

MANAWATŪ DISTRICT COUNCIL

# Council Agenda

Wednesday 04 November 2026, 8:30 am

The meeting will be held at the Manawatū District Council Chambers, 135 Manchester Street, Feilding, and a video recording made available on

**www.mdc.govt.nz**

**MEMBERSHIP**

## Chairperson

His Worship the Mayor, Michael Ford

## Deputy Chairperson

Councillor Grant Hadfield

## Members

Councillor Bridget Bell
Councillor Shelley Dew-Hopkins
Councillor Rob Duindam
Councillor Colin Dyer
Councillor Sam Hill
Councillor Raewyn Loader
Councillor James McKelvie
Councillor Jerry Pickford
Councillor Andrew Quarrie
Councillor Alison Short



Shayne Harris
**Chief Executive**

# ORDER OF BUSINESS

**PAGE**

**1. MEETING OPENING**

Jan McGaffin from the Hub Church will open the meeting.

**2. APOLOGIES**

**3. CONFIRMATION OF MINUTES** 6

***Recommendation***

*That the minutes of the Council meeting held 21 October 2026 be adopted as a true and correct record.*

***Recommendation***

*That the minutes of the Council meeting held 28 October 2026 be adopted as a true and correct record.*

**4. DECLARATIONS OF INTEREST**

Notification from elected members of:

4.1 Any interests that may create a conflict with their role as an elected member relating to the items of business for this meeting; and

4.2 Any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 1968

**5. PUBLIC FORUM**

There are no public forum speakers scheduled for this meeting.

**6. PRESENTATIONS**

**6.1 REPRESENTATIVE FUND – U12'S MANAWATU MAORI RUGBY LEAGUE (ANZMRL TAMARIKI TOURNAMENT, ROTORUA)**

Junior Hati-Moeau will be in attendance speaking to Council.

**6.2 REPRESENTATIVE FUND – FOOTLOCKER U18 BASKETBALL NATIONALS IN AUCKLAND**

Brock Piper and Luca Giordiani will be in attendance speaking to Council.

**6.3 PETITION – SH 54 INTERSECTION IMPROVEMENTS**

Councillor Colin Dyer and members of the Manawatū Rate Payers Association will be speaking to Council.

**6.4 RESIDENT SATISFACTION SURVEY WAVE 1 SUMMARY**

Jeena Baines (Data, Insights and Research Analyst) will present this item to Council.

## 7. NOTIFICATION OF LATE ITEMS

Where an item is not on the agenda for a meeting, that item may be dealt with at that meeting if:

7.1 The Council by resolution so decides; and

7.2 The Chairperson explains at the meeting at a time when it is open to the public the reason why the item is not on the agenda, and the reason why the discussion of the item cannot be delayed until a subsequent meeting.

## 8. RECOMMENDATIONS FROM COMMITTEES

There are no recommendations from committees.

## 9. NON-COUNCIL MEETINGS – FOR INFORMATION

Minutes of the following Community Committee meetings are uploaded to the Council's website, as they become available.

Liaison councillors will have the opportunity to provide a verbal update.

The below meetings took place on 2 November 2026:

| COMMUNITY COMMITTEE MEETINGS | |
|---|---|
| Halcombe – Cr Jerry Pickford | • 2 November 2026 |
| Rongotea – Cr James McKelvie | • 2 November 2026 |
| https://www.mdc.govt.nz/about-council/committees-and-organisations/community-committees-and-plans | |

| MARAE |
|---|
| Aorangi Marae – Cr Rob Duindam |
| Kauwhata Marae – Cr Raewyn Loader |
| Parewahawaha Marae – Cr Alison Short |
| Poupatatē Marae – Cr James McKelvie |
| Taumata-o-te-rā Marae – Cr Colin Dyer |
| Te Hiiri Marae – Cr Sam Hill |
| Te Rangimārie Marae – Cr Jerry Pickford |
| Te Tikanga Marae – Cr Shelley Dew-Hopkins |
| Ngāti Te Au – Cr Grant Hadfield |
| Ngāwhakaraua Marae – Cr Andrew Quarrie |

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## 10. OFFICER REPORTS


**10.1 ADOPTION OF THE ANNUAL REPORT 2025-26 9.00 AM** 16

Report of the Chief Financial Officer.

**10.2 MANAWATU COMMUNITY TRUST ANNUAL REPORT 9.30 AM** 21

Report of the General Manager – Community.

**10.3 APPLICATION OF THE COMMON SEAL FROM APRIL TO 12 OCTOBER 2026** 57

Report of the General Manager – Corporate.

**10.4 ADOPTION OF THE TREE MANAGEMENT POLICY** 61

Report of the General Manager – Corporate.


## 11. CONSIDERATION OF LATE ITEMS

## 12. PUBLIC EXCLUDED BUSINESS

COUNCIL TO RESOLVE:

That the public be excluded from the following parts of the proceedings of this meeting, namely:

1. Confirmation of Minutes; 21 October 2026
2. Release of Public Excluded items into Open Session

That the general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

| General subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Grounds under Section 48(1) for the passing of this resolution |
|---|---|---|
| 13. Confirmation of Minutes; 21 October 2026 | *To consider the accuracy of the minutes of the public excluded Council meeting on 21 October 2026.*<br><br>*Any changes to previous minutes may require members to discuss the content of the public excluded session.* | s48(1)(a) |
| 14.1 Release of Public Excluded items into Open Session | s7(2)(a) – privacy<br><br>s7(2)(h) – commercial activities<br><br>*This report includes notes on public excluded resolutions that may not be approved for release into the public forum* | |

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interests protected by Section 6 or Section 7 of the Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as specified above.

## 16. MEETING CLOSURE

| MEETING MINUTES | |
|---|---|
| COUNCIL | TIME |
| WEDNESDAY 21 OCTOBER 2026 | 8:30 AM |

Minutes of a meeting of the Council held on Wednesday 21 October 2026, which commenced at 8.30 am at the Manawatū District Council Chambers, 135 Manchester Street, Feilding.

| | | |
|---|---|---|
| PRESENT: | Mayor Michael Ford | Chairperson |
| | Councillor Bridget Bell | Via Zoom |
| | Councillor Shelley Dew-Hopkins | |
| | Councillor Rob Duindam | |
| | Councillor Colin Dyer | |
| | Councillor Grant Hadfield | |
| | Councillor Sam Hill | |
| | Councillor Raewyn Loader | |
| | Councillor James McKelvie | |
| | Councillor Jerry Pickford | |
| | Councillor Andrew Quarrie | |
| | Councillor Alison Short | |
| IN ATTENDANCE: | Shayne Harris | Chief Executive |
| | Hamish Waugh | General Manager – Infrastructure |
| | Frances Smorti | General Manager – Corporate |
| | Kate Jarvis | General Manager – People |
| | Lyn Daly | General Manager – Community |
| | Joel Richards | Chief Financial Officer |
| | Ash Garstang | Governance and Assurance Manager |
| | Jeena Baines | Data, Insights and Research Analyst |
| | Kemi Hughes | Senior Adviser – Environmental Policy |

MDC 25-28/435

MEETING OPENING

Cr Rob Duindam opened the meeting.

MDC 25-28/436

APOLOGIES

There were no apologies.

MDC 25-28/437

CONFIRMATION OF MINUTES

**RESOLVED**

**That the minutes of the Council meeting held 7 October 2026 be adopted as a true and correct record.**

**Moved by: Cr Grant Hadfield**

**Seconded by: Cr Colin Dyer**

**CARRIED (12-0)**

MDC 25-28/438

DECLARATIONS OF INTEREST

There were no declarations of interest.

MDC 25-28/439

PUBLIC FORUM

There were no requests for public forum.

MDC 25-28/440

PRESENTATION - REPRESENTATIVE FUND - MANAWATŪ U18 MENS HOCKEY TEAM (U18 HOCKEY NATIONALS) IN TAURANGA

Mac Kowalewski attended and spoke to Council. Highlights:

- There were four-five weeks of trials and training in the lead up to the tournament.
- The Team placed fourth, narrowly missing out on a medal.

MDC 25-28/441

PRESENTATION - REPRESENTATIVE FUND - MĀORI RUGBY LEAGUE TOURNAMENT

Nina Soteria Alio Skipper was unable to attend the meeting.

MDC 25-28/442

NOTIFICATION OF LATE ITEMS

There were no late items of business notified for consideration.

MDC 25-28/443

RECOMMENDATIONS FROM COMMITTEES

There were no recommendations from committees.

MDC 25-28/444

COMMITTEE AND GROUP MEETINGS – FOR INFORMATION

The following Council Committees and Community Committees were notified for information.

| COMMITTEE MEETINGS | |
|---|---|
| Manawatū Water Services | • 13 October 2026 |

| COMMUNITY COMMITTEES | |
|---|---|
| Hiwinui – Cr Raewyn Loader | • 20 October 2026 |
| Kimbolton – Cr Rob Duindam | • 12 October 2026 |
| Kiwitea – Cr Andrew Quarrie | • 19 October 2026 |
| Pohangina Valley – Cr Bridget Bell | • 14 October 2026 |
| Sanson – Cr Alison Short | • 08 October 2026 |
| Tangimoana – Cr James McKelvie | • 19 October 2026 |

Liaison Councillors provided brief updates on their respective Committees.

- Hiwinui – Cr Raewyn Loader. The meeting was postponed.
- Kimbolton – Cr Rob Duindam. The Chair has stood down as they are moving overseas, however another member has volunteered to be interim chair until the AGM. Forest Road Reserve – the Committee is keen to tidy this up and develop it further as a community project. The Committee has several CCTV cameras that have not been utilised. The Committee also raised the query of power bills, and whether there is any potential to explore alternative options with the Council – Cr Duindam advised he will raise it with the Council team. They are looking at holding a picnic cake fundraiser in the near future.
- Pohangina Valley – Cr Bridget Bell. The Committee is having ongoing negotiations around the house next to the Hall – there is a lot of attachment to it and the Committee is worried about it going. They are worried about the temporary rock placement and the timeframes for this – Cr Bell advised that she has been in contact with the Roading Manager around this.
- Sanson – Cr Alison Short. Civil Defence staff from MDC met with the Committee, and the Committee is looking into an emergency generator. Two electrical companies have come to look at the Hall to advise further on this, but they have also raised the issue of the switchboard at the Hall potentially requiring an upgrade. One of the two Sanson markets has now moved to Bulls, as their lease concluded for the normal site they were using.
- Tangimoana – Cr James McKelvie. Hall maintenance continues and painting will commence soon. A new civil defence draft has been received and they eagerly await the final version. The Committee is meeting again soon to discuss sites for the war memorial.
- Horizons Regional Passenger Transport Committee – Cr Colin Dyer. Council recently received a deputation from the rural bus trust – it was evident from this that further funding from the regional council was required and Horizons will contribute for the next six months. The new orbital service in July/August has seen a significant rise in usage. The legislation requiring that non-elected members do not have a vote will apply to this Committee.
- Rangiotu Turangawaewae Ball – Cr Raewyn Loader. The name reflects a sense of belonging. It is about building communities and leaders. The community did a good job of beautifying the community hall for the occasion. The evening was recorded and will be made into a film for the community. The Feilding Police, Neighbourhood Support, Feilding Community Patrol, Rongo Mauri Trust and Lions Club supported the event.

MDC 25-28/445

MARAE LIAISON COUNCILLORS

Councillors provided verbal updates on their respective marae liaison activities.

- Aorangi Marae – Cr Rob Duindam. Nothing to report.
- Kauwhata Marae – Cr Raewyn Loader. Nothing to report.
- Parewahawaha Marae – Cr Alison Short. Meeting with the Chair tomorrow. They are going to discuss the dangerous sea and river conditions at the mouth of the Rangitīkei river.
- Poupatatē Marae – Cr James McKelvie. Nothing to report.
- Taumata-o-te-rā Marae – Cr Colin Dyer. Nothing to report.
- Te Hiiri Marae – Cr Sam Hill. Nothing to report.
- Te Rangimārie Marae – Cr Jerry Pickford. Nothing to report.
- Te Tikanga Marae – Cr Shelley Dew-Hopkins. Nothing to report.
- Ngāti Te Au – Cr Grant Hadfield. Has met with them and will continue to meet regularly.
- Ngāwhakaraua marae – Cr Andrew Quarrie. Nothing to report.

MDC 25-28/446

RESIDENT SATISFACTION SURVEY YEARLY AND BENCHMARKING REPORTS

Report of the General Manager – Corporate presenting the Manawatū DC Resident Survey Final Yearly Report 2025-26 and the Residents Survey Benchmark Report 2025-26 for endorsement, ahead of publication on the MDC website.

**RESOLVED**

**That the Council:**

**1. Receive the Manawatū DC Residents Survey Final Yearly Report 2025-26 (Appendix A) and the Residents Survey Benchmark Report 2025-26 (Appendix B) prepared by Key Research.**

**AND**

**2. Approves the uploading of these documents to Council's website.**

**Moved by: Mayor Michael Ford**

**Seconded by: Cr Jerry Pickford**

**CARRIED (12-0)**

MDC 25-28/447

VOTING AND QUORUM FOR NON-ELECTED MEMBERS - EXCEPTION REQUESTS

Report of the General Manager – Corporate seeking Council approval to request two exceptions under section 260A of the Local Government Act 2002, to enable non-elected members of the Finance & Performance Committee and Manawatū Water Services Committee to continue to vote and be counted towards quorum.

**RESOLVED**

**That the Council:**

1. **Approves an application to the Minister of Local Government seeking an exception from clauses 23(4) and 31A(1) of Schedule 7 of the Local Government Act for the Chair and Deputy Chair of the Finance & Performance Committee, to enable those members to continue to vote and be counted towards quorum for the 2025-28 triennium.**

2. **Approves an application to the Minister of Local Government seeking an exception from clauses 23(4) and 31A(1) of Schedule 7 of the Local Government Act for the Chair of the Manawatū Water Services Committee, to enable that member to continue to vote and be counted towards quorum for the 2025-28 triennium.**

3. **Authorises the Mayor and Chief Executive to finalise and submit the exception applications to the Minister of Local Government.**

**Moved by:** **Cr Grant Hadfield**

**Seconded by:** **Cr Shelley Dew-Hopkins**

**CARRIED (10-2)**

***Cr Jerry Pickford and Cr Andrew Quarrie voted against the motion***

MDC 25-28/448

SUBMISSIONS MADE ON BEHALF OF COUNCIL

Report of the General Manager – Corporate presenting to Council, for information, copies of recent submissions lodged on behalf of Manawatū District Council.

**RESOLVED**

**That the Council receives and notes the following submissions lodged on behalf of Manawatū District Council between 5 June and 18 September 2026:**

1. **Ring-fencing Revenue for Water Entities**
2. **Better Regional Boundaries Bill**
3. **Climate Change Response (Tort Liability) Amendment Bill**
4. **Conservation Amendment Bill**

5. **Consultation on Groups of Activities**
6. **Resilience Principles for Infrastructure Providers**
7. **Environmental Reporting Amendment Bill**
8. **International Visitors Levy (IVL) Investment framework for tourism**
9. **National Engineering Design Standards**
10. **Local Government (Management of Local Authorities) Amendment Bill**

**Moved by:** **Cr Grant Hadfield**

**Seconded by:** **Cr Sam Hill**

**CARRIED (12-0)**

MDC 25-28/449

CONSIDERATION OF LATE ITEMS

There were no late items notified for consideration.

MDC 25-28/450

PUBLIC EXCLUDED BUSINESS

**RESOLVED**

**That the public be excluded from the following parts of the proceedings of this meeting, namely:**

1. **Feilding Civic Centre Deed of Surrender request**

**That the general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:**

| General subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Grounds under Section 48(1) for the passing of this resolution |
|---|---|---|
| 13.1 Feilding Civic Centre Deed of Surrender request | s7(2)(i) commercial negotiations<br><br>s7(2)(j) improper gain or advantage<br><br>*This report discusses sensitive contract terms* | s48(1)(a) |

**This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interests protected by Section 6 or Section 7 of the Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as specified above.**

**Moved by:** **Mayor Michael Ford**

**Seconded by:** **Cr James McKelvie**

**CARRIED (12-0)**

*The meeting went into public excluded session at 9.57 am. For items MDC 25-28/451 to MDC 25-28/452 refer to public excluded proceedings. The meeting returned to open session at 10.52 am.*

MDC 25-28/453

MEETING CLOSURE

The meeting was declared closed at 10.52 am.

## Meeting Video

*https://www.mdc.govt.nz/about-council/meetings-agendas-and-minutes/videos-of-council-and-committee-meetings/manawatu-district-council-meeting-videos*

| MEETING MINUTES | |
|---|---|
| COUNCIL | TIME |
| WEDNESDAY 28 OCTOBER 2026 | 8:30 AM |

Minutes of a meeting of the Council held on Wednesday 28 October 2026, which commenced at 8.30 am at the Manawatū District Council Chambers, 135 Manchester Street, Feilding.

| | | |
|---|---|---|
| PRESENT: | Mayor Michael Ford | Chairperson |
| | Councillor Bridget Bell | |
| | Councillor Shelley Dew-Hopkins | |
| | Councillor Rob Duindam | |
| | Councillor Colin Dyer | |
| | Councillor Grant Hadfield | |
| | Councillor Sam Hill | |
| | Councillor Raewyn Loader | |
| | Councillor James McKelvie | |
| | Councillor Jerry Pickford | |
| | Councillor Alison Short | |
| APOLOGIES: | Councillor Andrew Quarrie | |
| IN ATTENDANCE: | Shayne Harris | Chief Executive |
| | Hamish Waugh | General Manager – Infrastructure |
| | Frances Smorti | General Manager – Corporate |
| | Kate Jarvis | General Manager – People |
| | Lyn Daly | General Manager – Community |
| | Joel Richards | Chief Financial Officer |
| | Ash Garstang | Governance and Assurance Manager |

MDC 25-28/454

## MEETING OPENING

Mayor Michael Ford opened the meeting.

MDC 25-28/455

## APOLOGIES

Cr Andrew Quarrie was on a pre-approved leave of absence.

MDC 25-28/456

## DECLARATIONS OF INTEREST

There were no declarations of interest.

MDC 25-28/457

## PUBLIC FORUM

There were no requests for public forum.

MDC 25-28/458

## PRESENTATIONS

There were no presentations scheduled for this meeting.

MDC 25-28/459

## NOTIFICATION OF LATE ITEMS

There were no late items of business notified for consideration.

MDC 25-28/460

## RECOMMENDATIONS FROM COMMITTEES

There were no recommendations from committees.

MDC 25-28/461

## COMMITTEE AND GROUP MEETINGS – FOR INFORMATION

The following Community Committee meetings were notified for information.

| COMMUNITY COMMITTEES | |
|---|---|
| Bainesse-Rangiotu – Cr Raewyn Loader | • 21 October 2026 |
| Himatangi Beach – Cr Jerry Pickford | • 22 October 2026 |

Liaison Councillors provided brief updates on their respective Committees.

- Bainesse-Rangiotu – Cr Raewyn Loader. Two new people joined the Committee. The Committee presented community honours awards at their meeting. A community movie evening is being organised to screen footage from the ball. The Committee also discussed signage and that a tree will be planted in honour of Alan Horsfall.
- Himatangi Beach – Cr Jerry Pickford. The Committee passed on their thanks to Council staff. The local holiday park has won another award. The community is considering hosting another triathlon in March and have a Christmas parade planned for 12 December 2026. The Big Dig will be on the Wellington Anniversary weekend.

MDC 25-28/462

## MARAE LIAISON COUNCILLORS

Councillors provided a verbal update on their attendance at marae meetings.

- Parewahawaha Marae – Cr Alison Short. Met with Cliff Brown last week. They are meeting with the Defence Force soon to discuss PFAS levels, as they appear to be rising. They also highlighted the dangerous conditions at Tangimoana and the mouth of the Rangitīkei River, which has seen several fatalities this year.

MDC 25-28/463

ADOPTION OF THE 2025-26 ANNUAL REPORT

Report of the Chief Financial Officer seeking Council adoption of the Annual Report for the year ending 30 June 2026.

The Chief Executive advised that the auditors have confirmed that they are unable sign off the Annual Report for the present meeting. There are a couple of issues that need to be corrected and re-audited. The Annual Report will instead be reported to the Council meeting next week (04 November 2026) for adoption.

MDC 25-28/464

CONSIDERATION OF LATE ITEMS

There were no late items notified for consideration.

MDC 25-28/465

PUBLIC EXCLUDED BUSINESS

There was no Public Excluded Business for this meeting.

MDC 25-28/466

MEETING CLOSURE

The meeting was declared closed at 8.59 am.

**Meeting Video**

*https://www.mdc.govt.nz/about-council/meetings-agendas-and-minutes/videos-of-council-and-committee-meetings/manawatu-district-council-meeting-videos*

# Council

Meeting of 4 November 2026

Business Unit: Finance
Date Created: 12 October 2026

## Adoption of the 2025-26 Annual report

### Purpose Te Aronga o te Pūrongo

To adopt the Annual Report for the year ending 30 June 2026.

### Recommendations Ngā Tūtohinga

1. That the Council adopt the Annual Report for the year ending 30 June 2026.

2. That the Council note that Audit Office will issue a formal Audit Report with findings and recommendations which will be presented to the Finance & Performance Committee.

3. Council permits the Chief Executive to make minor changes as necessary within the Annual Report in order to meet any further requirements from Audit Office and the proofreader.

Report prepared by:
Jenna Glenny
Senior Financial Accountant

Approved for submission by:
Joel Richards
Chief Financial Officer

## 1 Background Ngā Kōrero o Muri

1.1 Each year the Council is required to report against its key performance indicators, financial projections and projects set in the Annual Plan and the relevant year of the Long-Term Plan.

1.2 The Annual Report for the year ending 30 June 2026 compares actual performance against 2025-26 Annual Plan. Performance has also been reported quarterly to the Finance and Performance Committee during the financial year.

1.3 The draft Annual Report was presented to the Finance and Performance Committee meeting 23 September 2026 and subsequently adopted by Council at the following meeting.

1.4 The annual 3 waters asset revaluation as at 30 June 2026 was undertaken. This was not externally reviewed as the external review is undertaken every 3 years.

1.5 An internal fair value assessment was undertaken of Roading assets at 30 June 2026. It was determined that the movement in asset value was not material and did not require a revaluation to be undertaken.

1.6 An external fair value assessment was undertaken of land and buildings at 30 June 2026 and determined that the movement was not material and did not require a revaluation to be undertaken.

1.7 Changes made to the report during the audit process are summarised in section 3.

## 2 Strategic Fit Te Tautika ki te Rautaki

2.1 This is a report on the 2024-34 Long Term Plan which is one of Council's key strategic documents.

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

3.1 The Annual Report has been externally audited by The Audit Office on behalf of the Auditor General, against the statutory requirements of the Local Government Act 2002. The Annual Report is a key accountability document to the community.

3.2 The Annual report statutory deadline for adoption (including completed audit) was 31 October 2026. This date has not been met.

3.3 The draft report outlined a financial result of $1.985M surplus against a budget deficit of $4.864M, with the main variances outlined in note 36. Audit changes have not impacted the surplus and it remains $1.985M. Other key financial adjustments made during the audit process include:

3.3.1 An adjustment to the current vs non-current split of council assets investments council organisations and similar entities. This reflects that a portion of

Councils community loans with MCT ($48k) and borrower's notes ($278k) were incorrectly classified as non-current assets.

3.3.2 Increase in revaluation to $19.5M in Infrastructural Assets leading to an increase in the Net Assets/Equity. The Roading revaluation was reverted and a fair value assessment was completed confirming there was no material movement. This was a result of Audit identifying issues with the revaluation which highlighted RAMM system issues Council is working with the provider to correct.

3.3.3 Property Plant and Equipment - Note 20 and Equity – Note 26 reconciliation completed with the revaluation changes.

3.3.4 A range of changes to the financial notes taking into account the change made above combined with any minor changes audit identified.

3.4 The draft report outlined Council achieved 88 of the 102 performance indicators (81.1%). In previous year's the results were: 83% (2024/25) and 77.9% (2023/24). The final result is now 82.1% (improvement) due to change in level of service for roading responsiveness to non-urgent requests increasing the result to 95.7% (previously 88.2%) which meant the performance measure was achieved.

3.5 The draft report did not include the disclosures for Feilding Civic Centre Trust as the draft Annual Report had not been prepared. The Feilding Civic Centre Trust has now been disclosed in the annual report as required by the LG Act and the Group Financial results have been updated.

## 4 Risk Assessment Te Arotake Tūraru

4.1 There are no significant risks associated with adopting the Annual Report, as the document has been audited by Audit Office and reviewed by the Finance and Performance Committee.

## 5 Engagement Te Whakapānga

Significance of Decision

5.1 The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

## 6 Operational Implications Ngā Pānga Whakahaere

6.1 A summary of the Annual Report document will be created and subsequently audited by Audit Office.

6.2 A copy of the adopted Annual Report including the Audit Opinion is required to be published on the website within 28 days of adoption.

6.3 The Audit report will be presented to the Finance & Performance Committee once received from Audit Office. Recommendations received through the Audit Report are then brought into business as usual practices as required.

## 7 Financial Implications Ngā Pānga Ahumoni

7.1 There are no unplanned/unbudgeted consequences of this report going forward.

## 8 Statutory Requirements Ngā Here ā-Ture

8.1 Section 98 of the Local Government Act 2002 sets out the requirements for preparing and adopting the Annual Report.

8.2 The Annual Report (including the Audit opinion) must be completed and adopted, by resolution of Council, within four months after the end of the financial year to which it relates (31 October 2026).

8.3 Due to a delay in finalising Roading asset fair value assessment the statutory deadline was not meet, instead being 2 days late.

## 9 Next Steps Te Kokenga

9.1 Audit Office will issue a formal Audit Report with findings and recommendations

9.2 A summary Annual Report will be produced within 30 days of adoption of the Annual Report and requires to be audited and an audit opinion issued.

## 10 Attachments Ngā Āpitihanga

- Annual Report for the year ending 30 June 2026 – late attachment (separate to the agenda)

# Council

Meeting of 04 November 2026

Business Unit: Community
Date Created: 29 October 2026

## Manawatū 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.

Report prepared by:
Karyn Crawley
Community Operations Advisor

Approved for submission by:
Lyn Daly
General Manager - Community

## 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.<br>• 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.<br>• 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.<br>• 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.<br>• 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.<br>• 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

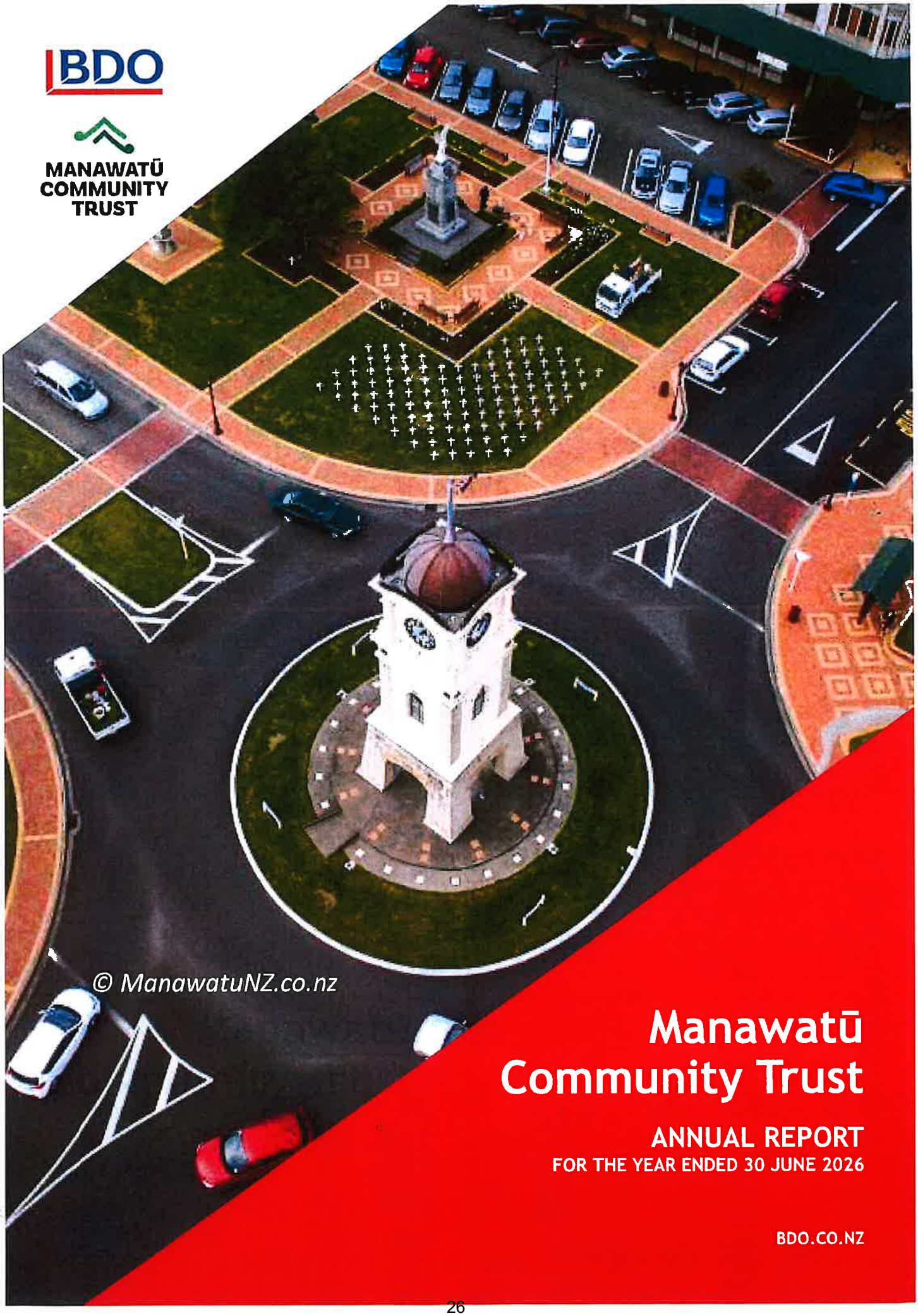
9.1 Following Council's receipt of the annual report, publication will be managed in accordance with statutory requirements. Ongoing monitoring will continue through the Trust's six-monthly reporting and existing loan arrangements.

## 10 Attachments Ngā Āpitihanga

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

BDO

MANAWATŪ COMMUNITY TRUST




# Manawatū Community Trust

## ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2026

BDO.CO.NZ

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# Chairperson's Report

## Manawatū Community Trust
## For the year ended 30 June 2026

**Annual Report of the Manawatū Community Trust | 2025 - 2026**

It is a privilege and pleasure to present the Annual Report for the Manawatū Community Trust on behalf of the Trustees.

The calibre of the Trustees, General Manager and staff ensures that the Manawatū Community Trust continues to deliver on its Statement of Intent: to promote and provide housing and wellbeing services that are relevant and meet long-term community needs. During the year, MCT welcomed Janine Hawthorn to the new role of Operations and Engagement Lead and farewelled Victor Cheng from his finance role. Christine Vincent joined the team as Management Accountant in early July.

This year's report highlights continued progress in maintaining safe and sustainable housing, growing the Trust's community housing portfolio, supporting resident wellbeing, and maintaining sound governance and financial performance.

**Maintain and develop existing housing to be user-friendly, safe and sustainable**

During the year, all homes met MCT's housing portfolio standards, and 58% exceeded them. MCT standards continue to be set above statutory residential tenancy requirements to ensure homes are safe, functional and suitable for older people and people living with disabilities. Alongside this achievement, 100% of the portfolio met Healthy Homes standards.

More units are being renovated to improve functionality and safety to support 'aging in place'. Of note was the high occupancy rate which in June 2026 was 98%.

**Increase the number of community housing units to 250 by 2030**

While this goal remains challenging, as the Trust faces the same market difficulties associated with property development, great progress has been made over the last 12 months.

The Manawanui Complex, comprising four two-bedroom units, was completed and occupied. The development of Corrick Court, a 12-unit complex, commenced and is due for completion in mid-2027. These 16 new units add modern, healthy and accessible accommodation to the portfolio, suited to our target tenants.

The Trust would like to thank the Manawatū District Council and Central Energy Trust for their financial assistance through loans and/or grants which to help facilitate these developments.

**Diversify housing typologies and increase the range of affordable housing offerings to meet identified local need**

An important focus for the Trust, alongside providing housing, is the promotion of wellbeing services that improve lifestyle, health and welfare and create a sense of community for the benefit of Manawatū residents.

To this end our new housing has been designed in accordance with LifeMark Universal Design Standards and Crime Prevention Through Environmental Design (CPTED) principles.

The Trust continues to offer subsidised rental accommodation, with rents set using income-based or discounted market-rent approaches to support tenant affordability.

**Practise good governance and sound financial performance**

Through strong governance and management, the Trust's balance sheet remains strong, cash flow is managed effectively, and the Trust continues to meet all financial lending obligations.

The Trust supports effective governance through annual Board performance reviews, ongoing professional development, and regular consideration of relevant and emerging governance matters.

The Manawatū Community Trust remains committed to achieving its goals, delivering for the Manawatū community, and leading by example.

Date: 28/09/26

Liam Greer - Chairperson

# Entity Information

## Manawatū Community Trust
## For the year ended 30 June 2026

### Legal Name of Entity

Manawatū Community Trust

### Entity Type and Legal Basis

The Trust is a Registered Charity in New Zealand under the Charitable Trusts Act 1957. The Trust is controlled by The Manawatū District Council as a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

### Entity's Purpose or Mission

The primary objective of the Trust is to promote and provide housing, health and wellbeing services that are relevant and meet the long term needs of the community.

### Entity's Operational Structure

The trust operates as a single unit.

### Entity's governance arrangements

The Trust comprises a Board of five Trustees who oversee the governance of the Trust, a General Manager, Teresa Hague, who is responsible for the day to day management of the Trust's business and all reporting requirements of the Trust which includes reporting to the Trust Board. The Trust also employs five other people with particular responsibilities for property and tenancy management, accounts and office administration. The Trustees are appointed by Manawatū District Council for a three year term. The Trust produces an Annual Statement of Intent which is approved by Manawatū District Council, the Trust reports to Council against this statement on a 6 monthly basis.

**Trustees**

Allan Davey
Joanne Shortall
Liam Greer
Tracey Hunt
Ian McKelvie (Appointed July 2025)

### Accountant

BDO Manawatu Limited, 32 Amesbury Street, Palmerston North

### Auditors

The Audit Office (on behalf of the Auditor-General)
31 Amesbury Street, Palmerston North

### Bankers

ANZ Bank New Zealand Limited - Commercial Banking, PO Box 92210, Auckland 1142

### Lawyers

John W Key Barristers - Solicitors Law House, 71 Kimbolton Road, Feilding

# Approval of Performance Report

## Manawatū Community Trust
## For the year ended 30 June 2026

The Trustees are pleased to present the approved Performance report including the historical financial statements of Manawatū Community Trust for year ended 30 June 2026.

APPROVED

Chairperson

Date 28/09/26

Trustee

Date 28/9/26

# Statement of Financial Performance

## Manawatū Community Trust
## For the year ended 30 June 2026

| | NOTES | ACTUAL 2026 $ | BUDGET 2026 $ | ACTUAL 2025 $ |
|---|---|---|---|---|
| **Revenue** | | | | |
| Donations, koha, bequests and other fundraising revenue | 1 | - | - | 7 |
| Grants from non-government organisations | 1 | 117,950 | 400,000 | - |
| Revenue from service delivery/grants/contracts (non-government) | 1 | 3,301,010 | 3,255,735 | 3,123,324 |
| Interest, dividends, and other investment revenue | 1 | 31,616 | 24,488 | 30,841 |
| Other revenue | 1 | - | - | 5,000 |
| **Total Revenue** | | **3,450,576** | **3,680,223** | **3,159,172** |
| **Expenses** | | | | |
| Employee remuneration and other related expenses | 2 | 545,337 | 551,568 | 551,581 |
| Other expenses related to service delivery | 2 | 1,093,405 | 1,273,141 | 1,185,411 |
| Other expenses | 2 | 1,228,410 | 1,320,835 | 1,258,547 |
| **Total Expenses** | | **2,867,153** | **3,145,544** | **2,995,539** |
| **Surplus/(Deficit) for the Year** | | **583,423** | **534,679** | **163,634** |

# Statement of Financial Position

## Manawatū Community Trust

## As at 30 June 2026

| | NOTES | ACTUAL 30 JUNE 2026 $ | BUDGET 30 JUNE 2026 $ | ACTUAL 30 JUNE 2025 $ |
|---|---|---|---|---|
| **Assets** | | | | |
| **Current Assets** | | | | |
| Cash and short-term deposits | 3 | 273,331 | 143,501 | 561,603 |
| Debtors and prepayments | 3 | 32,722 | 58,988 | 57,886 |
| Inventory | 3 | 8,058 | 6,188 | 7,235 |
| Investments | 4 | - | 50,000 | 620,818 |
| **Total Current Assets** | | 314,112 | 258,677 | 1,247,542 |
| **Non-Current Assets** | | | | |
| Property, Plant and Equipment | 6 | 42,035,333 | 38,680,282 | 35,781,216 |
| Intangibles | 5 | - | - | - |
| **Total Non-Current Assets** | | 42,035,333 | 38,680,282 | 35,781,216 |
| **Total Assets** | | 42,349,445 | 38,938,959 | 37,028,758 |
| **Liabilities** | | | | |
| **Current Liabilities** | | | | |
| Bank overdraft | 7 | 101,112 | - | 939 |
| Creditors and accrued expenses | 7 | 761,102 | 316,004 | 229,641 |
| Employee costs payable | 7 | 59,741 | 45,234 | 51,060 |
| Deferred revenue | 7 | 65,559 | 31,000 | 21,178 |
| Loans | 8 | 933,499 | 613,326 | 581,011 |
| Other current liabilities | 7 | 4,298 | 15,950 | 19,205 |
| **Total Current Liabilities** | | 1,925,311 | 1,021,514 | 903,033 |
| **Non-Current Liabilities** | | | | |
| Loans | 8 | 5,153,060 | 6,351,224 | 5,087,020 |
| Other non-current liabilities | 7 | 97,703 | 84,810 | 106,300 |
| **Total Non-Current Liabilities** | | 5,250,763 | 6,436,034 | 5,193,320 |
| **Total Liabilities** | | 7,176,075 | 7,457,548 | 6,096,353 |
| **Total Assets less Total Liabilities (Net Assets)** | | 35,173,370 | 31,481,411 | 30,932,405 |
| **Accumulated Funds** | | | | |
| Capital contributed by owners or members | 9 | 10 | 10 | 10 |
| Accumulated surpluses or (deficits) | 9 | 15,773,872 | 15,739,456 | 15,190,450 |
| Asset revaluation reserves | 9 | 19,399,488 | 15,741,945 | 15,741,945 |
| **Total Accumulated Funds** | | 35,173,370 | 31,481,411 | 30,932,405 |

# Statement of Cash Flows

## Manawatū Community Trust
## For the year ended 30 June 2026

| | NOTES | ACTUAL 2026 $ | BUDGET 2026 $ | ACTUAL 2025 $ |
|---|---|---|---|---|
| **Capital grants and donations** | | | | |
| **Cash Flows from Operating Activities** | | | | |
| **Cash was received from** | | | | |
| Donations, koha, bequests, and other fundraising receipts | | - | - | 7 |
| Funding from non-government service delivery/grants/contracts | | 3,496,050 | 3,660,471 | 3,118,436 |
| Interest, dividends and other investment receipts | | 23,824 | 26,309 | 29,762 |
| Goods and services tax | | 3,336 | - | 1,106 |
| **Total Cash was received from** | | **3,523,210** | **3,686,780** | **3,149,311** |
| **Cash was applied to** | | | | |
| Employee remuneration and other related payments | | (537,341) | (538,193) | (560,690) |
| Payments related to service delivery | | (1,038,162) | (1,191,728) | (1,323,253) |
| Other payments | | (246,525) | (335,894) | (289,340) |
| **Total Cash was applied to** | | **(1,822,028)** | **(2,065,815)** | **(2,173,283)** |
| **Total Cash Flows from Operating Activities** | | **1,701,182** | **1,620,965** | **976,028** |
| **Cash Flows from other activities** | | | | |
| **Cash was received from** | | | | |
| Sale of property, plant and equipment | | - | - | 5,000 |
| Sale of investments | | 629,689 | 900,000 | - |
| Cash received from loans from other parties | | 1,000,000 | 1,000,000 | 800,000 |
| **Total Cash was received from** | | **1,629,689** | **1,900,000** | **805,000** |
| **Cash was applied to** | | | | |
| Payments to acquire property, plant and equipment | | (3,137,844) | (2,903,472) | (515,336) |
| Payments to purchase investments | | - | - | (620,818) |
| Repayments of loans from other parties | | (581,472) | (702,880) | (569,338) |
| **Total Cash was applied to** | | **(3,719,316)** | **(3,606,352)** | **(1,705,492)** |
| **Total Cash Flows from other activities** | | **(2,089,627)** | **(1,706,352)** | **(900,492)** |
| Net Increase/(Decrease) in Cash | | (388,445) | (85,387) | 75,536 |
| **Opening Cash Balance** | | | | |
| Bank accounts and cash | | 560,664 | 228,888 | 485,128 |
| **Total Opening Cash Balance** | | **560,664** | **228,888** | **485,128** |
| Closing Cash Balance | | 172,219 | 143,501 | 560,664 |
| **Made up of:** | | | | |
| Cash and Short-Term Deposits | | 273,331 | 143,501 | 561,603 |
| Bank overdraft | | (101,112) | - | (939) |
| Total | | 172,219 | 143,501 | 560,664 |

# Statement of Accounting Policies

## Manawatū Community Trust
## For the year ended 30 June 2026

### Basis of Preparation

The Trust has elected to apply XRB's Tier 3 PBE (PS) standard. This is on the basis that it does not have public accountability and has total annual expenses equal to or less than $5,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the Trust will continue to operate in the foreseeable future.

### Goods and Services Tax (GST)

The Trust is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST. The Trust also carries out transactions which fall under exempt supplies legislation for GST purposes and therefore are not applicable for GST and are recorded gross in the financial statements.

### Income Tax

Manawatū Community Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

### Cash and Short-Term Deposits

Cash and short-term deposits in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

### Presentation Currency

The Performance Report is presented in New Zealand dollars (NZ$) and all values are rounded to the nearest NZ$.

### Revenue Recognition

Donations and grants with a documented expectation regarding use have been recognised as revenue over time as the expectation is satisfied.

Donated assets over $1,000 that have useful lives of 12 months or more are recorded on receipt at readily obtainable values. Other donated assets are not recorded.

Sale of goods are recorded when the goods are sold (usually when the goods are received by the purchaser).

Provision of services are recognised on a stage of completion basis.

Lease or rental revenue is recorded on a straight line basis unless another systematic basis is representative of the user's benefit.

Interest income is recorded as it is earned.

### Debtors

Debtors are initially measured at the amount owed. When it is likely that the amount owed, or some portion, will not be collected, an impairment adjustment is recorded. Interest charged on overdue amounts are added to the individual debtor balance.

### Inventories

Inventories are recorded at cost and if become impaired, written down to lower of cost and selling price.

## Property, Plant and Equipment

Property, plant and equipment consist of rental accommodation available for the elderly and disabled, and property leased out and operated as an integrated health centre, the Manchester House Senior Hub Facility and The Feilding Menzshed. This has been classified as property, plant and equipment rather than investment property as it is held to meet service delivery objectives rather than to earn rentals or for capital appreciation.

Land is measured at fair value, and buildings are measured at fair value less accumulated deprecation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

***Revaluation***

Land and buildings are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from the assets' fair value and at least every five years.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then an off-cycle asset valuation is undertaken.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results of revaluing are credited or debited to the asset revaluation reserve in equity. Where this would result in a debit balance in the asset revaluation reserve, this balance is recognised in the Statement of Comprehensive Revenue and Expenses. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the Statement of Comprehensive Revenue and Expenses will be first recognised in the Statement of Comprehensive Revenue and Expenses up to the amount previously expensed, and then recognised in equity.

***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 Trust and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

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 Statement of Financial Performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

***Subsequent costs***

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the Statement of Financial Performance.

***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 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:

| | | |
|---|---|---|
| Land | Indefinite | None |
| Buildings and Improvements | 2 - 80 years | 1.25% - 50% |
| Furniture and Fittings | 4 - 10 years | 10% - 25% |
| Motor Vehicles | 5 years | 20% |
| Plant and Equipment | 3 - 10 years | 10% - 33% |

***Impairment of Assets***

Property, plant, and equipment assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicated that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the Statement of Financial Performance. The reversal of an impairment loss is recognised in the Statement of Financial Performance.

## Intangible Assets

***Recognition and measurement***

Intangible assets are initially measured at cost. All of the Trust's intangible assets are subsequently measured in accordance with the *cost model*, being cost (or fair value for items acquired through non-exchange transactions) less accumulated amortisation and impairment. The Trust has no intangible assets with indefinite useful lives. Cost includes expenditure that is directly attributable to the acquisition of the asset.

***Subsequent expenditure***

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in surplus or deficit as incurred.

***Amortisation***

Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each amortisable intangible asset.

The estimated useful lives amortisation rates are:

- Software 3 years (2025: 3 years).

## Investments

Investments are recorded when purchased and are recorded at cost. If it appears that the carrying amount of the investment will not be recovered, it shall be written down to the current market price. Any impairment expense is recorded in the Statement of Financial Performance.

## Creditors and Accrued Expenses

Creditors and accrued expenses are recognised when the Trust has an obligation which can be reliably measured at balance date as a result of a past event and it is probable that the company will be required to settle the obligation.

Creditors are measured at the present value of management's best estimate of the expenditure required to settle the obligation at balance date. Movements in the best estimate are recorded in the Statement of Financial Performance.

## Loans

Loans are recorded when the amount borrowed has been received and measured at cost. Interest expense is recognised on an accruals basis.

## Tier 2 PBE Accounting Standards Applied

The Trust has elected to apply Tier 2 Accounting Standard PBE IPSAS 17 Property, Plant and Equipment and PBE IPSAS 31 Intangible Assets when preparing its financial statements.

## Budget Figures

The budget figures are derived from the Statement of Intent, as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with the Tier 3 standard, using accounting policies that are consistent with those adopted by the Board in preparing this performance report.

## Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

# Notes to the Performance Report

## Manawatū Community Trust
## For the year ended 30 June 2026

| | 2026 | 2025 |
|---|---|---|
| **1. Analysis of Revenue** | | |
| **Donations, koha, bequests, and other general fundraising activities** | | |
| Donation Income | - | 7 |
| **Total Donations, koha, bequests, and other general fundraising activities** | - | 7 |
| **Grants from non-government organisations** | | |
| Grant - Central Energy Trust | 96,950 | - |
| Grant - Eastern & Central Community Trust | 21,000 | - |
| **Total Grants from non-government organisations** | 117,950 | - |
| **Revenue from service delivery/grants/contracts (non-government)** | | |
| Commercial Lease Received | 1,043,720 | 1,038,218 |
| Residential Rent Received | 2,213,937 | 2,056,704 |
| Other Revenue | 43,353 | 28,402 |
| **Total Revenue from service delivery/grants/contracts (non-government)** | 3,301,010 | 3,123,324 |
| **Interest, dividends and other investment revenue** | | |
| Interest Received | 31,616 | 30,841 |
| **Total Interest, dividends and other investment revenue** | 31,616 | 30,841 |
| **Other revenue** | | |
| Depreciation Recovered on Sale of Fixed Assets | - | 5,000 |
| **Total Other revenue** | - | 5,000 |

| | 2026 | 2025 |
|---|---|---|
| **2. Analysis of Expenses** | | |
| **Employee remuneration and other related expenses** | | |
| Wages & Salaries | 539,657 | 520,496 |
| Other related costs | 5,681 | 31,084 |
| **Total Employee remuneration and other related expenses** | 545,337 | 551,581 |
| **Other expenses related to service delivery** | | |
| **Administration Expenses** | | |
| Accounting Fees | 25,241 | 15,807 |
| Admin - Trustee Expenses | 1,151 | - |
| Audit Fees | 58,761 | 56,881 |
| Bank Charges | 452 | 419 |
| Legal Fees | 3,670 | - |
| Menzshed Expense* | 908 | 1,467 |
| Motor Vehicle expenses | 6,229 | 14,401 |
| Non Property Insurances | 2,736 | 2,460 |
| Office Expenses | 37,965 | 40,775 |
| Trust Development Fund | 4,656 | 4,097 |

| | 2026 | 2025 |
|---|---|---|
| Workforce Expenses | 7,050 | - |
| **Total Administration Expenses** | **148,819** | **136,306** |
| **Bowen Street Expenses** | | |
| Property Expenses | 6,745 | 7,884 |
| **Total Bowen Street Expenses** | **6,745** | **7,884** |
| **Feilding Health Centre** | | |
| General Expenses | 5,806 | 11,492 |
| Grounds Maintenance | 15,882 | 14,391 |
| Lease Expense | 6,496 | 34,699 |
| Property Insurance | 85,509 | 85,663 |
| Rates | 3,474 | 2,690 |
| Repairs & Maintenance | 32,983 | 75,154 |
| Valuation Expenses | - | 2,140 |
| **Total Feilding Health Centre** | **150,149** | **226,227** |
| **Housing** | | |
| Electricity | 2,153 | - |
| General Expenses | 14,845 | 4,515 |
| Healthy Homes Compliance | 2,557 | 22,290 |
| Maintenance | 281,389 | 309,189 |
| Motor Vehicle Expenses | 10,090 | - |
| Property Insurance | 231,293 | 264,710 |
| Rates | 151,917 | 142,670 |
| Rubbish Removal | 6,054 | 14,891 |
| Valuation Expenses | 36,116 | 1,800 |
| Volumetric Water Charges | 51,278 | 54,928 |
| **Total Housing** | **787,692** | **814,994** |
| **Total Other expenses related to service delivery** | **1,093,405** | **1,185,411** |
| **Other expenses** | | |
| Depreciation | 981,885 | 972,230 |
| Interest Expense | 246,525 | 286,317 |
| **Total Other expenses** | **1,228,410** | **1,258,547** |

*Menzshed expense was included as a part of Feilding Health Centre's rates expense in the prior year.

| | 2026 | 2025 |
|---|---|---|
| **3. Analysis of Assets** | | |
| **Cash and short term deposits** | | |
| ANZ Current Account | 143,380 | 545,349 |
| ANZ Savings Account | 124,702 | 11,192 |
| ANZ Debit Card | 5,000 | 4,967 |
| Petty Cash Account | 249 | 95 |
| **Total Cash and short term deposits** | **273,331** | **561,603** |

| | 2026 | 2025 |
|---|---|---|
| **Debtors and prepayments** | | |
| Trade Receivables | 15,607 | 48,817 |
| Prepayments | 10,989 | 9,069 |
| GST Receivable | 6,125 | - |
| **Total Debtors and prepayments** | 32,722 | 57,886 |
| **Inventory** | | |
| Stock on Hand | 8,058 | 7,235 |
| **Total Inventory** | 8,058 | 7,235 |

The carrying value of debtors and prepayments approximates their fair value. The trade receivables have been individually assessed as impaired where the tenant has vacated the premises and management have concluded that it is remote that the overdue amounts will be recovered. The amount of trade receivables written off during the period was $27 (30 June 2025: $Nil). The Trust holds no collateral as security against these financial assets.

| | 2026 | 2025 |
|---|---|---|
| **4. Investments** | | |
| **Current** | | |
| **Term Deposits (held at cost)** | | |
| Opening carrying value | 620,818 | - |
| Investments | (620,818) | 620,818 |
| **Closing carrying value** | - | **620,818** |
| **Total Investments** | - | **620,818** |

## 5. Intangible Assets 2026

| **Cost** | **Software** |
|---|---|
| Opening 1 July 2025 | 16,553 |
| Additions | 0 |
| **Closing Cost Amount** | **16,553** |
| **Accumulated Amortisation** | |
| Opening Accumulated Amortisation | 16,553 |
| Amortisation | 0 |
| **Closing Accumulated Amortisation** | **16,553** |
| Net Book Value | 5,949 |
| As at 30 June 2024 | 0 |
| As at 30 June 2025 | 0 |
| **As at 30 June 2026** | **0** |

## Intangible Assets 2025

| **Cost** | **Software** |
|---|---|
| Opening 1 July 2024 | 16,553 |
| Additions | 0 |
| **Closing Cost Amount** | **16,553** |
| **Accumulated Amortisation** | |
| Opening Accumulated Amortisation | 16,553 |
| Amortisation | |
| **Closing Accumulated Amortisation** | **16,553** |
| Net Book Value | 5,949 |
| As at 1 July 2023 | 432 |
| As at 30 June 2024 | 0 |
| **As at 30 June 2025** | **0** |

## 6. Property, Plant and Equipment 2026

| Cost | Commercial Land & Buildings | Residential Land | Residential Buildings & Improvements | Residential Furniture & Fittings | Work in Progress | Plant & Equipment | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|
| Opening 1 July 2025 | 12,982,000 | 8,692,000 | 15,047,099 | 406,792 | 455,382 | 81,405 | 78,087 | 37,742,765 |
| Additions | 15,773 | - | 5,657 | 11,049 | 3,545,980 | - | - | 3,578,459 |
| Revaluations | - | 363,000 | 3,294,543 | - | - | - | - | 3,657,543 |
| Disposals | - | - | - | - | - | - | - | - |
| Work in progress transferred to capital | - | - | 1,956,101 | - | (1,956,101) | - | - | - |
| Revalued Accumulated Depreciation | | | (1,923,399) | | | | | 1,923,399 |
| Closing Cost Amount | 12,997,773 | 9,055,000 | 18,380,001 | 417,841 | 2,045,261 | 81,405 | 78,087 | 43,055,368 |
| Accumulated Depreciation | | | | | | | | |
| Opening accumulated depreciation | (522,968) | - | (1,267,612) | (81,243) | - | (59,229) | (30,497) | (1,961,549) |
| Depreciation expense | (256,912) | - | (655,787) | (45,026) | - | (10,629) | (13,531) | (981,885) |
| Revalued Accumulated Depreciation | | | 1,923,399 | | | | | 1,923,399 |
| Closing Accumulated Depreciation | (779,880) | - | - | (126,269) | - | (69,858) | (44,028) | (1,020,035) |
| Net book value | | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| As at 1 July 2024 | 12,720,516 | 8,692,000 | 13,991,095 | 339,195 | 445,445 | 21,016 | 28,843 | 36,238,110 |
| As at 30 June 2025 | 12,459,032 | 8,692,000 | 13,779,487 | 325,549 | 455,382 | 22,176 | 47,590 | 35,781,216 |
| As at 30 June 2026 | 12,217,893 | 9,055,000 | 18,380,001 | 291,572 | 2,045,261 | 11,547 | 34,059 | 42,035,333 |

## Property, Plant and Equipment 2025

| Cost | Commercial Land & Buildings | Residential Land | Residential Buildings & Improvements | Residential Furniture & Fittings | Work in Progress | Plant & Equipment | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|
| Opening 1 July 2024 | 12,982,000 | 8,692,000 | 14,611,556 | 379,481 | 445,445 | 71,915 | 54,402 | 37,236,799 |
| Additions | - | - | - | 27,311 | 445,480 | 9,490 | 33,055 | 515,336 |
| Disposals | - | - | - | - | - | - | (9,370) | (9,370) |
| Work in progress transferred to capital | - | - | 435,543 | - | (435,543) | - | - | - |
| Closing Cost Amount | 12,982,000 | 8,692,000 | 15,047,099 | 406,792 | 455,382 | 81,405 | 78,087 | 37,742,765 |
| Accumulated Depreciation | | | | | | | | |
| Opening accumulated depreciation | (261,484) | - | (620,461) | (40,286) | - | (50,899) | (25,559) | (998,689) |
| Depreciation expense | (261,484) | - | (647,151) | (40,957) | - | (8,330) | (14,308) | (972,230) |
| Disposals | - | - | - | - | - | - | 9,370 | 9,370 |
| Closing Accumulated Depreciation | (522,968) | - | (1,267,612) | (81,243) | - | (59,229) | (30,497) | (1,961,549) |
| Net book value | | | | | | | | |
| As at 1 July 2023 | 12,982,000 | 8,692,000 | 14,180,000 | - | 314,377 | 15,328 | 37,849 | 36,221,554 |
| As at 30 June 2024 | 12,720,516 | 8,692,000 | 13,991,095 | 339,195 | 445,445 | 21,016 | 28,843 | 36,238,110 |
| As at 30 June 2025 | 12,459,032 | 8,692,000 | 13,779,487 | 325,549 | 455,382 | 22,176 | 47,590 | 35,781,216 |

**Commercial Land and Buildings**

Land and Buildings were revalued as at 30 June 2023 using an independent valuer - Morgans. For the financial years ended 30 June 2024, 30 June 2025 and 30 June 2026, a fair value assessment was made by Morgans which confirmed that the market movement was not material and therefore, the five yearly cycle of revaluation assessments remain appropriate.

In determining fair value Morgans have utilised an assessment of the following approaches:

- Income approach

- Capitalisation of Income Method - provides an indication of value by converting future cash flow to a single current value. Under the income capitalisation method, the value of an asset is determined by reference to the value of the income, cash flow or cost savings generated by the asset. This valuation method adopts the capitalisation of the passing and/or potential net rental income utilising yields as have been derived from sales of comparable property.

- Market approach – provides an indication of value by comparing the assets with identical or comparable assets for which price information is available.

**Residential Land, Buildings, and Improvements**

Land and buildings were revalued as at 30 June 2026 using an independent valuer (Morgans). In estimating the fair value of land and buildings, the Fair Value method was used under a highest and best use scenario.

The Fair Value method does make significant use of observable prices in active markets and recent market transactions on arm's length basis. The Highest and Best Use is defined as the most probable use of the asset that is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value.

**Restrictions over titles**

The land and buildings situated at 100 Awahuri Road, Feilding, with a valuation of $4.1m as at 30 June 2026 (30 June 2025: $3.7m) are pledged as a security for the loan advanced by Manawatū District Council to the Trust. Land and buildings situated at 1-7 Duke Street, with a valuation of $12.5m as at 30 June 2026 (30 June 2025: $12.5m), are pledged as a security for the loan advanced by ANZ. ANZ also holds a General Security Agreement over the assets of the Trust (Please refer to note 9 for more information on loans). There are no other restrictions over the title of the Trust's property, plant and equipment.

## 7. Analysis of Liabilities

| | 2026 | 2025 |
|---|---|---|
| **Bank overdraft** | | |
| Commercial Flexi Facility | 101,112 | 939 |
| **Total Bank overdraft** | **101,112** | **939** |
| **Creditors and accrued expenses** | | |
| Trade Creditors | 660,837 | 155,633 |
| Sundry Expenditure Accruals | 97,272 | 65,595 |
| Tenancy Bonds | 2,992 | 1,440 |
| GST Payable | - | 6,972 |
| **Total Creditors and accrued expenses** | **761,102** | **229,641** |
| **Employee costs payable** | | |
| Wages Payable | 12,453 | 10,809 |
| Annual Leave Entitlement | 26,156 | 23,481 |
| PAYE Payable | 20,863 | 16,769 |
| KiwiSaver Voluntary Contribution | 269 | - |
| **Total Employee costs payable** | **59,741** | **51,060** |

| | 2026 | 2025 |
|---|---|---|
| **Deferred revenue** | | |
| Income in Advance | 65,559 | 21,178 |
| **Total Deferred revenue** | **65,559** | **21,178** |
| **Other current liabilities** | | |
| Lease Payable | 4,298 | 19,205 |
| **Total Other current liabilities** | **4,298** | **19,205** |
| **Other non-current liabilities** | | |
| Lease Payable | 97,703 | 106,300 |
| **Total Other non-current liabilities** | **97,703** | **106,300** |

**ANZ Commercial Flexi Facility**

The Trust has access to an ANZ Commercial Flexi Facility of $1,500,000 which is an on-demand facility and can be repaid at any time. Interest is incurred at 6.24% with a service line fee of 0.75%. As at 30 June 2026 $101,112 was drawn down (2025: $939).

| | 2026 | 2025 |
|---|---|---|
| **8. Loans** | | |
| **ANZ Term Loan 1001 - Feilding Health Centre** | | |
| Current Portion | 578,000 | 216,000 |
| Non-current Portion | - | 578,000 |
| **Total ANZ Term Loan 1001 - Feilding Health Centre** | **578,000** | **794,000** |
| **Manawatū District Council Loans A & B** | | |
| Current Portion | 100,796 | 117,399 |
| Non-current Portion | - | 101,332 |
| **Total Manawatū District Council Loans A & B** | **100,796** | **218,731** |
| **Manawatū District Council - Feilding Health Centre** | | |
| Current Portion | 179,801 | 176,407 |
| Non-current Portion | 542,877 | 722,680 |
| **Total Manawatū District Council - Feilding Health Centre** | **722,678** | **899,087** |
| **Manawatū District Council - 14 Bowen Street** | | |
| Current Portion | 4,583 | 4,489 |
| Non-current Portion | 14,151 | 18,657 |
| **Total Manawatū District Council - 14 Bowen Street** | **18,734** | **23,146** |
| **Manawatū District Council - LTP Loan 1** | | |
| Non-current Portion | 1,000,000 | 1,000,000 |
| **Total Manawatū District Council - LTP Loan 1** | **1,000,000** | **1,000,000** |
| **Manawatū District Council - LTP Loan 2** | | |
| Non-current Portion | 1,400,000 | 1,400,000 |
| **Total Manawatū District Council - LTP Loan 2** | **1,400,000** | **1,400,000** |

| | 2026 | 2025 |
|---|---|---|
| **Manawatū District Council - LTP Loan 3** | | |
| Current Portion | 70,318 | 66,716 |
| Non-current Portion | 1,196,033 | 1,266,351 |
| **Total Manawatū District Council - LTP Loan 3** | **1,266,351** | **1,333,067** |
| **Central Energy Trust Loan** | | |
| Non-current Portion | 1,000,000 | - |
| **Total Central Energy Trust Loan** | **1,000,000** | **-** |
| Total Loans - Current | 933,499 | 581,011 |
| Total Loans - Non-Current | 5,153,060 | 5,087,020 |
| Total Loans | 6,086,559 | 5,668,031 |

**ANZ Term Facilities - Feilding Health Centre**

The term of the loan is 36 months. The interest rate at 30 June 2026 was floating at 6.42% (2025: 6.42%). Maturity date for this loan is set at 30 November 2026. ANZ holds a General Security Agreement over the assets of the Trust. This loan was fully repaid in July 2026.

**Manawatū District Council Loans A & B**

The term of the loan is 15 years. Interest is incurred at the Council's borrowing rate of 3.85% p.a. for the twelve months ended 30 June 2026 (interest rate of 4.74% p.a. for year ended 30 June 2025). The loan from Manawatū District Council is secured by way of registered first mortgage over the land owned by the Trust at 100 Awahuri Road, Feilding.

**Manawatū District Council - Feilding Health Centre**

The term of the loan is 15 years from the date of the first drawing (15 April 2015). The loan was granted by the Council to assist with the development of the Feilding Health Centre. The interest rate applicable to the interest bearing portion of the loan at 30 June 2026 was 3.82% (30 June 2025: 4.74%). The Trust is charged the effective interest rate of 1.91%, because 50% of the loan is interest free (0%). No security is held for this loan.

**Manawatū District Council - 14 Bowen Street**

The term of the loan is 12 years. The loan was granted by the Council to assist with the purchase of 14 Bowen Street. The interest rate applicable to the interest bearing portion of the loan at 30 June 2026 was 3.82% (30 June 2025: 4.74%). No security is held for this loan.

**Manawatū District Council - LTP Loan 1**

The term of the loan is 15 years from the date of the first drawing (18 November 2019). The interest rate applicable to the interest bearing portion of the loan at 30 June 2026 was 2.42% (30 June 2025: 2.77%). No security is held for this loan.

**Manawatū District Council - LTP Loan 2**

The term of the loan is 15 years from the date of the first drawing (15 December 2021). The interest rate applicable to the interest bearing portion of the loan at 30 June 2026 was 3.82% (30 June 2025: 4.74%). No security is held for this loan.

**Manawatū District Council - LTP Loan 3**

The loan was established in two stages with MDC. The first agreement was entered into in July 2023 for $600,000. In May 2024, a subsequent agreement was executed, increasing the total loan to $1,400,000. The term of the loan is 15 years from the date of the first drawing (17 July 2023). The interest rate applicable to the interest bearing portion of the loan at 30 June 2026 was 5.27% (2025: 5.27%). No security is held for this loan.

**Central Energy Trust**

The impact investment loan was granted by the Trust to assist with social housing. The loan of $1,000,000 was drawn down on 17 July 2025. The interest rate applicable is 2.25%, being 1% less than the OCR at draw down date. The interest rate is to be reassessed annually. The term of the loan is 5 years. No security is held for this loan.

| | 2026 | 2025 |
|---|---|---|
| **9. Accumulated Funds** | | |
| **Capital contributed by owners or members** | | |
| Opening Balance | 10 | 10 |
| **Total Capital contributed by owners or members** | **10** | **10** |
| **Accumulated surpluses or (deficits)** | | |
| Opening Balance | 15,190,450 | 15,026,816 |
| Current year earnings | 583,423 | 163,634 |
| **Total Accumulated surpluses or (deficits)** | **15,773,872** | **15,190,450** |
| **Asset revaluation reserves** | | |
| Opening Balance | 15,741,945 | 15,741,945 |
| Asset Revaluation Reserve | 3,657,543 | - |
| **Total Asset revaluation reserves** | **19,399,488** | **15,741,945** |
| **Total Accumulated Funds** | **35,173,370** | **30,932,405** |

## 10. Commitments

**Commitments to lease assets**

*Land lease for Feilding Health Centre*

The Trust has entered into a 34 years and 11 months lease of the land effective from 13 April 2015. Under the terms of the agreement the Trust received a five year rental holiday, which expired on 13 April 2020. Should the lease not be renewed at the end of the 36 year term the Trust will sell the buildings to the Lessor at a prescribed purchase price.

**Commitment to purchase property, plant and equipment**

*Housing Development*

The Trust signed a contract agreement dated 1 January 2026 with Humphries Construction Limited for the housing development of 12 units at Corrick Court. The construction started in January 2026 and is expected to be completed in April 2027. The total contract price for the project is $4,617.442.

2025: The Trust signed a contract agreement dated 11 October 2024 with Colspec Construction Limited for the housing development of 7 Prince Street. The construction started in December 2024 and was completed March 2026. The total contract price for the project was $1,601,306 and total costs incurred for the development was $1,648,099. The additional costs incurred were outside of the contracted agreement with Colspec Construction Limited.

| | 2026 | 2025 |
|---|---|---|
| **Commitments** | | |
| **Commitments to lease or rent assets** | | |
| Current (less than twelve months) | 30,000 | 30,000 |
| Non Current (later than twelve months) | 680,000 | 710,000 |
| **Total Commitments to lease or rent assets** | **710,000** | **740,000** |
| **Commitment to purchase property, plant and equipment** | | |
| Current (less than twelve months) | 2,613,820 | 1,517,077 |
| Non Current (later than twelve months | - | - |
| **Total Commitment to purchase property, plant and equipment** | **2,613,820** | **1,517,077** |

## 11. Related Party Transactions

***Key management personnel***

The Trustees received payment of $108,154 in the 2026 financial year (2025: $108,741). Other than Trustees fees there were no other benefits paid to Trustees.

***Manawatū District Council***

The Manawatū Community Trust is a Council Controlled Organisation of Manawatū District Council. The related party transactions are within a normal supplier or client/recipient relationship on terms and conditions no more favourable or less favourable than those that is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances, except for the $2,500,000 loan from the Manawatū District Council on which interest is only charged on 50% of the outstanding loan balance.

No provision has been required, nor any expense recognised, for the impairment of receivables from related parties.

| | 2026 | 2025 |
|---|---|---|
| **The following transactions were carried out with Manawatū District Council:** | | |
| **Payments** | | |
| Loans repaid | 365,473 | 353,337 |
| Rates | 152,780 | 145,700 |
| Volumetric water charges | 59,968 | 28,360 |
| Interest Expense | 169,063 | 203,912 |
| **Total Payments** | **747,285** | **731,309** |

| | 2026 | 2025 |
|---|---|---|
| **Amounts owing at balance date to Manawatū District Council:** | | |
| Rates | 18,011 | 17,489 |
| Loans Outstanding | 4,508,560 | 4,874,032 |
| Interest Expense | 23,731 | 26,281 |
| Electricity | 1,937 | - |
| **Total Amounts owing at balance date to Manawatū District Council:** | **4,552,238** | **4,917,803** |

*Central Energy Trust*

Central Energy Trust is a related party as Liam Greer, a trustee of Manawatu Community Trust, is also a trustee of Central Energy Trust. During the year, Central Energy Trust advanced a loan to the trust of $1,000,000 on 17 July 2025. Interest is charged at the current OCR less 1% and is reviewed annually. The trust also received a grant totalling $96,950 to go towards the Prince Street afforable housing project.

| | 2026 | 2025 |
|---|---|---|
| **The following transactions were carried out with Central Energy Trust:** | | |
| **Receipts** | | |
| Grant Received | 96,950 | - |
| **Total Receipts** | **96,950** | - |
| **Payments** | | |
| Interest Expense | 20,625 | - |
| **Total Payments** | **20,625** | - |

| | 2026 | 2025 |
|---|---|---|
| **Amounts owing at balance date to Central Energy Trust:** | | |
| Loans Outstanding | 1,000,000 | - |
| **Total Amounts owing at balance date to Central Energy Trust:** | **1,000,000** | - |

## 12. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2026 (2025: Nil).

## 13. Capital Management

The Trust's capital is its equity, which comprises Trust capital and retained surpluses. Equity is represented by net assets. The Trust deed requires the Trustees to manage all aspects of the business prudently. The Trust's equity is largely managed as a by product of managing all financial dealings. The objective of managing the Trust's equity is to ensure the Trust effectively achieves its objectives and purpose, whilst remaining a going concern.

## 14. Events After the Balance Date

On 8 July 2026, the Trust entered into a loan agreement with Manawatu District Council for $5,300,000 for the property development at Corrick Court.

## 15. Explanation of Major Variances Against Budget

Explanations for major variances from the Trust's budgeted figures in the 30 June 2026 statement of intent are as follows:

**Statement of Financial Performance**

- **Grants from non-government organisations:** The unfavourable variance of $282,050 is the result of grant applications not occuring within the budgeted timeframe.
- **Revenue from service delivery/grants/contracts (non-government):** The favourable variance of $45,275 primarily reflects occupancy being higher than anticipated at budget setting.
- **Other expenses related to service delivery**: The favourable variance of $179,736 reflects insurance costs and a combination of other minor expenses being lower than anticipated at budget setting.
- **Other expenses**: The favourable variance of $92,425 reflects lower interest rates and loan funding being required later than budgeted.

**Statement of Financial Position**

- **Cash and short-term deposits**: The net favourable variance (including bank overdraft) of $28,718 is the result of operating and capital expenditure being less than anticipated at budget setting.
- **Property, plant, and equipment**: Positive variance against budget of $3,355,051 due to the valuations undertaken by Morgan's.
- **Creditors and accrued expenses**: The unfavourable variance of $445,098 primarily relates to Corrick Court development payable due at year-end.
- **Loans (current and non-current):** Net favourable variance against budget of $877,991 primarily due to loan not being required until 2026/2027.

**Statement of Cash Flows**

- **Funding from non-government service delivery/grants/contracts:** The unfavourable variance of $164,421 primarily reflects delays in applying for and receiving budgeted grant funding, with the associated cash receipts occurring later than forecast.
- **Payments related to service delivery**: The favourable variance of $153,566 reflects insurance costs and a combination of other minor expenses being lower than anticipated at budget setting.
- **Other Payments**: The favourable variance of $89,369 reflects interest costs being lower than budgeted.
- **Sale of Investments:** The favourable variance of $270,331 reflects budgeted withdrawals from term deposits to fund capital projects that were not required due to changes in project timing.
- **Repayments of loans from other parties:** The unfavourable variance of $121,408 reflects loan repayments being lower than budgeted due to reduced borrowing activity.
- **Payments to acquire property, plant, and equipment**: The unfavourable variance of $234,372 primarily reflects the changes in the timing of expenditure on the Manawanui development.

There are no other major variances against the prospective statement of financial performance, statement of financial position and statement of cash flows.

MANAWATŪ COMMUNITY TRUST

## STATEMENT OF INTENT 2025/26

## THIS STATEMENT OF INTENT COVERS THE YEAR 1 JULY 2025 TO 30 JUNE 2026

### PURPOSE

The purpose of this statement of intent is to

(a) state publicly the activities and intentions of this council-controlled organisation for the year and the objectives to which those activities will contribute; and

(b) provide an opportunity for shareholders[1] to influence the direction of the organisation; and

(c) provide a basis for the accountability of the directors[2] to their shareholders for the performance of the organisation.

### OBJECTIVES OF THE COUNCIL CONTROLLED ORGANISATION

1. Section 59 of the Local Government Act 2002 provides:

**Principal objective of a council-controlled organisation**

(1) The principal objective of a council-controlled organisation is to

(a) achieve the objectives of its shareholders, both commercial and non-commercial, as specified in the statement of intent; and

(b) be a good employer; and

(c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and

(d) if the council-controlled organisation is a council-controlled trading organisation, conduct its affairs in accordance with sound business practice.

**(2)** In subsection (1)(b), good employer has the same meaning as in clause 36 of Schedule 7 of the Local Government Act 2002.

### NATURE AND SCOPE OF ACTIVITIES

**Nature**

The Nature of the Trust is to promote and provide housing and wellbeing services that are relevant and meet long term community needs.

[1] 'Shareholders' include any partners, joint venture partners, members or other persons holding equity securities in relation to the organisation. In this case the shareholders will be the Mayor and the Councillors of the Manawatu District Council.
[2] 'Directors' and the 'Board' include trustees, managers or office holders (however described in the organisation).

**Scope**

The Trust is a robust, professional, and viable organisation that is providing a modern healthy living environment, up to date, good quality, sustainable housing and health facilities that address the needs of the community to enhance the long-term wellbeing of Manawatū residents.

## OBJECTIVES OF THE MANAWATŪ COMMUNITY TRUST

The objectives of the Manawatū Community Trust as identified in its Deed of Trust are:

1. Any charitable purpose within the Manawatū District
2. To create a fund to be used for:
   - 2.1 The promotion of any purpose or purposes within the Manawatū District for the relief of poverty and for the benefit of the residents of the Manawatū District.
   - 2.2 The promotion and provision of housing for the elderly and disabled residents of the Manawatū District.
   - 2.3 The promotion of health services for the residents of the Manawatū District.
   - 2.4 The promotion of wellbeing services for residents of the Manawatū District – these services shall include services promoting the improvement of the lifestyle, health and welfare of residents in the Manawatū District and creating a sense of community for the benefit of the residents of the Manawatū District.
   - 2.5 To accept gifts and grants of whatever description, provided that any private benefit conferred on any individual is incidental to the above purposes.

## GOVERNANCE

Five Trustees have been appointed by the Manawatū District Council to the Trust with terms as set out below.

- **Allan Davey,** reappointed for 3 years from 6 May 2022 – 5 May 2028
- **Tyson Schmidt,** reappointed for 3 years from 1 July 2022 – 30 June 2025
- **Liam Greer,** Chairperson, reappointed for 3 years from 1 April 2024 – 31 March 2027
- **Joanne Shortall,** reappointed for 3 years from 1 April 2024 – 31 March 2027
- **Tracey Hunt,** reappointed for 3 years from 1 July 2024 – 30 June 2027

The Trust meets for Board meetings on a bi-monthly basis, the three Subcommittees meet on a bi-monthly basis, and regular meetings are held with senior staff to review the operational business of the Trust.

## STATEMENT OF ACCOUNTING POLICIES

The Trust has elected to apply PBESFR-A (PS) Public Benefit Simple Format Reporting – Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than $5 million in the two years prior to June 2023.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

## PERFORMANCE TARGETS

**Goal 1: Maintain and develop existing housing to be user friendly, safe and sustainable.**

| Description | Starting Point | Target | Results to 30 June 2026 |
|---|---|---|---|
| Maintain all occupied housing stock at a 3 Star* rating or above by 2025. *An internal rating system from 1 to 5 Star; 5 Star being the highest. | Housing at a 3 Star rating or above as at 30 June 2021: 193 of 205. | 2026: All housing stock<br>2027: All housing stock<br>2028: All housing stock | Achieved.<br>31 Dec 30 Jun<br>3 Star 32% 29%<br>4 Star 50% 50%<br>5 Star 18% 21% |
| Maintain Healthy Homes Compliance | 2024:<br>Heat Pumps 175 of 205<br>Extraction Units 125 of 205 | 2025: 100% Compliance<br>2026: 100% Compliance<br>2027: 100% Compliance | 100% Achieved.<br>Units are independently assessed when new tenancies occur with 100% compliance achieved.<br>Reactive maintenance occurs during inspections or when tenants report concerns. |
| Plan major unit renovations that incorporate improved functionality and safety and that support aging in place. | 2024: Defined level of service. | 2026: 4<br>2027: 4<br>2028: 4 | Achieved.<br>Major renovations were carried out on four units. |
| Be responsive to urgent maintenance requirements and resident health and safety needs. | Urgent requests are recorded electronically and are responded to in accordance with their priority. | 2026 - 2028<br>Urgent maintenance requests are actioned in alignment with MCT Tenant Health and Safety Policy. | Achieved.<br>17 urgent jobs raised in 2025/26 and all were actioned within the required response time of four hours. |
| Maintain average month end occupancy at above 95%. | Average month end occupancy 2022: 96%. | 2026: >95%<br>2027: >95%<br>2028: >95% | Achieved.<br>Average month end occupancy to 30 June 2026 was 98%. |

**Goal 2: Increase the number of community housing units - 250 by 2030.**

| Description | Starting Point | Target | Results to 30 June 2026 |
|---|---|---|---|
| MCT will increase the number of affordable homes in Manawatū to a total of 250 homes by 2030. | As at 30 June 2022: 205 units. | 2026: 209<br>2027: 221<br>2028: 223 | Achieved.<br>• Manawanui Complex: Four x 2-bedroom units were completed and tenanted, increasing MCT's housing portfolio to 209 units.<br>• Corrick Court: Construction of 12 units commenced in January 2026 and remains on |

| | | | |
|---|---|---|---|
| | | | track for completion by 30 June 2027. |
| Collaborate with the MDC in defining, developing, and refining a strategy to address housing needs for elderly and disabled residents in the Manawatū. | 2020: 250 by 2030 Strategy agreed.<br>2024: Scoping the establishment of a Feilding based Community Housing Provider.<br>2024: CHP application declined. | 2025/26:<br>• Impact Investment achieved.<br>• Access Grant Funding toward housing developments.<br>• Identification of suitable council owned land or planned decommission of MDC existing property. | In Progress<br>• No suitable surplus or planned-for-decommissioning council-owned land was identified but we are continuing to work with council on this.<br>• $96,950 grant was secured for the Manawanui development.<br>• $1 million in impact investment finance was secured at 2.25% interest.<br>• MDC approved $5.3 million in financing for the Corrick Court development. |

**Goal 3: Diversify housing typologies and increase the range of affordable housing offerings to meet identified local need.**

| Description | Starting Point | Target | Results to 30 June 2026 |
|---|---|---|---|
| The promotion of wellbeing services promoting the improvement of lifestyle, health and welfare and creating a sense of community for the benefit of the residents of the Manawatū. | 2022:<br>Research based community needs assessment for senior citizens completed.<br><br>2024/25:<br>Housing model forum to guide future housing. | 2025-2028:<br>• Update Housing Needs Assessment Data.<br>• Design future housing and communities based on identified need.<br>• Contribute to the promotion of best practice models of housing. | Achieved.<br>• New housing has been designed in accordance with Lifemark Universal Design Standards and Crime Prevention Through Environmental Design (CPTED) principles.<br>• Demand for one-bedroom units remains strong, with 27 suitable applicants on MCT's waiting list at 30 June 2026. |
| Continue to offer Manawatū residents the option of rentals at no more than 30% of the superannuation plus accommodation benefits available. | April 2023:<br>Highest rental at 30% of superannuation benefit (as at April 2022) including 100% of available accommodation supplement. | 2026: <30%<br>2027: <30%<br>2028: <30% | Achieved. As MCT diversifies its housing portfolio, larger and accessible homes remain affordable through either:<br>• Income-based rent, set at 30% of gross NZ Superannuation plus |

| | | | |
|---|---|---|---|
| | | | Accommodation Supplement; or<br>• Discounted market rent for at accessible units, set at 80% of market rent following an independent assessment. |

**Goal 4: Practice Good Governance and Sound Financial Performance**

| Description | Starting Point | Target | Results to 30 June 2026 |
|---|---|---|---|
| Provide financial reporting to the MDC as required applying PBE SFR (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector). | Meet half yearly and annual statutory reporting deadlines. | 2026 - 2028:<br>Reports submitted on time and to the satisfaction of MDC. | Achieved: All 2025 deadlines were met, and 2026 reporting is on track. |
| Meet ANZ financial undertakings as per our loan agreements to maintain an effective equity / total tangible asset % greater or equal to 50%. | As at 30 June 2022: 83.6% | 2026 - 2028: ≥ 50% | Achieved: 83% |
| Maintain an interest coverage ratio of EBITDA to interest at above 3. | As at 30 June 2022: 8.47 | 2026 - 2028: >3 | Achieved: 7.24 |
| Practice good governance principles. | As at 30 June 2024:<br>• Annual Board performance reviews.<br>• MCT Board has IOD Membership.<br>• Discussion of Board selected of governance articles/case studies. | 2026 – 2028<br>• Continuation of annual Board Performance Reviews.<br>• Board training based on board performance review.<br>• Maintenance of IOD membership.<br>• Continued review of topical governance matters. | Achieved.<br>• A Board performance review was completed in July 2025, with cultural development identified and undertaken.<br>• MCT's IoD membership was maintained.<br>• Readings and discussion of relevant and emerging governance matters is a standard agenda item. |

**Chairperson**
**Manawatū Community Trust**

# Council

Meeting of 04 November 2026

Business Unit: Corporate
Date Created: 28 September 2026

## Application of the Common Seal from 8 April to 12 October 2026

### Purpose Te Aronga o te Pūrongo

To inform Council of documents that have been sealed under the Common Seal under delegation since the last schedule was prepared and presented to Council on 15 April 2026.

### Recommendations Ngā Tūtohinga

That Council receive and accept the schedule of sealed documents from 08 April to 12 October 2026, as listed in Section 3 of this report.

Report prepared by:
Steph Skinner
Governance and Strategy Officer

Approved for submission by:
Frances Smorti
General Manager - Corporate

## 1 Background Ngā Kōrero o Muri

1.1 The following delegations apply to the use of the Council seal and authority to sign:

*The Chief Executive will be responsible for custody of the Council's seal. The seal may be attached to all documents which record the disposal or exchange of an interest in land (with the exception of residential tenancies) or other documents where it is appropriate to do so.*

1.2 It will be attached, however, only when:

- *The Council or a committee has authorised the transaction involved; or*
- *The transaction involved has been authorised by an officer under delegated authority.*

1.3 The Mayor and Chief Executive have delegated authority to approve the affixing of the common seal to any document and to sign every document to which the common seal is affixed. A list of documents to which the common seal is affixed shall be reported for information to the Mayor and Councillors on a regular basis.

## 2 Strategic Fit Te Tautika ki te Rautaki

2.1 Not applicable as this is a legislative / operational item.

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

3.1 A list of documents to which the common seal has been affixed is reported for information to the Mayor and Councillors.

3.2 The documents listed below primarily relate to Warrants of Authority issued to Council staff and contractors. These warrants authorise individuals to exercise specific statutory powers on behalf of Council, consistent with their roles and the Council's Delegations Manual. Warrants are issued when staff commence employment, change roles, or where contractors are engaged to undertake regulatory functions on Council's behalf.

| Date Applied | Document applied to | Name of Person | Job Title or Company | Explanation |
|---|---|---|---|---|
| 8 Apr 26 | Reserves Act 1977 | Chris Wisnewski | Compliance and Planning Manager | Exercise ranger powers under s. 93 of the Reserves Act 1977 |
| 8 Apr 26 | Reserves Act 1977 | Chris McRae | Compliance and Enforcement Officer | Exercise ranger powers under s. 93 of the Reserves Act 1977 |
| 2 Jun 26 | Noise Warrant x 4 | Caleb Lahina, Jesse Carley, Tikva Mooy, Turor Newton | Armourguard Security | Contracted security personnel to undertake noise control duties on behalf of Council |
| 11 Jun 26 | LGA 2002 | Lara Blackmore | Project Initiation Manager (Fixed Term) | Authorisation to exercise relevant statutory powers under the LGA 2002 |

| | | | | |
|---|---|---|---|---|
| 11 Jun 26 | LGA 2002 | Danny Dao | Senior Design Engineer | Authorisation to exercise relevant statutory powers under the LGA 2002 |
| 11 Jun 26 | LGA 2002 | Chye Goh | Senior Design Engineer | Authorisation to exercise relevant statutory powers under the LGA 2002 |
| 12 Jul 26 | Noise Warrant | Siddharth Sharma | Armourguard Security | Contracted security personnel to undertake noise control duties on behalf of Council |
| 17 Aug 26 | Noise Warrant x 2 | Melachi Meads, Waisake Momo | Armourguard Security | Contracted security personnel to undertake noise control duties on behalf of Council |
| 28 Sep 26 | LGA 2002 & RMA 1991 | Ben Foster | Intermediate Consents Planner | Updated warrants following a change in role, authorising the exercise of relevant statutory powers |
| 12 Oct 26 | Building Act Enforcement, Building Act 2004 & LGA 2002 | Gabrielle Chauval | Building Officer | Authorisation to exercise relevant statutory powers associated with building control and enforcement functions |
| 12 Oct 26 | Building Act Enforcement, Building Act 2004 & LGA 2002 | Anjana Krishan | Building Officer | Authorisation to exercise relevant statutory powers associated with building control and enforcement functions |

## 4 Risk Assessment Te Arotake Tūraru

4.1 Not applicable.

## 5 Engagement Te Whakapānga

Significance of Decision

5.1 The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Māori and Cultural Engagement

5.2 There are no known cultural considerations associated with the matters addressed in this report. No specific engagement with Māori or other ethnicity groups is necessary.

Community Engagement

5.3 Community Engagement is not required.

## 6 Operational Implications Ngā Pānga Whakahaere

6.1 There are no operational implications with this report.

## 7 Financial Implications Ngā Pānga Ahumoni

7.1 There are no financial implications with this report.

## 8 Statutory Requirements Ngā Here ā-Ture

8.1 There are no statutory requirements for this report.

## 9 Next Steps Te Kokenga

9.1 Not applicable.

## 10 Attachments Ngā Āpitihanga

10.1 No attachments.

# Council

Meeting of 04 November 2026

Business Unit: Community
Date Created: 22 October 2026

## Adoption of the Tree Management Policy

### Purpose Te Aronga o te Pūrongo

The purpose of this report is to seek Council's adoption of the revised Tree Management Policy 2026 (Annex A), which replaces and supersedes the existing Road Planting Policy and Guidelines. The revised policy modernises Council's approach to tree management, broadens its scope to trees on Council-owned and managed land, and establishes a clearer governance and decision-making framework for planting, maintenance, retention, removal and long-term tree stewardship.

### Recommendations Ngā Tūtohinga

1. That Council adopts the Tree Management Policy 2026 (Annex A), replacing and superseding the existing Road Planting Policy and Guidelines (P282).

   **AND**

2. That Council delegates authority to the Chief Executive to make minor editorial amendments to the Tree Management Policy prior to publication, provided those amendments do not alter the policy's intent.

   **AND**

3. That Council notes that operational guidelines, technical standards and supporting tools may be maintained and updated administratively in accordance with Council delegations and do not form part of the Council-adopted policy.

   **OR**

4. That Council does not adopt the proposed Tree Management Policy 2026 and retains the existing Road Planting Policy and Guidelines pending further review.

Report prepared by:
Axel Malecki
Senior Policy Adviser

Approved for submission by:
Lyn Daly
General Manager - Community

## 1 Background Ngā Kōrero o Muri

1.1 Council's existing Road Planting Policy and Guidelines was originally adopted in 2003 and was most recently reconfirmed on 4 February 2021. The policy provides direction for roadside planting and associated tree management activities.

1.2 The existing policy primarily focuses on roadside planting and combines overarching policy direction with extensive operational guidance, technical specifications and supporting information.

1.3 Since the policy was developed, expectations around environmental resilience, biodiversity, urban amenity, infrastructure protection and community engagement have evolved. Council's tree management responsibilities also extend beyond roadside planting to trees located across Council-owned and managed land.

1.4 The review has therefore focused on modernising the existing policy, broadening its scope and providing a clearer governance framework for tree management decisions. The intent is not to fundamentally change Council's existing responsibilities, but to improve clarity, consistency and transparency in how trees are managed.

1.5 The revised Tree Management Policy provides a framework for planting, establishment, maintenance, retention, removal and replacement. It also establishes long-term outcomes relating to urban canopy and amenity, environmental resilience and biodiversity, place and access, and long-term asset stewardship.

## 2 Strategic Fit Te Tautika ki te Rautaki

2.1 The Tree Management Policy supports the priority *An environment to be proud of* by providing a framework for the responsible management of trees on Council-owned and managed land. It recognises the contribution of trees to biodiversity, environmental resilience, urban amenity and the long-term stewardship of the District's natural and physical resources.

2.2 The policy supports *Infrastructure fit for future* by establishing clearer principles for managing trees alongside roads, footpaths, utilities and other public infrastructure. Appropriate species selection, maintenance and replacement planning help balance the benefits of trees with infrastructure protection and public safety.

2.3 The policy supports *A future planned together* by recognising the importance of community involvement in tree planting and management decisions. It provides for community engagement appropriate to the nature and significance of decisions, particularly where trees contribute to the character and amenity of public spaces.

2.4 The policy supports *Value for money and excellence in local government* by providing a clearer and more consistent framework for tree management decisions. Separating governance-level policy from operational guidance and technical standards also enables

supporting documents to be maintained and updated administratively, within Council delegations.

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

3.1 The review has resulted in a revised policy that provides a broader governance framework for managing trees across Council-owned and managed land, supported by separate operational guidance and technical standards.

3.2 Two options have been considered.

**Option 1 – Adopt the revised Tree Management Policy (recommended)**

3.3 Under this option, Council would adopt the Tree Management Policy 2026 (P282), replacing and superseding the existing Road Planting Policy and Guidelines. The policy would be supported by separate operational guidelines, technical guidance and supporting tools maintained administratively in accordance with Council delegations.

3.4 This option would:

- provide a clearer and more consistent governance framework for tree management;
- broaden the policy's scope to trees across Council-owned and managed land;
- strengthen decision-making criteria for planting, maintenance, retention, removal and replacement;
- clarify decision-making responsibilities, community engagement and escalation arrangements;
- support biodiversity, environmental resilience and long-term tree stewardship; and
- distinguish governance-level policy direction from operational and technical requirements.

**Option 2 – Retain the existing Road Planting Policy and Guidelines**

3.5 Under this option, Council would retain the existing Road Planting Policy and Guidelines (P282) and continue managing trees under the current policy and operational arrangements.

3.6 This option would avoid the need to implement a revised policy but would retain the existing limitations, including:

- a relatively narrow focus on roadside planting;
- the combination of governance direction with extensive operational and technical material;
- less comprehensive guidance for tree management decisions across Council-owned and managed land; and
- reduced flexibility to update operational and technical requirements independently of the Council-adopted policy.

**Preferred Option**

3.7 Officers recommend Option 1. The revised Tree Management Policy provides a more comprehensive and adaptable governance framework while retaining established principles relating to road safety, infrastructure protection, appropriate planting and tree retention.

3.8 Adoption of the policy would not, in itself, authorise the removal of particular trees, commit Council to additional planting programmes or establish new levels of service. Individual tree management decisions would continue to be assessed on their merits, in accordance with applicable statutory requirements and Council delegations.

3.9 The decision before Council is whether to replace the existing Road Planting Policy and Guidelines with a broader governance framework for tree management. Adoption would support more consistent, transparent and accountable decision-making and improved long-term tree stewardship, without predetermining individual tree management decisions.

## 4 Risk Assessment Te Arotake Tūraru

4.1 The principal risk associated with adopting the revised policy is that community expectations regarding tree retention, removal and engagement may differ from Council's operational responsibilities and decision-making requirements. This could result in dissatisfaction or reputational impacts, particularly where decisions involve established trees valued by the community.

4.2 This risk is mitigated through clearer assessment criteria, defined decision-making responsibilities and provisions for community engagement and escalation appropriate to the nature and significance of individual decisions.

4.3 There is also a risk in retaining the existing policy. Its relatively narrow scope and combination of governance, operational and technical material may contribute to inconsistent interpretation and decision-making. Adoption of the revised policy would reduce this risk by establishing a clearer and more comprehensive governance framework.

## 5 Engagement Te Whakapānga

Significance of Decision

5.1 The Adoption of the revised Tree Management Policy is not considered to trigger the Council's Significance and Engagement Policy. The policy establishes a governance and decision-making framework but does not itself authorise the removal of particular trees or materially change existing levels of service.

Māori and Cultural Engagement

5.2 No specific Māori or cultural engagement requirement has been identified for adoption of the revised governance framework. Future tree management decisions involving particular sites or culturally significant trees would be assessed for appropriate engagement at the time.

Community Engagement

5.3 No formal community engagement has been undertaken as part of the development of the policy.

## 6 Operational Implications Ngā Pānga Whakahaere

6.1 Adoption of the revised policy is not intended to create significant new operational requirements. Council already undertakes the core tree management activities addressed by the policy, including planting, maintenance, assessment, removal and replacement.

6.2 The policy will, however, provide clearer direction for these activities, particularly in relation to decision-making criteria, responsibilities, community engagement and escalation.

6.3 Operational guidelines, technical guidance and supporting tools will be maintained separately from the Council-adopted policy, in accordance with Council delegations.

## 7 Financial Implications Ngā Pānga Ahumoni

7.1 Adoption of the revised Tree Management Policy does not, in itself, commit Council to additional expenditure or establish new levels of service.

7.2 Tree planting, maintenance, removal and replacement activities will continue to be considered through Council's existing operational budgets, asset management planning and relevant Long-Term Plan and Annual Plan processes.

## 8 Statutory Requirements Ngā Here ā-Ture

8.1 There are no statutory requirements for this report.

8.2 Tree management activities remain subject to applicable legislation and statutory planning requirements, including relevant provisions of the Manawatū District Plan.

8.3 The revised policy does not override statutory protections applying to trees or Council's separate regulatory responsibilities concerning trees on private land.

## 9 Next Steps Te Kokenga

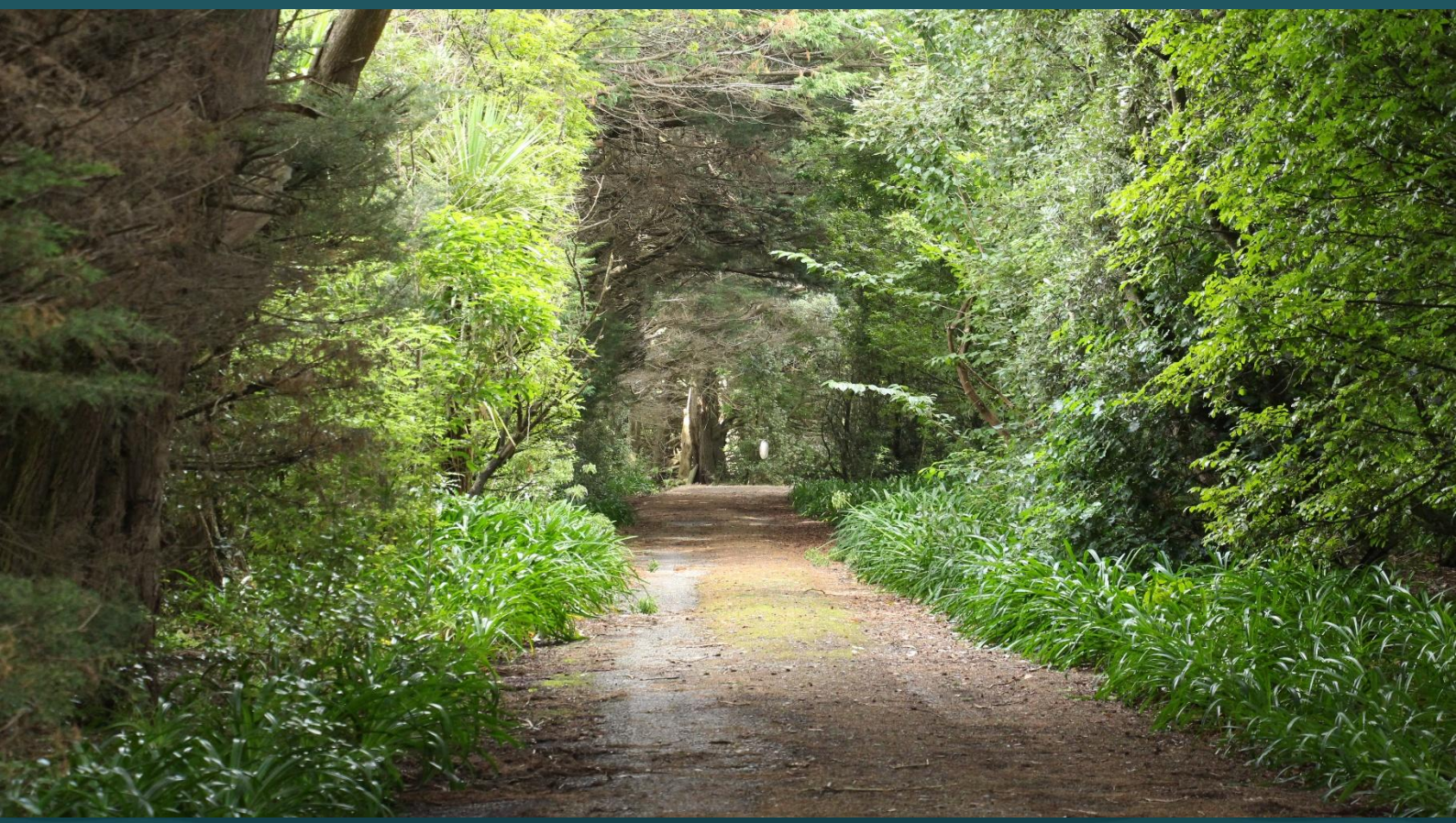
9.1 Subject to Council adoption of the Tree Management Policy, staff will:

- Finalise and publish the adopted policy;
- Update Council's policy register to reflect the replacement of the Road Planting Policy and Guidelines;
- Communicate the revised framework to relevant staff and contractors; and
- Maintain supporting operational guidelines, technical guidance and tools in accordance with Council delegations.

## 10 Attachments Ngā Āpitihanga

- Proposed Tree Management Policy 2026 (Annex A)

# Tree Management Policy



| | |
|---|---|
| Adopted/Confirmed: | 2026 |
| Review Frequency: | 5 Yearly |
| Previous Adoption Date: | 4 February 2003 |
| Next Review Date: | October 2031 |
| Policy Type: | Governance |
| Reviewer | GM Community |
| Policy Version | P282 |

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## 1 Purpose

1.1 The purpose of this Policy is to provide a clear and consistent framework for the management of trees on Council-owned or Council-managed land, including planting, maintenance, retention and removal.

1.2 Council recognises trees as long-term public assets and part of the District's green infrastructure. They contribute to amenity, character, biodiversity, shade, environmental resilience and community wellbeing.

1.3 This Policy provides the basis for balancing public safety, infrastructure protection, environmental and amenity outcomes, operational practicality, community expectations and affordability when tree management decisions are made.

1.4 Through this Policy, Council aims to:

- provide a diverse range of well-managed trees that enhance public landscapes and provide long-term public value;
- apply a consistent approach based on sound arboricultural practice;
- select species, cultivars and varieties suited to local conditions and capable of thriving with limited intervention after establishment;
- enable routine operational decisions to be made efficiently by appropriately delegated staff;
- prioritise the retention of healthy, high-quality trees while allowing removal where retention is no longer appropriate;
- plan for succession and replacement so that a healthy, resilient and mixed-age tree population is maintained over time; and
- support appropriate collaboration with communities on tree planting and stewardship.

## 2 Long-Term Outcomes

2.1 Council will work towards the following long-term outcomes when planning and managing trees on Council land.

**Urban canopy and amenity**

2.2 Maintain and enhance, over time, a healthy tree population that contributes shade, landscape character, visual amenity and the liveability of towns and settlements.

**Environmental resilience and biodiversity**

2.3 Support species diversity, appropriate indigenous species, habitat values and ecological connectivity where these can be achieved alongside safety, infrastructure and operational requirements.

**Place and Access**

2.4 Use well-designed planting to reinforce local character and, where practicable, improve access to the benefits of trees across the District.

**Long-term asset stewardship**

2.5 Plan for the maintenance, renewal and succession of the District's tree population over time, supported by tree asset information where practical to inform replacement planning, maintenance programming, budgeting and future planting initiatives.

## 3 Scope

3.1 This policy applies to trees located on:

- Council-owned or Council-managed parks and reserves;
- road reserves; and
- other Council-owned land used for operational or community purposes.

3.2 This policy does not govern the management of trees on private land or land managed by other agencies, except where Council has expressly assumed responsibility for their management.

3.3 Nothing in this Policy limits Council's statutory powers or responsibilities relating to trees outside its ownership or management.

## 4 Policy Principles

Council manages trees on its land in accordance with the following principles:

**Public Safety and Infrastructure Protection**

4.1 The safety of road users, pedestrians, park users, and the protection of essential infrastructure are fundamental considerations in all tree management decisions.

**Retention and Long-term value**

4.2 Council will generally retain healthy, high-quality trees and manage its tree population for long-term canopy, shade and landscape value.

4.3 Decisions will take account of the tree lifecycle, including establishment, maintenance, renewal and succession.

**Right Tree, Right Place**

4.4 Tree species and planting locations will be selected to suit site conditions, mature size, infrastructure constraints, landscape objectives and expected maintenance requirements.

4.5 Species selection will seek to minimise the need for ongoing intervention once trees are established.

**Resilience and diversity**

4.6 Council will maintain a diverse tree population that supports biodiversity and climate resilience and reduces vulnerability to pests, disease and changing environmental conditions.

4.7 Council will avoid undue reliance on a single species and will consider suitable indigenous species where they can thrive and achieve the intended landscape outcome.

**Community Participation**

4.8 Council supports appropriate community participation in tree planting and stewardship where this aligns with Council objectives and approved plans. Community participation does not limit Council's responsibility or authority to manage trees on Council land.

**Proportionate Maintenance**

4.9 Trees will be maintained to recognised arboricultural standards. Maintenance effort will be proportionate to tree age, condition, location and risk.

**Proportionate and Accountable Decision-making**

4.10 Routine decisions consistent with this Policy will be made by delegated staff. Decisions requiring escalation will be supported by documented assessment and appropriate technical advice.

## 5 Tree Management Decisions

**Replacement and succession**

5.1 Council will plan for the renewal and succession of its tree population to maintain healthy and appropriate tree cover over time. Replacement planting will respond to the landscape, canopy and succession needs of the site rather than a strict tree-for-tree replacement requirement.

**Retention and removal**

5.2 Healthy, structurally sound and high-quality trees will generally be retained.

5.3 Removal may be considered where:

- A tree is dead, dangerous, structurally unsound or severely diseased;
- It presents an unacceptable risk to public safety or essential infrastructure;
- It has poor health or form and limited prospect of developing into a quality specimen;
- It forms part of an approved renewal or succession programme;
- it is a recognised pest species or is causing significant unwanted spread; or
- retention is not reasonably practicable after reasonable alternatives have been considered.

5.4 Leaf fall, ordinary shading, minor debris and loss of a private view will not, on their own, normally justify removal of an otherwise healthy, high-quality tree.

**Alternatives to removal**

5.5 Where appropriate, reasonable alternatives to removal will be considered, including pruning, root management, changes to infrastructure design or alignment, and other practicable mitigation measures.

**Assessment and documentation**

5.6 The level of assessment and documentation will be proportionate to the nature and significance of the decision. Arboricultural or other technical advice will be obtained where appropriate.

**Notable trees**

5.7 Trees identified as notable or otherwise protected under the District Plan will be managed in accordance with the District Plan and any applicable statutory requirements.

5.8 Proposed works to, or removal of, a notable or protected tree must take account of the tree's identified values and any applicable approval requirements.

5.9 Where a notable tree is located on private land, responsibility for its maintenance generally remains with the landowner.

**Planting**

5.10 New planting on Council land will be approved by the appropriate delegated officer and will be consistent with the principles in this Policy. Street-tree spacing and numbers will be determined by site suitability and landscape outcomes rather than a fixed entitlement per property frontage.

5.11 Developers proposing planting on Council land must obtain Council approval and meet applicable establishment and maintenance requirements.

**Maintenance and inspection**

5.12 Council is responsible for the inspection and maintenance of trees on Council-managed land.

5.13 Pruning will seek to maintain natural form, sound structure, safety and required clearances.

5.14 Unauthorised pruning, removal or damage to Council trees may result in recovery of Council's costs and other enforcement action where appropriate.

**Private trees affecting Council land**

5.15 Consistent with section 3.2, owners remain responsible for trees and vegetation on private land. Where a private tree affects public safety, access, sightlines or Council infrastructure, Council may take action within its statutory functions and powers.

## 6 Delegation and Escalation

**Operational Authority**

6.1 Routine decisions under this Policy will be made by appropriately delegated officers in accordance with Council's delegations. Routine decisions may include:

- Approving routine tree planting, maintenance, and replacement,
- Approving tree removal where consistent with this policy and supported by assessment, and
- Engaging qualified arborists and contractors.

**Matters that may require consultation or escalation**

6.2 The following matters may generally require community engagement and/or escalation, depending on their nature, significance and applicable delegation:

- proposed removal of healthy, high-amenity trees where there is likely to be significant public visibility or impact;
- proposed works to or removal of notable or protected trees where additional approval is required;
- large-scale or area-wide tree removal programmes; and
- matters falling outside officer delegations or involving significant community interest.

**Matters outside delegation**

6.3 Where a matter cannot be determined within existing delegations, it will be referred to the appropriate decision-maker in accordance with Council's delegations.

## 7 Community Engagement

7.1 Council recognises that tree management decisions may generate varying levels of public interest depending on the scale, location, and potential impact of the proposal.

7.2 Council will generally consult where:

a. substantial new street-tree planting or material changes to existing planting arrangements are proposed within an established street;
b. removal of healthy, high-amenity trees is proposed where this is likely to have a significant effect on local amenity or generate significant public interest;
c. planting or removal may significantly affect local character;
d. significant community-led planting initiatives are proposed; or
e. a proposal is otherwise likely to generate significant public interest or impact.

7.3 Council will generally inform where:

a. Planting forms part of approved developments or capital projects,
b. Routine reserve or streetscape planting is being undertaken,
c. Planting occurs as part of approved renewal or replacement programmes, or
d. Works are operational or maintenance-related in nature.

7.4 Community engagement does not confer a right of veto. Final decisions will be made in accordance with this Policy and relevant technical, operational and statutory considerations.

7.5 The scale and form of engagement will be proportionate to the nature and significance of the decision and any applicable Council engagement requirements.

## 8 Memorial and Commemorative Trees

8.1 Council does not generally encourage memorial or commemorative trees on Council land because of their long-term management and replacement implications.

8.2 Any memorial or commemorative tree requires approval by the appropriate delegated officer and must be consistent with this Policy and any relevant management plan.

8.3 Memorial or commemorative status does not confer an ongoing right to retain a particular tree or planting arrangement. Such trees will be managed, replaced or removed in accordance with this Policy.

## 9 Partnership, Sponsorship, and Community Planting

9.1 Council values partnerships with communities, organisations, and sponsors to support appropriate tree planting initiatives where these align with Council objectives and approved plans.

9.2 Partnership planting initiatives should also consider biodiversity, ecological restoration opportunities, long-term maintenance obligations, infrastructure constraints, and road safety requirements.

9.3 Where a proposal involves the gifting or vesting of an asset to Council, Council's Vested Assets Policy will also apply.

9.4 Community partnership or sponsored planting on Council land requires approval by the appropriate delegated officer and must comply with this Policy and applicable operational requirements.

9.5 Participation in a partnership or sponsorship arrangement does not transfer ownership or decision-making authority over trees on Council land. Council retains responsibility for their long-term management.

## 10 Monitoring and Asset Information

10.1 Council will, where practical, maintain and periodically review tree asset information to support maintenance and replacement planning, budgeting, future planting, continuous improvement and review of this Policy.

## 11 Relationship to Other Documents

11.1 This Policy should be read alongside, where relevant:

a. the Manawatū District Plan;
b. relevant reserve management plans and Council bylaws;
c. the Vested Assets Policy;
d. relevant Council roading, engineering and asset management standards; and
e. applicable legislation, regulations and network utility requirements.

11.2 Council may maintain operational guidelines, technical guidance and supporting tools to assist staff in implementing this Policy. These documents do not form part of this Policy and may be reviewed and amended administratively in accordance with Council delegations.

11.3 Where another statutory or regulatory requirement imposes a different or additional requirement, that requirement will prevail to the extent of any inconsistency.