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
<b>Non-cancellable operating leases as lessor</b>				
Not later than one year	146	150	146	150
Later than one year and not later than two years	133	146	133	146
Later than two years and not later than five years	400	400	400	400
Later than five years	966	1,099	966	1,099
<b>Total non-cancellable operating leases</b>	<b>1,645</b>	<b>1,795</b>	<b>1,645</b>	<b>1,795</b>

## 27 Contingencies

### Contingent Liabilities

#### Risk Pool Insurance

In prior years Council obtained public liability and professional indemnity insurance cover from New Zealand Mutual Liability RiskPool, up to and including 2009. This operates as a mutual fund where each member makes an annual contribution to obtain cover. However should claims exceed contributions then calls can be made on the members of that fund year for the shortfall amount. We have not been advised on any future calls on this liability.

#### Building Act Claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect to the issue of building consents and building inspections work done. At the date of this report there was one claim filed with the Weathertight Homes Tribunal. The total claim is \$853,000. This matter has not progressed sufficiently to quantify Council's liability and there we are recognising this as a contingent liabilities.

Council signed a relationship agreement with the Department of Building and Housing on 21 November 2011. This agreement is to co-operate with the government to deliver the financial assistance package established by Central Government to assist homeowners in completing repairs. The timeframe for lodging claims under the Weathertight Homes Resolution Services Act 2006 states that the building to which the claim relates " was built (or alterations giving rise to the claim were made to it) before 1 January 2012 and within the period of 10 years immediately before the day on which the claim is brought". As at balance date, there is one claim lodged with the Council in January 2007, whereby the claimant had expressed an interest in accessing the financial assistance package, under the Weathertight Homes Resolution Services Act 2006. No estimated costs could be quantified by the Council as costs will be provided via the financial assistance package by way of experts report.

## **Uncalled capital – NZLGFA**

The Council is a shareholder of the NZLGFA. The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+. The Council is one of 30 shareholders of the NZLGFA. In that regard, Council has uncalled capital of \$100,000. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event of an imminent default. Together with the other shareholders, the Council is a guarantor to all of NZLGFA's borrowings. At 30 June 2015, the NZLGFA had borrowings totalling \$5.0 billion (Last year – \$3.7 billion). The Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of the NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

## **Defined Benefit Scheme**

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

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

## **Guarantees**

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

## **Other legal proceedings - unquantified claims**

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

## **Contingent Assets**

### **Buildings on Reserve Land**

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

## Community Loans

A number of loans have been given to community organisations. These loans become repayable only if the organisation ceases to provide a service within the district. At this stage Council is not aware of any circumstance in which the loan becomes repayable. These loans are recorded at fair value (\$nil) in the statement of financial position. These loans total \$1.97m (Last year – \$1.97m).

## 28 Related Party Transactions

Council is the ultimate parent of the group and controls four entities, being Heartland Contractors Ltd, the Feilding Civic Centre Trust, the Awahuri Forest/Kitchener Park Trust and the Manawatu Community Trust.

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

	Actual 2015 \$000	Actual 2014 \$000
<b>Manawatu Community Trust</b>		
Services provided by MDC (provided on a cost recovery only)	80	97
Interest paid to MDC (refer note below)	77	78
Amounts payable to MDC at year end	37	44
Loans repaid to the MDC	67	82
Loans drawn down from MDC during the year	2,500	-
Loan owing to MDC (as at balance date)	3,682	1,258
<b>Manawatu-Wanganui LASS Limited</b>		
The Chief Executive is a director of this company		
The Council is one of the guarantors to the Deed of Lease for a property leased by the company- see note 27 for further details.		
<b>Awahuri Forest / Kitchener Park Trust</b>		
Grant provided by MDC (establishment grants)	40	-

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

Council has reduced the value of the loan given to Manawatu Community Trust this year to fair value. The reduction of \$349,945 is because 50% of the loan is interest free and has been treated as grant expenditure. There is no reduction of any other loans or other receivables to related parties (Last year – \$nil).

## Key Management Personnel Compensations

(includes senior management, the Mayor and Councillors)

	Actual 2015 \$000	Actual 2014 \$000
Salaries and other short term employee benefits- elected members	383	363
Salaries and other short term employee benefits- Executive Team including the Chief Executive	863	862
Post employment benefits- Executive Team including the Chief Executive	36	36
Termination benefits	-	-
	<b>1,282</b>	<b>1,261</b>
<b>Full time equivalents</b>		
Elected Members*	11	11
Executive Team including the Chief Executive	5	5

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

## 29 Remuneration

### Elected Members

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

	Actual 2015 \$	Actual 2015 \$	Actual 2014 \$
	Salary	Meeting Allowances	
Mayor Margaret Kouvelis	93,431		92,452
Councillor Steve Bielski (from October 2013)	26,084		17,892
Councillor Barbara Cameron	32,605	794	29,855
Councillor Shane Casey (from October 2013)	26,084	80	17,892
Councillor Wayne Ellery	26,084		25,240
Councillor Jocelyn Heslop (from October 2013)	26,084	629	17,892
Councillor Albert James (from October 2013)	26,084		17,892
Councillor Tony Jensen (Deputy Mayor from October 2013)	43,038	2,591	36,724
Councillor Andrew Quarrie (from October 2013)	26,084		17,864
Councillor Alison Short	26,084		26,115
Councillor Howard Voss	31,301	1,580	28,982
Councillor Matthew Bell (Deputy Mayor to October 2013)	-		10,714
Councillor John Baxter (to October 2013)	-		8,223
Councillor Margaret Giles (to October 2013)	-		7,476
Councillor John Salmon (to October 2013)	-		7,476
	<b>382,963</b>	<b>5,674</b>	<b>362,689</b>

### Chief Executive

For the year ended 30 June 2015, the remuneration paid to the Chief Executive was \$242,386 (Last year – \$242,282). In addition, the value of the motor vehicle benefits received was \$10,000 (Last year – \$10,000).

### Council employees

	Actual 2015 as at 30 June	Actual 2014 as at 30 June
The number of employees employed by the Council:	140	126
The number of full-time employees:	109	97
The full-time equivalent number of all other employees:	21	13.3
Number of employees receiving total annual remuneration of		
- less than \$60,000	69	66
- between 60,001 and \$80,000	42	38
- between \$80,001 and \$100,000	14	10
- between \$100,001 and \$120,000	8	7
- between 120,001 and \$260,000	7	5
A full-time employee is determined on the basis of a 40-hour working week.		
	<b>140</b>	<b>126</b>

## 30 Severance Payments

For the year ended 30 June 2015, there were no severance payments to employees (Last year – nil)

## 31 Events after the Balance Sheet Date

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



## 32 Financial Instruments

### Financial instrument categories

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

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
<b>FINANCIAL ASSETS</b>				
<b>Loans and receivables</b>				
Cash and cash equivalents	5,409	8,386	8,024	9,126
Debtors and other receivables	5,392	4,776	5,434	4,760
Term deposits- Other	699	600	699	600
Notes- NZ Local Government Funding Agency	656	464	656	464
Community loans	2,845	2,702	2,845	2,703
Community loans- related party	3,331	1,258	-	-
<b>Total loans and receivables</b>	<b>18,333</b>	<b>18,186</b>	<b>17,659</b>	<b>17,653</b>
<b>Total held to maturity</b>				
Other financial assets	-	-	-	-
<b>Total held to maturity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Available for sale</b>				
Unlisted shares in NZ Local Government Funding Agency (NZLGFA)	100	100	100	100
Unlisted shares in NZ Local Government Insurance Corp Ltd (NZIG)	190	190	190	190
Unlisted shares in Manawatu- Wanganui LASS Limited (LASS)	1	1	1	1
Listed shares in Fonterra	297	350	297	350
<b>Total available for sale</b>	<b>588</b>	<b>642</b>	<b>588</b>	<b>642</b>
<b>Total financial assets</b>	<b>18,921</b>	<b>18,828</b>	<b>18,247</b>	<b>18,295</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Financial liabilities at amortised cost</b>				
Creditors and other payables	7,432	7,645	7,872	7,871
Borrowings				
- Bank overdraft	-	-	-	-
- Secured loans	42,900	38,175	42,900	38,175
<b>Total financial liabilities at amortised cost</b>	<b>50,332</b>	<b>45,821</b>	<b>50,772</b>	<b>46,046</b>

## Fair Value Hierarchy Disclosures

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

	Valuation technique			Significant non-observable inputs (Level 3) \$000
	Total \$000	Quoted market price (Level 1) \$000	Observable inputs (Level 2) \$000	
<b>30 June 2015 - Council</b>				
<b>Financial assets</b>				
Community Loan	2,022		2,022	
Listed shares- Fonterra Group	297	297		
<b>30 June 2015 - Group</b>				
<b>Financial assets</b>				
Community Loan	2,022		2,022	
Listed shares- Fonterra Group	297	297		
<b>30 June 2014 - Council</b>				
<b>Financial assets</b>				
Community Loan	1,870		1,870	
Listed shares- Fonterra Group	350	350		
<b>30 June 2014 - Group</b>				
<b>Financial assets</b>				
Community Loan	1,870		1,870	
Listed shares- Fonterra Group	350	350		

The fair value of Fonterra Co-operative Group Ltd as at 30 June 2015 has been determined with reference to the NZX share price on 30 June 2015. The changes in fair value of shares has been recognised in Other comprehensive revenue and expense.

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

## Financial instrument risks

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

## **Market risk**

### **Price risk**

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

### **Currency risk**

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

### **Interest rate risk**

Fair value interest rate risk

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

### **Cash flow interest rate risk**

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

### **Credit risk**

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

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

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

### Maximum exposure to credit risk

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

	Council		Group	
	Actual 2015 \$000	Actual 2014 \$000	Actual 2015 \$000	Actual 2014 \$000
<b>Balance as at 30 June</b>				
Cash at bank and term deposits	6,109	8,986	8,724	9,726
Debtors and other receivables	5,392	4,776	5,434	4,760
Community loans	6,176	3,960	2,845	2,703
Local authority stock and other investments	1,244	1,106	1,244	1,106
Financial guarantees	-	-	-	-
<b>Total credit risk</b>	<b>18,921</b>	<b>18,828</b>	<b>18,247</b>	<b>18,295</b>

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

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

### Credit quality of financial assets

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

	Council		Group	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
<b>Balance as at 30 June</b>				
<b>Counterparties with credit ratings</b>				
Cash and term deposits				
Cash at bank and bank term deposits (AA- rated)	6,109	8,986	8,724	9,726
NZLGFA borrower's notes (AA rated)	656	464	656	464
<b>Total cash at bank and term deposits</b>	<b>6,765</b>	<b>9,450</b>	<b>9,380</b>	<b>10,190</b>
Other investments				
Unlisted shares in NZ Local Government Funding Agency (NZLGFA) (AA Rated)	100	100	100	100
<b>Total other investments</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Counterparties without credit ratings</b>				
Local authority stock, community loans				
Existing counterparty with no defaults in the past	6,664	4,501	3,333	3,244
Existing counterparty with defaults in the past	-	-	-	-
<b>Total local authority stock and community loans</b>	<b>6,664</b>	<b>4,501</b>	<b>3,333</b>	<b>3,244</b>

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

## Liquidity risk

### Management of liquidity risk

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

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

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

## Contractual maturity analysis of financial liabilities

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

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
<b>Council 2015</b>					
Creditors and other payables	7,432	7,432	7,432	-	-
Secured loans	42,900	52,689	1,981	28,463	22,245
Financial guarantees	-	-	-	-	-
	<b>50,332</b>	<b>60,121</b>	<b>9,413</b>	<b>28,463</b>	<b>22,245</b>
<b>Group 2015</b>					
Creditors and other payables	7,872	7,872	7,872	-	-
Secured loans	42,900	52,689	1,981	28,463	22,245
Financial guarantees	-	-	-	-	-
	<b>50,772</b>	<b>60,561</b>	<b>9,853</b>	<b>28,463</b>	<b>22,245</b>
<b>Council 2014</b>					
Creditors and other payables	7,645	7,645	7,645	-	-
Secured loans	38,175	46,145	8,546	17,116	20,483
Financial guarantees	-	-	-	-	-
	<b>45,821</b>	<b>53,790</b>	<b>16,191</b>	<b>17,116</b>	<b>20,483</b>
<b>Group 2014</b>					
Creditors and other payables	7,871	7,871	7,871	-	-
Secured loans	38,175	46,145	8,546	17,116	20,483
Financial guarantees	-	-	-	-	-
	<b>46,046</b>	<b>54,016</b>	<b>16,417</b>	<b>17,116</b>	<b>20,483</b>

## Contractual maturity analysis of financial assets

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

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
<b>Council 2015</b>					
Cash and cash equivalents	5,409	5,409	5,409	-	-
Debtors & other receivables	5,392	5,392	5,392	-	-
Other financial assets:					
- Term deposits	1,355	1,596	64	1,295	237
- Community loans	2,845	5,650	167	1,061	4,422
- Community loans- related party	3,331	4,506	329	1,317	2,860
	<b>18,333</b>	<b>22,553</b>	<b>11,361</b>	<b>3,673</b>	<b>7,519</b>
<b>Group 2015</b>					
Cash and cash equivalents	8,024	8,024	8,024	-	-
Debtors & other receivables	5,434	5,434	5,434	-	-
Other financial assets:					
- Term deposits	1,355	1,596	64	1,295	237
- Community loans	2,845	5,650	167	1,061	4,422
	<b>17,659</b>	<b>20,704</b>	<b>13,689</b>	<b>2,356</b>	<b>4,659</b>
<b>Council 2014</b>					
Cash and cash equivalents	8,386	8,386	8,386	-	-
Debtors & other receivables	4,776	4,776	4,776	-	-
Other financial assets:					
- Term deposits	1,064	1,292	699	299	294
- Community loans	2,703	6,076	82	1,219	4,775
- Community loans- related party	1,258	1,803	141	562	1,100
	<b>18,187</b>	<b>22,332</b>	<b>14,083</b>	<b>2,080</b>	<b>6,169</b>
<b>Group 2014</b>					
Cash and cash equivalents	9,126	9,126	9,126	-	-
Debtors & other receivables	4,760	4,760	4,760	-	-
Other financial assets:					
- Term deposits	824	1,292	699	299	294
- Community loans	2,703	6,385	82	1,219	5,084
	<b>17,412</b>	<b>21,562</b>	<b>14,666</b>	<b>1,518</b>	<b>5,378</b>

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

## Sensitivity analysis - Council

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

2015	-100bps		+100bps	
	Profit \$000	Other Equity \$000	Profit \$000	Other Equity \$000
<b>INTEREST RATE RISK</b>				
<b>Financial assets</b>				
Cash and cash equivalents	(34)	-	34	-
Other financial assets:				
- Term deposits	(3)	-	3	-
- Community and related party loans	(25)	-	25	-
- Other investments	(4)	-	4	-
<b>Financial liabilities</b>				
Secured loans	220	-	(220)	-
<b>Total sensitivity to interest rate risk</b>	<b>154</b>	<b>-</b>	<b>(154)</b>	<b>-</b>
<b>EQUITY PRICE RISK</b>	<b>-10%</b>		<b>10%</b>	
<b>Financial assets</b>				
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	-
- Shares in Manawatu-Wanganui LASS Limited	-	-	-	-
- Shares in NZ Local Government Funding Agency	-	-	-	-
- Shares in Fonterra	-	(3)	-	3
<b>Total sensitivity to equity price risk</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>3</b>



## 2014

	-100bps		+100bps	
	Profit \$000	Other Equity \$000	Profit \$000	Other Equity \$000
<b>INTEREST RATE RISK</b>				
<b>Financial assets</b>				
Cash and cash equivalents	(31)	-	31	-
Other financial assets:				
- Term deposits	-	-	-	-
- Community and related party loans	(59)	-	59	-
- Other investments	(2)	-	2	-
- Local authority stock	-	-	-	-
Secured loans	175	-	(175)	-
<b>Total sensitivity to interest rate risk</b>	<b>83</b>	<b>-</b>	<b>(83)</b>	<b>-</b>
<b>EQUITY PRICE RISK</b>				
	<b>-10%</b>		<b>10%</b>	
<b>Financial assets</b>				
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	-
- Shares in Manawatu-Wanganui LASS Limited	-	-	-	-
- Shares in NZ Local Government Funding Agency	-	-	-	-
- Shares in Fonterra	-	(3)	-	3
<b>Total sensitivity to equity price risk</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>3</b>

## **Explanation of sensitivity analysis - Council**

### **Financial Assets**

#### *1 Cash and cash equivalents*

Cash and cash equivalents include deposits on call totalling \$3,386,760 (Last year – \$3,114,716) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$33,868 (Last year – \$31,147).

#### *2 Community loans*

Council has floating rate community advances with a principal amount totalling \$2,528,158 (Last year – \$5,977,031). A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$25,281 (Last year – \$59,770).

#### *3 Local authority stock and other investments*

Council has floating rate term bonds and deposits totalling \$252,000 (Last year – \$208,000) that are held to maturity. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$3,520 (Last year – \$2,080).

### **Financial Liabilities**

#### *4 Secured loans*

Council has a floating rate debt with a principal amount totalling \$22,000,000 (Last year – \$17,500,000). A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$220,000 (Last year – \$175,000).

### **Equity**

#### *5 Unlisted shares*

Council holds unlisted equity instruments in NZ Local Government Insurance Corp Ltd, which are not traded and will continue to be held by Council. The market value of these shares is difficult to determine, but the net asset backing of this shareholding was \$245,030 at 31 December 2014. Council accounts for these shares at cost.

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

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

#### *6 Listed shares*

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

## Sensitivity analysis - Group

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

### 2015

	-100bps		+100bps	
	Profit \$000	Other Equity \$000	Profit \$000	Other Equity \$000
<b>INTEREST RATE RISK</b>				
<b>Financial assets</b>				
Cash and cash equivalents	(56)	-	56	-
Other financial assets:				
- Term deposits	(3)	-	3	-
- Community loans	(1)	-	1	-
- Other investments	(4)	-	4	-
<b>Financial liabilities</b>				
Secured loans	220	-	(220)	-
<b>Total sensitivity to interest rate risk</b>	<b>156</b>	<b>-</b>	<b>(156)</b>	<b>-</b>
<b>EQUITY PRICE RISK</b>				
	<b>-10%</b>		<b>10%</b>	
Financial assets				
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	-
- Shares in Manawatu-Wanganui LASS Limited	-	-	-	-
- Shares in NZ Local Government Funding Agency	-	-	-	-
- Shares in Fonterra	-	(3)	0	3
<b>Total sensitivity to equity price risk</b>	<b>0</b>	<b>(3)</b>	<b>0</b>	<b>3</b>

## 2014

	-100bps		+100bps	
	Profit \$000	Other Equity \$000	Profit \$000	Other Equity \$000
<b>INTEREST RATE RISK</b>				
<b>Financial assets</b>				
Cash and cash equivalents	(33)	-	33	-
Other financial assets:				
- Term deposits	-	-	-	-
- Community loans	(47)	-	47	-
- Other investments	(2)	-	2	-
<b>Financial liabilities</b>				
Secured loans	175	-	(175)	-
<b>Total sensitivity to interest rate risk</b>	<b>93</b>	<b>-</b>	<b>(93)</b>	<b>-</b>
<b>EQUITY PRICE RISK</b>				
	<b>-10%</b>		<b>10%</b>	
<b>Financial assets</b>				
Other financial assets:				
- NZ Local Government Insurance Corp Ltd	-	-	-	0
- Shares in Manawatu-Wanganui LASS Limited	-	-	-	0
- Shares in NZ Local Government Funding Agency	-	-	-	0
- Shares in Fonterra	-	(3)	-	3
<b>Total sensitivity to equity price risk</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>3</b>

## **Explanation of sensitivity analysis - Group**

### **Financial Assets**

#### *1 Cash and cash equivalents*

Cash and cash equivalents include deposits on call totalling \$5,647,760 (Last year – \$3,396,717 ) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$56,478 (Last year – \$33,967 ).

#### *2 Community loans*

The Group has floating rate community advances with a principal amount totalling \$91,968 (Last year – \$4,718,937). A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$920 (Last year – \$47,189).

#### *3 Local authority stock and other investments*

The Group has floating rate term bonds and deposits totalling \$352,000 (Last year – \$208,000) that are held to maturity. A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$3,520 (Last year – \$2,080).

### **Financial Liabilities**

#### *4 Secured loans*

The Group has a floating rate debt with a principal amount totalling \$22,000,000 (Last year – \$17,500,000). A movement in interest rates of plus or minus 1.0% has an effect on interest revenue of \$220,000 (Last year – \$175,000).

### **Equity**

#### *5 Unlisted shares*

The Group holds unlisted equity instruments in NZ Local Government Insurance Corp Ltd, which are not traded and will continue to be held by the Group. The market value of these shares is difficult to determine, but the net asset backing of this shareholding was \$245,030 at 31 December 2014. The Group accounts for these shares at cost.

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

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

#### *6 Listed shares*

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

## 33 Capital Management

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

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

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

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

Council has the following Council created reserves:

- \* Trust and bequest funds

- \* Special Funds

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

The amounts involved in our equity and reserves, together with the movements from last year, are disclosed in note 24.

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

## 34 Explanation of Major Variances

Explanations for major variations between the actual results and the estimated figures in the 2014/15 Annual Plan, which is the third year of the Long Term Plan 2012-2022, are detailed below.

### Statement of Comprehensive Revenue and Expense

The operating surplus tax for the year is \$2.0 million, against a budgeted surplus of \$1.8 million. The following are the most significant variances:

- Revenue from development contributions is \$267,000 above budget. This reflects the building activity within the district.
- Finance costs are \$952,000 lower than budgeted. The external loans raised for the year were also at a lower interest rate than budgeted. The amount of loans raised during the year were lower than expected as a result of not completing the budgeted capital programme (see comment below).
- Roading operation expenditure is \$1.2 million greater than planned in some areas. This is the result of additional work required from flooding and other weather events. There was also a transfer of work from renewal to maintenance to ensure the most appropriate work was carried out to gain

the most benefit. There is a corresponding increase in the subsidy from the New Zealand Transport Agency.

- Revenue from wastewater rates is lower than planned but is offset by an increase in the revenue from volumetric wastewater charges.

### **Balance Sheet**

The most significant movements are:

- Capital expenditure is only 70% of the work planned at the beginning year. A number of projects have been carried forward to the 2015/16 financial year. The level of capital expenditure has resulted in property, plant and equipment and the associated borrowing being lower than budgeted. Individual variations are documented with the individual activity reports.
- Council revalued its infrastructural assets on 1 July 2014. This revaluation resulted in an increase in the asset value \$15.4 million greater than budgeted. As a result both the asset value and the asset revaluation reserve are higher than expected.
  - The Annual Plan included \$3.8 million of asset held for sale. This related to land associated with the Manfeild Park Development. At balance date the subdivision of land had not been finalised and consequently the land is included as operational land as a part of property, plant and equipment.
  - Cash and cash equivalents are \$3.9 million greater than planned. This is primarily a result of reduced capital expenditure and the timing of raising loans. The movements are documented in the Statement of Cash Flows.

### **Statement of Cash Flows**

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

## 35 Adjustments to the comparative year financial statements

2013/14 Comparatives	Note	Before adjustments \$000	Reclassification adjustments \$000	PBE transition adjustments \$000	Correction of error \$000	After adjustments \$000
<b>COUNCIL</b>						
<b>Revenue</b>						
Rates (including water by meter)		25,898				25,898
Financial revenue		249				249
Subsidies and grants		8,447				8,447
Development and financial contributions		389				389
Other revenue	*	10,077	432			10,509
Other gains/(losses)	*	432	(432)			0
		<b>45,492</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,492</b>
<b>GROUP</b>						
<b>Revenue</b>						
Rates, excluding targeted rates for water supply		25,716				25,716
Rates (including water by meter)		25,716				25,716
Financial revenue		190				190
Subsidies and grants		8,521				8,521
Development and financial contributions		389				389
Other revenue	*	11,188	290			11,478
Other gains/(losses)	*	290	(290)			0
		<b>72,010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72,010</b>

There were no changes to the Statement of Financial Position or the Statement of Cash Flow.

### Explanatory notes - reclassification adjustments

\* For the Council and group, gains of \$432,000 have been reclassified to other revenue, as the Council no longer distinguishes between gains and other revenue on transition to the new PBE accounting standards.



# Report on Liability Management and Investment Policies

## Liability Management Policy

### Commentary

During the course of the financial year, Council repaid \$9.5 million of debt, raised \$14.3 million of debt, resulting in an increase of debt from \$38.2 million at the start of the financial year to \$42.9 million at 30 June 2015.

Key Statistics	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Gross interest expense compared to operating revenue not to exceed 10%	4.2%	6.4%	3.3%
Gross interest expense compared to rates revenue not to exceed 20%	7.2%	10.7%	5.8%
Net cash flows from operating activities to exceed gross interest expense by 1.5 times	7.0	4.4	10.7
Net Working Capital Ratio is greater than 1 (current assets compared to current liabilities excluding current portion of debt and properties for sale)	1.32	1.02	1.64
Total debt compared to total assets	6.8%	7.4%	6.4%

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: Loans are due for repayment between April 2017 and April 2023. No more than 35% of the current loans fall due in any one year. Therefore the measure is complied with."

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

## Investment Policy

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

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

### **Interest Received**

Interest received on investments at \$295,000 was up on last year's \$230,000 due to a change in the market interest rates and the amounts invested.

### **Other Equity Investments**

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

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

## **Report on Revenue and Financing Policy**

### **Introduction**

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

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

This report summarises progress against the policy for the year ended 30 June 2015.

Group of Activities	Function	ACTUAL		FUNDING POLICY	
		Public	Private	Public	Private
<b>Community Facilities</b>	District Libraries	96%	4%	95%	5%
	Makino Aquatic Centre	67%	33%	65%	35%
	Parks and Reserves	90%	10%	95%	5%
	Property	57%	43%	100%	0%
	Local Halls and complexes	100%	0%	100%	0%
	Public Conveniences	100%	0%	100%	0%
	Public Conveniences in parks	100%	0%	90%	10%
<b>District Development</b>	Community Development	100%	0%	100%	0%
	Economic Development	100%	0%	100%	0%
	Feilding CBD Security	20%	80%	20%	80%
<b>Emergency Management</b>	Civil Defence	100%	0%	100%	0%
	Rural Fire	52%	48%	100%	0%
<b>Environmental &amp; Regulatory</b>	Animal Control	41%	59%	45%	55%
	Building Control	44%	56%	40%	60%
	District Planning	79%	21%	79%	21%
	Environmental Health	92%	8%	94%	6%
	Liquor Licensing	45%	55%	48%	52%
<b>Governance and Strategy</b>	Governance and Strategy	100%	0%	100%	0%
<b>Roading Network</b>	Roading	46%	54%	55%	45%
	Feilding CBD Redevelopment	0%	100%	0%	100%
<b>Solid Waste</b>	Solid Waste Collection	36%	64%	35%	65%
	Solid Waste Disposal	54%	46%	45%	55%
	Recycling System and Centre	100%	0%	100%	0%
	Feilding Kerbside Collection	100%	0%	0%	100%
<b>Stormwater</b>	Urban Stormwater	20%	80%	20%	80%
	Rural Land Drainage	0%	100%	0%	100%
<b>Wastewater</b>	Wastewater	0%	100%	0%	100%
<b>Water Supply</b>	Water Supply	0%	100%	0%	100%

## Report on Council Controlled Organisations

### Manawatu Community Trust

The Manawatu Community Trust was formed on 23 June 2008. The purpose of the Trust is the provision of housing for the elderly and disabled of the Manawatu district, the promotion of health and wellbeing services for the residents of the Manawatu district, as well as promotion of any purposes within the Manawatu district for the relief of poverty and for the benefit of the residents of the Manawatu district. Following is the statement of comprehensive revenue and expense for the year ended 2015.

### Manawatu Community Trust

#### Statement of Comprehensive Revenue and Expense for the year ended 30 June 2015

	Actual 2015 \$000	Actual 2014 \$000
<b>Revenue</b>		
Interest	13	10
Other revenue	1,368	79
<b>Total Revenue</b>	<b>1,381</b>	<b>89</b>
Employee benefit expenses	200	176
Depreciation	424	354
Finance costs	81	78
Other expenses	735	627
Loss on assets disposal	-	142
Property, plant and equipment impairment loss	-	355
<b>Total Operating Expenditure</b>	<b>1,440</b>	<b>1,732</b>
<b>Operating Surplus/(Deficit)</b>	<b>-59</b>	<b>(1,643)</b>
Other comprehensive revenue and expense	-	-
<b>Net Surplus/(Deficit)</b>	<b>-59</b>	<b>(1,643)</b>

### Awahuri Forest / Kitchener Park Trust

Council has exempted this from being a CCO.

### Heartland Contractors Limited

Council has exempted this from being a CCO.

### Feilding Civic Centre Trust

Council has exempted this from being a CCO.

### Wanganui-Manawatu LASS Limited

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

Council has exempted this company from being a CCO.

## **Reporting against the Statement of Intent**

### **Manawatu Community Trust: for the year ended 30 June 2015**

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:

#### *Housing Provision*

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

#### **Management comment:**

- A full rent review was completed on 14 April 2015. The CPI to year end 31 December 2014 was 0.76%.
- It was agreed that rents for MCT flats would not be increased for the 2015 – 2016 rent year. The main reason for no increase was that the CPI for the year was very low.

#### *Housing Maintenance*

Apply the criteria used to assess units to a standard appropriate for housing the elderly and disabled. Continue to identify and prioritise the need for refurbishments and upgrades of the housing stock. Be responsive to urgent maintenance requirements or resident health and safety needs.

#### **Management comment:**

Upgraded and refurbished MCT flats have been reassessed against the Manawatu Community Trust standards for housing for the elderly and disabled and included in the overall rating which provides the trust with a warrant of fitness on each flat.

25.3% – 52 (2014: 21.4% & 44) flats have an A rating overall (highest level)

15.6%- 32 (2014: 15.6% & 32) flats have a B rating overall

59%- 121 (2014: 62.9% & 129) flats have a C rating overall

0%- 0 (2014: 0% & 0) flats have a D rating overall

In the last year seven flats have been upgraded and 1 flat has been refurbished.

Identified housing stock which requires a major upgrade include:

Elizabeth flats 1 – 7,

Rawhiti Flats 1 – 6,

Rangimarie Flats 1 – 12, 14,15.

Requests for maintenance are received and responded to by the office on a daily basis. This year the monthly average of maintenance requests was 24.5. Last year the monthly requests averaged 22.4

#### *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 94%. This was 1% higher than the previous year but below the targeted level of 95%. Alexandra complex had an average occupancy level of 98.7%. We had three flats upgraded in the first half of the year and four flats in Cargill Ave upgraded during the last four months of the year in addition one other flat was refurbished. In January and June a larger than normal number of flats were vacated. Deaths and movement to rest homes were the two reasons for this occurring. Both Sanson and Rongotea flats experienced a stable occupancy level of 83% and 100% respectively.

### *Health*

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

Carry out the construction and ownership of the facility.

### **Management comment:**

During the first eight months of the year work continued in finalising the necessary lease agreements between the principle parties and negotiating finance arrangements with commercial lenders. Final tenders were called in February 2015. On 6 March 2015 a final tender price was received from Colspec Construction and accepted by MCT on March 10 2015. Agreement to lease between MCT and Feilding Health Care Property Management Ltd was signed on 11 March 2015. On 18 March 2015 a commercial loan agreement was signed with Manawatu District Council for \$2.5m. On 13 April 2015 construction of the Feilding health care facility commenced. Completion date was agreed to be 26 February 2016. On 4 June 2015 confirmation was received that a grant of \$726,873 was approved by Central Energy Trust towards the electrical and mechanical components of the project.

### *Community Wellbeing*

The Trust will collaborate with and/or support community groups that enhance the wellbeing of the residents of the Manawatu District.

Manage the Manawatu Community, Development and Research project funded by Internal Affairs

### **Management comment:**

- A. The two year report was submitted to the Department of Internal Affairs and funding was granted for year three of the project. Surveys of all parts of the Manawatu District have been completed and a draft report produced for editing.
- B. Four training seminars for social service groups were offered in conjunction with the Social Issues Network Council of Social Services (SINCOSS).

### *Finance*

The Trust will comply with current accounting policies.

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.

Provide Financial Reporting to the Manawatu District Council as required.

Maintain the ratio of consolidated trusts funds to total assets to be no less than 60:40.

**Management comment:**

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

41% of rental revenue for the year ending 30 June 2015 was spent on capital improvements and major maintenance

The trust presented the 12 monthly report as at 30 June 2014 to Manawatu District Council on 24 September 2014. The six monthly report as at 31 December 2014 was presented to MDC on 19 March 2015

At 30 June 2015, the ratio of consolidated trust funds to total asset was 71:29.

# Annual Report Disclosure Statement for year ending 30 June 2015

## What is the purpose of this statement?

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

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

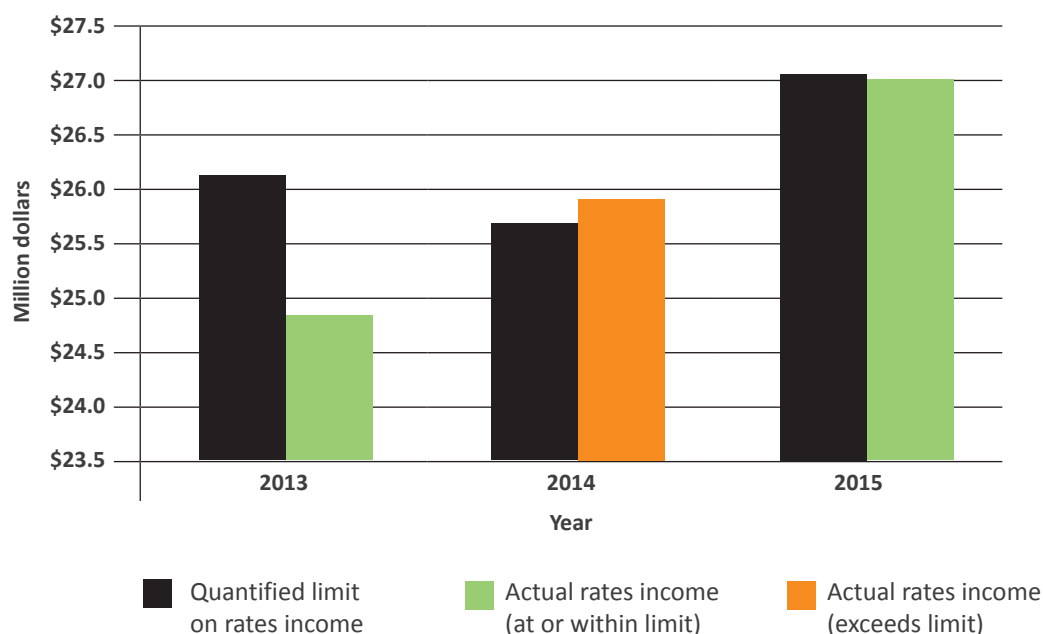
### Rates affordability benchmark

The Council meets the rates affordability benchmark if—

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

## Rates (income) affordability

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. The quantified limit is the indicative rate limit measured in million dollars.



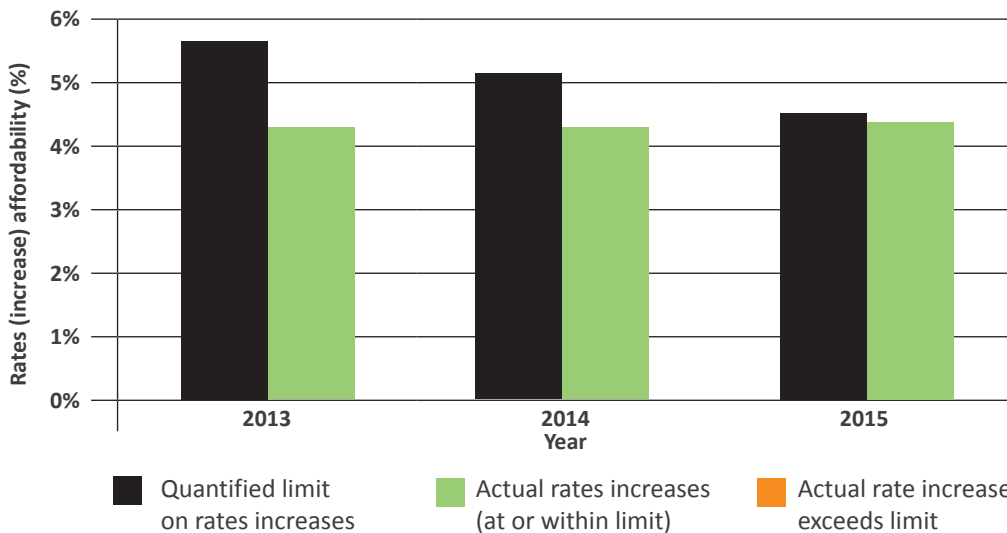
There were no quantified limits on rates income for financial years prior to the 2013 financial year.

2014 exceeded the limit as a result of subdivisions created after rating models and the Annual Plan adopted but prior to levying the rate. The Annual Plan revenue was \$25.5m within the limit set in the Long Term Plan.



## Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long-term plan. The quantified limit is based on the Local Government Consumer Index plus 2%.



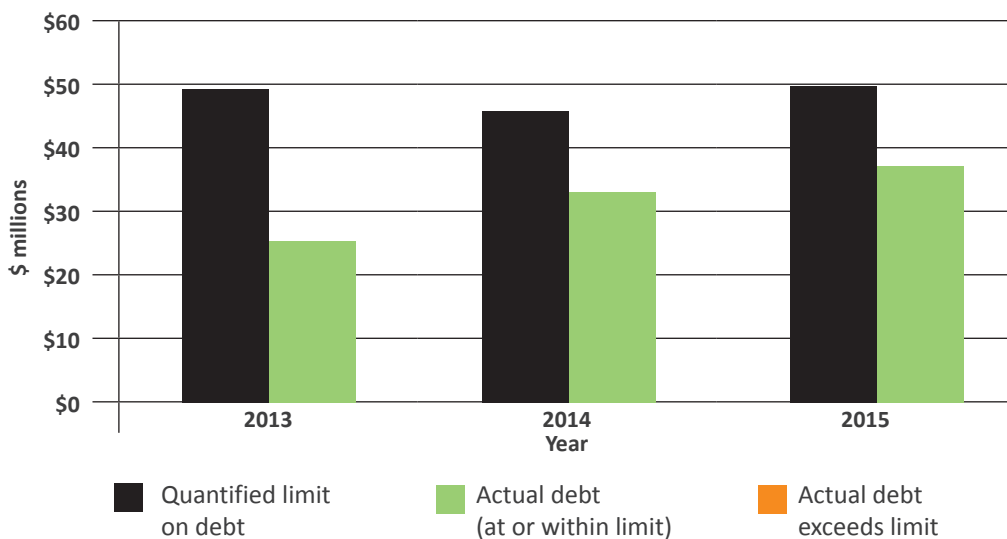
There were no quantified limits on rates income for financial years prior to the 2013 financial year.

## Debt affordability benchmark

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

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is the maximum debt allowed measured in million dollars and it is based on the borrowing limits established in the Council's Liability Management policy (refer below) which yields the lowest debt. In this case it is the interest being less than 10% of operating revenue less \$8 million emergency buffer.

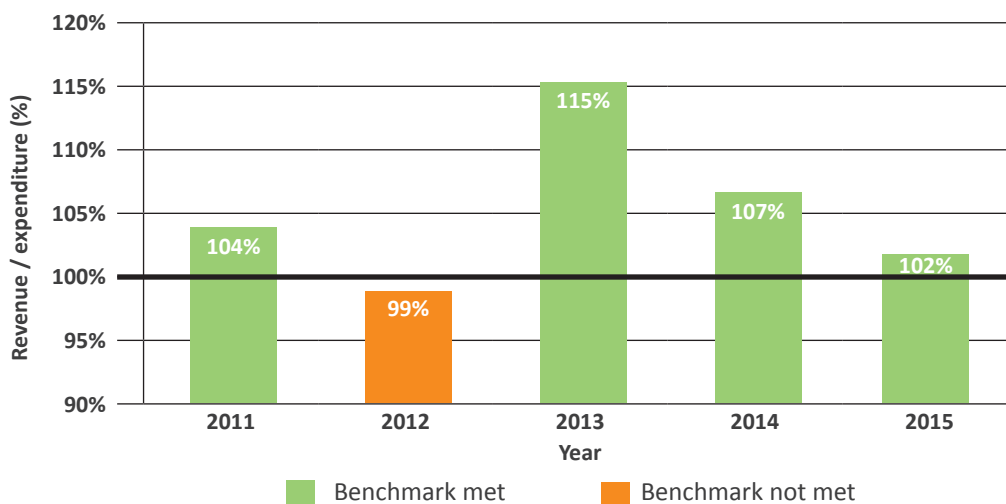
The Council meets the debt affordability benchmark if its actual borrowing is below the maximum debt allowed.



## Balanced budget benchmark

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

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

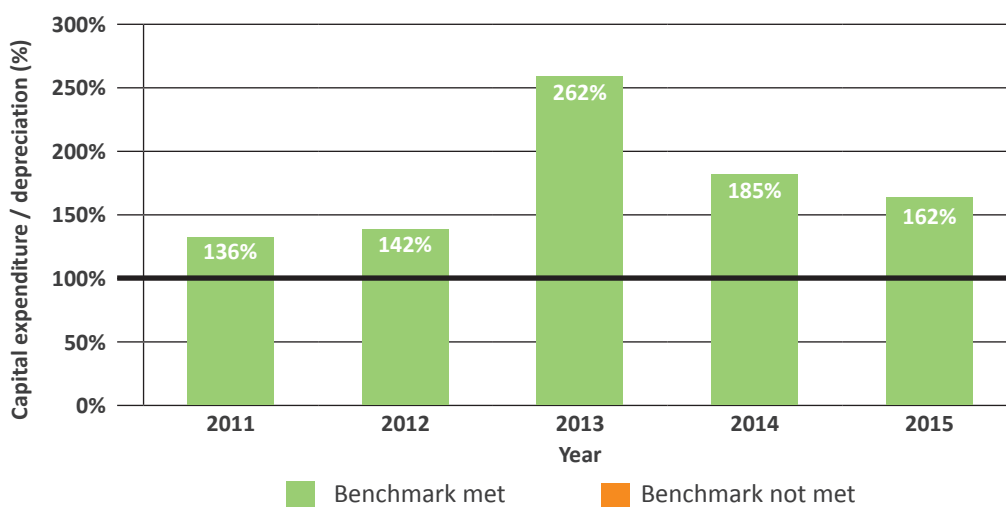


In 2012 there was a \$1m expense as a result of the transfer of Totara Reserve to Horizons Regional Council. The benchmark was not met.

## Essential Services Benchmark

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

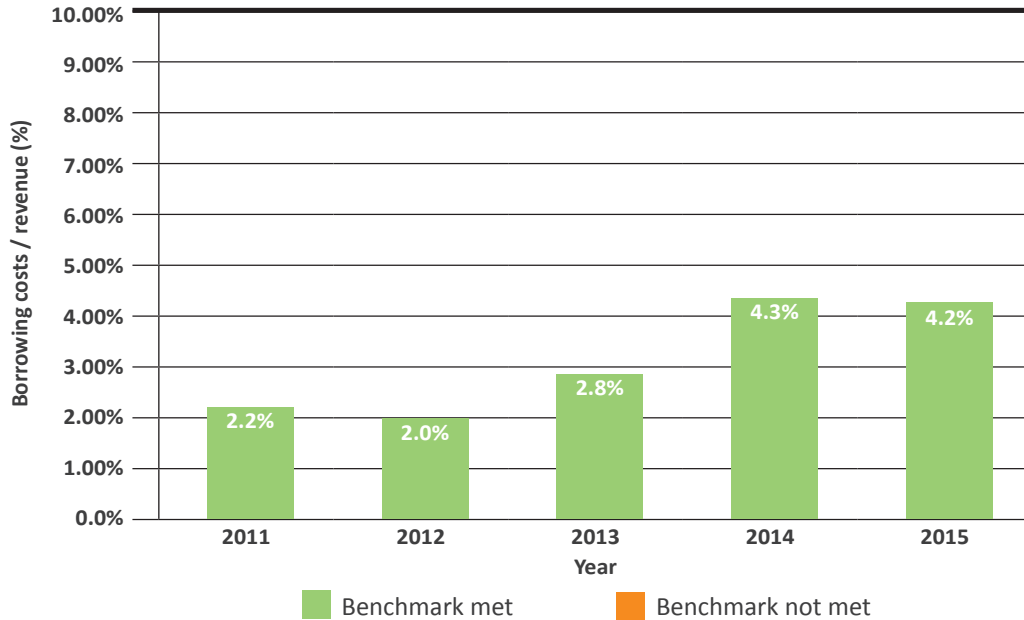
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



## Debt servicing benchmark

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

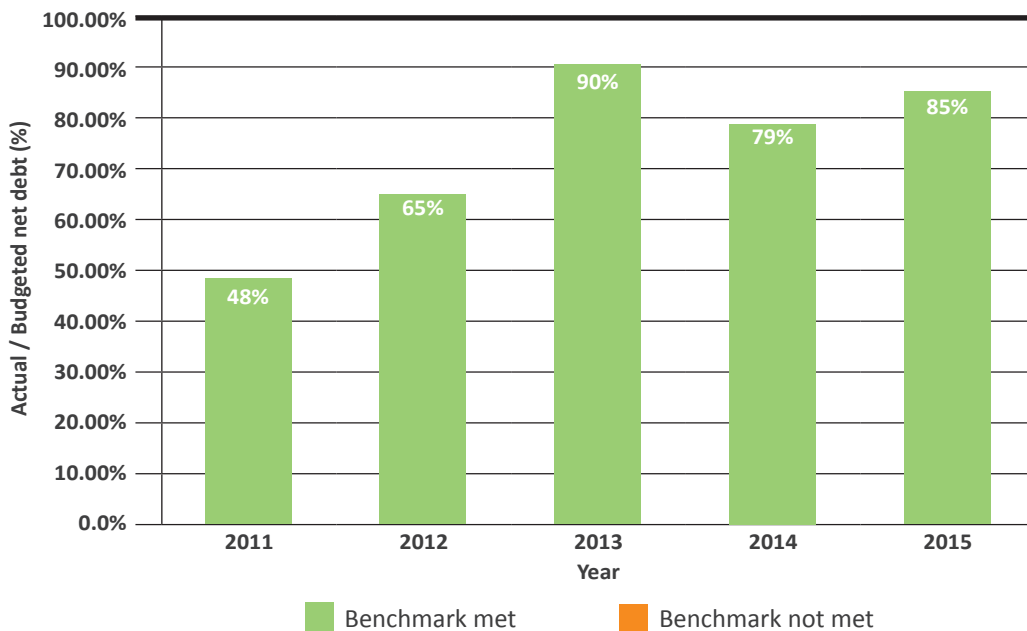
Because Statistics New Zealand projects the Council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



## Debt control benchmark

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

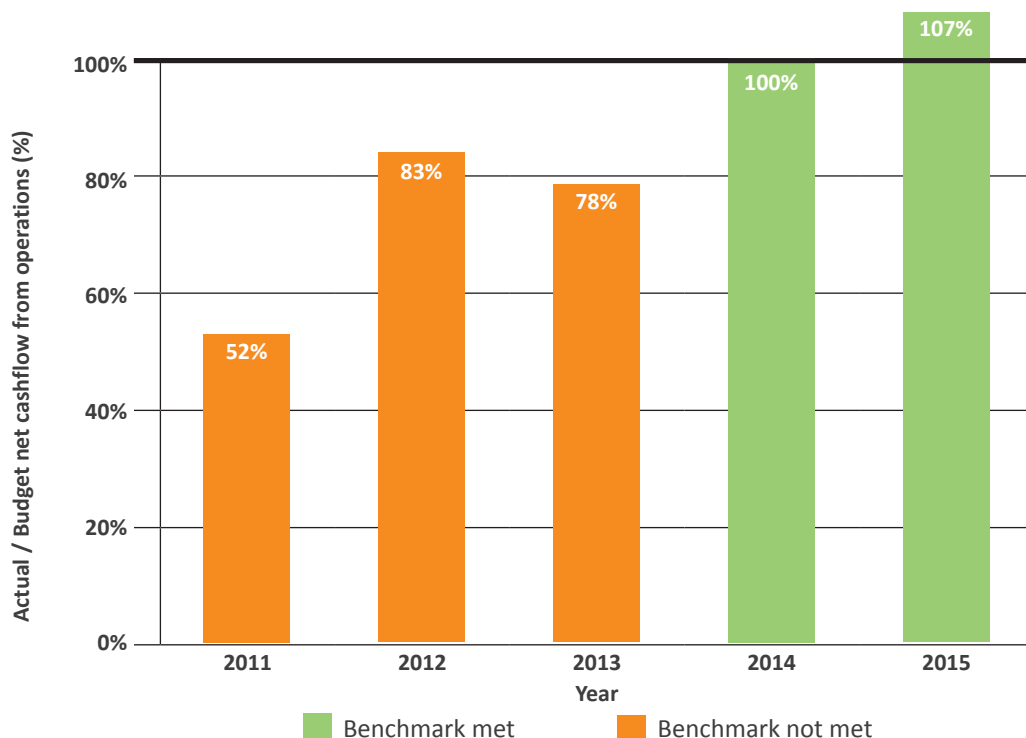
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



## Operations control benchmark

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

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



### Notes:

*for year 2011:* Capital subsidies for the Himatangi Community Sewerage Scheme (\$2.9m) and Rongotea Water Scheme (\$2.3m) were included in the budgeted operational revenue for the 2011 year, however projects were delayed. Budgeted operational revenue includes also roading subsidies of \$8.4m for capital expenditure which includes \$2.9m for the work surrounding the strategic roading network. This work was not carried out due to significant flooding event in September 2010 and consequently the subsidy was not received.

*for year 2012:* Subsidies for the Himatangi Community Sewerage Scheme (\$2.0m) and the Rongotea Water Supply Scheme (\$2.3m) were included in the budgeted operational revenue. Work on these schemes was delayed and consequently the subsidy was not received during the year. Development contributions are included in the budgeted operational revenue, however there were fewer applications for the subdivisions received than budgeted for.

*for year 2013:* Capital subsidies for the Himatangi Community Sewerage Scheme (\$3.2m) and Rongotea Water Supply Scheme (\$1.2m) were included in the budgeted operational revenue for the 2013 year. Work for Himatangi Community Sewerage Scheme has been delayed and only \$1.1m was actual received. Work on Rongotea Water Supply Scheme was postponed and consequently the subsidy was not received.

*for year 2014:* The Annual Plan included a capital subsidy for the Rongotea Water Supply Scheme of \$1.1m. Due to the delay in the commencement of this project the actual subsidy received was only \$54,000. The project has now commenced and the unspent capital expenditure and associated subsidy has been carried forward to the 2014/15 financial year.

## Section Four

# Other Information

This section of the Annual Report contains the following information:

- **Manawatu District Council: Organisation structure**
- **Manawatu District Council: Activities and functions**
- **Members' responsibilities**
- **Equal Employment Opportunities Statement**
- **Māori Capacity to Contribute to Decision-Making**
- **Grants 2014/2015**
- **Glossary**

# Executive Team



**Chief Executive**  
Lorraine Vincent



**General Manager  
Community and  
Strategy**  
Brent Limmer



**General Manager  
Infrastructure**  
Hamish Waugh

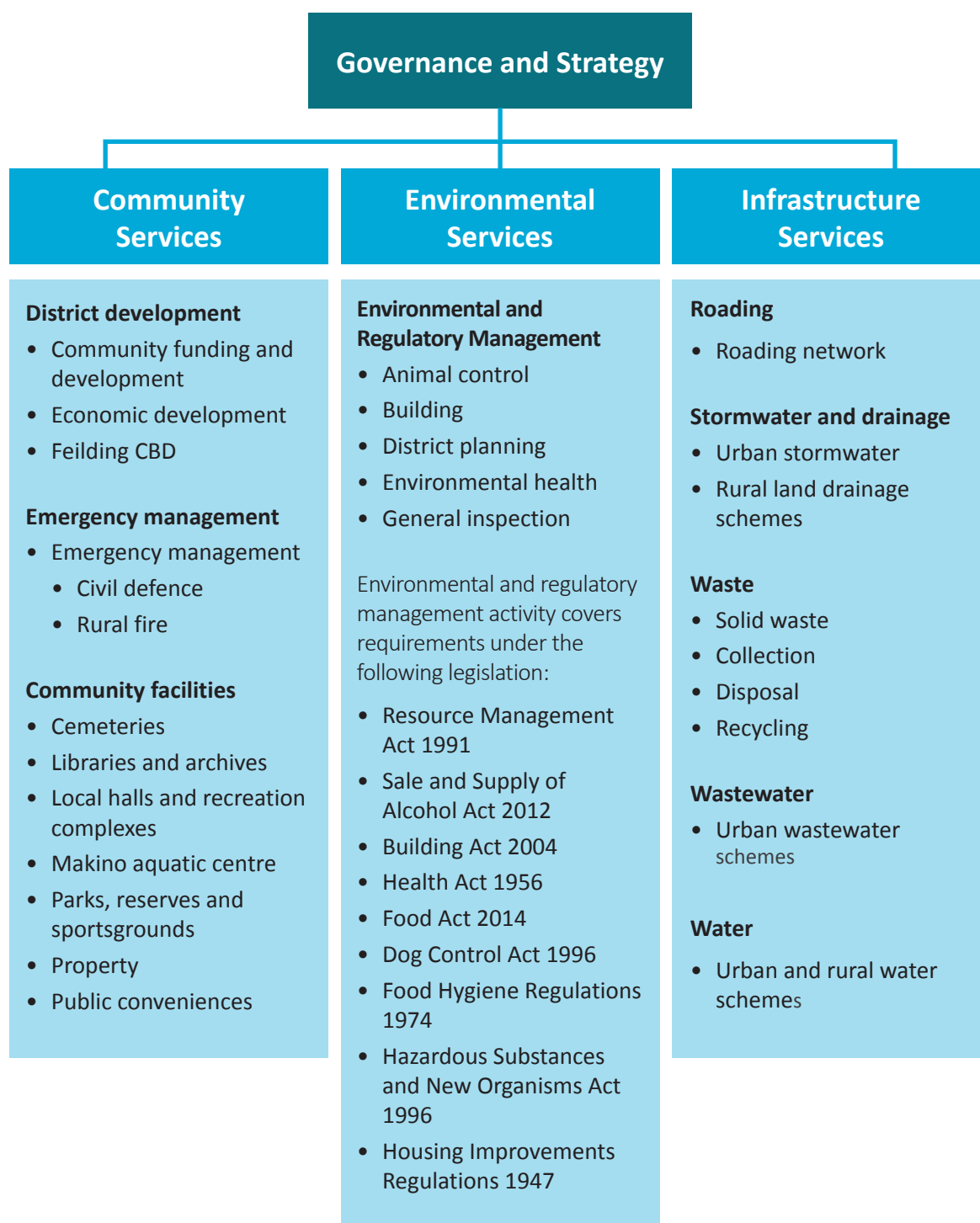


**General Manager  
Business**  
Shayne Harris






































**General Manager  
People and Culture**  
Linda Gordon

## Manawatu District Council: Activities and functions




















# Member's responsibilities

## Standing Committee membership at 30 June 2015

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 Bielski					
Cr Cameron			 (DC)		
Cr Casey					
Cr Ellery					
Cr Heslop					
Cr James					
Cr Jensen	 (C)				
Cr Quarrie					
Cr Short		 (DC)			
Cr Voss	 (DC)		 (C)		

## Subcommittee membership at 30 June 2014 (after local elections)

Elected Members	Community Funding	Chief Executive's Employment
Mayor		 (C)
Cr Bielski		
Cr Cameron	 (C)	
Cr Casey		
Cr Ellery		
Cr Heslop		
Cr James		
Cr Jensen		 (DC)
Cr Quarrie		
Cr Short	 (DC)	
Cr Voss		

### Key

 = Member of Committee

(C) = Chairperson

(DC) = Deputy Chairperson



# 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 Council is committed to developing equal opportunities for current and future employees. 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:

- Gender
- Race
- Family responsibilities
- Employment Status
- Marital status
- Sexual preference
- Religious, cultural or political belief
- Disability
- Age

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 2014/15 Equal Employment Opportunities programme

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

## Development of Māori capacity to contribute to decision making

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

Membership of the Committee initially comprised one member from Aorangi, Kauwhata, Parewahawaha, Poupatate, Te Rangimarie, Taumata O Te Ra, Te Hiiri and Te Tikanga Marae, along with three elected members appointed by Council with the Chairperson being appointed by the Committee. The Marae of Kotuku and Te Iwa were added shortly after the Committee was established.

In May 2014, the Marae Consultative Standing Committee requested that Council give consideration to extending the membership of the Committee to include representation from the hapu of Ngati Te Au, Ngati Rakau (Motuiti Marae) and Ngati Turanga (Paranui Marae) as although they are located in the Horowhenua District, they have mana whenua status within the Manawatu District. This is a similar situation to Parewahawaha Marae which is located in the Rangitikei District but who have mana whenua

status in the Manawatu District. Council accepted the Committee's request and invited representation from the three suggested hapu. The hapu of Ngati Te Au and Ngati Turanga took up Council's invitation and are now represented on the Marae Consultative Standing Committee.

A continuing focus for the Marae Consultative Standing Committee will be to ensure that all Māori of the district are represented, and are able to have a say in Council decision making and that Council is liaising with the people who have mana whenua.

The Marae Consultative Standing Committee meets on a bi-monthly basis, with items of business reflecting Council's current activities and issues identified by committee members.

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

The Local Electoral Act 2001 provides for the establishment of Māori Ward(s). Consideration of the establishment of a Māori ward in the Manawatu District is required to be done before 23 November, two years prior to the next election.

The Marae Consultative Standing Committee has previously established a Māori Representation Working Party tasked with the purpose of providing input to the Manawatu District Council representation review by considering the usefulness of a Māori ward or wards for the purpose of achieving effective Maori contribution to decision making at Manawatu District Council.

The Working Party last met in 2011 and voted not to establish a Māori Ward at that time but will be revisited in the future.

The Marae Consultative Committee continues to represent the interests of Tangata Whenua — the people of the land, as well as those with mana whenua status within the Manawatu District and is inclusive of all Māori in our community.

## Grants 2014/15

During 2014/2015, Council approved a number of grants from its Community Development Fund, General Grant Fund and Event Fund. Council also administered a number of applications to the Robert Dickson Education Trust.

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

### Community rates support

The following organisations were assessed and approved by Council's Community Funding Subcommittee to receive multi-year community rates support in the form of a Rates Remission as per the Community Rates Support Policy. The following organisations received support in the second year 2014/2015.

<b>Organisation</b>	<b>Amount of Remission \$</b>
Anglican Parish of Oroua	306.95
Church at Feilding	473.91
Eden Kindergarten Trust Board, Feilding	2,090.43
Feilding Brass Incorporated	728.70
Feilding & Districts Art Society (FADAS)	2,544.95
Feilding Baptist Church	473.91

<b>Organisation</b>	<b>Amount of Remission \$</b>
Feilding Bible Chapel	2,002.61
Feilding Congregation of Jehovahs Witness	473.91
Feilding Golf Club (Inc)	2,564.54
Feilding Gospel Trust	462.62
Feilding Guides & Scout Association	2,548.67
Feilding Lawn Tennis Club	2,540.73
Feilding Life Point Church	1,440.87
Feilding New Life Centre Charitable Trust	728.70
Feilding Oroua Presbyterian Parish	421.74
Feilding Playcentre	816.52
Feilding Rugby Executive	2,294.68
Feilding Rugby Football Club Inc	3,213.91
Feilding Squash Rackets Club Inc	78.26
Foxton Shannon Co-Operating Parish, Himatangi	421.74
Halcombe Playcentre	936.52
Hapaitia Kohanga Reo, Feilding	1,071.30
Johnston Park Bowls Inc, Feilding	3,213.91
Local Spiritual Assembly of the Baha'is of Manawatu District, Feilding	473.91
Manawatu Naturist Club, Himatangi Beach	318.32
Manchester House Social Services Society Inc, Feilding	8,130.60
Manfeild Park Trust, Feilding	14,377.92
Riding for the Disabled Assn. Manawatu Group Inc, Feilding	1,380.89
Rongotea Bible Chapel	254.78
Rongotea Returned Servicemen's Association Inc	684.81
Rongotea Uniting Parish	254.78
SPCA, Feilding	1,505.10
St Brigids Church, Feilding	52.17
St Marks Methodist Church, Feilding	1,914.79
St Pauls Presbyterian Church, Feilding	421.74
St Simon & St Jude Faith Community, Rongotea	254.78
St Thomas Anglican Church, Sanson	254.78
Taumata O Te Ra Marae, Halcombe	3,656.52
Te Kawau Playcentre, Rongotea	54.78
The Manawatu Historic Vehicle Collection Trust, Feilding	5,964.68
The Order of St John, Feilding	4,059.94
The Salvation Army, Feilding	2,766.96
Trinity Lutheran Parish, Feilding	421.74
Vision Church, Feilding	2,950.44
	<b>82,004.51</b>

## Urupa/Private Cemetery Fund

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

Organisation	Amount of Remission \$
Anglican Parishes of the Oroua – Stanway and Kiwitea Churches	500
Te Tikanga Marae, Halcombe	2,000
	<b>2,500</b>

## Partnership Fund

The following organisations were assessed and approved by Council's Community Funding Subcommittee to receive multi-year financial support as per the Community Development Fund policy. The following is a breakdown of the amount of financial support these organisations received in the second year, 2014/2015, of their two year service agreements.

Organisation	Amount of Remission \$
Feilding and District Art Society Inc, Feilding	4,000
Feilding and Districts Youth Board Inc, Feilding	10,000
Feilding Brass Inc, Feilding	6,000
Manawatu Community Trust, Feilding	5,000
Manawatu Historic Vehicle Collection, Feilding	45,000
Manawatu Neighbourhood Support Inc, Feilding	20,000
Manawatu Rural Support Service Inc, Feilding	12,000
Manchester House Social Services, Feilding	50,000
Palmerston North Surf Lifeguard Service, Himatangi Beach	17,000
Royal NZ Plunket Society, Rongotea and Kimbolton	3,000
Social Issues Network Council of Social Services Manawatu Inc, Feilding	1,000
Te Manawa Services, Feilding	30,000
Whanau Ataahua Beautiful Families, Feilding	15,000
	<b>\$218,000</b>

## Representative Fund

The following is a breakdown of Manawatu District residents who received financial assistance from Council to attend a national or international event during 2014/2015 as a representative of the District or New Zealand.

Organisation	Amount of Remission \$
Sean Freeman, Colyton	500
Cheryl Hirschberg, Utuway	500
Rachel McLean, Feilding	300
Stephanie Dryfhout, Feilding	500
Mya Rae Rasmussen, Feilding	500
Feilding Intermediate School Chess Team	250
Poppy McKay, Feilding	260
Corey Perrett, Feilding	300

<b>Organisation</b>	<b>Amount of Remission \$</b>
Feilding Intermediate Jump Jam Team	200
Feilding High School Senior Boys 7's Rugby Team	500
Denyse Kirby, Feilding	500
Jack Pinder, Feilding	500
Rachel McLean, Feilding	500
Connor Backhouse, Feilding	500
Harrison Dickons, Feilding	500
Monique Corson, Feilding	500
Jayden Currie, Feilding	500
Jonty Giesen, Ewa	500
Jonty Stewart, Feilding	500
	<b>\$8,310</b>

## Community Development Fund

The following organisations were assessed and approved by Council's Community Funding Subcommittee to receive financial support as per the Community Development Fund policy to stage their event or provide a specific programme at a local level.

<b>Organisation</b>	<b>Amount \$</b>	<b>Activity/Programme</b>
Feilding Bluelight	1,000.00	Towards National Bluelight Ventures, Auckland on 20/21 September 2014.
Heritage Park Rhododendron Charitable Trust, Kimbolton	500.00	Towards "Open Garden" Event Labour Weekend.
Lions Club of Fitzherbert	1,000.00	Towards "Tour de Manawatu".
Manawatu A & P Show 2014	2,000.00	Towards Manawatu A & P Show 9 November 2014.
Halcombe Volunteer Fire Brigade, Halcombe	750.00	Towards marking 60th Anniversary on 14 February 2015.
Heart Kids Manawatu	750.00	Towards putting on a Family Picnic in the Park on 28 March 2015.
Stanway Hall Centenary Committee, Halcombe	466.62	Towards the Stanway Hall 100 year centenary 21 February 2015.
Sanson Community Committee	500.00	Towards holding a Community Day on 1 March 2015.
Manawatu Blokart Club, Lawnmower Racing Club and Manawatu Radio Controlled Car Club, Sanson	1,920.00	Towards cost of an open day at the Sanson Domain on 12 April 2015.
Cheltenham School	200.00	Swimming Pool Grant.
Feilding Manawatu Garden Festival, Feilding	2,000.00	Towards the Garden Festival in the Feilding Town Centre Square 9/10 May 2015.
Feilding Bluelight	1,000.00	Towards National Bluelight Ventures, Auckland on 11 September 2015.
	<b>\$12,086.62</b>	

## Trust Funds

Council administers trust funds that have been vested to Council, available for a specific purposes. Total grants allocated from these funds during the 2014/2015 financial year were:

Organisation	Amount of Remission \$
Robert Dickson Trust Fund	4,568.09
Hook Bequest Trust	0
	<b>\$4,568.09</b>

## Creative NZ: Creative Communities Scheme

Council allocates funding it receives from Creative NZ for cultural activities and programmes within the Manawatu district.

Organisation	Amount \$	Activity/Programme
Feilding Playcentre, Feilding	3,022.80	Continue painting the mural along the remaining fenceline which depicts images of living in Feilding and the surrounding district.
Stewart Fulljames and Hone (John) Moriarty, Rewa	850.00	To develop a body of work that reflects the fusion of traditional Maori design with contemporary ceramic techniques.
Artistic Solutions Trust, Feilding	7,347.12	To provide Creative Pathways drop in Art Course – Feilding Art Centre
Mieke Davies, Hato Paora College, Feilding	3,264.00	“How Great Thou Art – Teen Art Program”. Art classes for Maori teen boys.
Catherine McCall, Cheltenham	1,000.00	“Waituna Holiday Craft Program” – four craft workshops per school holidays for a year. This is for all school age children from primary through to high school.
Feilding & District Art Society, Feilding	2,400.00	“Meet the Artists Sessions” – a quarterly series of four masterclasses with different local professionals in their artist fields. Open to the public on a Saturday afternoon from 1.30 pm to 3.30 pm. The masterclass will be videoed and uploaded to YouTube.
Feilding Brass, Feilding	265.00	“Feilding’s 22nd Festival of Bands” – Brass and Concert Band Festival.
Making Friends Collective, Feilding	500.00	“The Good News – Manawatu Tour” – A tour of Feilding (and Palmerston North) of a verbatim/comedy theatrical production about the Bible and the cultural meaning of religious text in the 21st Century.
Community Playcentre, Feilding	600.00	“Creativity Resources” – to build up creativity resources for the children 0–6 years and to be able to extend their creativity and arts.
Carolynn Koloto, Tangimoana	1,080.00	“CREATE Tangimoana” – three days of art and craft exhibition by village residents of all ages
Whanau Ataahua Beautiful Families Trust, Feilding	3,000.00	“Wahine Ataahua Workshops (beautiful women) – Korowai making.
	<b>\$23,328.92</b>	

# Glossary

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

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

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

**Asset** – assets are land, buildings 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.

**PublicVoice Survey** – survey which measures satisfaction with Council services, and asks questions on Council policy and direction, rates issues, contact with Council, information and representation.

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

**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.

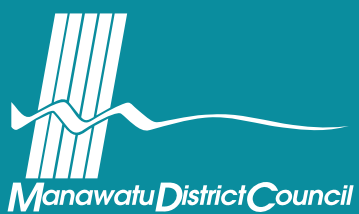
**Pavement** – in the context of roads, pavement refers to the sealed part of the road that vehicles drive on. This is not to be confused with footpaths which some people refer to as pavements.

**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.







**Manawatu District Council**  
135 Manchester Street  
Private Bag 10001  
Feilding 4743

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