Council

Meeting of 04 November 2026

Business Unit: Community
Date Created: 29 October 2026

Manawatu Community Trust Annual Report

Purpose Te Aronga o te Pūrongo

To present the Manawatū Community Trust Annual Report for the year ended 30 June 2026 for Council to receive.

Recommendations Ngā Tūtohinga

That the Council receives the Manawatū Community Trust Annual Report for the year ended 30 June 2026 and notes the reported service achievements and financial results.

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Approved for submission by:
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1 Background Ngā Kōrero o Muri

1.1 Manawatū Community Trust (MCT) was established in July 2008 and operates as a council-controlled organisation of Manawatū District Council. Its purpose is to promote and provide housing, health and wellbeing services that meet the long-term needs of the community, including older people and people living with disabilities.

1.2 MCT reports to Council six-monthly against its Statement of Intent. The attached Annual Report covers 1 July 2025 to 30 June 2026 and includes the Chairperson's report, financial statements, notes and results against the 2025/26 Statement of Intent.

2 Strategic Fit Te Tautika ki te Rautaki

2.1 **A place to belong and grow**
MCT's affordable housing, support for ageing in place, and focus on residents' health, safety and wellbeing help older people and people living with disabilities remain connected to their community.

2.2 **Value for money and excellence in local government**
Reporting against agreed performance measures and providing financial information enable Council to monitor the Trust's use of resources and stewardship of community assets.

3 Discussion and Options Considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia

3.1 MCT has reported a positive year, achieving its key housing maintenance, compliance, renovation and occupancy targets. All homes met the Trust's minimum three-star housing standard and Healthy Homes requirements. Four homes received major renovations, urgent maintenance requests were responded to within the required timeframe, and average occupancy was 98%, exceeding the 95% target.

3.2 The Trust continues to make progress towards its goal of increasing its housing portfolio to 250 homes by 2030. Four new two-bedroom homes at the Manawanui Complex were completed and tenanted during the year, increasing the portfolio to 209 homes. Construction also commenced on 12 new homes at Corrick Court, with completion anticipated by June 2027. These developments are designed using Lifemark Universal Design Standards and Crime Prevention Through Environmental Design principles to provide safe, accessible and affordable housing that meets the changing needs of older people and people living with disabilities.

3.3 Housing affordability remains a priority for the Trust. Rental charges continue to be based on a proportion of NZ Superannuation and Accommodation Supplement entitlements, or discounted market rents for accessible housing. Demand remains strong, with 27 eligible applicants on the waiting list for one-bedroom homes at year-end. This reinforces the ongoing need for affordable housing options within the district.

3.4 The Trust continues to seek external funding and investment opportunities to support future housing development and reduce reliance on Council funding. During the year, it secured a $96,950 grant from Central Energy Trust towards the Manawanui development and $1 million in impact investment finance at an initial interest rate of 2.25%. The Trust

is also continuing to work with Council to identify potential land opportunities for future housing development, although no suitable surplus Council land has been identified to date.

3.5 MCT reported a financial surplus of $583,423 for 2025/26, compared with a budgeted surplus of $534,679. Total assets were $42.35 million, with net assets of $35.17 million at year-end. The Trust continues to report a strong overall financial position, with an equity-to-assets ratio of 83%, exceeding its minimum target of 50%, and interest coverage of 7.24, against a target of greater than three. While these results are positive, ongoing management of cash flow, borrowing and capital investment will remain important as the Trust progresses its housing development programme.

3.6 Overall, the annual report demonstrates that MCT continues to deliver against its core purpose of providing affordable, safe and sustainable housing for the Manawatū community. The Trust is maintaining its existing housing portfolio while progressing new developments to meet future demand. Its financial position remains sound overall, although careful management of borrowing and capital investment will be important as the housing portfolio grows.

4 Risk Assessment Te Arotake Tūraru

4.1 The Annual Report demonstrates that MCT continues to be well governed and maintains a sound overall financial position. The Trust has achieved its key performance targets and continues to invest in maintaining and growing its housing portfolio. While there are no significant new risks arising from the Annual Report, the following areas will require ongoing management as the Trust progresses its housing development programme.

Risk Area	Summary of Risk	Recommended Mitigations
Financial Sustainability	Increasing operating costs, including maintenance, insurance and interest, may place pressure on future financial performance.	• Maintain long-term financial planning and monitoring of operating costs. • Engage early with Council if financial sustainability concerns arise.
Liquidity and Cash Flow Management	The Trust has significant capital commitments associated with new housing developments. Managing cash flow and loan repayments will be important as these projects progress.	• Maintain cash flow forecasts that reflect development costs and loan commitments. • Review the timing of capital expenditure where necessary.
Asset Condition and Capital Programme Delivery	Maintaining existing housing to an appropriate standard while delivering new housing developments may place	• Continue planned maintenance and asset management programmes. • Monitor construction costs, delivery milestones and project risks.

	pressure on resources and budgets.	
Tenant Wellbeing and Safety	Maintaining safe, accessible and affordable housing remains a core responsibility of the Trust. Delays in maintenance or compliance work could affect tenant wellbeing.	• Maintain responsive maintenance and compliance processes. • Continue regular assessment of housing standards and tenant needs.
Reliance on Council Funding and Loans	The Trust has existing Council loan arrangements and further borrowing commitments associated with its housing development programme. These create an ongoing financial relationship between MCT and Council.	• Maintain regular engagement between MCT and Council on financial performance and future investment plans. • Continue monitoring loan arrangements and explore external funding opportunities where appropriate.

4.2 Council will continue to monitor the Trust's performance and financial position through its regular reporting arrangements. The receipt of the Annual Report does not create any additional financial or operational commitments for Council.

5 Engagement Te Whakapānga

Significance of Decision

5.1 Receiving this annual accountability report is assessed as a low-significance decision. It does not change Council's level of service, funding commitments or ownership arrangements. No consultation is proposed. No stakeholder engagement is required.

Māori and Cultural Engagement

5.2 No specific Māori or cultural engagement is required for the receipt of this report. The Trust reports that cultural development identified through its Board review was undertaken during the year.

Community Engagement

5.3 No community consultation is required for receipt of the report. The annual report will be available through Council's usual public reporting processes.

6 Operational Implications Ngā Pānga Whakahaere

There are no new Council operational commitments arising from receiving this report. Officers will continue monitoring the Trust's performance, development programme and Council loan arrangements.

7 Financial Implications Ngā Pānga Ahumoni

7.1 No additional Council funding is sought through this report. Note 11 records loan principal owing to Council of $4,508,560 at 30 June 2026, compared with $4,874,032 in 2025. During the year, the Trust repaid $365,473 of Council loan principal and recorded $169,063 in interest expense to Council.

The $5.3 million Council loan agreement for Corrick Court was entered into on 8 July 2026 and is disclosed as an event after balance date. It must be distinguished from the Council loan balance at 30 June 2026. Receiving this report does not approve or amend that loan arrangement. Loan details, commitments and related-party disclosures are set out in notes 8, 10, 11 and 14 of the annual report.

8 Statutory Requirements Ngā Here ā-Ture

8.1 Sections 67 to 69 of the Local Government Act 2002 govern annual reporting by council-controlled organisations, including delivery within three months of financial year end, reporting of performance against the Statement of Intent, financial statements and the auditor's report. Section 67 also requires Council to publish the annual report on its website within one month of receiving it, subject to the Act's provisions.

9 Next Steps Te Kokenga

9.1 Following Council's receipt of the annual report, publication will be managed in accordance with statutory requirements. Ongoing monitoring will continue through the Trust's six-monthly reporting and existing loan arrangements.

10 Attachments Ngā Āpitihanga

- Appendix 1 - Manawatū Community Trust Annual Report for the year ended 30 June 2026