

# Stratford District Council Annual Report 2017/18



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# OVERVIEW

**Message from the Mayor and Chief Executive**

**Our Council**

**Highlights**

**Variations from Long Term Plan**

**Statement of Compliance**



# MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

We are pleased to present the 2017/18 Annual Report on behalf of the Stratford District Council.

Annual reports contain considerable financial and non-financial information providing a good overview of Council's performance and are our way of being accountable to you.

Highlights of the 2017/18 financial year have been the significant progress made by the region's economic development strategy known as Tapuae Roa, Make way for Taranaki. Other significant projects for the year were the preparation of the 2018/2028 Long Term Plan and the Council's residential subdivision starting to take shape with a location confirmed and all required land now in Council ownership. Another invisible but yet important change this year was Council joining the Local Government Funding Agency, which significantly reduces council's borrowing costs, for both current and future loans.

Aside from flagship projects, our core activities which often go unnoticed are key to delivering core services to the community. Some highlights for the 2017/18 year were:

**Drinking water compliance** – all three of our water schemes achieved full compliance for the past financial year. At a time when the government is considering taking the control of essential assets, such as water supply, away from district councils we think it is particularly important to demonstrate and point out that we believe the community's needs for these services are best served locally.

**Wastewater treatment** – as described in the recent Long Term and Annual Plans, we are still working on the most suitable solution to dealing with our wastewater long term.

**Footpaths** - We held off on the annual renewal programme due to the ongoing works installing ultrafast broadband throughout Stratford. This lack of investment as well as the damages caused by the installation are clearly visible in this year's footpath condition surveys and council will be working hard to recover lost ground in the upcoming years.

**Roading** - Given the current high price of timber, commercial harvesting is in full swing and likely to continue for the next 5-10 years. This has a significant impact the rural roads that service the land planted with pine trees, mainly situated in the eastern hill country. In 2017/18 Council spent \$591,400 maintaining and strengthening roads extensively used by logging trucks, including 1km of pavement rehabilitation on Beaconsfield Rd.

**Parks & Reserves** - Over the course of the year, we undertook numerous small improvement projects across our parks and sports facilities which are all part of a long-term strategy and collectively ensure that residents have access to great facilities. This included the resurfacing of the netball courts at the TET stadium, the extension of some of the lime chip path into the Rhododendron Dell in King Edward Park, drainage improvements at the Victoria Park sports fields and the cooperation with the Whangamomona community to create a new playground in the Whangamomona town centre.

**Building consents** - continued on a high level, showing significant capital investment in the district. The ongoing review of the District Plan will provide further guidance and stimulus to ensure Stratford is positioning itself as a desirable place to live, play and do business.



Outside of Council's service delivery, the past year has seen the majority of work associated with the installation of ultrafast broadband throughout Stratford completed as well as other improvements around internet and mobile phone throughout the district. This will be a welcome improvement to these essential services. And, while discussions around the sealing of the last 12kms of SH43, the Forgotten World Highway, date back over many decades, it seems that this aim is moving closer. Driven by tourism, road safety, economic development and general community expectations, it feels like there is some progress being made. There is strong support from organisations throughout the regions to see this work completed and has most recently featured in the government's announcements for investments from the Provincial Growth Fund.

Collectively these ongoing improvements contribute to making the Stratford District a great place to live, work and play and adding to the prosperity of the region as a whole.

### **Operating Results**

We finished the year with an operating surplus of \$881,000, compared to a budgeted surplus of \$263,000. The difference was primarily due to additional subsidy revenue from the NZTA.

### **Financial Position**

The Statement of Financial Position shows Equity is less than we anticipated, which is primarily due to the lesser than predicted increase in Council's asset values as a result of the revaluation done as at 1 July 2016.

### **General Performance**

Responses from our annual customer survey showed a high level of satisfaction. Once again good responses were received on Stratford being an attractive place to live (96% agreed), Stratford being a safe place (97% agreed), and Stratford offering a healthy lifestyle (96% agreed).

Performance as measured by Council's Key Performance Indicators was strong, with 75.23% of targets being achieved (2016/17 was 81.48%). For many of the targets not achieved, work to remedy the underlying cause has been completed and further work to address shortcomings will be included in the upcoming annual plan.

Overall, this has been a successful year for Council as we continue to strive for excellent service standards.



A handwritten signature in blue ink, appearing to read 'S Hanne'.

Sven Hanne  
**CHIEF EXECUTIVE**



A handwritten signature in blue ink, appearing to read 'Neil Volzke'.

Neil Volzke, JP  
**DISTRICT MAYOR**



## OUR COUNCIL

### **Mission Statement**

To serve the district and its communities through advocacy, promotion, services, facilities and positive leadership.

### **Our Vision**

A progressive, prosperous district where communities are celebrated.

### **Our Values**

**Integrity** - Be loyal to the organisation and trustworthy, honest and courteous with everyone we deal with.

**Teamwork** - Work together in the same direction, assist each other and have respect for others. Maintain a positive attitude and encourage teamwork.

**Excellence** - Be effective in everything we do using our experience and knowledge. Do the right thing at the right time. Be efficient by being cost effective and ensure prudent management of public money and assets.

**Pride** - Take pride in our performance and our organisation.

**Commitment** - Have commitment and respect for each other, our business and our customers.

**Innovation** - Examine alternatives, challenge the obvious and have a flexible attitude.



# COMMUNITY OUTCOMES

## Overall Vision

Council spent time reviewing its vision statement for the district and will aspire to be:

**“A progressive, prosperous district where communities are celebrated.”**

**To the deliver the vision we will develop strategies, policy and procedures that facilitate and encourage:**

- Outstanding Leadership;
- Affordable, Quality Services and Infrastructure;
- A strong Community;
- A smart, Vibrant and Prosperous District;
- Stratford District as a unique destination; and
- Financial Strength.

Council has a role on behalf of the community it represents in planning, delivering and monitoring parts of this vision.

Council has held workshops to refine the outcomes to better reflect what is important to Stratford. These are then used to provide direction and inform Council on service delivery and use of resources. These community outcomes are detailed below:

COMMUNITY OUTCOME	WHAT COUNCIL WILL DO
<b>Outstanding Leadership</b>	<ul style="list-style-type: none"> <li>• We will maintain and grow Stratford District as a desirable place to live, work, invest and play.</li> <li>• We will ensure strong advocacy for the community at a regional and national level.</li> <li>• We will take a positive leadership role in growing and developing the urban environment.</li> </ul>
<b>Affordable, Quality Services and Infrastructure</b>	<ul style="list-style-type: none"> <li>• We will focus on meeting the current and future needs of our communities by providing good quality infrastructure, and local public services.</li> <li>• We will perform regulatory functions in a way that is most cost effective to households and businesses.</li> </ul>
<b>Strong Community</b>	<ul style="list-style-type: none"> <li>• We will work with partners to provide and support high level of access to health, education, social and recreational services and facilities.</li> <li>• We will work proactively to recognise and embrace the bicultural nature of our district through functional relationships with iwi authorities.</li> <li>• We will work proactively to recognise and embrace the multicultural nature of our district.</li> </ul>
<b>Smart, Vibrant and Prosperous District</b>	<ul style="list-style-type: none"> <li>• We will work to create an attractive and safe built environment.</li> <li>• We will work creatively and collaboratively to develop an attractive, vibrant and prosperous CBD</li> </ul>
<b>Stratford District as a unique destination</b>	<ul style="list-style-type: none"> <li>• We will look to work collaboratively to support, build on and promote our uniqueness.</li> </ul>
<b>Financial Strength</b>	<ul style="list-style-type: none"> <li>• We will fund infrastructure development and capital works in a way that is most cost effective for households and businesses, seeking alternative funding to rates where possible.</li> <li>• We will ensure the financial security of Council is not compromised.</li> </ul>

The group of activities contribute predominantly to the following outcomes:

Activities	Outstanding Leadership	Affordable, Quality Services and Infrastructure	Strong Community	Smart, Vibrant and Prosperous District	Stratford District as a unique destination	Financial Strength
Community Services	✓	✓	✓	✓	✓	✓
Democracy	✓	✓	✓	✓	✓	✓
Economy	✓	✓	✓	✓	✓	✓
Environmental Management	✓	✓	✓	✓	✓	✓
Roading		✓		✓	✓	✓
Stormwater		✓	✓			✓
Wastewater		✓	✓			✓
Solid Waste		✓	✓			✓
Water Supply		✓	✓			✓





# OPPORTUNITIES FOR MAORI CONTRIBUTION TO DECISION-MAKING PROCESSES

Section 81 of the Local Government Act 2002 sets out the obligations for Council to both consult with Māori and encourage Māori involvement in Council's decision making processes.

Māori includes those with tangata whenua acknowledged as Ngati Ruanui, Nga Ruahine, Ngati Maru, Ngati Mutunga, Nga Rauru and Te Atiawa. Council also recognises the role of Whakaahurangi Marae within the district.

Council currently has an on-going commitment to Māori consultation with respect to all of its planning processes, including those under the Resource Management Act.

Schedule 10(8) of the Local Government Act 2002 further requires Council state the steps it intends to take to foster the development of Māori capacity to contribute to decision making processes.

To further foster Māori capacity to contribute to decision making processes Council proposes to:

- Adopt a more formal approach to involving Māori in decision making by having regular liaison meetings.
- Involvement in significant events.
- Offer training for Council staff and Councillors on marae protocol, local history and related legislation.
- Provide an interpreter on request should Māori wish to present submissions to Council in Te Reo Māori.

Council is also mindful that there may be additional processes which are also appropriate. Council will therefore continue to consult with Māori in the district on its decision making, taking into account the nature and significance of the decision to Māori. Council will also seek opportunities to expand the engagement model to accommodate any additional consultation mechanisms preferred by Māori.



# COUNCIL STRUCTURE

## ELECTED MEMBERS

Council consists of a District Mayor and ten Councillors.

### DISTRICT MAYOR

Neil Volzke, JP  
Phone: (06) 765 6099  
Mobile: 027 631 7418  
Email: [nvolzke@stratford.govt.nz](mailto:nvolzke@stratford.govt.nz)

### URBAN WARD

Deputy Mayor Alan Jamieson  
Phone: (06) 765 4220  
Mobile: (027) 533 1167  
Email: [alan.l.jamieson@gmail.com](mailto:alan.l.jamieson@gmail.com)

Councillor Peter Dalziel  
Phone: (06) 928 4560  
Mobile: (027) 509 8830  
Email: [dalziels@mac.com](mailto:dalziels@mac.com)

Councillor Jono Erwood  
Phone: (06) 765 6276  
Mobile: (027) 640 4008  
Email: [jono.julie@xtra.co.nz](mailto:jono.julie@xtra.co.nz)

Councillor John Sandford, JP  
Phone: (06) 765 5615  
Mobile: (027) 496 2278  
Email: [jsandford@stratford.govt.nz](mailto:jsandford@stratford.govt.nz)

Councillor Kelvin Squire  
Phone: (06) 765 8226  
Mobile: (027) 458 3777  
Email: [squirekc@xtra.co.nz](mailto:squirekc@xtra.co.nz)

Councillor Gloria Webby  
Phone: (06) 765 6153  
Mobile: (021) 022 62258  
Email: [glorw@slingshot.co.nz](mailto:glorw@slingshot.co.nz)

### RURAL WARD

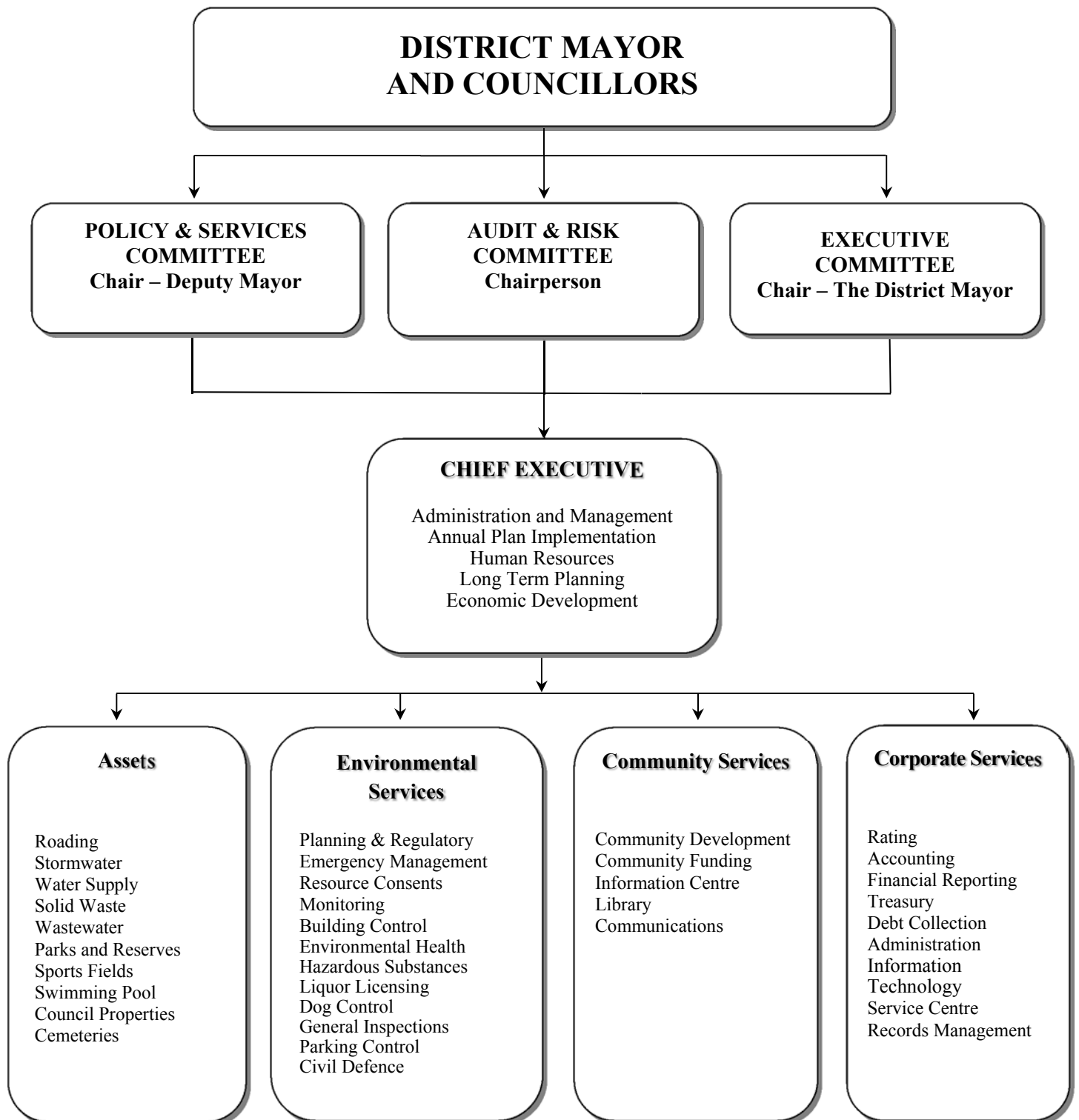
Councillor Grant Boyde, JP  
Phone: (06) 765 5715  
Mobile: (027) 603 2842  
Email: [g.a.boyde@xtra.co.nz](mailto:g.a.boyde@xtra.co.nz)

Councillor Rick Coplestone  
Phone: (06) 762 2627  
Mobile: (027) 264 5154  
Email: [rcglt@xtra.co.nz](mailto:rcglt@xtra.co.nz)

Councillor Graham Kelly  
Phone: (06) 764 8003  
Work: (06) 765 7604  
Email: [grahamkelly61@hotmail.com](mailto:grahamkelly61@hotmail.com)

Councillor Keryn Walsh  
Phone: (06) 762 2961  
Mobile: (027) 723 9760  
Email: [kerynwalsh@icloud.com](mailto:kerynwalsh@icloud.com)

# Council Governance



# HIGHLIGHTS

The purpose of this Annual Report is to outline the financial performance for the 2017/18 year, identify any changes from the 2015-2025 Long Term Plan (LTP), contribute to the accountability of the Council to its community, and extend opportunities for participation by the public in decision-making processes.

<b>RATING BASE and STATISTICAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2018</b>	
<b>Rating Base Information</b>	
<b>Rating units within Stratford District Council at the end of the preceding financial year (30 June 2017)</b>	
- Number of Rateable Assessments	4,698
- Total Number of Rating Units	5,029
<b>Valuations of the district (including non rateable)</b>	
- Land Value of Rating Units	\$1,772,547,150
- Improvements	\$1,127,097,000
<b>- Total Capital Value of Rating Units</b>	<b>\$2,899,644,150</b>
<b>Statistical Information</b>	
	<b>30 June 2018</b>
<b>Land Area</b>	2170 sq km
<b>Population (as per 2013 census)</b>	8,988
<b>Public Debt / Term Liabilities</b>	\$14,060,000
<b>Debt per Head of Population</b>	\$1,564
<b>Debt per Rateable Assessment</b>	\$2,992.76
<b>Debt Servicing as a Percentage of Rate Revenue (max 20%)</b>	4.03%
<b>Full Time Permanent Staff at 30 June 2018</b>	38
<b>Roads</b> - Sealed	391.1 km
- Unsealed	206.7 km

The operating result for the year ended 30 June 2018 demonstrates the Council's commitment to delivering its services to the community within the financial parameters of its LTP.

<b>For the years ended:</b>	<b>30-Jun-18</b>	<b>30-Jun-18</b>	<b>30-Jun-17</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Revenue</b>			
- Rates	11,492	11,708	11,317
- All Other Revenue	6,061	5,241	5,397
<b>Total Revenue</b>	<b>17,552</b>	<b>16,949</b>	<b>16,714</b>
<b>Total Operating Expenditure</b>	<b>16,672</b>	<b>16,686</b>	<b>16,422</b>
<b>Net Surplus (Deficit)</b>	<b>881</b>	<b>263</b>	<b>292</b>
<b>Capital Expenditure</b>	8,269	7,302	6,092
<b>Working Capital</b> (excludes current portion of debt repayment which will be refinanced immediately)	3,643	3,753	1,506
Current Ratio (Budget not to be less than 1:1)	2.16:1		1.79:1
<b>Public Debt per Head of Population</b>	\$1,564.31		\$1,063.64
<b>Rates per Head of Population</b>	\$1,278.56		\$1,259.15

The Statement of Financial Position shows the Council's assets, liabilities and its net worth known as equity.

Council's net worth has increased from \$315.5 million to \$317.3 million, an increase of \$0.8 million.

### Financial Strategy

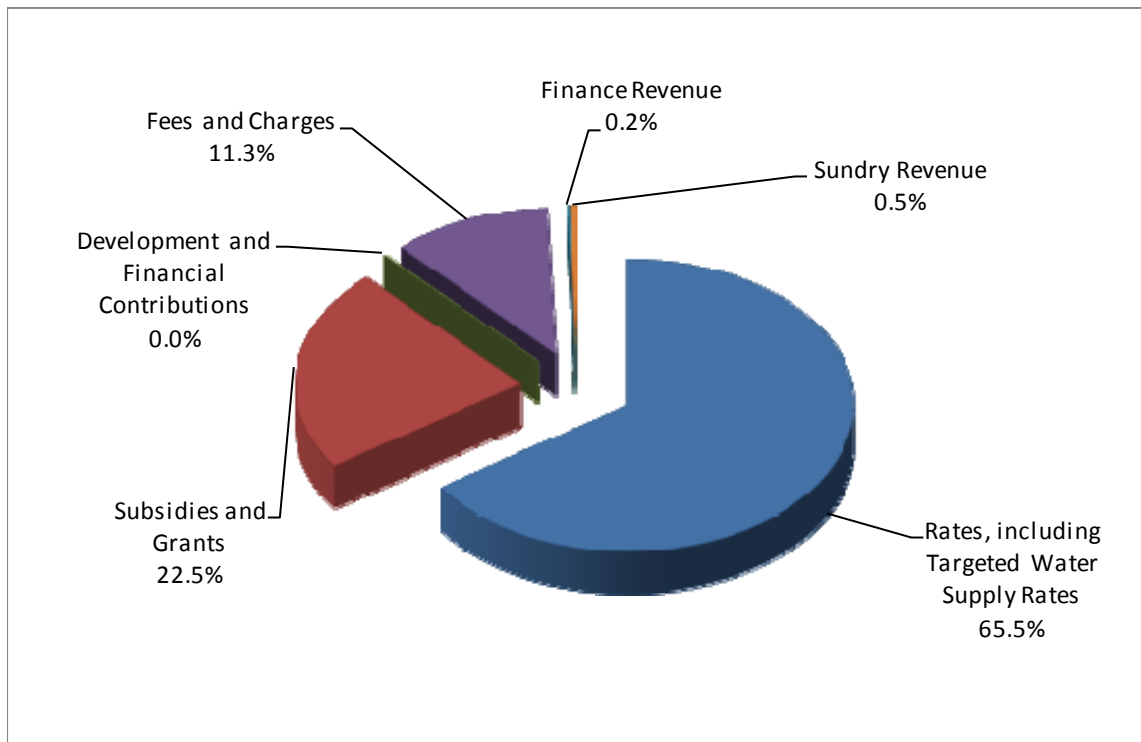
Council sets its financial strategy to what is seen as affordable for Council and the ratepayers. This involves a balancing act of delivering services while keeping the income required affordable. To achieve this goal Council sets some key targets in its Long Term Plan to measure the financial strategy.

		<b>Council's Target (limits)</b>	<b>LTP – 2015/25</b>	<b>Actual – 2017/18</b>
<b>Debt Levels</b>	Debt Servicing as a % of rates	<20%	5.65%	4.02%
	Debt/Equity Ratio	<10%	4.03%	4.43%
<b>Income &amp; Affordability</b>	% Rates Increase	<6%	4.53%	2.07%
	Uniform Annual General Charge (UAGC)	<30%	29.89%	29.07%

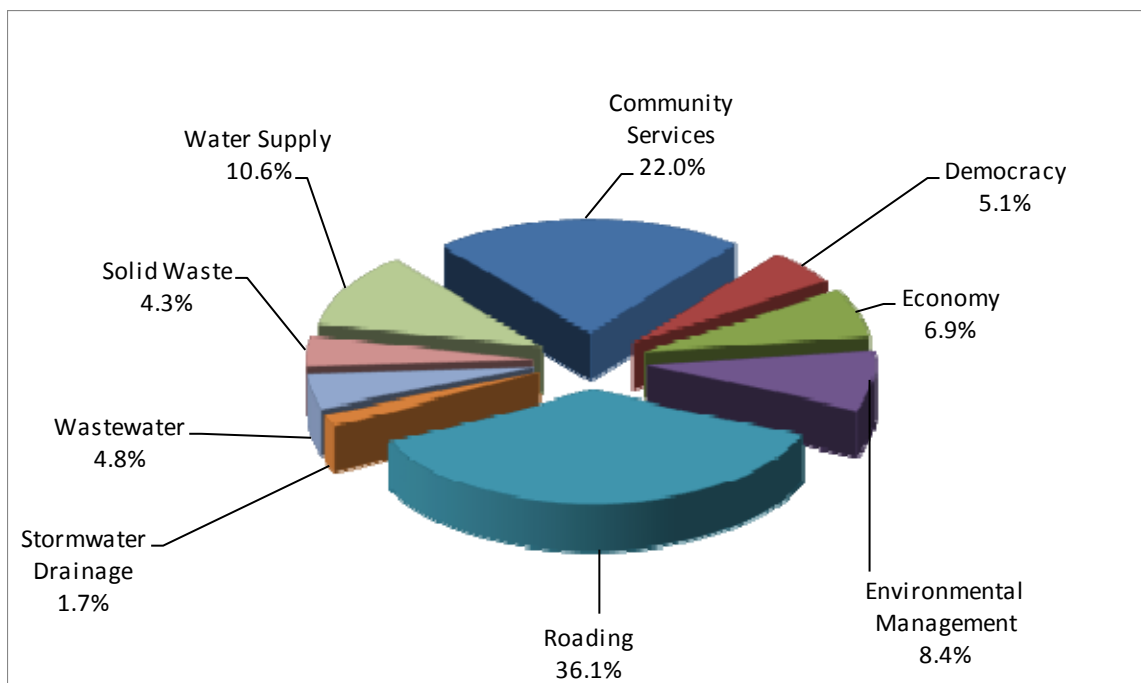
Net debt levels are within the targeted limits. Council has borrowings of \$14.06 million at interest rates ranging from 5.08% down to 2.53%.

# Financial Overview

## SOURCE OF REVENUE – COUNCIL ONLY



## OPERATING EXPENDITURE (WHERE THE MONEY IS SPENT) - COUNCIL ONLY





# VARIATIONS TO THE LONG TERM PLAN

The following table shows the variances to the Long Term Plan for the year ended 30 June 2018.

	Actual \$000	Budget \$000	Variance \$000	Variance %
<b>Net Operating Cost</b>				
Community Services	3,145	3,249	105	3.22%
Democracy	792	827	35	4.24%
Economy	469	458	(11)	(2.31%)
Environmental Management	984	999	15	1.47%
Roading	1,797	2,521	725	28.74%
Stormwater Drainage	290	315	25	7.94%
Wastewater	734	696	(38)	(5.47%)
Finance Revenue	629	690	61	8.90%
Water Supply	1,545	1,430	(115)	(8.01%)
<b>Total</b>	<b>10,383</b>	<b>11,185</b>	<b>802</b>	<b>7.17%</b>
<b>Capital Expenditure</b>				
Roading	4,108	3,090	(1,019)	(32.97%)
Stormwater	121	198	77	39.10%
Water Supply	466	550	84	15.26%
Solid Waste	477	1,160	683	58.88%
Wastewater	314	263	(51)	(19.44%)
Parks and Reserves and Cemeteries	162	196	34	17.32%
Property	192	150	(41)	(27.56%)
Other	239	195	(44)	(22.80%)
<b>Total</b>	<b>6,079</b>	<b>5,802</b>	<b>(277)</b>	<b>(4.78%)</b>

## Operating Costs

### Community Services

Civic Amenities was lower than budget due to less vandalism during the year requiring remedial work; and less repairs and maintenance required.

Community Development expenditure was over budget due to an additional part time staff resource required; and the increased costs for events, that was partly offset by grant funding.

Library expenditure was less than budget as book purchases were under budget by \$17,000; and depreciation was less than anticipated as final costs and estimated lives for the building upgrade were confirmed after the budget was adopted.

Parks and Reserves expenditure was over budget due to the extra drainage work required at Victoria Park.

Cemeteries expenditure was under budget as there was less demand for unplanned maintenance.

### Democracy

Democracy costs were less than budget primarily due to reduced training expenditure, and less charges for photocopying as a result of the introduction of digital agendas.

### Economy

Economic Development costs were over budget, but were funded by an external grant.

### Environmental Management

Net costs for Building Control were less than budget as a result of the increase in revenue from user charges.

Net costs for Bylaws is over budget as less infringements were issued (therefore less revenue generated); and costs associated with the review of the Bylaws were higher than budget.

#### Roading

Roading expenditure was higher than budget as projects were carried forward from the previous year. This also resulted in additional subsidies from NZTA for both maintenance and renewal works.

#### Wastewater

Wastewater expenditure is over budget as a result of unexpected repairs at the pump station, internal water charges and costs related to condition investigations.

#### Solid Waste

Expenditure was under budget predominately due to less recycling product being collected, therefore reduced operation costs e.g. cartage and reprocessing.

#### Water Supply

Water supply revenue is less than budget as a result of the writing off of revenue relating to water leaks, in accordance with Council policy.

Operating costs relating to chemicals, energy and repairs and maintenance were less than anticipated.

### **Capital Expenditure**

#### Roading

Roading expenditure was over budget as projects were carried over from the previous year.

#### Water Supply

Expenditure was under budget as some projects requiring further investigation were carried over to the next year.

#### Solid Waste

Expenditure was under budget as the initial investment in the regional landfill was less than anticipated.



# STATEMENT OF COMPLIANCE

## COMPLIANCE

The Council and management of Stratford District Council confirm that all the statutory requirements in relation to the Annual Report as outlined the Local Government Act 2002, have been complied with.

His Worship the Mayor  
N C Volzke  
23 October 2018

Chief Executive  
S Hanne  
23 October 2018





# **COUNCIL SERVICES**

**Community Services**

**Democracy**

**Economy**

**Environmental Services**

**Roading**

**Stormwater**

**Wastewater (Sewerage)**

**Solid Waste**

**Water Supply**

**Council Controlled Organisations**



# COUNCIL SERVICES

## GROUPS OF ACTIVITIES

As required by the Local Government Act 2002, Council has grouped the services it provides into the following groups of activities:

GROUP	ACTIVITY	SERVICES
<i>Community Services</i>	Aerodrome	
	Civic Amenities	Civic Amenities & Toilets Pensioner Housing
	Community Development Library Parks, Reserves & Cemeteries TSB Pool Complex	
<i>Democracy</i>		Democracy Corporate Support
<i>Economy</i>	Economic Development Information Centre	
	Rental & Investment Properties	Farm Holiday Park Rental Properties
<i>Environmental Services</i>	Building Control	Building Consents
	Planning And Bylaws	District Plan Administration Resource Consents
	Community Health And Safety	Food and Health Alcohol Licensing Parking and other Bylaw compliance Animal Control
	Emergency Response	Rural Fire Civil Defence
<i>Roading</i>	Roading	Construction, maintenance and renewal of roads, footpaths and associated infrastructure.
<i>Stormwater</i>	Stormwater	Construction and renewal of stormwater infrastructure.
<i>Wastewater (Sewerage)</i>	Wastewater	Construction, maintenance and renewal of wastewater network and treatment facilities.
<i>Solid Waste</i>	Waste Management	Kerbside collection of refuse and recycling and operation of the transfer station.
<i>Water Supply</i>	Water Supply	Construction, maintenance and renewal of water treatment plants and water reticulation network.



# PERFORMANCE REPORTING

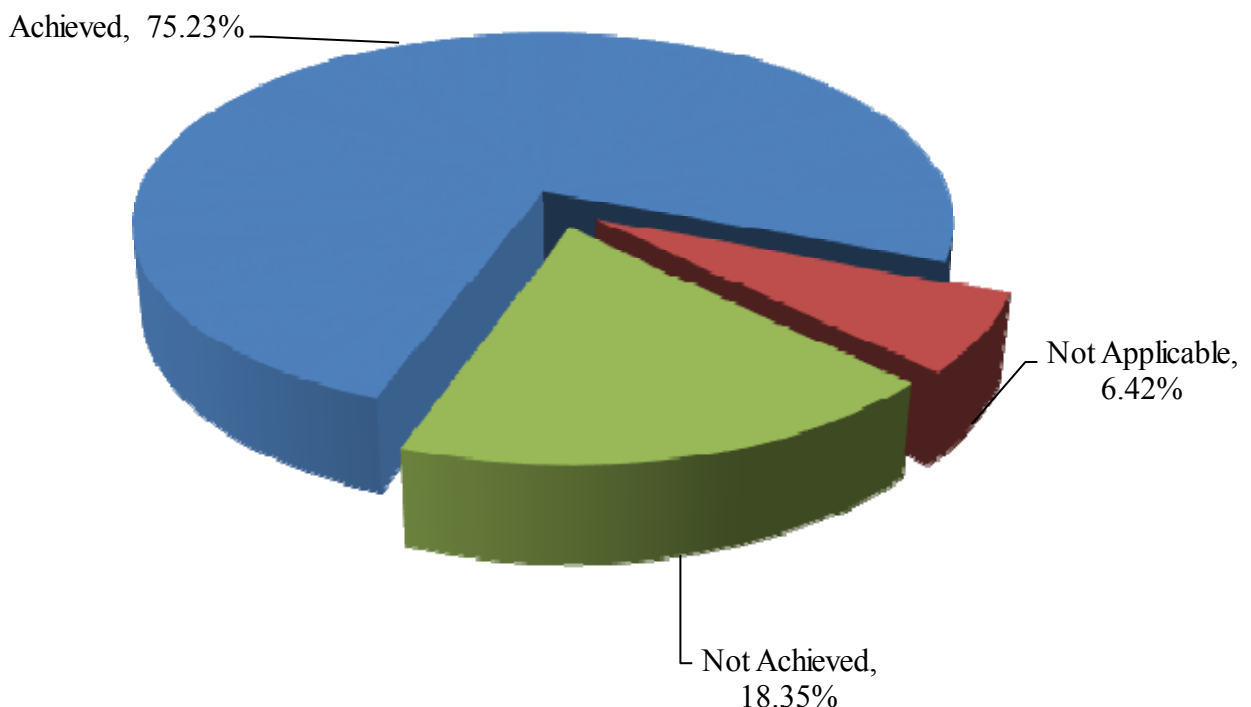
In the activities that follow, performance reporting against the **Targets** will be detailed as follows:

**Achieved** Required actions have been completed and the intended level of service has been achieved.  
Or where a long-term level of service is targeted, the results for the year are in keeping with the required trend to achieve the intended level of service.

**Not Achieved** None of the required actions have been undertaken.  
Or the result for the year is less than half of the intended level of service.  
Or where a long-term level of service is targeted, the results for the year are contrary to the required trend to achieve the intended level of service.

**Not Applicable** No action was required during the year.

## Performance Measures Pie Chart





## Performance Measures Not Achieved

Activity	Reason
Library – Number of Visitors	The number of visitors to the library was a minimum of 76,484 for the 2017/18 year. However there were more visitors to the library than this figure but a faulty door counter meant, at times, visitors to the library failed to be recorded.
Cemeteries, Parks and Reserves - Safe Playgrounds are provided	The next biennial playground inspection report is planned to be completed by the end of September 2018.
Democracy – Ensure that the Health and Safety manual is reviewed.	The manual was last reviewed in 2016 but there has been a lot of work in the Health and Safety space. Staff are currently working on developing a new Health and Safety Manual for contractors – a key risk area. The Health and Safety policy was reviewed this financial year and will be adopted by Council in 2018/19. Health and safety hazards, risks and events are monitored through Vault and reported to the Audit and Risk Committee quarterly.
Building Consents – applications processed within 20 days	A work practice was identified where the statutory clock was being switched off when the Building Technical check had been completed, but was not taking account of other processes that sometimes went beyond the time taken to complete the Building Technical check This work practice has now ceased.
Code of Compliance – applications determined within 20 days	One code of compliance certificate was delayed due to complications with the updating of an associated compliance schedule.
Building Control – increase digital lodgement	Although the target was to receive more than 70% of building consent applications in digital form, only 8% were received in this form. This indicator is not statutory and was only put in place to document progress toward digital services in this area. Council is possibly another 12 months away from going to an online portal for receiving building consents, and it is expected this will substantially increase the uptake in digital business for this sector
Building Applications – reduction of applications placed on hold	The target was for less than 20% of applications to be placed on hold, and we were able to achieve 23%. We may not have achieved the performance measure but we are happy with the downward trend. To take it down further will require a change in the way staff currently interact and engage with key stakeholders, and the team has been resourced to move toward this type of service It has been dropped as an indicator from LTP 2018-2028, but remains a focus for continuous business improvement.
Planning – To undertake a review of the district plan	A process is underway to review the District Plan in 2018/19. The milestone was not met for a range of reasons, the main ones being a greater focus on the finalisation of the regional economic development action plan, delays in the outcomes of a district plan appeal process involving South Taranaki, which Stratford was also a party to, and a decision to slow progress while the National Planning Standards for district plans were developed and released.
Resource Consents – increase digital lodgement	Although the target was to receive greater than 70% of resource consent applications in digital form, only 50% were received in this form. Although the increase in digitisation was not met, the department is happy with the uptake in this sector compared to building consents.
Resource Consents – reduction of applications on hold	The target was for less than 20% and we achieved 20.6 %. The target may not have been achieved but we are extremely happy with the downward trend. Meaningful engagement with stakeholders was made difficult by ongoing statutory changes. This indicator has been dropped

	from the LTP 2018-2028, but it remains a focus.
Dog Control – 100% of known dogs are registered.	The 100% target is aspirational and was set at 100% to keep staff focussed on the benefits of having all dogs registered. We have reverted to a more pragmatic approach for the LTP that has been adopted for 2018-28.
Roading – Zero increase in the number of fatalities or serious injury crashes on the local road network.	There was an increase of 1. There were no deaths, but there were 7 serious crashes on the local road network as a result of a variety of contributing factors including alcohol, not giving way, speed, icy road conditions, among others.
Roading – road maintenance	This target was not met due to poor weather conditions during the year.
Roading – Footpaths	This is a result of more thorough inspections and an increased number of sections of footpath inspected. We have not done any work on footpaths for two years due to the broadband install in the Stratford urban areas. In many cases the footpaths are perfectly serviceable, it is just that there are some cracks in the concrete or lichen growing on sealed footpaths. We do not have a “lichen spraying” policy as this would be quite an expensive exercise.
Wastewater Attendance time –	Due to the Broadband rollout 2 of the 25 callouts were not responded to within the required timeframe. This was due to staff already being committed on urgent work. (Not achieved 1.83 hrs, target 1 hr).
Wastewater Resolution time –	Due to the Broadband rollout callouts were not resolved within the required timeframe. This was due to staff already being committed on urgent work. (Not achieved 10.37 hrs, target 8 hrs.)
Solid Waste – Percentage of recycled waste (by weight) > 30%	Despite increasing promotion from the previous year, the total amount of recyclables collected at the kerbside fell short of the desired 30% by weight (Not achieved 24%).
Water Supply – Water loss from network reticulation system	Water has been disappearing in the north east reticulation area of the town. Investigations are on-going to isolate the exact location and how it is happening.
Water Supply – Major Unplanned Disruptions	There were two unplanned disruptions during the year that affected more than 50 connections. While both failures were to major mains the repair work was able to be undertaken between the hours of 9.00pm and 5.00am to minimise the effects (Not achieved 2, Target <2).
Water Supply – Water pressure and flow	Of the planned 50 measurements, only 47 were carried out, one of which did not meet the minimum pressure target of <350kpa



# COMMUNITY SERVICES

## Aerodrome

### 1.1 What We Do

Council owns the aerodrome to make provision for local air transport, recreation and light commercial needs. The aerodrome is situated at Flint Road and has two grassed runways.

### 1.2 Why We Do It

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

### 1.3 Significant Negative Effects

This activity does not create any negative effects apart from noise around the aerodrome. The aerodrome is located in the rural area and Council owns the farm surrounding the aerodrome which serves as a buffer zone.

### 1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
The aerodrome meets the needs of users	A high level of satisfaction amongst the users with the condition and maintenance of the aerodrome.	Annual Aerodrome user survey	<b>Achieved – 72%</b> (2016/17 Achieved 75%)	>70%

### 1.5 Projects and Other Programmes

Project	Category	Budget 2017/18	Actual 2017/18	Notes
Extend Carpark	Level of Service	\$9,500	\$5,913	
Levelling of operational area	Level of Service	\$8,000	\$4,979	This is partially complete, however the runway is too wet to be completed until the summer months.

## 1.6 Cost of Services Statement

The detailed financial summary for the Aerodrome is shown below.

### Aerodrome

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
77	<b>Operating Expenditure</b>	92	85
21	<b>Revenue</b>	22	22
<b>57</b>	<b>Net Cost of Service</b>	<b>71</b>	<b>63</b>
	<b>EXPENDITURE</b>		
51	Operating Costs	59	53
5	Depreciation	6	5
21	Allocated Overheads	27	27
<b>77</b>	<b>Total Operating Expenditure</b>	<b>92</b>	<b>85</b>
39	Capital Expenditure	11	18
<b>116</b>	<b>Total Expenditure</b>	<b>103</b>	<b>102</b>
	<b>FUNDED BY:</b>		
21	Charges for Services	22	22
<b>21</b>	<b>Total Revenue</b>	<b>22</b>	<b>22</b>
53	General Rates	63	63
39	Transfer from Depreciation Reserve	11	18
-	Other Funding	-	-
<b>112</b>	<b>Total Funding</b>	<b>95</b>	<b>102</b>

# Civic Amenities

## 1.1 What We Do

Council’s Civic Amenities include a range of facilities that are fairly typical of a rural area and service town:

- Council Office (Miranda Street)
- Centennial Library Building
- War Memorial Centre
- Pensioner Housing
- Centennial Rest Rooms
- Clock Tower (Glockenspiel)
- Bell Tower
- Bus Shelters
- Hall of Remembrance
- Public Toilets
- Rural Halls
- Security Cameras
- Structures/Beautification

## 1.2 Why We Do It

Council owns Civic Amenities to provide a community good or core civic functions, some of these are provided by Council because no other agencies are able or willing to provide them.

This activity contributes to the achievement of the District’s civic, congregational and leisure needs.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

## 1.3 Significant Negative Effects

There are no significant negative effects associated with the Civic Amenities activity.

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
To provide facilities that are well maintained and utilised.	Buildings legally requiring a Building WoF have a current Building WoF at all times.	Building WoF records	<b>Achieved – 100%</b> (2016/17 Achieved 100%)	100%
	Annual booking of War Memorial Centre.	Booking records	<b>Achieved - 521</b> (2016/17 Not Achieved 494)	>500
	Annual booking of Centennial Restrooms.	Booking records	<b>Achieved - 319</b> (2016/17 Achieved – 225)	>200
To provide suitable housing for the elderly.	Percentage of Customer satisfaction.	Annual User Survey	<b>Achieved – 100%</b> (2016/17 Not Achieved – 89%)	>90%
	Annual Occupancy rate.	Tenancy records.	<b>Achieved – 100%</b> (2016/17 Achieved – 99%)	>95%

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
To provide clean, well maintained toilet facilities.	Percentage of Stratford District residents satisfied with overall level of service of toilets.	Annual Residents Survey	<b>Achieved – 84.7%</b> (2016/17 Achieved – 88.1%)	>75%

### 1.5 Projects and Other Programmes

Project	Category	Budget 2017/18	Actual 2017/18	Notes
Centennial Restrooms – redevelop toilets	Level of Service	\$7,000	\$4,862	
Broadway/Prospero Place	Level of Service	\$50,000	\$69,406	
Security Cameras	Replacement	\$2,500	\$2,973	
War Memorial Centre – replace guttering	Replacement	\$5,000	\$7,046	
War Memorial Centre – replace HVAC unit in Function Facility	Replacement	\$0	\$10,479	Unit required major part replacements so a new unit was the best option.

### 1.6 Cost of Services Statement

The detailed financial summary for the Civic Amenities and Pensioner Housing activities are shown below. The costs of operating the Miranda Street Office are not shown here because they are allocated to the various Council functions as overheads.



## Civic Amenities

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
626	<b>Operating Expenditure</b>	663	717
44	<b>Revenue</b>	55	49
<b>581</b>	<b>Net Cost of Service</b>	<b>608</b>	<b>668</b>
	<b>EXPENDITURE</b>		
231	Operating Costs	243	303
-	Interest	9	12
266	Depreciation	280	271
128	Allocated Overheads	132	130
<b>626</b>	<b>Total Operating Expenditure</b>	<b>663</b>	<b>717</b>
4	Principal Loan Repayments	9	9
189	Capital Expenditure	95	65
<b>818</b>	<b>Total Expenditure</b>	<b>767</b>	<b>791</b>
	<b>FUNDED BY:</b>		
44	Charges for Services	55	49
<b>44</b>	<b>Total Revenue</b>	<b>55</b>	<b>49</b>
621	General Rates	605	608
14	Targeted Rates	15	14
40	Depreciation Funded from Reserves	41	46
16	Transfers from Depreciation Reserves	34	24
175	Loan Funding - Capital	69	50
-	Other Funding	-	-
<b>911</b>	<b>Total Funding</b>	<b>820</b>	<b>791</b>

## Pensioner Housing

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
97	<b>Operating Expenditure</b>	114	122
54	<b>Revenue</b>	65	62
<b>43</b>	<b>Net Cost of Service</b>	<b>49</b>	<b>60</b>
	<b>EXPENDITURE</b>		
38	Operating Costs	39	50
28	Depreciation	28	28
32	Allocated Overheads	47	45
<b>97</b>	<b>Total Operating Expenditure</b>	<b>114</b>	<b>122</b>
13	Capital Expenditure	12	19
<b>110</b>	<b>Total Expenditure</b>	<b>125</b>	<b>141</b>
	<b>FUNDED BY:</b>		
54	Charges for Services	65	62
<b>54</b>	<b>Total Revenue</b>	<b>65</b>	<b>62</b>
27	General Rates	24	24
13	Transfers from Depreciation Reserves	12	19
16	Balance From Reserves	24	36
-	Other Funding	-	-
<b>110</b>	<b>Total Funding</b>	<b>125</b>	<b>141</b>

# Community Development

## 1.1 What We Do

Community development encourages and supports groups and individuals in the District to achieve their own goals and outcomes in a way that sustainably benefits the community. It does this by providing information, advice, and support to groups and individuals, through activities such as networking, facilitation, administration support, promotion, advocacy, and event facilitation.

Examples of current community development activities include:

- Administration support for a number of community groups including the Positive Ageing Group and Central Taranaki Safe Trust
- Coordinating the promotion of school holiday activities
- Administration of the Sport NZ Rural Travel Fund and Creative New Zealand Funding Scheme
- Working with community groups to identify the outcomes they want for the community
- Working in partnership with regional agencies to support the well-being of the community
- Providing community events such as Summer Nights and War Memorial commemorations.

## 1.2 Why We Do It

This activity contributes to the District's well-being by the Council maintaining a general overview of trends in the social well-being of the District and initiating, usually in conjunction with others, action for enhancement whenever it considers that to be necessary, appropriate and practical.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

## 1.3 Significant Negative Effects

There are no negative effects associated with the Community Development activity.

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
To provide a number of community events and provide support that encourages involvement of the community	Number of Community events organised.	Number of events held are recorded	<b>Achieved - 5</b> (2016/17 Achieved – 7)	2
	Percentage of residents feeling a sense of community.	Annual Residents Survey	<b>Achieved – 96.4%</b> (2016/17 Achieved – 96.3%)	>72%
Youth are supported to participate in their community through developing and implementing their own projects	Number of projects successfully developed and implemented by youth with support from community development	Number of projects developed are recorded	<b>Achieved - 4</b> (2016/17 Achieved – 5)	4
Council will provide, encourage and/or support events within the district	Events Council has provided or supported are measured	Number of supported events are recorded	<b>Achieved - 4</b> (2016/17 Achieved - 6)	2

## 1.5 Projects and Other Programmes

There were no projects associated with the Community Development activity.

## 1.6 Cost of Services Statement

The detailed financial summary for the community development activity is shown below.

### Community Development

Actual 2016/17 \$000		Actual 2017/18 \$000	Budget 2017/18 \$000
348	<b>Operating Expenditure</b>	361	320
23	<b>Revenue</b>	22	21
<b>325</b>	<b>Net Cost of Service</b>	<b>340</b>	<b>300</b>
<b>EXPENDITURE</b>			
248	Operating Costs	282	241
100	Allocated Overheads	79	80
<b>348</b>	<b>Total Operating Expenditure</b>	<b>361</b>	<b>320</b>
<b>FUNDED BY:</b>			
23	Grants	22	21
<b>23</b>	<b>Total Revenue</b>	<b>22</b>	<b>21</b>
314	UAGC	297	299
-	Other Funding	0	1
<b>337</b>	<b>Total Funding</b>	<b>319</b>	<b>320</b>

# Library

## 1.1 What We Do

The Stratford and District Centennial Library provides physical and digital access to a collection of lending material and information resources in a safe and welcoming environment intended for community activities, leisure, social interaction, and study. It promotes creativity and learning through the delivery of public programmes and the provision of support facilities such as the Wi-Fi network and access to equipment and technology.

## 1.2 Why We Do It

This activity contributes to the district’s overall well-being by providing access to reading material, databases and internet services that individuals are unlikely to be able to provide for themselves.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

## 1.3 Significant Negative Effects

There are no negative effects associated with the Library activity.

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
To provide a library service which meets the needs of and is being used by Stratford District residents	Number of people visiting the library is measured.	Door count	<b>Not Achieved – 76,484</b> (2016/17 Not Achieved – 67,394)	>90,000
	% of library users satisfied with library services.	Annual Residents Survey	<b>Achieved – 98.98%</b> (2016/17 Achieved – 99.079%)	>80%
Library services will be accessible to the community	The number of visitors accessing the Wi-Fi service is measured.	Internal records	<b>Achieved – 23,422</b> (2016/17 Achieved – 26,926)	>15,000
	The number of sessions accessing the People’s Network is measured.	Internal records	<b>Achieved – 11,095</b> (2016/17 Achieved – 10,968)	>10,000

## 1.5 Projects and Other Programmes

Project	Category	Budget 2017/18	Actual 2017/18	Notes
3D Printer	Level of Service	\$0	\$3,570	Funded from a TSB Community Trust grant.

## 1.6 Cost of Services Statement

The detailed financial summary for the Library's activities is shown below.

### Library

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
600	<b>Operating Expenditure</b>	635	712
16	<b>Revenue</b>	18	18
<b>584</b>	<b>Net Cost of Service</b>	<b>618</b>	<b>694</b>
	<b>EXPENDITURE</b>		
310	Operating Costs	313	337
20	Interest	36	49
87	Depreciation	95	139
183	Allocated Overheads	191	186
<b>600</b>	<b>Total Operating Expenditure</b>	<b>635</b>	<b>712</b>
28	Principal Loan Repayments	36	36
596	Capital Expenditure	4	-
<b>1,225</b>	<b>Total Expenditure</b>	<b>675</b>	<b>748</b>
	<b>FUNDED BY:</b>		
16	Charges for Services	18	18
<b>16</b>	<b>Total Revenue</b>	<b>18</b>	<b>18</b>
633	General Rates	629	632
45	Depreciation Funded from Reserves	44	61
596	Loan Funding - Capital	-	-
-	Grants and Donations	4	-
28	Transfer from Depreciation Reserves	36	36
-	Other Funding	-	1
<b>1,318</b>	<b>Total Funding</b>	<b>730</b>	<b>748</b>

# Parks, Reserves & Cemeteries

## 1.1 What We Do

Council provides a range of active and passive recreation opportunities that benefit the community's physical, social and personal quality of life. Parks assets include:

- (i) 36.7 hectares of passive reserves:
  - Gardens, lawns, trees, and amenity street plantings
  - 2 neighbourhood parks and 3 playgrounds
- (ii) 10 hectares of urban active reserves comprising:
  - 2 croquet greens
  - 6 netball/tennis courts
  - 5 rugby fields
  - 3 cricket wickets
  - 2 soccer fields
  - 2 hockey fields
- (iii) 9.4 hectares of cemeteries
  - 5.1ha in 2 operating cemeteries
  - 4.3ha in 5 closed cemeteries
- (iv) 14km of walkway including 9 foot bridges.
- (v) 4.8ha in 14 esplanade reserves.
- (vi) Accessory structures and buildings:
  - Grandstand at Victoria Park
  - Toilet block at Victoria Park
  - Croquet pavilion at Victoria Park
  - Memorial gates at Victoria Park
  - Malone Gates at King Edward Park
  - Netball shelters at King Edward Park
  - Stratford Gateway Structures (2)
  - Skate park at Victoria Park
- (vii) 34.3ha in rural domains and reserves.

## 1.2 Why We Do It

The provision of an adequate network of parks and reserves, encompassing passive, active and scenic open space is a significant contributor to its desirability and attractiveness.

The Parks and Reserves activity creates and provides a sense of belonging and pride, comprehensive social, recreational and cultural facilities accessible to all.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

## 1.3 Significant Negative Effects

There are no significant negative effects associated with the Parks activity.



## 1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
To provide parks, sportsfields and other open spaces that meet community demand	Number of complaints and requests for service.	Reporting against corporate CRM system.	<b>Achieved - 20</b> (2016/17 Achieved – 18)	<40
	Percentage of Stratford residents satisfied with:			
	• Parks;	Annual Residents Survey	<b>Achieved – 96.78%</b> (2016/17 Achieved – 95.9%)	>80%
	• Sportsfields; and	Annual Residents Survey	<b>Achieved – 92.84%</b> (2016/17 Achieved - 87.7%)	>80%
	• Cemeteries.	Annual Residents Survey	<b>Achieved – 80.98%</b> (2016/17 Achieved – 87.9%)	>80%
Safe playgrounds are provided	All playgrounds meet NZ Safety Standards.	Biennial playground inspection report and records provided from weekly and quarterly compliance checks by contractor.	<b>Not Achieved – not yet completed</b> (2016/17 Achieved 100%)	100%
Foot Bridges are safe.	All foot bridges meet NZ Safety standards.	Biennial bridge inspection Report	<b>Achieved – 100%</b> (2016/17 Achieved – 100%)	100%

## 1.5 Projects and Other Programmes

Project	Category	Budget 2017/18	Actual 2017/18	Notes
Park Development	Level of Service	\$10,000	\$11,855	
Walkway signage	Level of Service	\$10,000	\$0	This will be incorporated into the overall branding project.
Rhododendron Dell development	Level of Service	\$9,500	\$0	
Seal Page Street carpark	Level of Service	\$38,500	\$19,604	Sealing has been completed but line marking will commence in the summer months next year.
Extend lime chip path in King Edward Park	Level of Service	\$22,000	\$24,064	
Resurface remaining netball courts	Level of Service	\$60,000	\$59,747	
Replace hedge with fence at Victoria Park	Replacement	\$14,000	\$13,227	This budget will now be used for fencing Celia Reserve as it has become a health and safety priority.
Garden replanting	Replacement	\$5,000	\$5,138	
Refence road/rail boundaries on Cassandra Reserve	Replacement	\$7,400	\$0	The current lease renewal is under negotiation so fencing has been delayed until the new lease is settled.
Heritage Trail signs	Replacement	\$0	\$250	Art work currently being designed and signs constructed in the next year.
New slide – Whangamomona playground	Level of Service	\$0	\$9,114	This project is funded from a TET grant.
Replace the slide at Page Street playground	Replacement	\$20,000	\$19,391	

## 1.6 Cost of Services Statement

The detailed financial summary for the Parks and Reserves and Cemeteries activities are shown below:

### Parks and Reserves

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
544	<b>Operating Expenditure</b>	740	714
8	<b>Revenue</b>	8	8
<b>536</b>	<b>Net Cost of Service</b>	<b>732</b>	<b>706</b>
	<b>EXPENDITURE</b>		
376	Operating Costs	429	413
-	Interest	1	3
76	Depreciation	80	76
93	Allocated Overheads	230	223
<b>544</b>	<b>Total Operating Expenditure</b>	<b>740</b>	<b>714</b>
-	Principal Loan Repayments	1	2
300	Capital Expenditure	162	196
<b>844</b>	<b>Total Expenditure</b>	<b>903</b>	<b>913</b>
	<b>FUNDED BY:</b>		
8	Charges for Services	8	8
<b>8</b>	<b>Total Revenue</b>	<b>8</b>	<b>8</b>
606	General Rates	701	705
-	Transfer (to) from Reserves	-	-
-	Loan Funding - Capital	74	109
224	Grants and Donations	9	-
45	Transfers from Depreciation Reserves	80	90
-	Other Funding	0	1
<b>882</b>	<b>Total Funding</b>	<b>872</b>	<b>913</b>

### Cemeteries

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
189	<b>Operating Expenditure</b>	194	226
98	<b>Revenue</b>	108	119
<b>91</b>	<b>Net Cost of Service</b>	<b>86</b>	<b>107</b>
	<b>EXPENDITURE</b>		
106	Operating Costs	95	131
6	Depreciation	8	7
77	Allocated Overheads	92	87
<b>189</b>	<b>Total Operating Expenditure</b>	<b>194</b>	<b>226</b>
-	Capital Expenditure	-	-
<b>189</b>	<b>Total Expenditure</b>	<b>194</b>	<b>226</b>
	<b>FUNDED BY:</b>		
98	Charges for Services	108	119
<b>98</b>	<b>Total Revenue</b>	<b>108</b>	<b>119</b>
96	General Rates	105	106
-	Transfer from Depreciation Reserves	-	-
-	Other Funding	-	1
<b>194</b>	<b>Total Funding</b>	<b>213</b>	<b>226</b>

# TSB Pool Complex

## 1.1 What We Do

The TSB Pool Complex is a community swimming pool owned and operated by the Stratford District Council. This facility has three indoor pools that cater year-round for casual as well as organised swimming, including learn-to-swim, as well as an outdoor toddler’s pool which is open during the summer months. As part of the operation the pool provides a range of fitness programmes, coaching and events.

## 1.2 Why We Do It

Council owns the pool to provide aquatic recreation for its residents.

Council has traditionally adopted the role of provider of a swimming pool complex for the District as there has been no alternative provider.

The Pool makes a valuable contribution to the health of residents and visitors providing diverse recreational activities and enhances the attractiveness of the district.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

## 1.3 Significant Negative Effects

**Public Health** - The potential threat to public health is recognised. The control of Cryptosporidia and other water pathogens is a critical part of the treatment processes at the Pool Complex, and the risk is mitigated by the type of filtration system in use.

**Odours (Chlorine)** - The current Purefibre vacuum type of water filtration minimises the level of chlorine used, and therefore the chlorine odour of the pool water can be kept at low levels.

**Environmental** - The environmental impact on the Patea River is managed under resource consent discharge conditions.

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
The pool complex will be a safe place to swim.	Number of reported accidents, possible accidents and similar incidents pa.	Accident register – also reported monthly to Council.	<b>Achieved - 77</b> (2016/17 Not Achieved – 82)	<80
	Compliance with NZS5826:2010 NZ Pool Water Quality Standards.	Water quality register.	<b>Achieved – 100%</b> (2016/17 Achieved – 100%)	100%
That the pool facilities meet demand.	Percentage of pool users are satisfied with the pool.	Annual customer survey.	<b>Achieved – 88.44%</b> (2016/17 Achieved – 96.4%)	>80%
	Number of pool admissions per annum.	Ticketing system – also reported monthly to council.	<b>Achieved – 58,921</b> (2016/17 Achieved – 56,721)	>50,000

## 1.5 Projects and Other Programmes

Project	Category	Budget 2017/18	Actual 2017/18	Notes
Swimming Pool – play equipment	Level of Service	\$0	\$9,035	This was funded through a TSB Community Trust grant.

## 1.6 Cost of Services Statement

The detailed financial summary for the TSB Pool Complex activities is shown below:

### TSB Pool Complex

Actual 2016/17 \$000		Actual 2017/18 \$000	Budget 2017/18 \$000
761	<b>Operating Expenditure</b>	867	864
219	<b>Revenue</b>	224	212
<b>542</b>	<b>Net Cost of Service</b>	<b>643</b>	<b>652</b>
	<b>EXPENDITURE</b>		
574	Operating Costs	584	583
90	Depreciation	92	96
97	Allocated Overheads	191	185
<b>761</b>	<b>Total Operating Expenditure</b>	<b>867</b>	<b>864</b>
33	Capital Expenditure	21	-
<b>794</b>	<b>Total Expenditure</b>	<b>888</b>	<b>864</b>
	<b>FUNDED BY:</b>		
219	Charges for Services	224	212
<b>219</b>	<b>Total Revenue</b>	<b>224</b>	<b>212</b>
612	General Rates	648	651
-	Grants and Donations	9	-
33	Transfers from Depreciation Reserves	12	-
-	Other Funding	-	1
<b>864</b>	<b>Total Funding</b>	<b>892</b>	<b>864</b>



## **1.1 What We Do**

### **Democracy**

Democracy includes the formal meeting processes, elections and the means for community involvement in the democratic process. The Democracy activity supports the elected members in these roles and ensures the purposes of the Local Government Act 2002 are met.

The Stratford District Council comprises a District Mayor and ten Councillors. The District Mayor is elected by the whole community, with the Councillors elected on a ward system, with four from the Rural Ward and six from the Urban Ward. Council sets the policy and standards for the management and delivery of Council activities and services.

### **Corporate Support**

Corporate Support provides a range of professional support services to the Council and to agencies closely associated with Council. These services include financial planning, reporting, analysis and advice, the provision of accounting services, secretarial and administrative support and the development and maintenance of management information systems.

## **1.2 Why We Do It**

Council is required by the Local Government Act 2002 to provide a democratic process and manage its funding and administrative services efficiently and responsibly on behalf of the district.

The Democracy activity, by its nature, contributes to all of the desired district well-beings, and community outcomes that Council aims to achieve.

Corporate Support is an internal support function that provides services to other areas of Council to assist them in the delivery of activities. The total costs are allocated to other activity areas.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

## **1.3 Significant Negative Effects**

No negative effects are generated by these activities.

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
To provide Democracy services in accordance with statutory deadlines.	Agendas and associated reports for all scheduled meetings are available to interested parties in accordance with statutory timeframes.	Meeting Register.	<b>Achieved – 100%</b> (2016/17 Achieved – 100%)	100%
	All Council meetings are publicly notified in accordance with statutory timeframes.	Meeting Register.	<b>Achieved – 100%</b> (2016/17 Achieved – 100%)	100%
To ensure that the Health and Safety manual is reviewed	Complete an annual review of the Health and Safety Manual.	Review Date.	<b>Not Achieved – policy reviewed instead</b> (2016/17 Achieved – June 2017)	Achieved
Ensure accountability documents are prepared and meet statutory requirements.	The Annual Report, Annual Plan and Long Term Plan meet statutory deadlines and receive an unqualified audit opinion where relevant.	Audit Opinion.	<b>Achieved</b> (2016/17 Achieved)	Achieved

## 1.5 Projects and Other Programmes

Project	Category	Budget 2017/18	Actual 2017/18	Notes
Computers and peripherals	Replacement	\$150,000	\$174,103	
Website Redevelopment	Replacement	\$0	\$2,200	The actual spend to date is for the initial design work. The balance will be completed in the next financial year.
Photocopier Replacement	Replacement	\$0	\$40,340	
Vehicle replacements (after trade in)	Replacement	\$25,000	\$22,823	
Miscellaneous	Replacement	\$20,000	\$12,193	
<b>Miranda Street Office</b>				
Furniture replacement	Replacement	\$2,500	\$1,965	
Replace sewer line	Replacement	\$9,300	\$8,773	
Install heatpump	Level of Service	\$4,500	\$4,600	

## 1.6 Cost of Services Statement

The detailed financial summary for Governance and Corporate Support's activities are shown below:

### Corporate Support

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
-	<b>Operating Expenditure</b>	-	-
69	<b>Revenue</b>	64	60
<b>(69)</b>	<b>Net Cost of Service</b>	<b>(64)</b>	<b>(60)</b>
	<b>EXPENDITURE</b>		
	Operating Costs		
352	- Chief Executive's Department	365	361
527	- Corporate Services Department	1,059	912
(880)	Allocated Overheads	(1,424)	(1,273)
-	<b>Total Operating Expenditure</b>	-	-
302	Capital Expenditure	255	211
<b>302</b>	<b>Total Expenditure</b>	<b>255</b>	<b>211</b>
	<b>FUNDED BY:</b>		
69	Charges for Services	64	60
<b>69</b>	<b>Total Revenue</b>	<b>64</b>	<b>60</b>
(61)	UAGC	(60)	(60)
302	Transfer from Depreciation Reserves	255	211
-	Other Funding	-	-
<b>310</b>	<b>Total Funding</b>	<b>259</b>	<b>211</b>

### Democracy

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
773	<b>Operating Expenditure</b>	856	887
-	<b>Revenue</b>	-	-
<b>773</b>	<b>Net Cost of Service</b>	<b>856</b>	<b>887</b>
	<b>EXPENDITURE</b>		
	Operating Costs		
379	Allocated Overheads	364	390
394		492	497
<b>773</b>	<b>Total Operating Expenditure</b>	<b>856</b>	<b>887</b>
	<b>FUNDED BY:</b>		
-	Charges for Services	-	-
-	<b>Revenue</b>	-	-
803	UAGC	880	884
-	Other Funding	-	3
<b>803</b>	<b>Total Funding</b>	<b>880</b>	<b>887</b>



## **Economic Development**

### **1.1 What We Do**

Council has a leadership role in economic development. This activity supports the growth of the District by:

- Encouraging and assisting the establishment, retention and development of sustainable, new and existing businesses.
- Promoting business opportunities, events that benefit the local economy
- Promoting the district as a great place to live.
- Supporting the Stratford Business Association
- Working in partnership with Venture Taranaki Trust to support the economic growth of the District.

### **1.2 Why We Do It**

Council provides this service to enable growth in population, increased employment opportunities, and promotion of the district as a destination for business and visitors.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

### **1.3 Significant Negative Effects**

The Economic Development activity does not create any negative effects.



## 1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
To support and promote the economic growth of the district.	Business mentoring and economic development support is available.	Venture Taranaki Quarterly reports	<b>Achieved</b> (2016/17 Achieved)	Report received
	Economic Development Strategy is reviewed.	Economic Development Strategy 2015 – 2018 completed	<b>Not applicable</b> (2016/17 Achieved)	-
To support the business community.	Provide administration support to the Stratford Business Association meetings	Minutes and agendas completed	<b>Achieved - 11</b> (2016/17 Achieved – 11)	11
The website is a valuable resource for the community to access Council information	The number of visitors accessing Council information and services via the internet is measured.	Website statistics	<b>Achieved – 44,858</b> (2016/17 – 44,354)	Not less than previous year
Opportunities for the community to participate in decision making is widely publicised	The community is satisfied with how Council keeps them informed.	Annual Residents Survey	<b>Achieved – 87.39%</b> (2016/17 Achieved – 88.0%)	>75%

## 1.5 Projects and Other Programmes

There were no projects associated with the Economy activity.

## 1.6 Cost of Services Statement

The detailed financial summary for Economic Development’s activities is shown below:

### Economic Development

Actual 2016/17 \$000		Actual 2017/18 \$000	Budget 2017/18 \$000
316	<b>Operating Expenditure</b>	292	279
-	<b>Revenue</b>	-	-
<b>316</b>	<b>Net Cost of Service</b>	<b>292</b>	<b>279</b>
	<b>EXPENDITURE</b>		
208	Operating Costs	197	183
107	Allocated Overheads	95	96
<b>316</b>	<b>Total Operating Expenditure</b>	<b>292</b>	<b>279</b>
	<b>FUNDED BY:</b>		
-	Charges for Services	-	-
-	<b>Total Revenue</b>	-	-
149	General Rates	138	139
149	UAGC	138	139
-	Other Funding	-	1
<b>297</b>	<b>Total Funding</b>	<b>276</b>	<b>279</b>

# Information Centre

## 1.1 What We Do

Council owns and manages the Stratford Visitor Information Centre (i-SITE). The i-SITE promotes local attractions and events and provides local knowledge, a booking service and souvenirs for tourists and residents. An AA service is also provided at the i-SITE.

## 1.2 Why We Do It

This activity contributes to the promotion of businesses in the district by providing information services for tourists to the District and provides local residents with an AA service that otherwise might not have been available.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

## 1.3 Significant Negative Effects

There are no negative effects associated with the Information Centre activity.

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
To provide an Information Centre for visitors, incorporating Automobile Association Agency services that meets the needs of and is being used by the community.	Number of people to the Information Centre service is measured.	Door Count	<b>Achieved – 41,078</b> (2016/17 Achieved – 42,684)	>40,000
	Number of users of AA Agency Service is measured.	AA customer count records	<b>Achieved – 12,115</b> (2016/17 Achieved – 12,860)	>10,000
	Percentage customers are satisfied.	Annual Residents Survey	<b>Achieved – 97.02%</b> (2016/17 Achieved – 97.68%)	>75%

## 1.5 Projects and Other Programmes

There were no projects associated with the Information Centre activity.

## 1.6 Cost of Services Statement

The detailed financial summary for the Information Centre's activities is shown below:

### Information Centre

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
365	<b>Operating Expenditure</b>	341	353
110	<b>Revenue</b>	99	109
<b>255</b>	<b>Net Cost of Service</b>	<b>242</b>	<b>244</b>
	<b>EXPENDITURE</b>		
255	Operating Costs	243	260
5	Depreciation	5	4
105	Allocated Overheads	94	90
<b>365</b>	<b>Total Expenditure</b>	<b>341</b>	<b>353</b>
	<b>FUNDED BY:</b>		
110	Charges for Services	99	109
<b>110</b>	<b>Total Revenue</b>	<b>99</b>	<b>109</b>
269	General Rates	242	244
-	Other Funding	-	1
<b>380</b>	<b>Total Funding</b>	<b>342</b>	<b>353</b>

# Rental & Investment Properties

## 1.1 What We Do

1. The Rental and Investment Properties activity manages properties council owns for strategic or commercial purposes.
2. Under this activity Council staff performs common landlord roles, such as the day-to-day maintenance of grounds and buildings as well as the long term planning for purchase, disposal, renewal, upgrades and redevelopment of properties.

This activity covers the following:

**Farm** - manage 160 hectares of land (132 hectares milkable) on a 50/50 share milking basis. This was increased from 106 hectares (96 hectares milkable) through the purchase of a neighbouring farm in the 2015/16 financial year.

**Holiday Park** - operate a formal lease for the land.

**Rental Properties** - Council manages urban and rural land and commercial properties under this activity.

- Land with a Council function that generally has limited potential for any other use or is strategically important to Council.
- Land that has commercial potential and its legal status permits its availability for sale.
- Land that is currently vacant or occupied informally by an adjoining owner and has limited options for sale.

## 1.2 Why We Do It

The prudent management of Council owned properties not used in the day-to-day functions of Council ensure these do not become a nuisance and maximises commercial return for Council.

Each property is held for specific reasons and the property portfolio is regularly reviewed to ensure any properties surplus to requirements are disposed of. The key properties and the reason for Council's ownership are described below.

**Farm** - Council keeps the farm for strategic reasons as it surrounds the aerodrome and may be required to expand its operations in future onto part of the farm. Returns are monitored monthly, and farm consultants provide quarterly reports. The farm property was left to Council firstly to support the aerodrome and secondly to contribute to general rates. The aim is to maximise returns to the ratepayer and consideration is given from time to time on leasing out the farm compared with directly sharing in its operations.

Council has purchased the adjoining 53.11 hectares farm adjacent to its existing farm on Flint Road. The purchase was funded by loan and by selling off existing land.

The Council purchased the additional land to increase the buffer zone around the aerodrome as well as creating a more economic unit. The expectation is that the farm will remain a significant asset for the future of Stratford and continue to provide a contribution to general rates.

**Holiday Park** - Council has now leased the land to an external party.

**Rental Properties** - most properties have been purchased for a strategic purpose because of their location, either for Council's future use or for on selling at a later date.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

### 1.3 Significant Negative Effects

#### 1.3.1 Significant Negative Effects

There are no significant effects from any of these activities.

The most likely negative effect that could result from these activities is contamination of streams, that cross or border the council farm, from runoff from paddocks, effluent ponds or animals gaining access to the river. This is mitigated by good farming practices and significant investment made in fencing and riparian planting of stream edges as well as effluent management.

#### 1.3.2 Risks Involved

The assumptions are based on a milk price of \$6.50 per kg and a production of 140,000kg of milk solids. The risk is that the milk price may not reach anticipated levels and the financing costs increase beyond assumptions. If the milk price or volume of milk solids produced reduced, the surplus would be affected and worst case would impact on rates. However, in these circumstances, Council has a range of options to reduce operational costs such as reduction in supplement feed and herd size. Equally, an increase in production and or milk solid payout would increase surplus which would be used to accelerate loan repayments.

### 1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
Maximum profits from the farm are returned to Council.	Milk production is maximised	Milk Supplier's Statements issued by milk collector (currently Fonterra).	<b>Achieved – 143,739kg</b> (2016/17 Achieved – 152,922kg)	>140,000kg
To ensure the holiday park is utilised.	Number of guest -nights.	Holiday Park records	<b>Not Applicable – no longer run by council</b> (2016/17 Achieved – 12,813)	>3,500
Leased property is safe and fit for purpose.	Number of complaints from tenants.	Reporting against corporate CRM system.	<b>Achieved - 0</b> (2016/17 Achieved – 1)	<5

## 1.5 Projects and Other Programmes

Project	Category	Budget 2017/18	Actual 2017/18	Notes
<b>Farm</b>				
Calf loading ramp	Level of Service	\$8,000	\$8,500	
Effluent improvements at the farm	Level of Service	\$25,000	\$25,913	
<b>Pensioner Housing</b>				
Conservatories	Level of Service	\$19,000	\$11,521	
<b>Residential Development</b>				
Proposed Council subdivision	Level of Service	\$1,500,000	\$1,620,623	

## 1.6 Cost of Services Statement

The detailed financial summaries for the Farm, Holiday Park and Rental Properties activities are shown below:

### Farm

Actual 2016/17 \$000		Actual 2017/18 \$000	Budget 2017/18 \$000
393	<b>Operating Expenditure</b>	397	409
506	<b>Revenue</b>	519	512
<b>(112)</b>	<b>Net Cost of Service</b>	<b>(122)</b>	<b>(103)</b>
<b>EXPENDITURE</b>			
177	Operating Costs	195	172
135	Interest	108	145
50	Depreciation	52	52
32	Allocated Overheads	42	41
<b>393</b>	<b>Total Operating Expenditure</b>	<b>397</b>	<b>409</b>
-	Principal Loan Repayments	107	105
182	Capital Expenditure	34	33
<b>575</b>	<b>Total Expenditure</b>	<b>538</b>	<b>547</b>
<b>FUNDED BY:</b>			
506	Charges for Services	519	512
<b>506</b>	<b>Total Revenue</b>	<b>519</b>	<b>512</b>
(156)	General Rates	(146)	(149)
182	Transfer from Depreciation Reserve	131	151
44	Transfer (to) from Reserves	34	33
-	Other Funding	-	-
<b>575</b>	<b>Total Funding</b>	<b>538</b>	<b>547</b>

## Holiday Park

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
31	<b>Operating Expenditure</b>	36	33
5	<b>Revenue</b>	3	3
<b>26</b>	<b>Net Cost of Service</b>	<b>33</b>	<b>30</b>
	<b>EXPENDITURE</b>		
1	Operating Costs	8	6
-	Interest	-	-
-	Depreciation	-	-
30	Allocated Overheads	28	27
<b>31</b>	<b>Total Operating Expenditure</b>	<b>36</b>	<b>33</b>
-	Principal Loan Repayments	-	-
-	Capital Expenditure	-	-
<b>31</b>	<b>Total Expenditure</b>	<b>36</b>	<b>33</b>
	<b>FUNDED BY:</b>		
5	Charges for Services	3	3
<b>5</b>	<b>Total Revenue</b>	<b>3</b>	<b>3</b>
39	General Rates	30	30
-	Transfer from Depreciation Reserve	-	-
-	Loan Funding - Capital	-	-
-	Other Funding	-	-
<b>44</b>	<b>Total Funding</b>	<b>33</b>	<b>33</b>

## Rental Properties

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
78	<b>Operating Expenditure</b>	80	79
63	<b>Revenue</b>	57	71
<b>15</b>	<b>Net Cost of Service</b>	<b>24</b>	<b>8</b>
	<b>EXPENDITURE</b>		
8	Operating Costs	12	11
35	Depreciation	35	35
35	Allocated Overheads	34	33
<b>78</b>	<b>Total Operating Expenditure</b>	<b>80</b>	<b>79</b>
-	Capital Expenditure	-	-
<b>78</b>	<b>Total Expenditure</b>	<b>80</b>	<b>79</b>
	<b>FUNDED BY:</b>		
63	Charges for Services	57	71
<b>63</b>	<b>Total Revenue</b>	<b>57</b>	<b>71</b>
9	General Rates	8	8
-	Transfer from Depreciation Reserves	-	-
-	Other Funding	-	-
<b>72</b>	<b>Total Funding</b>	<b>64</b>	<b>79</b>

## Residential Development

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
-	<b>Operating Expenditure</b>	-	-
-	<b>Revenue</b>	-	-
-	<b>Net Cost of Service</b>	-	-
	<b>EXPENDITURE</b>		
-	Operating Costs	-	-
-	Interest	-	-
-	<b>Total Operating Expenditure</b>	-	-
-	Principal Loan Repayments	-	-
-	Capital Expenditure	1,621	1,500
-	<b>Total Expenditure</b>	<b>1,621</b>	<b>1,500</b>
	<b>FUNDED BY:</b>		
-	Charges for Services	-	-
-	<b>Total Revenue</b>	-	-
-	General Rates	-	-
-	Loan Funding - Capital	1,621	1,500
-	<b>Total Funding</b>	<b>1,621</b>	<b>1,500</b>





## ENVIRONMENTAL SERVICES

Environmental Services covers the following groups of activities:

- Building Services;
- Planning and Bylaws;
- Community Health and Safety; and
- Emergency Response.

Some of these activities can be broken down further:

- Community Health and Safety encompasses Council's responsibilities for food control, sale and supply of alcohol, animal control and bylaws relating to parking of motor vehicles and general nuisance in public places.
- Emergency Response covers Council's contribution to Civil Defence and rural fire in the region.

# **Building Control**

## **1.1 What We Do**

Council is registered as a building consent authority (BCA), as required by the Building Act 2004. The BCA receives and processes applications for building consents. It also involves monitoring and compliance, to ensure that all building, plumbing and drainage work in the District is undertaken in a safe, secure and proper manner.

Monitoring and auditing of known swimming pools in the District ensures that pools are adequately fenced to reduce the risk of drowning in accordance with the Fencing of Swimming Pools Act 1987.

## **1.2 Why We Do It**

Council has a legal responsibility to ensure buildings are fit for purpose and comply with legislation. Council has a legal responsibility to promote the safety of young children around certain swimming pools.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

## **1.3 Significant Negative Effects**

Council is mindful of the potential for regulations around the construction of buildings to have a time and cost impact on investment decisions. Performance indicators have been designed to strike a balance between legal requirements and efficiency from a customer service perspective.

The most significant negative effects are predicted to accrue if council gets it wrong. Maintenance of a quality management system and a structured approach to continual improvement are two measures to ensure the purpose of the Building Act and Fencing of Swimming Pools Act are upheld.

## **1.4 Statement of Service Provision**

There are changes proposed to how the service is delivered and this relates to the move to digitising where possible the processing, issue and compliance of consents. This will not negatively affect the ability of council to process consents within statutory timeframes.

Although the earthquake prone building legislation amendments have been passed, how these proposed changes will affect level of service was not a factor for consideration in the 2017/18 financial year.

The Fencing of Swimming Pools Act 1987 is no longer in force and the amendments to the Building Act will bring a change to the level of service in this and subsequent years.

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
To process applications within statutory timeframes.	Percentage of building consent applications processed within 20 days.	Council Records	<b>Not Achieved – 94%, 233 out of 249</b> (2016/17 Achieved 100%, 249 building consents)	100%
	Percentage of inspection requests completed within 24 hours of request	Council Records	<b>Achieved – 100%</b> (2016/17– Achieved 100%)	100%
	Percentage of code compliance certificate applications determined within 20 working days	Council Records	<b>Not Achieved – 99%, 191 out of 192</b> (2016/17 Achieved 100%)	100%
To monitor and enforce the requirements of the Fencing and Swimming Pool Act.	One third of swimming pools to be inspected every year	Council Records	<b>Not Applicable – Act no longer in effect from 2017.</b> (2016/17 – new measure)	100%
	Percentage of pools to be inspected each year	Council Records	<b>No longer measured</b>	≥20%
	Percentage of registered pools inspected not requiring remedial work	Council Records	<b>No longer measured</b>	≥95%
To retain registration as a Building Consent Authority.	Current registration.	Current IANZ Certification	<b>Achieved – expires April 2019</b> (2016/17 Achieved)	Confirmed
	Strategic Management Review completed by the end of each financial year and business improvements implemented within two months of the proceeding new financial year.	Current IANZ Certification	<b>Achieved</b> (2016/17 Achieved)	Confirmed
Service meets customer expectations.	Percentage of customers using building consent processes are satisfied with the service provided	Council Records	<b>Achieved – 88%</b> (2016/17 Achieved 89.9%)	>80%
	Increased number of building consent applications received in digital form instead of hardcopy	Council Records	<b>Not Achieved – 8%, 19 of 249</b> (2016/17 Not Achieved 15%)	>70%
	Decreased number of building applications placed on hold for additional information	Council Records	<b>Not Achieved – 23%, 58 of 249</b> (2016/17 Achieved – 20%)	<20%

## 1.5 Projects and Other Programmes

Council maintained its registration as a Building Consent Authority, fully meeting its legislative responsibilities in this area. The next audit is scheduled for 2019.

The processing of applications has yet to move to a fully electronic system whereby applications can be lodged on-line. While progress was made, implementation is not likely until the second half of the 2018/2019 Financial Year.

Funds have been allocated to cover any potential role of council in the assessment of earthquake prone buildings within the district. Inventory of buildings has commenced.

## 1.6 Cost of Services Statement

The detailed financial summary for Building Control's activities is below:

### Building Control

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
333	<b>Operating Expenditure</b>	343	360
189	<b>Revenue</b>	198	145
<b>145</b>	<b>Net Cost of Service</b>	<b>145</b>	<b>215</b>
	<b>EXPENDITURE</b>		
223	Operating Costs	237	253
110	Allocated Overheads	106	107
<b>333</b>	<b>Total Operating Expenditure</b>	<b>343</b>	<b>360</b>
	<b>FUNDED BY:</b>		
189	Charges for Services	198	145
<b>189</b>	<b>Total Revenue</b>	<b>198</b>	<b>145</b>
225	UAGC	213	214
-	Other Funding	-	1
<b>414</b>	<b>Total Funding</b>	<b>411</b>	<b>360</b>

# Planning and Bylaws

## 1.1 What We Do

This activity covers:

- The development and administration of the Stratford District Plan
- Maintaining a set of bylaws that integrate with the District Plan provisions
- The processing of resource consents required under the District Plan.
- Monitoring of the district to ensure that the District Plan and bylaws are relevant and complied with.
- Leading the preparation of Land Information Memorandums (LIMs).

## 1.2 Why We Do It

All of the above functions are required by legislation.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

## 1.3 Significant Negative Effects

Council is mindful of the potential for regulations around land use and subdivision to have a time and cost impact on short and long term investment decisions. Performance indicators have been designed to strike a balance between legal requirements and efficiency from a customer service perspective.

There is greater significant risk if the district plan review is not completed and the district plan not updated to reflect best practice and community expectations. The same also applies to the suite of bylaws that sit alongside the district plan. Customers also rely on quality information in their LIMs so they can make good investment decisions. There is only a significant negative effect if Council gets it wrong. Council is working to make sure quality management systems are in place to make sure this never happens.

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
To promote the sustainable management and use of land and public spaces.	To undertake a comprehensive review of the district plan, with notification no later than 2017/18.	Reports to Council	<b>Not Achieved – process underway</b> (2016/17 Achieved)	Notification
	To undertake a systematic review of bylaws and related policies as they reach their statutory review dates.	Reports to Council	<b>Not Applicable – no bylaws or policies due for review</b> (2016/17 Achieved)	Notification, hearings, determinations.
To process resource consents and LIMs within statutory timeframes.	% of non-notified applications processed within 20 working days.	Council Records	<b>Achieved – 100% 63 of 63 applications.</b> (2016/17 Achieved – 100%, 35 of 35 applications)	100%
	% of notified applications processed within legislated timeframes for notification, hearings and decisions.	Council Records	<b>Achieved – no notified consents</b> (2016/17 Achieved – no notified consents)	100%
	% of s223 and s224 (of the RMA) applications processed within 10 working days.	Council Records	<b>Achieved – 100% 23 of 23 applications.</b> (2016/17 Achieved 100%)	100%
	% of LIMs processed within timeframes.	Council Records	<b>Achieved – 100%, 76 of 76 LIMs</b> (2016/17 Achieved – 100%, 65 LIM reports)	100%
Service meets customer expectations.	Percentage of customers using resource consent processes are satisfied with the service provided	Council Records	<b>Achieved – 89.07%</b> (2016/17 Achieved – 94.1%)	>80%
	Increased number of resource consent applications received in digital form instead of hardcopy	Council Records	<b>Not Achieved – 49%, 31 of 63</b> (2016/17 Not Achieved – 60% received digitally)	>70%
	Decreased number of resource applications placed on hold for additional information or returned under s88 of the RMA.	Council Records	<b>Not Achieved - 21%, 13 of 63</b> (2016/17 Not Achieved - no decrease from the previous year)	<20%

## 1.5 Projects and Other Programmes

There were no projects associated with the Planning & Bylaw activity.

## 1.6 Cost of Services Statement

The detailed financial summary for Planning and Bylaw's activities is below:

### District Plan and Bylaws

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
211	<b>Operating Expenditure</b>	178	184
-	<b>Revenue</b>	-	-
<b>211</b>	<b>Net Cost of Service</b>	<b>178</b>	<b>184</b>
	<b>EXPENDITURE</b>		
168	Operating Costs	109	118
43	Allocated Overheads	69	66
<b>211</b>	<b>Total Operating Expenditure</b>	<b>178</b>	<b>184</b>
	<b>FUNDED BY:</b>		
276	UAGC	183	184
-	Other Funding	-	-
<b>276</b>	<b>Total Funding</b>	<b>183</b>	<b>184</b>

### Resource Consents

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
161	<b>Operating Expenditure</b>	138	139
27	<b>Revenue</b>	39	40
<b>134</b>	<b>Net Cost of Service</b>	<b>99</b>	<b>99</b>
	<b>EXPENDITURE</b>		
91	Operating Costs	82	81
70	Allocated Overheads	56	58
<b>161</b>	<b>Total Operating Expenditure</b>	<b>138</b>	<b>139</b>
	<b>FUNDED BY:</b>		
27	Charges for Services	39	40
<b>27</b>	<b>Total Revenue</b>	<b>39</b>	<b>40</b>
87	UAGC	98	98
-	Other Funding	-	-
<b>114</b>	<b>Total Funding</b>	<b>137</b>	<b>139</b>

# **Community Health & Safety**

## **1.1 What We Do**

The activities broadly cover the regulation and enforcement of various statutes and bylaws relating to health, food, alcohol, animal control, and general nuisance arising from inappropriate parking of motor vehicles and/or use of public places.

### **Health Act and Food Act**

Council:

- provides a uniform system of control to ensure the sale of food is fit for consumption and safe
- carries out premises registration, education, monitoring and enforcement activities, including complaint resolution, to avoid and mitigate actual and potential adverse effects on public health.

From time to time this activity also has to review and respond to legislative changes. Overall its main role is licensing, compliance and enforcement.

### **Sale and Supply of Alcohol Act**

Council carries out licensing, monitoring and enforcement activities, to ensure that a reasonable system of control is in place over the sale and supply of liquor to the public, with the aim of contributing to the reduction of liquor abuse in the community.

### **Parking and other Bylaw compliance**

Bylaws provide an enforcement tool where specific local regulation is required. In some instances bylaws are required to give a specific local interpretation of national legislation. Others, such as the Public Places Bylaw, are passed under the Local Government Act but simply reflect a set of local expectations.

Council receives an average of 300 complaints concerning infringements of the various bylaws each year. In addition approximately 200 to 300 parking infringement notices are issued each year, with almost all being in respect of time limits. Council has, since 2010, also issued infringement notices for other stationary vehicle offences related to warrants of fitness and vehicle registration.

### **Animal Control**

Council exercises its responsibilities under the Dog Control Act 1996 and Council's Dog Control Bylaw. Council controls dogs as required by legislation to avoid nuisance and minimise risk to the community.

This covers:

- registration of dogs
- timely response to all complaints concerning dogs, particularly in regard to instances involving aggressive behaviour by dogs
- Enforcing obligations on dog owners designed to ensure that dogs do not cause a nuisance to any person, and do not injure, endanger or cause distress to any person or cause distress to any stock, poultry, domestic animal or protected wildlife.

Council operates a dog pound which has a capacity for six dogs. The demand for services is relatively consistent.

Under the general bylaw this activity also manages wandering stock on road reserves.



## 1.2 Why We Do It

These services are either required by statute or bylaws produced by the Council in response to either public expectations or legal requirements.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

## 1.3 Significant Negative Effects

These activities are in place to avoid or offset significant negative effects of an environmental, or community health and safety nature.

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
To fulfil obligations to improve, promote and protect public health.	Percentage of registered premises to be inspected for compliance.	Council Records	<b>Achieved – 100%</b> (2016/17 Achieved – 100%)	100%
	Health nuisance and premise complaints are responded to within 1 working day.	Council Records	<b>Achieved – 100% 13 complaints</b> (2016/17 Achieved – 100%, 16 complaints)	100%
To fulfil obligations as a District Licensing Committee.	Percentage of licensed premises inspected.	Council Records	<b>Achieved – 100% 28 of 28 inspected.</b> (2016/17 Not Achieved – 89%)	100%
	Percentage of applications processed within 25 working days (excluding hearings).	Council Records	<b>Achieved – 100% 98 of 98 applications.</b> (2016/17 – Achieved 100%)	100%
To monitor and enforce bylaws.	Percentage of complaints responded to within 2 hours.	Council Records	<b>Achieved – 100% 367 of 367 complaints.</b> (2016/17 Achieved – 100%, 296 complaints)	100%
To ensure dogs are controlled.	Percentage of known dogs registered.	Council Records	<b>Not Achieved – 97.5% 2,080 of 2,133 dogs.</b> (2016/17 Not Achieved – 98.2%, 2,088 of 2,126 dogs)	100%
	Percentage of complaints responded to within an hour.	Council Records	<b>Achieved – 100% 299 of 299 complaints.</b> (2016/17 Achieved – 100%, 276 complaints)	100%

## 1.5 Projects and Other Programmes

There were no projects associated with the Community Health and Safety activity.

## 1.6 Cost of Services Statement

The detailed financial summaries for Food and Health, Alcohol Licensing, Parking and other Bylaws and Animal Control activities are below:

### Environmental Health

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
79	<b>Operating Expenditure</b>	105	130
14	<b>Revenue</b>	16	30
<b>66</b>	<b>Net Cost of Service</b>	<b>90</b>	<b>100</b>
	<b>EXPENDITURE</b>		
4	Operating Costs	39	64
76	Allocated Overheads	67	66
<b>79</b>	<b>Total Operating Expenditure</b>	<b>105</b>	<b>130</b>
	<b>FUNDED BY:</b>		
14	Charges for Services	16	30
<b>14</b>	<b>Total Revenue</b>	<b>16</b>	<b>30</b>
104	UAGC	99	99
-	Other Funding	-	-
<b>118</b>	<b>Total Funding</b>	<b>114</b>	<b>130</b>

### Liquor Licensing

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
143	<b>Operating Expenditure</b>	135	143
35	<b>Revenue</b>	36	34
<b>107</b>	<b>Net Cost of Service</b>	<b>99</b>	<b>109</b>
	<b>EXPENDITURE</b>		
47	Operating Costs (see note 30)	52	61
95	Allocated Overheads	83	83
<b>143</b>	<b>Total Operating Expenditure</b>	<b>135</b>	<b>143</b>
	<b>FUNDED BY:</b>		
35	Charges for Services (see note 30)	36	34
<b>35</b>	<b>Total Revenue</b>	<b>36</b>	<b>34</b>
107	UAGC	109	109
-	Other Funding	-	1
<b>142</b>	<b>Total Funding</b>	<b>145</b>	<b>143</b>

### Parking and other Bylaws

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
142	<b>Operating Expenditure</b>	176	150
24	<b>Revenue</b>	4	44
<b>118</b>	<b>Net Cost of Service</b>	<b>172</b>	<b>106</b>
	<b>EXPENDITURE</b>		
72	Operating Costs	81	59
69	Allocated Overheads	95	91
<b>142</b>	<b>Total Operating Expenditure</b>	<b>176</b>	<b>150</b>
	<b>FUNDED BY:</b>		
24	Charges for Services	4	44
<b>24</b>	<b>Total Revenue</b>	<b>4</b>	<b>44</b>
86	UAGC	105	106
-	Other Funding	-	1
<b>109</b>	<b>Total Funding</b>	<b>109</b>	<b>150</b>

### Animal Control

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
204	<b>Operating Expenditure</b>	199	195
125	<b>Revenue</b>	132	141
<b>79</b>	<b>Net Cost of Service</b>	<b>67</b>	<b>54</b>
	<b>EXPENDITURE</b>		
102	Operating Costs	101	98
2	Depreciation	7	7
100	Allocated Overheads	91	89
<b>204</b>	<b>Total Operating Expenditure</b>	<b>199</b>	<b>195</b>
-	Capital Expenditure	-	-
<b>204</b>	<b>Total Expenditure</b>	<b>199</b>	<b>195</b>
	<b>FUNDED BY:</b>		
125	Charges for Services	132	141
<b>125</b>	<b>Total Revenue</b>	<b>132</b>	<b>141</b>
63	UAGC	53	53
-	Other Funding	-	1
<b>188</b>	<b>Total Funding</b>	<b>184</b>	<b>195</b>

# Emergency Response

## 1.1 What We Do

Council no longer has financial responsibilities for rural fire, with this transferred to the new entity Fire and Emergency New Zealand (FENZ) in July 2017. The performance measures have been adjusted to reflect this statutory change from central government.

**Civil Defence Emergency Management** - Council provides for civil defence emergency management to meet its statutory responsibilities under the Civil Defence Emergency Management Act 2002. Emergency Management covers administration and policy advice and planning around the identification of new hazards and new knowledge around existing hazards.

## 1.2 Why We Do It

Council has legal requirements to play a direct role in the prevention and management of natural hazards.

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

## 1.3 Significant Negative Effects

This activity does not create any negative effects.

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
To protect life and property from rural fires	Operative Rural Fire response plan	Revised annually	<b>The activity is no longer a Council activity</b>	Achieved
To be responsive to requests for fire permits	Applications processed within 1 working day	Council records	<b>The activity is no longer a Council activity</b>	100%
To maintain effective emergency capability	Operative Taranaki Civil Defence and Emergency Management Plan.	Annual CDEMG Report	<b>Achieved</b> (2016/17 Achieved 100%)	Achieved

## 1.5 Projects and Other Programmes

There were no projects associated with the Emergency Management activity.

## 1.6 Cost of Services Statement

The detailed financial summaries for Rural Fire Control and Civil Defence Emergency Management's activities are below:

### Rural Fire Control

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
79	<b>Operating Expenditure</b>	-	-
-	<b>Revenue</b>	-	-
<b>79</b>	<b>Net Cost of Service</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURE</b>			
59	Operating Costs	-	-
1	Depreciation	-	-
20	Allocated Overheads	-	-
<b>79</b>	<b>Total Operating Expenditure</b>	<b>-</b>	<b>-</b>
-	Capital Expenditure	-	-
<b>79</b>	<b>Total Expenditure</b>	<b>-</b>	<b>-</b>
<b>FUNDED BY:</b>			
66	UAGC	-	-
-	Other Funding	-	-
<b>66</b>	<b>Total Funding</b>	<b>-</b>	<b>-</b>

### Civil Defence Emergency Management

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
50	<b>Operating Expenditure</b>	135	132
-	<b>Revenue</b>	-	-
<b>50</b>	<b>Net Cost of Service</b>	<b>135</b>	<b>132</b>
<b>EXPENDITURE</b>			
27	Operating Costs	84	82
23	Allocated Overheads	51	50
<b>50</b>	<b>Total Operating Expenditure</b>	<b>135</b>	<b>132</b>
<b>FUNDED BY:</b>			
-	Subsidies	-	-
-	<b>Total Revenue</b>	-	-
47	UAGC	131	132
-	Other Funding	-	-
<b>47</b>	<b>Total Funding</b>	<b>131</b>	<b>132</b>



## 1.1 What We Do

The Roding activity encompasses the management, construction, maintenance and renewal of rural and urban roads, footpaths, kerb and channel, street lighting and associated infrastructure for the District excluding State Highways. The Roding network managed by the Stratford District Council totals 597.8km, made up of 556.1km of rural roads and 41.6km of urban streets. State Highways 3 and 43 are maintained by the New Zealand Transport Agency (NZTA). In addition there are over 700km of unformed legal road and a number of bridges ‘beyond the maintenance peg’ that are not maintained by Council.

The Roding asset includes all pavements from the sub base to, and including, the top sealed or metal surface, traffic services (lighting, street and safety signage, footpaths, kerb & channel), bridges, culverts and side drains.

	Rural	Urban	Total
Sealed km	349.4	41.6	391.1
Unsealed km	<u>206.7</u>	<u>0.01</u>	<u>206.7</u>
	<b>556.1</b>	<b>41.6</b>	<b>597.8</b>

The physical works carried out on the District roads are undertaken by private contractors. Most of the work, including all routine maintenance and most renewals and planned work such as reseals and unsealed roads metal replacement, is carried out under the Roding Facilities Management Contract.

## 1.2 Why We Do It

Council is the road controlling authority under the Local Government Act 1974 with responsibility for all local roads in the area. It provides an integrated, safe, responsive and sustainable local land transport system for the District. This is a fundamental requirement for every District.

The main users of the network are residents, industries (particularly dairy, forestry and oil), a small commercial sector, and visitors.

This activity contributes to the community outcomes of:

- Affordable, Quality Services and Infrastructure
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength

## 1.3 Significant Negative Effects

### Negative Effects

The Roding activity can have negative effects on the social, economic, environmental and cultural wellbeing of the District. The potential significant negative effects of the Roding network, and the ways in which Council tries to mitigate these effects are:

**Traffic Hazards/Accidents** - Council is actively involved in regional road safety strategies such as 'Roadsafe Taranaki', and the 'Community Road Safety Programme'. Its minor safety improvements include regionally co-ordinated activities such as road safety education, and improvements in signage, pavement marking, safety structures and speed limiting. It investigates injury accidents with the Police to address any roading issues that may be involved.

**Dust** - The District has a large proportion of unsealed roads. Council is working with the rural community, and has a seal extension programme to mitigate the effects of dust.

**Noise** - The State Highways are subject to the largest traffic volumes and a high percentage of heavy vehicles, particularly in Central Broadway where the impact of noise is most obvious. The rural roads also carry a high percentage of heavy traffic, but generally the noise impact is not significant because of the low traffic volumes.

**Road Closures** - Unscheduled road closures, usually as the result of flood damage, can be of concern, particularly for isolated rural communities. When this happens, every effort is made to have the road or alternative routes open as soon as possible.

Planned closures are always well notified to affected parties and usually these are not a significant problem, except for some organised motor sports that tended to target the same sections of roads on a regular basis. Council has discussed this with event organisers and it no longer appears to be such an issue.

**Environment** - All major project works are carried out under resource consents. General works are undertaken to avoid major impacts on stormwater run-off and drainage management.

#### 1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
To provide a safe roading network.	<b>Road safety</b> - The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	Police Database CAS	<b>Not Achieved</b> – Increase by 1 to 7 (serious injury crashes, no fatalities in 2017/18) (2016/17 – Achieved, 6)	0
To provide a well maintained roading network.	<b>Road Condition</b> – The average quality of ride on sealed road network, measured by smooth travel exposure.	RAMM Rating Report	<b>Achieved</b> – Urban – 89%, Rural – 96%. (2016/17– Achieved – Urban 91%, Rural 95%)	Urban – ≥85% Rural – ≥93% (Note target was changed from Urban - ≥83% and Rural ≥91%)
	<b>Road maintenance</b> – The percentage of the sealed road network that is resurfaced.	RAMM Rating Report	<b>Not Achieved – 8.80%</b> (2016/17 – Not Achieved – 5%)	≥10%
	<b>Road maintenance</b> – The percentage of the unsealed road network that has been metal dressed.	RAMM Report	<b>Achieved – 23.40%</b> (2016/17 – Achieved – 6%)	≥1%
	<b>Footpaths</b> - The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (annual plan, activity management plan, asset management plan, annual works programme or long term plan)	RAMM Report	<b>Not Achieved – 41.70%</b> (2016/17 Not Achieved – 81.5%)	>85% (Note target was changed from ≥90%)

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
	<b>Response to service requests</b> - The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan (note: this information is actually held in the asset management plan not the long term plan).	RAMM Report. Spreadsheet until connectivity is established between RAMM and Customer Service Requests	<b>Achieved – 100%</b> (2016/17 - Achieved – 86%)	>90%
	Percentage of residents who are satisfied with:			
	• Roading Networks	Annual Customer Survey	<b>Achieved – 76.28%</b> (2016/17 – Achieved – 76.07%)	>70%
	• Footpaths	Annual Customer Survey	<b>Achieved – 76.17%</b> (2016/17 – Achieved – 77.71%)	>60%

## 1.5 Projects and Other Programmes

Project	Category	Budget 2017/18	Actual 2017/18	Notes
Unsealed Road metalling	Replacement	\$798,100	\$768,888	Complete
Sealed Road Resurfacing	Replacement	\$1,048,400	\$1,157,265	Complete
Drainage Renewals	Replacement	\$224,200	\$168,651	Complete
Pavement rehabilitation	Replacement	\$446,500	\$1,145,741	Complete
Structure components replacement	Replacement	\$90,300	\$111,726	For concrete mass block retaining wall on Climie Road.
LED Lighting Upgrade	Level of Service	\$0	\$65,209	Additional funding received from NZTA.
Traffic Services renewals	Replacement	\$59,500	\$80,422	Replacement of vandalised and faded signs programmed.
Sealed Road resurfacing – special purpose	Replacement	\$47,400	\$245,096	Additional expenditure is for improvements of the Plateau carpark on Pembroke Road.
Kerb & Channel Improvements	Level of Service	\$156,400	\$4,225	Balance to be carried over to 2018/19 year as Ultra Fast Broadband have delayed Council's programme for the current year.
Under Verandah Lighting	Replacement	\$10,000	\$662	
Footpath Improvements	Level of Service	\$0	\$11,445	
Footpath Improvements	Replacement	\$129,500	\$224,133	
Kerb & Channel Improvements	Replacement	\$79,300	\$124,811	



## 1.6 Cost of Services Statement

The detailed financial summary for Roothing activities is below:

### Roothing

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
5,609	<b>Operating Expenditure</b>	5,865	5,564
3,104	<b>Revenue</b>	4,057	3,036
<b>2,505</b>	<b>Net Cost of Service</b>	<b>1,808</b>	<b>2,528</b>
	<b>EXPENDITURE</b>		
2,840	Operating Costs	3,012	2,705
-	Interest	-	4
2,614	Depreciation	2,617	2,617
155	Allocated Overheads	236	238
<b>5,609</b>	<b>Total Operating Expenditure</b>	<b>5,865</b>	<b>5,564</b>
-	Principal Loan Repayments	-	3
2,751	Capital Expenditure	4,108	3,090
<b>8,360</b>	<b>Total Expenditure</b>	<b>9,973</b>	<b>8,657</b>
	<b>FUNDED BY:</b>		
149	Charges for Services	175	130
2,954	NZTA Financial Assistance	3,882	2,906
<b>3,104</b>	<b>Total Revenue</b>	<b>4,057</b>	<b>3,036</b>
2,904	Targeted Rates	2,821	2,808
1,317	Depreciation funded from Reserves	1,342	1,342
1,324	Transfers from Reserves - Capital	1,722	1,313
-	Loan Funding - Capital	4	156
(288)	Transfer from (to) Capital	27	-
-	Other Funding	-	2
<b>8,360</b>	<b>Total Funding</b>	<b>9,973</b>	<b>8,657</b>

### Business Unit

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
151	<b>Operating Expenditure</b>	159	164
155	<b>Revenue</b>	171	171
<b>(4)</b>	<b>Net Cost of Service</b>	<b>(12)</b>	<b>(7)</b>
	<b>EXPENDITURE</b>		
94	Operating Costs	103	101
5	Depreciation	5	8
52	Allocated Overheads	52	55
<b>151</b>	<b>Total Operating Expenditure</b>	<b>159</b>	<b>164</b>
	<b>FUNDED BY:</b>		
155	In-house Services - NZTA Assisted	171	171
<b>155</b>	<b>Total Revenue</b>	<b>171</b>	<b>171</b>
(8)	General Rates	(7)	(7)
-	Other Funding	0	-
<b>148</b>	<b>Total Funding</b>	<b>164</b>	<b>164</b>



### **1.1 What We Do**

Stormwater reticulation and collection services are provided and managed by Stratford District Council:

- To collect and disperse any excess water from a major rainfall event.
- To provide a system for the normal drainage of stormwater and groundwater, thereby enhancing the life of other infrastructure e.g. roads and protecting private property (to the defined level of service).

The Stormwater reticulation system is a network of pipes and open drains that collects stormwater from developed urban areas. Collection from roads and public areas is usually via sumps and directed to reticulation. Collection from commercial and industrial properties is via reticulation manholes. Residential area stormwater is discharged to ground mainly by soak holes, although if soil or other conditions are not suitable for soak holes, discharge is carried out via runoff through sumps and reticulation.

There are 6.7km of stormwater pipes, and 14km of open drains in the Stratford urban area. Council is also responsible for approximately 70 metres of 450mm culvert in Midhirst.

### **1.2 Why We Do It**

Stormwater assets are critical for the protection of properties and infrastructure

This activity contributes to the community outcomes of:

- Affordable, Quality Services and Infrastructure
- Strong Community
- Financial Strength

### **1.3 Significant Negative Effects**

**Health** - The stormwater system has the potential to affect community health if it is inadequate and results in flooded houses and properties, and causes sewerage system overflows.

Council is aware of the areas where surface flooding occurs and is progressively working towards eliminating these events. However, there will always be localised storm events that will exceed the capacity of any system and some surface flooding will occur. Council recognises this potential and endeavours to take all steps to ensure the risk is minimised.

**Environment** - Council operates under its resource consent requirements for stormwater discharge.

Monitoring of discharge points will continue to ensure that there are no negative effects on rivers or streams at these locations.

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
Stormwater system protects property from impacts of flooding.	<b>System adequacy</b>			
	<ul style="list-style-type: none"> <li>The number of flooding events that occur in a territorial authority district. <i>“Flooding” in this context means stormwater entering a habitable floor</i></li> </ul>	Reporting against corporate CRM system. Note: specific category to be set up for flooding – to separate residential & commercial buildings and include count of habitable floors flooded (residential only).	<b>Achieved – 0 – No flooding events meeting the criteria</b> (2016/17 Achieved – 0 - No flooding events meeting the measure criteria)	0
	<ul style="list-style-type: none"> <li>For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority’s stormwater system.)</li> </ul>		<b>Achieved – 0 – No flooding events meeting the criteria</b> (2016/17 Achieved – 0 - No flooding events meeting the measure criteria)	0
<ul style="list-style-type: none"> <li>For each flooding event, the number of buildings in the central business zone affected by flooding.</li> </ul>	<b>Achieved – 0 – No flooding events meeting the criteria</b> (2016/17 Achieved – 0 - No flooding events meeting the measure criteria)		0	
Discharge Compliance	Compliance with the territorial authority’s resource consents for discharge from its stormwater system, measured by the number of: <ul style="list-style-type: none"> <li>Abatement notices</li> <li>Infringement notices</li> <li>Enforcement orders, and</li> <li>Convictions</li> </ul> received by the territorial authority in relation to those resource consents.	Council does not hold discharge consents for discharge from its stormwater system.	<b>Achieved</b> (2016/17 Achieved)	N/A
Response Times	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	Work order tracking/reporting through Council’s Infrastructure asset management system.	<b>Achieved – 0 – No flooding events meeting the criteria</b> (2016/17 Achieved – 0 – No flooding events meeting the measure criteria)	1 hour
Customer Satisfaction	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority’s stormwater system.	Reporting against corporate CRM system.	<b>Achieved – 0.6</b> (2016/17 Achieved – Overall only 2 complaints were received, however unable to express per 1000 connections as Council holds no records of private stormwater connections and does not rate for stormwater as a separate service/targeted rate).	<8

## 1.5 Projects and Other Programmes

Project	Category	Budget 2017/18	Actual 2017/18	Notes
Reticulation Capacity Increase	Level of Service	\$52,900	\$109,536	Complete
Manhole lids and safety screens	Level of Service	\$41,500	\$0	This project will be carried over to the next year due to staff resources and health and safety reasons.
Reticulation Renewals	Replacement	\$103,800	\$11,177	This will not be completed this year due to the unavailability of contractors, and will be carried over.

## 1.6 Cost of Services Statement

The detailed financial summary for the Stormwater activity is shown below.

### Stormwater

Actual 2016/17 \$000		Actual 2017/18 \$000	Budget 2017/18 \$000
281	<b>Operating Expenditure</b>	290	315
-	<b>Revenue</b>	-	-
<b>281</b>	<b>Net Cost of Service</b>	<b>290</b>	<b>315</b>
	<b>EXPENDITURE</b>		
71	Operating Costs	75	93
14	Interest	15	20
103	Depreciation	103	103
93	Allocated Overheads	98	99
<b>281</b>	<b>Total Operating Expenditure</b>	<b>290</b>	<b>315</b>
12	Principal Loan Repayments	15	15
47	Capital Expenditure	121	198
<b>339</b>	<b>Total Expenditure</b>	<b>425</b>	<b>528</b>
	<b>FUNDED BY:</b>		
269	UAGC	313	315
12	Transfer from Depreciation Reserves	135	213
33	Loan Funding - Capital	-	-
-	Other Funding	-	1
<b>314</b>	<b>Total Funding</b>	<b>449</b>	<b>528</b>



# WASTEWATER (SEWERAGE)

## 1.1 What We Do

The Wastewater activity encompasses the planning, provision, operation, maintenance and renewal of wastewater, reticulation and treatment and disposal, and associated infrastructure for the Stratford urban area.

## 1.2 Why We Do It

Council has obligations under the Local Government Act 2002, the Health Act 1956 and the Building Act 2004 that outline general duties of a local authority to improve, promote and protect public health through the sanitary and responsible treatment and disposal of wastewater.

This activity contributes to the community outcomes of:

- Affordable, Quality Services and Infrastructure
- Strong Community
- Financial Strength

## 1.3 Significant Negative Effects

### Climate Change

The projected effects of climate change would have direct impacts on the Wastewater activity. It is predicted that western areas of New Zealand are likely to experience an increasing number of high intensity rain events. The sewer network could be affected by infiltration from increased ground water levels and this could result in a greater number of wastewater overflows.

The direct effects of climate change on the Wastewater activity have not been assessed in detail in this Plan because it was felt that the effects of climate change were unlikely to become significant during the 2015/25 planning period.

### Negative Effects

The potential significant negative effects of the Wastewater activity on the social, environmental and cultural well-being of the District, and the ways in which Council tries to mitigate these effects are:

**Health** - The Wastewater system has the potential to affect community health if it fails to operate according to the required performance standards. As standards are improved, the system is upgraded to suit.

Periodic failures in the system, such as discharge overflows in domestic reticulation systems and through street manholes, are of concern and are being addressed as a priority by Council.

Currently there are no indications that community health has been or could be significantly affected by the performance of the wastewater system.

**Odour** - Odour is managed through the resource consent process. The upgrade of the oxidation pond treatment system through increased aeration and screening will further minimise the possibility of odour problems.

**Environment** - Council is working with the Regional Council on a review of its resource consent requirements. This has resulted in planned improvements to the treatment system, the quality of discharge from the ponds and the method of discharge to the receiving waters. Continued efforts will be made to ensure that environmental effects are minimised.

**Culture** - The treatment and disposal of wastewater into the Patea River highlighted some cultural issues. Council dealt with these issues as part of the consent consultation process. One such issue was the direct disposal of the discharge from the treatment plant. Council modified the outlet structure to meet cultural and environmental concerns.

#### 1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
Wastewater is managed without risk to public health	<b>System and adequacy</b> - The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	Reporting against corporate CRM system.	<b>Achieved – 0.8</b> (2016/17 – Achieved - 0)	<5
	<b>Discharge compliance</b> - Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of <ul style="list-style-type: none"> <li>• Abatement notices</li> <li>• Infringement notices</li> <li>• Enforcement orders; and</li> <li>• Convictions,</li> </ul> Received by the territorial authority in relation to those resource consents.	Consent & compliance documentation.	<b>Achieved - 0</b> (2016/17 – Achieved - 0)	0
<b>Fault response times</b>	Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:			
	<ul style="list-style-type: none"> <li>• Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site; and</li> </ul>	Work order tracking/reporting through Council's Infrastructure asset management system.	<b>Not Achieved – Due to broadband rollout, 1 hour 50 minutes.</b> (2016/17 – Achieved - 48 minutes)	1 hour
	<ul style="list-style-type: none"> <li>• Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.</li> </ul>	Work order tracking/reporting through Council's Infrastructure asset management system.	<b>Not Achieved – Due to broadband rollout, 10 hours 22 minutes</b> (2016/17 Achieved – 1 hour 55 minutes)	8 hours
<b>Customer satisfaction</b>	The total number of complaints received by the territorial authority about any of the following: <ul style="list-style-type: none"> <li>• Sewage odour</li> <li>• Sewerage system faults</li> <li>• Sewerage system blockages, and</li> <li>• The territorial authority's response to issues with its sewerage system,</li> </ul> Expressed per 1000 connections to the territorial authority's sewerage system.	Reporting against corporate CRM system.	<b>Achieved – 4.4</b> (2016/17 Not Achieved – 6.1)	<5

## 1.5 Projects and Other Programmes

Project	Category	Budget 2017/18	Actual 2017/18	Notes
Effluent/Oxidation Ponds upgrade	Level of Service	\$50,000	\$146,492	
Effluent/Oxidation Pond upgrade	Replacement	\$50,000	\$0	
Infiltration reduction	Replacement	\$150,000	\$166,494	
Reticulation safety improvements	Replacement	\$12,500	\$554	Carried over for Health and Safety reasons.

## 1.6 Cost of Services Statement

The detailed financial summary for Wastewater activity is shown below.

### Wastewater (Sewerage)

Actual 2016/17 \$000		Actual 2017/18 \$000	Budget 2017/18 \$000
707	<b>Operating Expenditure</b>	801	756
65	<b>Revenue</b>	67	60
<b>642</b>	<b>Net Cost of Service</b>	<b>734</b>	<b>696</b>
	<b>EXPENDITURE</b>		
321	Operating Costs	377	318
15	Interest	31	41
277	Depreciation	277	277
95	Allocated Overheads	117	120
<b>707</b>	<b>Total Operating Expenditure</b>	<b>801</b>	<b>756</b>
17	Principal Loan Repayments	32	30
282	Capital Expenditure	314	263
<b>1,006</b>	<b>Total Expenditure</b>	<b>1,146</b>	<b>1,048</b>
	<b>FUNDED BY:</b>		
65	Charges for Services	67	60
<b>65</b>	<b>Total Revenue</b>	<b>67</b>	<b>60</b>
546	Targeted Rates	697	695
131	Transfer from Depreciation Reserves	235	192
264	Loan Funding - Capital	147	100
-	Other Funding	0	1
<b>1,006</b>	<b>Total Funding</b>	<b>1,146</b>	<b>1,048</b>



# SOLID WASTE

## 1.1 What We Do

Council provides a domestic refuse and recycling service to the households in the urban areas of Stratford and Midhirst. In addition it operates a transfer station in Stratford which allows for the disposal of general waste, recycling and green waste. All services are provided by a contractor and all waste is taken to the regional landfill. With the closure of the regional landfill scheduled for 2019, Council is working with New Plymouth District Council and South Taranaki District Council on a future solution for waste in the Taranaki region.

## 1.2 Why We Do It

This activity contributes to the community outcomes of:

- Affordable, Quality Services and Infrastructure
- Strong Community
- Financial Strength

Through:

- the provision by Council of adequate public waste collection and disposal services for the District; and
- Council maintaining a general overview, to ensure that all solid waste in the District is disposed of in a safe and sanitary manner.

## 1.3 Significant Negative Effects

The Solid Waste activity, by its nature, has the potential to create a range of significant negative effects on the environment including the adverse effects of leachate from landfills, odour, litter and noxious materials. These effects are controlled by resource consents and management practices.

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
The levels of waste generated are reducing.	Waste to landfill per household (municipal kerbside collection only)	Landfill invoices & transactions.	<b>Achieved – 526kg</b> (2016/17 Achieved – 627kg)	<700kg
	Percentage (by weight) of council controlled waste stream that is recycled (municipal kerbside collection only).	Recycling facility invoices & transactions.	<b>Not Achieved – 24%</b> (2016/17 Not Achieved - 24%)	>30%
The waste collection service meets the needs of the community.	Percentage of customers satisfied with the service provided.	Annual Residents Survey	<b>Achieved – 96.02%</b> (2016/17 Achieved – 96.7%)	>80%



## 1.5 Projects and Other Programmes

Project	Category	Budget 2017/18	Actual 2017/18	Notes
Transfer station building renewals	Replacement	\$10,000	\$0	Not required
Council share of regional landfill purchase	Level of Service	\$1,150,000	\$1,046,500	

## 1.6 Cost of Services Statement

The detailed financial summary for the Solid Waste activity is shown below.

### Solid Waste

Actual 2016/17 \$000		Actual 2017/18 \$000	Budget 2017/18 \$000
809	<b>Operating Expenditure</b>	711	770
84	<b>Revenue</b>	83	80
<b>725</b>	<b>Net Cost of Service</b>	<b>629</b>	<b>690</b>
	<b>EXPENDITURE</b>		
624	Operating Costs	568	616
-	Interest	21	32
27	Depreciation	27	28
158	Allocated Overheads	96	94
<b>809</b>	<b>Total Operating Expenditure</b>	<b>711</b>	<b>770</b>
(5)	Landfill Aftercare Costs	3	12
	Principal Loan Repayments	21	23
13	Capital Expenditure	477	1,160
<b>817</b>	<b>Total Expenditure</b>	<b>1,212</b>	<b>1,964</b>
	<b>FUNDED BY:</b>		
84	Charges for Services	83	80
<b>84</b>	<b>Total Revenue</b>	<b>83</b>	<b>80</b>
717	Targeted Rates	685	682
19	UAGC	19	19
-	Loan Funding - Capital	477	1,150
13	Transfer from Depreciation Reserves	21	33
(16)	Transfer from (to) Reserves	(74)	-
-	Transfers from Reserves - Capital	-	-
-	Other Funding	0	-
<b>817</b>	<b>Total Funding</b>	<b>1,212</b>	<b>1,964</b>



### **1.1 What We Do**

The Water Supply activity encompasses the planning, provision, operation, maintenance and renewal of water treatment and reticulation systems, and all associated infrastructure.

Council operates three urban water supplies servicing the Stratford, Toko and Midhirst townships, with river fed sources for Stratford and Midhirst and a bore supply for Toko.

### **1.2 Why We Do It**

Council has assumed the role of provider of Water Supply to provide all properties in the water supply zones with a constant, safe and sustainable water supply.

This activity contributes to the community outcomes of:

- Affordable, Quality Services and Infrastructure
- Strong Community
- Financial Strength

Through:

- the provision by the Council of public water supply systems that supply potable water and water for fire fighting for the urban areas of Stratford, Toko and Midhirst, to protect public health and property; and
- Council maintaining a general overview of the availability and quality of, and methods of provision of, water that is supplied by private means.

### **1.3 Significant Negative Effects**

The water supplies have the potential to affect community health if they fail to be operated according to required standards of performance.

There are no indications that community health has been, or could be, significantly affected by the performance of the Water Supply system, but this will be an on-going monitored performance measure.

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
Water is safe to drink.	<p>The extent to which the local authority's drinking water supply complies with:</p> <ul style="list-style-type: none"> <li>Part 4 of the drinking water standards (bacterial compliance criteria), and</li> <li>Part 5 of the drinking water standards (protozoal compliance criteria).</li> </ul>	Plant & reticulation performance records in water outlook. Includes water quality sampling programme records as well as any plant non-performances.	<p><b>Stratford – Achieved</b>  <b>Midhurst – Achieved</b>  <b>Toko – Achieved</b>                      (2016/17                      Stratford – Achieved                      Midhurst – Achieved                      Toko – Achieved)</p>	100% for all plants
	<p><b>Maintenance of the reticulation network</b> - The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).</p>		Calculated annually as per NZWWA Water Loss Guidelines.	<p><b>Stratford – Achieved 100%</b>  <b>Midhurst – Not Applicable</b>  <b>Toko – Not Applicable</b>                      (2016/17                      Stratford – Not Achieved                      Midhurst – Not Applicable                      Toko – Not Applicable)</p>
			<p><b>Achieved</b>  <b>Stratford – Achieved 12%</b>  <b>Midhurst – Not Achieved 36%</b>  <b>Toko – Achieved 19%</b>                      (2016/17 Achieved                      Stratford – 16.3%,                      Midhurst – 21.2%,                      Toko – 20.9%)</p>	<30%
A reliable water supply is provided.	<p><b>Fault Response Times</b> – Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:</p> <ul style="list-style-type: none"> <li>Attendance for urgent call-outs: from the time that council receives notification to the time that service personnel reach the site</li> <li>Resolution of urgent call-outs: from the time that council receives notification to the time the service personnel confirm resolution of the fault or interruption</li> </ul>	Work order tracking/reporting through Council's Infrastructure asset management system.	<p><b>Achieved – 37 minutes</b>                      (2016/17 Achieved - 31 minutes)</p>	1 hour
	<ul style="list-style-type: none"> <li>Attendance for non-urgent call-outs: from the time that council receives notification to the time that service</li> <li>Resolution of non-urgent call-outs: from the time that council receives notification to the time the service personnel confirm resolution of the fault or interruption</li> </ul>		<p><b>Achieved – 4 hours 19 minutes</b>                      (2016/17 Achieved - 3 hours 49 minutes)</p>	8 hours
A reliable water supply is provided.	<ul style="list-style-type: none"> <li>Attendance for non-urgent call-outs: from the time that council receives notification to the time that service</li> <li>Resolution of non-urgent call-outs: from the time that council receives notification to the time the service personnel confirm resolution of the fault or interruption</li> </ul>	Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System	<p><b>Achieved – 18 hours 56 minutes</b>                      (2016/17 Achieved - 4 hours)</p>	2 working days
			<p><b>Achieved – 23 hours 30 minutes</b> (2016/17 Achieved- 7 hours 57 minutes)</p>	5 working days

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
	Number of unplanned disruptions:			
	<ul style="list-style-type: none"> <li>Minor (between 5 and 50 connections affected) *</li> <li>Major (more than 50 connections affected) *</li> </ul>	Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System	<b>Achieved - 3</b> (2016/17 Achieved - 1)	<10
			<b>Not Achieved - 2</b> (2016/17 Not Achieved - 2)	<2
Water has a pleasant taste and odour.	<p><b>Customer Satisfaction</b> - Total number of complaints received for:</p> <ul style="list-style-type: none"> <li>Drinking water clarity</li> <li>Drinking water taste</li> <li>Drinking water odour</li> <li>Drinking water pressure or flow</li> <li>Continuity of supply</li> <li>Council's response to any of these issues</li> </ul> <p>expressed per 1000 connections to council's networked reticulation system.</p>	Reporting against corporate CRM system.	<b>Achieved - 8</b> (2016/17 Achieved - 6)	<32
	<i>Note: This is understood to be limited to supplied properties within the water supply zones.</i>			
	<p><b>Demand management</b> - The average consumption of drinking water per day per resident within the district (in litres).</p>	Calculated from production records ex SCADA/Water Outlook, deducting commercial users as per water meter records as well as any other non-residential use and losses (as per bench loss), divided by number of residential connections and average number of residents per property.	<p><b>Achieved</b>  <b>Stratford - 205 litres</b>  <b>Midhurst - 228 litres</b>  <b>Toko - 228 litres</b>            (2016/17 Not Achieved -            Stratford - 331 litres per day per resident            Midhurst - 179 litres per day per resident            Toko - 225 litres per day per resident)</p>	<275
Water flow and pressure is appropriate for its intended use.	Water pressure at 50 properties within the water supply zone, including any that have complained about pressure and or flow meets council specifications (flow>10l/min & pressure>350kpa)	Pressure and flow to be measured at a minimum of 50 properties per annum. Test results recorded by handheld device directly into asset management system against property's point of supply. Where test at tap inside property fails, test will be repeated at point of supply (toby/meter box) to isolate problems with	<b>Not Achieved-47 properties tested with 1 too low.</b> (2016/17 Achieved - 100% 51 properties tested)	100%

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
		private pipework from public network. Customer is advised if problem with internal plumbing.		
Water supply meets fire fighting requirements.	Fire hydrants meet NZFS Code of Practice conditions regarding supply.	Flow & pressure testing carried out by council contractor and or NZ Fire Service to NZ Fire Fighting Code of Practice standards.	<b>Achieved – 100% - 30 hydrants were tested and all 30 passed the test (2016/17 Achieved)</b>	100%

### 1.5 Projects and Other Programmes

Project	Category	Budget 2017/18	Actual 2017/18	Notes
Water Meter installation	Level of Service	\$30,000	\$19,841	
Reticulation Riders	Level of Service	\$30,000	\$0	
Laterals	Replacement	\$30,000	\$84,142	This is over budget due to the need for various urgent repairs.
Treatment Plant maintenance	Replacement	\$50,000	\$0	
Grit tank design and temporary coagulation	Level of Service	\$80,000	\$0	This requires further investigation in a later year.
Reticulation renewals	Replacement	\$315,000	\$352,880	
Hydrants	Replacement	\$14,500	\$8,776	

## 1.6 Cost of Services Statement

The detailed financial summary for the Water Supply activity is shown below.

### Water Supply

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
1,898	<b>Operating Expenditure</b>	1,767	1,881
276	<b>Revenue</b>	223	451
<b>1,622</b>	<b>Net Cost of Service</b>	<b>1,545</b>	<b>1,430</b>
	<b>EXPENDITURE</b>		
1,077	Operating Costs	874	892
237	Interest	261	359
378	Depreciation	364	364
207	Allocated Overheads	268	266
<b>1,898</b>	<b>Total Operating Expenditure</b>	<b>1,767</b>	<b>1,881</b>
260	Principal Loan Repayments	273	261
1,347	Capital Expenditure	466	550
<b>3,504</b>	<b>Total Expenditure</b>	<b>2,506</b>	<b>2,692</b>
	<b>FUNDED BY:</b>		
276	Charges for Water Usage	223	451
<b>276</b>	<b>Total Revenue</b>	<b>223</b>	<b>451</b>
1,359	Targeted Rates	1,435	1,428
666	Transfer from Depreciation Reserves	496	416
1,203	Loan Funding - Capital	353	395
-	Other Funding	-	2
<b>3,504</b>	<b>Total Funding</b>	<b>2,506</b>	<b>2,692</b>



# COUNCIL CONTROLLED ORGANISATION

## **Percy Thomson Trust**

### **1.1 Background**

The Local Government Act 2002 defines entities in which Council has more than a 50% shareholding, or the ability to appoint more than 50% of the directors, as Council Controlled Organisations. The Stratford District Council has one organisation that meets these criteria and is therefore a Council Controlled Organisation; the Percy Thomson Trust.

The Trust was established to fulfil the wishes and bequest of the late Percy Thomson to provide an art gallery, arboretum and herbarium. There are to be a minimum of six trustees and a maximum of seven on the trust and less than 50% of the trustees can come from elected representatives.

### **1.2 Nature and Scope of Activities**

The Percy Thomson Gallery is located in Prospero Place and provides a total display area of 178m<sup>2</sup>. The arboretum has been established at Cloten Road, and the herbarium is a ‘virtual’ asset that can be found at [www.taranakiplants.net.nz](http://www.taranakiplants.net.nz).

The Trust Deed sets out the objectives of the Trust and the key points are:

- to manage and promote the facilities.
- to establish exhibition programmes and education policies.
- encouraging public enjoyment and utilisation of Trust facilities and collections.
- to care for any art collections loaned.
- to look at ways of raising revenue.

Council provides administration services to the Trust and leases the Information Centre area from the Trust.

### **1.3 Why We Do It**

The Percy Thomson Trust contributes to the community outcomes by providing for the cultural requirements of the District.

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2017/18	Target 2017/18
Delivery of art exhibitions	Deliver proposed art exhibitions which will include local, regional and at least 1 National:	Art Gallery Records	<p><b>Achieved:</b> Art exhibitions were delivered throughout the year, which included the following:</p> <p><b>National –</b></p> <ol style="list-style-type: none"> <li>1. Voyage into the Heartland</li> <li>2. Brian Brake – Lens on China and Japan</li> </ol> <p><b>Regional –</b></p> <ol style="list-style-type: none"> <li>1. Purely Pastel</li> <li>2. 19<sup>th</sup> International Collage Exchange</li> <li>3. Regional Embroiderers</li> <li>4. Taranaki Arts Trail</li> </ol> <p><b>Local –</b></p> <ol style="list-style-type: none"> <li>1. Down to Earth</li> <li>2. TSBCT Emergence Awards for Young Taranaki Artists</li> <li>3. See Nothing Truth Lie Dichotomy</li> </ol> <p>(2016/17 Achieved - Art exhibitions were delivered throughout the year, which included the following:</p> <p><b>National –</b></p> <ol style="list-style-type: none"> <li>1. Toss Woollaston</li> <li>2. Arrival – BNZ Art Collection</li> <li>3. Adam Portraiture Awards</li> </ol> <p><b>Regional –</b></p> <ol style="list-style-type: none"> <li>1. Aotearoa Quilters</li> <li>2. Gabrielle Belz &amp; Wharehoka Smith</li> <li>3. Margaret Scott</li> <li>4. Creative Fibre Taranaki</li> </ol> <p><b>Local –</b></p> <ol style="list-style-type: none"> <li>1. Youth Exhibition</li> <li>2. Stratford Art Society)</li> </ol>	Deliver proposed art exhibitions which will include local, regional and at least 1 National.
	Number of visitors to the Gallery to be not less than 20,000 per year	Door Count	<b>Achieved: 24,084</b> (2016/17 Achieved – 24,941)	>20,000
	To operate to a “break-even” balance (excluding depreciation)	Annual Report	<p><b>Achieved:</b> Break-even is defined by the Trust as a cash surplus only, excluding depreciation, and receiving external funding to make up any shortfall in cash.</p> <p>(2016/17 Achieved - The Trust deficit was slightly less than the budgeted deficit for the year.)</p>	Operate within “break-even” budget
Development and maintenance of arboretum	Develop and maintain the arboretum to the standards in the Facilities Management Contract.	Council Records	<p><b>Achieved:</b> The arboretum has been maintained by Stratford District Council on behalf of the Trust, and meets the standards as set out in the Facilities Management Contract.</p> <p>(2016/17 Achieved The arboretum has been maintained by Stratford District Council on behalf of the Trust, and meets the standards as set out in the Facilities Management Contract)</p>	Develop and maintain the arboretum to the standards in the Facilities Management Contract.
Delivery of Herbarium	Deliver the herbarium via the internet.	Internet Detail Available	<p><b>Not Achieved:</b> The Trust is currently looking at alternative options to deliver the herbarium.</p> <p>(2016/17 Achieved - The herbarium, via the website in conjunction with the Taranaki Regional Council, continues to be viewed, particularly by educational institutions)</p>	Deliver the herbarium via the internet.



## 1.5 Cost of Services Statement

The Council has agreed to provide an annual grant of no more than one percent of rates to the Trust.

### Percy Thomson Trust

<b>Actual 2016/17 \$000</b>		<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>
266	<b>Operating Expenditure</b>	281	257
93	<b>Revenue</b>	110	80
<b>173</b>	<b>Net Cost of Service</b>	<b>171</b>	<b>177</b>
	-		
	<b>EXPENDITURE</b>		
197	Operating Costs	210	189
69	Depreciation	71	68
<b>266</b>	<b>Total Operating Expenditure</b>	<b>281</b>	<b>257</b>
	-		
	<b>FUNDED BY:</b>		
93	User Charges	110	80
<b>93</b>	<b>Total Revenue</b>	<b>110</b>	<b>80</b>
50	Council Grant	50	50
57	Investment Interest	55	60
66	Transfer from (to) Accumulated Surplus	66	67
<b>266</b>	<b>Total Funding</b>	<b>281</b>	<b>257</b>



# **FINANCIAL STATEMENTS**

**Statement of Financial Position**

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# FINANCIAL STATEMENTS

## STRATFORD DISTRICT COUNCIL - Statement of Comprehensive Revenue and Expense for the year ended 30 June 2018

	Note	Council			Group	
		Actual 2017/18 \$000	Budget 2017/18 \$000	Actual 2016/17 \$000	Actual 2017/18 \$000	Actual 2016/17 \$000
<b>Revenue</b>						
Rates	4	11,492	11,708	11,317	11,492	11,317
Subsidies and Grants	5	3,952	2,906	3,354	3,997	3,393
Development and Financial Contributions		7	-	8	7	8
Fees and Charges		1,989	2,156	1,905	2,015	1,921
Finance Revenue	9	31	145	42	86	99
Sundry Revenue	5	82	34	87	82	87
<b>Total Revenue</b>	5	<b>17,552</b>	<b>16,949</b>	<b>16,714</b>	<b>17,679</b>	<b>16,826</b>
<b>Expenses</b>						
Personnel Costs	7	3,278	3,316	3,025	3,374	3,114
Depreciation and Amortisation expense	15 & 16	4,366	4,448	4,360	4,437	4,429
Other Direct Operating Costs	8	8,574	8,288	8,616	8,599	8,637
Finance Costs	9	454	633	420	454	420
<b>Total Operating Expenses</b>		<b>16,672</b>	<b>16,686</b>	<b>16,422</b>	<b>16,865</b>	<b>16,601</b>
<b>SURPLUS/(DEFICIT) BEFORE TAX</b>		<b>881</b>	<b>263</b>	<b>292</b>	<b>814</b>	<b>225</b>
Income Tax Expense	10	-	-	-	-	-
<b>SURPLUS/(DEFICIT) AFTER TAX</b>		<b>881</b>	<b>263</b>	<b>292</b>	<b>814</b>	<b>225</b>
<b>Other Comprehensive Revenue and Expense</b>						
Revaluation of financial assets at fair value through other comprehensive revenue and expense		(88)	-	90	(88)	90
Gains/(Losses) on Property Revaluation		-	-	12,278	-	12,549
<b>Total Other Comprehensive Revenue and Expense</b>		<b>(88)</b>	<b>-</b>	<b>12,369</b>	<b>(88)</b>	<b>12,639</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>792</b>	<b>263</b>	<b>12,661</b>	<b>726</b>	<b>12,864</b>
<i>The accompanying notes form part of these financial statements.</i>						
<i>Explanations of significant variances against budget are provided in note 29.</i>						

**STRATFORD DISTRICT COUNCIL - Reconciliation between Cost of Service Statements and Statement of Comprehensive Revenue and Expense For the Year Ended 30 June 2018**

	<b>Council</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>2017/18</b>	<b>2017/18</b>	<b>2016/17</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Total Operating Revenue (Activity Cost of Service Statements)</b>			
Community Services	522	525	482
Democracy	64	60	69
Finance Revenue	678	695	684
Environmental Management	424	435	413
Roading	4,228	3,207	3,259
Stormwater Drainage	0	0	0
Wastewater (Sewerage)	67	60	65
Solid Waste	83	80	84
Water Supply	223	451	276
<b>Total Operating Revenue</b>	<b>6,287</b>	<b>5,513</b>	<b>5,332</b>
<b>Total Operating Revenue (Statement of Comprehensive Revenue and Expense)</b>	<b>17,552</b>	<b>16,949</b>	<b>16,714</b>
<b>VARIANCE</b>	<b>(11,265)</b>	<b>(11,436)</b>	<b>(11,381)</b>
<b>Reconciling Items</b>			
Rates Revenue	11,269	11,257	11,041
Development and Financial Contributions	7	0	8
Sundry Revenue	55	34	34
Less Internal Revenue from the Business Unit	(171)	0	(156)
Other Grants	70	0	400
Low Interest Loan Revenue	4	0	12
Finance Revenue	31	145	42
<b>Total Reconciling Items</b>	<b>11,265</b>	<b>11,436</b>	<b>11,381</b>
<b>Total Operating Expenditure (Activity Cost of Service Statements)</b>			
Community Services	3,666	3,761	3,242
Democracy	856	887	772
Economy	1,147	1,153	1,183
Environmental Management	1,409	1,434	1,402
Roading	6,025	5,728	5,760
Stormwater Drainage	290	315	281
Wastewater (Sewerage)	801	756	707
Solid Waste	711	770	809
Water Supply	1,767	1,881	1,898
<b>Total Operating Expenditure</b>	<b>16,671</b>	<b>16,686</b>	<b>16,006</b>
<b>Total Operating Expenditure (Statement of Comprehensive Revenue and Expense)</b>	<b>16,671</b>	<b>16,686</b>	<b>16,422</b>
<b>VARIANCE</b>	<b>(0)</b>	<b>0</b>	<b>(415)</b>
<b>Reconciling Item</b>			
Net Losses on Disposals and Other Sundry Expenses	244	0	574
Less Internal Expenditure from the Business Unit	(171)	0	(156)
Other Expenditure	(45)	0	2
Interest on Loan Funds Unallocated	(30)	0	0
Landfill Aftercare Expenses	3	0	(5)
<b>Total Reconciling Items</b>	<b>0</b>	<b>0</b>	<b>415</b>
<b>Net Surplus (Deficit) per Statement of Comprehensive Revenue and Expense</b>	<b>881</b>	<b>263</b>	<b>292</b>

**STRATFORD DISTRICT COUNCIL - Statement of Financial Position as at 30 June 2018**

	Note	Council			Group	
		Actual 2017/18 \$000	Budget 2017/18 \$000	Actual 2016/17 \$000	Actual 2017/18 \$000	Actual 2016/17 \$000
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	11	4,107	3,305	2,208	4,241	2,301
Short Term Deposits	11	-	-	-	250	250
Receivables	12	1,539	3,458	1,137	1,545	1,147
Prepayments	32	621	-	20	621	20
Other Financial Assets	14	17	-	15	197	52
<b>Total Current Assets</b>		<b>6,283</b>	<b>6,763</b>	<b>3,380</b>	<b>6,852</b>	<b>3,769</b>
<b>Non-Current Assets</b>						
Receivables	12	42	-	60	42	60
Property, Plant and Equipment	15	326,089	333,804	322,801	327,917	324,690
Intangible Assets	16	685	-	772	685	772
Investment in Percy Thomson Trust (CCO)		0	0	0	-	-
Other Financial Assets	14	1,090	2,199	1,123	1,620	1,858
<b>Total Non-Current Assets</b>		<b>327,905</b>	<b>336,003</b>	<b>324,756</b>	<b>330,264</b>	<b>327,380</b>
<b>Total Assets</b>		<b>334,188</b>	<b>342,766</b>	<b>328,135</b>	<b>337,116</b>	<b>331,149</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Payables and deferred revenue	17	2,462	2,862	1,708	2,474	1,740
Provisions	18	11	16	11	11	11
Employee entitlements	19	167	132	155	173	160
Borrowings	20	5,500	-	-	5,500	-
<b>Total Current Liabilities</b>		<b>8,140</b>	<b>3,010</b>	<b>1,874</b>	<b>8,158</b>	<b>1,911</b>
<b>Non-Current Liabilities</b>						
Provisions	18	51	53	58	51	58
Employee entitlements	19	46	43	45	46	45
Borrowings	20	8,560	14,978	9,560	8,560	9,560
<b>Total Non-Current Liabilities</b>		<b>8,657</b>	<b>15,074</b>	<b>9,663</b>	<b>8,657</b>	<b>9,663</b>
<b>Total Liabilities</b>		<b>16,797</b>	<b>18,084</b>	<b>11,537</b>	<b>16,815</b>	<b>11,574</b>
<b>Equity</b>						
Accumulated Funds	21	175,497	174,681	174,573	177,390	176,532
Reserves	21	141,894	150,002	142,026	142,911	143,043
<b>Total Equity Attributable to Stratford District Council</b>		<b>317,391</b>	<b>324,682</b>	<b>316,599</b>	<b>320,301</b>	<b>319,575</b>
<b>Total Liabilities &amp; Equity</b>		<b>334,188</b>	<b>342,766</b>	<b>328,136</b>	<b>337,116</b>	<b>331,149</b>
<i>The accompanying notes form part of these financial statements.</i>						
<i>Explanations of significant variances against budget are provided in note 29.</i>						

**STRATFORD DISTRICT COUNCIL - Statement in Changes of Equity For the Year Ended 30 June 2018**

	<b>Council</b>			<b>Group</b>	
	<b>Actual 2017/18 \$000</b>	<b>Budget 2017/18 \$000</b>	<b>Actual 2016/17 \$000</b>	<b>Actual 2017/18 \$000</b>	<b>Actual 2016/17 \$000</b>
<b>Balance at 1 July</b>					
Accumulated Comprehensive Revenue and Expense	174,573	175,315	175,053	176,519	177,065
Fair Value through Comprehensive Revenue and Expense	(12)	-	(102)	(2)	(92)
Reserves / Special Funds	3,896	3,213	3,124	3,896	3,124
Asset Revaluation Reserves	138,141	145,891	122,863	139,158	126,609
<b>Total Equity - Opening Balance</b>	<b>316,598</b>	<b>324,419</b>	<b>300,938</b>	<b>319,575</b>	<b>306,709</b>
<b>Changes in Equity</b>					
Retained Earnings	924	(635)	(480)	858	(546)
Revaluation of financial assets at fair value through Other Comprehensive Revenue and Expense	(88)	-	90	(88)	90
Reserves / Special Funds	(43)	898	772	(43)	772
Asset Revaluation Reserves	-	-	12,278	-	12,549
<b>Total Comprehensive Revenue and Expense</b>	<b>792</b>	<b>263</b>	<b>12,661</b>	<b>726</b>	<b>12,865</b>
<b>Closing Balance</b>					
Retained Earnings	175,497	174,680	174,573	177,377	176,519
Fair Value through Comprehensive Revenue and Expense	(100)	-	(12)	(90)	(2)
Reserves / Special Funds	3,853	4,111	3,896	3,853	3,896
Asset Revaluation Reserves	138,141	145,891	138,141	139,158	139,158
<b>Total Equity - Closing Balance</b>	<b>317,391</b>	<b>324,682</b>	<b>316,599</b>	<b>320,301</b>	<b>319,575</b>
<i>The accompanying notes form part of these financial statements.</i>					

**STRATFORD DISTRICT COUNCIL - Statement of Cashflows For the Year Ended 30 June 2018**

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2017/18	2017/18	2016/17	2017/18	2016/17
		\$000	\$000	\$000	\$000	\$000
<b>Cash Flows from Operating Activities</b>						
Receipts from Rates Revenue and Water Supply Targeted Rate		11,502	11,708	11,289	11,502	11,289
Interest Received		31	145	42	87	106
Dividends Received		-	-	-	-	-
Development and Financial Contributions		7	-	8	7	8
Subsidies, Grants and Donations		3,952	2,906	5,153	3,997	5,191
User Charges and Sundry Revenue		1,738	2,190	1,992	1,764	2,040
Regional Council Rates		681	-	678	681	678
Payments to Suppliers and Employees		(11,426)	(11,615)	(12,554)	(11,565)	(12,659)
Interest Paid		(454)	(633)	(420)	(454)	(420)
Goods and Services Tax (net)		243	-	254	244	253
Regional Council Rates		(681)	-	(678)	(681)	(678)
<b>Net Cash from Operating Activities</b>		<b>5,593</b>	<b>4,700</b>	<b>5,764</b>	<b>5,582</b>	<b>5,787</b>
<b>Cash Flows from Investing Activities</b>						
Proceeds from Sale of Property, Plant and Equipment		-	1,520	30	-	30
Proceeds from Sale of Investments		68	-	-	680	520
Purchase of Property, Plant & Equipment		(7,567)	(7,301)	(5,592)	(7,577)	(5,660)
Prepayment for Joint landfill		(570)	-	-	(570)	-
Acquisition of Investments		(125)	(1,500)	-	(675)	(500)
<b>Net Cash from Investing Activities</b>		<b>(8,194)</b>	<b>(7,281)</b>	<b>(5,562)</b>	<b>(8,142)</b>	<b>(5,610)</b>
<b>Cash Flows from Financing Activities</b>						
Proceeds from Borrowings		4,500	3,460	-	4,500	-
Repayment of Borrowings (Loans)		-	-	-	-	-
<b>Net Cash from Financing Activities</b>		<b>4,500</b>	<b>3,460</b>	<b>-</b>	<b>4,500</b>	<b>-</b>
<b>Net (Decrease)/Increase in Cash, Cash Equivalents and Bank Overdrafts</b>						
Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the Year		2,208	2,426	2,006	2,301	2,124
<b>Cash, Cash Equivalents and Bank Overdrafts at the End of the Year</b>	11	<b>4,107</b>	<b>3,305</b>	<b>2,208</b>	<b>4,241</b>	<b>2,301</b>

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

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



# NOTES TO FINANCIAL STATEMENTS

## Note 1

### Reporting Entity

The financial statements of the Stratford District Council are for the year ended 30 June 2018.

The Stratford District Council (Council) is a territorial local authority governed by the provisions of the Local Government Act 2002 (the Act) and is domiciled in New Zealand.

The primary objective of Council is to provide services or goods for the community for social benefit rather than making a financial return. Accordingly, having regard to the criteria set out in the PBE IPSAS, as a defined public entity under the Public Audit Act 2001, the Council is audited by the Auditor-General and is classed as a Public Sector Benefit Entity (PBE) for financial reporting purposes. Council has designated itself as a Tier 2 entity.

The operations of Council have been divided into the following activities:

- Community Services.
- Democracy.
- Economy.
- Environmental Management.
- Roothing.
- Stormwater.
- Wastewater (Sewerage)
- Solid waste.
- Water Supply.

The group consists of the ultimate parent (Council) and its subsidiary Percy Thomson Trust. The Council has designated the group as public benefit entity for financial reporting purposes and the Percy Thomson Trust is also designated as a public benefit entity.

The financial statements of the Council and Group are for the year ended 30 June 2018 and were authorised for issue by Council on 23 October 2018.

### Measurement Base

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets.



## **Note 2 - Statement of Accounting Policies for the year ending 30 June 2018**

The following accounting policies which materially affect the measurement of results and financial position have been applied consistently to the year ended 30 June 2018 unless otherwise stated.

### **2.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards Reduced Disclosure Regime. Council is a tier 2 reporting entity using the public sector Public Benefit Entity Accounting Standards, as it has expenses between \$2.0m and \$30.00m, and is not publicly accountable.

In order to meet its obligations of public accountability, Council has also included a separate Cost of Services Statement for each significant activity.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Council is New Zealand dollars. The investment in subsidiary is at cost in the Council's parent entity financial statement.

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

#### **Basis of Consolidation**

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, and expenses of entities in the group on a line-by-line basis. All intragroup balances, transactions, revenues and expenses are eliminated on consolidation. The Council consolidates in the Group financial statement all entities being only the Percy Thomson Trust.

### **2.2 BUDGET FIGURES**

The budget figures were those approved by the Council in the 2017/18 Annual Plan.

The budget figures have been prepared in accordance with NZ GAAP and comply with NZ PBE IPSAS, and other applicable Financial Reporting Standards, using accounting policies that are consistent with those adopted in preparing these financial statements. Then as a tier 2 reporting entity Council uses the public sector Public Benefit Entity Accounting Standards.

### **2.3 REVENUE**

#### **Revenue is measured at fair value:**

The specific accounting policies for significant revenue

#### **Rates Revenue**

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue

- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of the Taranaki Regional Council (TRC) are not recognised in the financial statements, as the Council is acting as an agent for the TRC.

### **Development and Financial Contributions**

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

### **New Zealand Transport Agency roading subsidies**

The Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

### **Other grants received**

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

### **Building and Resource Consent revenue**

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

### **Entrance Fees**

Entrance fees are fees charged to users of the Council's local facilities, such as the pool. Revenue from entrance fees is recognised upon entry to such facilities.

### **Landfill Fees**

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed by users.

### **Sales of Goods**

Revenue from the sale of goods is recognised when a product is sold to the customer.

### **Infringement Fees and Fines**

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The Council recognises revenue at an amount based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2 year period.

### **Vested or Donated Physical Assets**

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects it will need to return or pass the asset to another party.

### **Interest and Dividends**

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

## **2.4 BORROWING COSTS**

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

## **2.5 GRANT EXPENDITURE**

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

## **2.6 INCOME TAX**

Income tax expense includes current tax and deferred tax.

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

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

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

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

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive revenue and expenses or directly in equity.

In general, local authorities are only subject to income tax on income derived from a council-controlled organisation and income derived as a port operator.

## **2.7 LEASES**

### **Finance Leases**

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

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

### **Operating Leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

## **2.8 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes cash on hand, deposits held with banks and other short term investments with maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as a current liability in the statement of financial position.

## **2.9 DEBTORS AND OTHER RECEIVABLES**

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost, less any provision for impairment.

## **2.10 NON-CURRENT ASSETS HELD FOR SALE**

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

Non-current assets are not depreciated or amortised while they are classified as held for sale.

## **2.11 PROPERTY, PLANT AND EQUIPMENT**

Items of a capital nature over \$2,000 are treated as property, plant and equipment. Property, plant and equipment are classified into two categories:

<b>Unrestricted</b>	Council is able to sell these assets without restrictions.
<b>Restricted</b>	The disposal of these assets is limited by legislation, or in the manner in which they were vested, or cannot be physically uplifted and sold.

In most instances, an item of property, plant or 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.

Property, plant and equipment classes of assets whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

If there is no market-based evidence of fair value because of the specialised nature of the item of property, plant or equipment, Council will carry those classes of assets at its cost less any accumulated depreciation and any accumulated impairment losses value.

Property, plant and equipment are valued as follows:

<b>Class</b>	<b>Method of Valuation</b>
Land	Fair Value
Buildings	Optimised Depreciated Replacement Cost
Roads, Bridges and Footpaths	Depreciated Replacement Cost
Water Supply reticulation	Depreciated Replacement Cost
Water Supply treatment	Depreciated Replacement Cost
Wastewater reticulation	Depreciated Replacement Cost
Wastewater treatment	Depreciated Replacement Cost
Stormwater system	Depreciated Replacement Cost

### **Valuation**

Unless stated valuations are carried out or reviewed by independent qualified valuers and are carried out at least on three yearly cycles. Valuations will be undertaken more regularly if necessary to ensure no individual item of property, plant or equipment within a class has a carrying value that is materially different from its fair value.

Council's land and building assets have been revalued by Telfer Young (Taranaki) Limited, independent valuers, as at 1 July 2016 at fair value as determined from market-based evidence.

Council's infrastructure assets consisting of Stormwater, Waste Water and Water Supply were revalued by Just Add Lime Ltd, trading as Infrastructure Associates, independent valuers, as at 1 July 2016 in accordance with Financial Reporting Standard (PBE IPSAS 17) and the New Zealand Infrastructure Asset Valuation and Depreciation Guidelines.

Roading assets have been revalued by the independent valuers, Calibre Consultants Ltd, as at 1 July 2016.

### **Public Benefit Entity Revaluation**

Revaluation increases and decreases relating to individual assets within a class of assets are offset. Revaluation increases and decreases in respect of assets in different classes are not offset. Where the carrying amount of a class of assets is increased as a result of a revaluation, the net revaluation increase is credited to the revaluation reserve. The net revaluation increase shall be recognised in the Statement of Comprehensive Revenue and Expenses to the extent that it reverses a net revaluation decrease of the same class of assets previously recognised in the Statement of Comprehensive Revenue and Expense. A net revaluation decrease for a class of assets is recognised in the Statement of Comprehensive Revenue and Expense, except to the extent that it reverses a revaluation increase previously recognised in the revaluation reserve to the extent of any credit balance existing in the revaluation reserve in respect of the same class of asset.

### **Impairment**

The carrying amount of Council's non-financial assets, other than investment property are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, Council estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of an asset are not primarily dependant on the asset's ability to generate net cash flows, and where Council, if deprived of the asset, replaces its remaining future economic benefits, value in use shall be determined as the depreciated replacement cost of the asset.

Where Council accounts for revaluations of property, plant and equipment on a class of asset basis, an impairment loss on a revalued asset is recognised directly against any revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

Where Council accounts for revaluations of property, plant and equipment on a class of asset basis, a reversal of an impairment loss on a revalued asset is credited directly to the revaluation reserve. However, to the extent that an impairment loss on the same class of asset was previously recognised in the Statement of Comprehensive Revenue and Expense, a reversal of that impairment loss is also recognised in the Statement of Comprehensive Revenue and Expense.

### **Disposals**

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

### **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 Council and the cost of the item can be measured reliably.

## **Security**

Council do not have any Property, Plant and Equipment pledged as security.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

### **2.12 INTANGIBLE ASSETS**

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

The carrying value of an intangible asset with a finite life is amortised on a straight line basis. The amortisation charge is recognised in the Statement of Comprehensive Revenue and Expense. The useful lives of intangible assets have been estimated as follows:

- Software 3-10 years.

### **2.13 DEPRECIATION**

Depreciation is calculated on a straight line basis on all property, plant and equipment, excluding land, at rates that will write off the value of the assets, less their estimated residual values, over their useful lives.

The useful lives of the classes of assets have been estimated as follows:

	<u>Years</u>
Buildings	10-100
Plant	5-10
Motor Vehicles	5
Fixtures and Fittings	5-10
Office Equipment	4-10
Roading Base course	15-80
Roading Seal	2-16
Roading Culverts	20-80
Roading Sumps	80
Signs	10
Bridges (including Tunnels)	60-100
Footpaths	20-80
Streetlights	30
Stormwater	20-80
Water Supply	50-120
Wastewater	40-80
Street Beautification	10-100

### **2.14 BUSINESS UNIT**

Business Unit gains or losses are recorded in the equity of the Stratford District Council.

### **2.15 GOODS AND SERVICES TAX (GST)**

All items in the financial statements are exclusive of GST, with the exception of receivables and payables which are stated as GST inclusive. When GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

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

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cashflow in the Statement of Cashflows.

Commitments and contingencies are disclosed exclusive of GST.

## 2.16 COST OF SERVICE STATEMENTS

The Cost of Service Statements report the net cost of services for significant activities of Council, and are represented by the costs of providing the service less all revenue that can be allocated to these activities.

### **Cost Allocation**

The Cost of Service Statements reflect the full cost of significant activities, by including direct costs, internal transfers, depreciation and indirect costs (overheads) allocated on the 'step' method, based on hours of service supplied to each activity.

'Direct Costs' are those costs directly attributable to a significant activity.

'Indirect Costs' are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

## 2.17 EMPLOYEE ENTITLEMENTS

Provision is made in respect of Council's liability for annual leave, and retirement gratuities. Annual leave has been calculated on an actual entitlement basis at current rates of pay while the other provisions have been calculated on an actuarial basis.

## 2.18 FINANCIAL INSTRUMENTS

Council is party to financial instruments as part of its normal operations.

## 2.19 OTHER FINANCIAL ASSETS

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

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council and group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council and group have transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit;
- loans and receivables;
- held-to-maturity investments; and
- fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

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

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

### **Loans and receivables**

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

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

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

### **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

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

### **Fair value through other comprehensive revenue and expense**

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. The Council and group includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

## **2.20 IMPAIRMENT OF FINANCIAL ASSETS**

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

### **Loans and receivables, and held-to-maturity investments**

Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.



## **Financial assets at fair value through other Comprehensive Revenue and Expense**

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

### 2.21 **PAYABLES**

Short-term creditors and other payables are recorded at their face value.

#### **Borrowings**

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

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

#### **Employee entitlements**

##### **Short-term employee entitlements**

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for bonuses where the Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation.

##### **Long-term employee entitlements**

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

##### **Presentation of employee entitlements**

Annual leave is classified as a current liability. Retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

## 2.22 PROVISIONS

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

## 2.23 EQUITY

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- accumulated funds;
- restricted reserves;
- property revaluation reserve; and
- fair value through other comprehensive revenue and expense reserve.

### **Restricted reserves**

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

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

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

### **Property revaluation reserve**

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

### **Fair value through other Comprehensive Revenue and Expense reserve**

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

## 2.24 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are believed to be reasonable under the circumstances.

As operator of the urban and rural landfills in the district, Council has a legal obligation to provide ongoing maintenance and monitoring services at the landfill sites after closure.

To provide for the estimated cost of aftercare, a provision has been created, and a charge is made each year based on the estimated value of restoration works over the number of years Council is required to maintain these sites.

A number of assumptions and estimates are used when performing depreciated replacement cost valuations over infrastructural assets. These include:

- The physical condition of the asset. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of any asset.
- The remaining useful life over which the asset will be depreciated. These estimates can be impacted by local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, Council could be over or underestimating the depreciation charge recognised in the Statement of

Comprehensive Revenue and Expense. To minimise this risk useful lives are determined with reference to the NZ Infrastructural Asset Valuation and Depreciation guidelines published by the National Asset Management Steering Group. Asset inspections and condition modelling are also carried out regularly as part of Council's asset management planning activities.

The replacement cost of an asset is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth and location.

#### 2.25 **ROUNDING ERRORS**

Some rounding errors may occur in the financial statements due to stating dollar amounts to the nearest \$1,000.

#### 2.26 **CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2018:

##### **Classification of property**

The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than as investment property.

#### 2.27 **CHANGES IN ACCOUNTING POLICIES**

There have been no changes in accounting policies.

## Note 3 Summary of Cost of Services

FUNCTION	Revenue		Expenditure		Actual	Budget	Actual
	Actual \$000	Budget \$000	Actual \$000	Budget \$000	2017/18 \$000	2017/18 \$000	2016/17 \$000
<b>Community Services</b>							
Aerodrome	22	22	92	85	71	63	57
Civic Amenities	55	49	663	717	608	668	581
Pensioner Housing	65	62	114	122	49	60	43
Community Development	22	21	361	320	340	299	325
Library	18	18	635	712	618	694	584
Parks and Reserves	8	8	740	714	732	706	536
Cemeteries	108	119	194	226	86	107	91
TSB Pool Complex	224	212	867	864	643	652	542
<b>Sub-Total</b>	<b>522</b>	<b>511</b>	<b>3,666</b>	<b>3,760</b>	<b>3,145</b>	<b>3,249</b>	<b>2,760</b>
<b>Democracy</b>							
Democracy	-	-	856	887	856	887	773
Corporate Support	64	60	-	-	(64)	(60)	(69)
<b>Sub-Total</b>	<b>64</b>	<b>60</b>	<b>856</b>	<b>887</b>	<b>792</b>	<b>827</b>	<b>704</b>
<b>Economy</b>							
Economic Development	-	-	292	279	292	279	316
Information Centre	99	109	341	353	242	244	255
Farm Investment	519	512	397	409	(122)	(103)	(112)
Holiday Park	3	3	36	33	33	30	26
Rental Properties	57	71	80	79	24	8	15
<b>Sub-Total</b>	<b>678</b>	<b>695</b>	<b>1,147</b>	<b>1,153</b>	<b>469</b>	<b>458</b>	<b>499</b>
<b>Environmental Management</b>							
Building Control	198	145	343	360	145	215	145
Dog Control	132	141	199	195	67	54	79
Rural Fire	-	-	-	-	-	-	79
Emergency Management	-	-	135	132	135	132	50
District Plan	-	-	178	184	178	184	211
Resource Consents	39	40	138	139	99	99	134
Bylaws	4	44	176	150	172	106	118
Environmental Health	16	30	105	130	90	100	66
Liquor Licensing	36	34	135	143	99	109	107
<b>Sub-Total</b>	<b>424</b>	<b>434</b>	<b>1,409</b>	<b>1,433</b>	<b>984</b>	<b>999</b>	<b>989</b>
<b>Roading</b>							
Roading	4,057	3,036	5,865	5,564	1,808	2,528	2,505
Business Unit	171	171	159	164	(12)	(7)	(4)
<b>Sub-Total</b>	<b>4,228</b>	<b>3,207</b>	<b>6,025</b>	<b>5,728</b>	<b>1,797</b>	<b>2,521</b>	<b>2,501</b>
<b>Stormwater</b>							
Stormwater	-	-	290	315	290	315	281
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>290</b>	<b>315</b>	<b>290</b>	<b>315</b>	<b>281</b>
<b>Wastewater (Sewerage)</b>							
Wastewater (Sewerage)	67	60	801	756	734	696	642
<b>Sub-Total</b>	<b>67</b>	<b>60</b>	<b>801</b>	<b>756</b>	<b>734</b>	<b>696</b>	<b>642</b>
<b>Solid Waste</b>							
Solid Waste	83	80	711	770	629	690	725
<b>Sub-Total</b>	<b>83</b>	<b>80</b>	<b>711</b>	<b>770</b>	<b>629</b>	<b>690</b>	<b>725</b>
<b>Water Supply</b>							
Water Supply	223	451	1,767	1,881	1,545	1,430	1,622
<b>Sub-Total</b>	<b>223</b>	<b>451</b>	<b>1,767</b>	<b>1,881</b>	<b>1,545</b>	<b>1,430</b>	<b>1,622</b>
<b>Total Activity Revenue &amp; Expenditure</b>	<b>6,287</b>	<b>5,498</b>	<b>16,670</b>	<b>16,683</b>	<b>10,383</b>	<b>11,185</b>	<b>10,721</b>
Plus: General Rates & UAGC	5,615	5,644	-	-	(5,615)	(5,644)	(5,501)
Plus: Targeted Rates	5,639	5,614	-	-	(5,639)	(5,614)	(5,526)
<b>Total Revenue and Operating Expenditure</b>	<b>17,541</b>	<b>16,756</b>	<b>16,670</b>	<b>16,683</b>	<b>(871)</b>	<b>(73)</b>	<b>(306)</b>

Each significant activity is stated gross of internal costs and revenues and excludes general and targeted rates attributable to activities (refer to note 4).

In order to fairly reflect the total external operations for the Council in the Statement of Comprehensive Revenue and Expense, these transactions are eliminated as shown above.

#### 4. RATES REVENUE

	<b>Council and Group Actual 2017/18 \$000</b>	<b>Council and Group Actual 2016/17 \$000</b>
<b>General Rates &amp; UAGC</b>	5,615	5,501
<b>Targeted Rates Attributable to Activities</b>		
- Roading	2,821	2,904
-Wastewater - uniform annual charge	697	546
-Solid Waste - uniform annual charge	685	717
-Water Supply - uniform annual charge	1,435	1,359
-Water Supply - targeted metered rates	223	276
-Community Halls	15	14
<b>Total Rates</b>	<b>11,492</b>	<b>11,317</b>
<b>Rates Remissions</b>		
Rates revenue is shown net of rates remissions and non-rateable land. Stratford District Council's rates remission policy provides for rates to be remitted for various purposes. Council committed itself at the start of the year to certain remissions which are listed below:		
	<b>Council Actual 2017/18 \$000</b>	<b>Council Actual 2016/17 \$000</b>
<b>Rates Remissions</b>		
Community, Sporting and Other Organisations	43	41
Council Owned Properties and Land Subject to an Open Space Covenant	50	50
Maori Free-hold Land	29	28
<b>Total Rate Remissions (including GST)</b>	<b>121</b>	<b>119</b>
<b>Non-Rateable Land</b>		
Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. This includes schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water and refuse. Non-rateable land does not constitute a remission under Stratford District Council's rates remission policy.		

Section 23(2)(b) of the Local Government (Rating) Act 2002 requires Council to set its rates in accordance with the relevant provisions of Council's long term plan and funding impact statement for that financial year. In the process of setting rates for the 2017/18 rates financial year, Council has not fully complied with this requirement with respect to the Uniform Annual General Charge (UAGC) rate.

The wording used as the basis for this rate in Council's annual Rates Resolution, passed 13 June 2017, was inadvertently at variance with that used in its funding impact statement for the 2017/18 year.

Despite this, Council considers that there is no material impact on ratepayers, and that the risk of challenge or potential liability arising is very low.

## 5. OTHER REVENUE

<b>Subsidies and Grants</b>				
	<b>Council</b>		<b>Group</b>	
	<b>Actual 2017/18 \$000</b>	<b>Actual 2016/17 16949</b>	<b>Actual 2017/18 \$000</b>	<b>Actual 2016/17 \$000</b>
Grants - TSB Community Trust	35	15	60	28
Grants - Taranaki Electricity Trust	36	377	56	400
Other Grants	-	8	-	11
NZ Transport Agency Rooding Subsidies	3,882	2,954	3,882	2,954
<b>Total Subsidies and Grants</b>	<b>3,952</b>	<b>3,354</b>	<b>3,997</b>	<b>3,393</b>
There are no unfulfilled conditions and other contingences attached to New Zealand Transport Agency				
<b>Sundry Revenue</b>				
	<b>Council</b>		<b>Group</b>	
	<b>Actual 2017/18 \$000</b>	<b>Actual 2016/17 \$000</b>	<b>Actual 2017/18 \$000</b>	<b>Actual 2016/17 \$000</b>
Vested Assets	-	-	-	-
Petrol Tax	78	76	78	76
Low Interest Loan Revenue	4	12	4	12
Gains on disposal of Property, Plant and Equipment	-	-	-	-
<b>Total Other Revenue</b>	<b>82</b>	<b>87</b>	<b>82</b>	<b>87</b>
<b>Revenue from Exchange and Non-Exchange Transactions</b>				
	<b>Council</b>		<b>Group</b>	
	<b>Actual 2017/18 \$000</b>	<b>Actual 2016/17 \$000</b>	<b>Actual 2017/18 \$000</b>	<b>Actual 2016/17 \$000</b>
Exchange transactions	855	908	925	978
Non-exchange transactions	16,697	15,806	16,754	15,848
<b>Total Other Revenue</b>	<b>17,552</b>	<b>16,714</b>	<b>17,679</b>	<b>16,826</b>

## 6. OTHER GAINS/(LOSSES)

	Council		Group	
	Actual	Actual	Actual	Actual
	2017/18	2016/17	2017/18	2016/17
	\$000	\$000	\$000	\$000
Gain (Loss) on Disposal of Property, Plant and Equipment (included in note 5 sundry revenue)	-	-	-	-
<b>Total Gains/(Losses)</b>	-	-	-	-

## 7. PERSONNEL COSTS

	Council		Group	
	Actual	Actual	Actual	Actual
	2017/18	2016/17	2017/18	2016/17
	\$000	\$000	\$000	\$000
Salaries and Wages	3,265	3,000	3,360	3,086
Increase/(Decrease) in Employee Entitlements	13	25	14	28
<b>Total Personnel Costs</b>	<b>3,278</b>	<b>3,025</b>	<b>3,374</b>	<b>3,114</b>

## 8. OTHER EXPENSES

	Council		Group	
	Actual	Actual	Actual	Actual
	2017/18	2016/17	2017/18	2016/17
	\$000	\$000	\$000	\$000
Net Losses on Disposals and Other Sundry Expenses	244	574	244	574
Insurance premiums	104	98	113	105
Landfill Aftercare Expenses	3	(5)	3	(5)
Operating Expenses	8,223	7,950	8,239	7,963
<b>Total Other Expenses</b>	<b>8,574</b>	<b>8,617</b>	<b>8,599</b>	<b>8,637</b>

## 9. INTEREST REVENUE AND FINANCE COSTS

	Council		Group	
	Actual	Actual	Actual	Actual
	2017/18	2016/17	2017/18	2016/17
	\$000	\$000	\$000	\$000
<b>Interest Revenue</b>				
Interest on Term Deposits	31	42	86	99
<b>Total Finance Income</b>	<b>31</b>	<b>42</b>	<b>86</b>	<b>99</b>
<b>Finance Costs</b>				
Interest on Bank Borrowings	454	420	454	420
<b>Total Finance Costs</b>	<b>454</b>	<b>420</b>	<b>454</b>	<b>420</b>
<b>Net Finance Costs</b>	<b>(423)</b>	<b>(378)</b>	<b>(368)</b>	<b>(321)</b>

## 10. TAX

Both Council and its subsidiary, the Percy Thomson Trust, are exempt from income tax.				
	Council		Group	
	Actual	Actual	Actual	Actual
	2017/18	2016/17	2017/18	2016/17
	\$000	\$000	\$000	\$000
<b>Components of Tax Expense</b>				
Current Tax Expense	-	-	-	-
Adjustments to Current Tax in Prior Years	-	-	-	-
Deferred Tax Expense	-	-	-	-
<b>Tax Expense</b>	-	-	-	-
<b>Relationship Between Tax Expense and Accounting Surplus</b>				
Surplus/(Deficit) Before Tax	881	292	814	225
Tax at 28%	247	82	228	63
Non-deductible Expenses	(247)	(82)	(228)	(63)
Non-taxable Revenue	-	-	-	-
<b>Tax Expense</b>	-	-	-	-

## 11. CASH AND CASH EQUIVALENTS AND SHORT TERM DEPOSITS

	Council		Group	
	Actual	Actual	Actual	Actual
	2017/18	2016/17	2017/18	2016/17
	\$000	\$000	\$000	\$000
Cash at Bank and on Hand	1,107	2,208	1,241	2,301
Term Deposits Maturing Three Months or Less from Date of Acquisition	3,000	-	3,000	-
<b>Sub-total Cash and Cash Equivalents</b>	<b>4,107</b>	<b>2,208</b>	<b>4,241</b>	<b>2,301</b>
Term Deposits Maturing More than Three Months from Date of Acquisition	-	-	250	250
<b>Total Cash and Cash Equivalents and Short Term Deposits</b>	<b>4,107</b>	<b>2,208</b>	<b>4,491</b>	<b>2,551</b>
Refer to note 14 for weighted average effective interest rate for cash and cash equivalents.				
Cash, cash equivalents and bank overdrafts include the following for the purpose of the cash flow statement:				
	Council		Group	
	Actual	Actual	Actual	Actual
	2017/18	2016/17	2017/18	2016/17
	\$000	\$000	\$000	\$000
Cash at Bank and on Hand	1,107	2,208	1,241	2,301
Term Deposits Maturing Three Months or Less from Date of Acquisition	3,000	-	3,000	-
<b>Sub-total</b>	<b>4,107</b>	<b>2,208</b>	<b>4,241</b>	<b>2,301</b>
Investments Maturing More that Three Months from Date of Acquisition	-	-	250	250
<b>Total</b>	<b>4,107</b>	<b>2,208</b>	<b>4,491</b>	<b>2,551</b>



## 12. RECEIVABLES

	Council		Group	
	Actual 2017/18 \$000	Actual 2016/17 \$000	Actual 2017/18 \$000	Actual 2016/17 \$000
<b>Current Portion</b>				
Rates Receivables	250	239	250	239
Other Receivables	1,288	898	1,294	908
<b>Receivable prior to impairment</b>	<b>1,539</b>	<b>1,137</b>	<b>1,545</b>	<b>1,147</b>
Less Provision for Impairment	-	-	-	-
<b>Total Current Portion of Receivables</b>	<b>1,539</b>	<b>1,137</b>	<b>1,545</b>	<b>1,147</b>
<b>Non-Current Portion</b>				
Other Receivables	42	60	42	60
<b>Total Non-Current Portion of Receivables</b>	<b>42</b>	<b>60</b>	<b>42</b>	<b>60</b>
<b>Total Receivables</b>	<b>1,581</b>	<b>1,197</b>	<b>1,587</b>	<b>1,207</b>
<b>Total Receivables Comprise:</b>				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements and fees and charges that are partly subsidised by rates	1,372	864	1,372	864
Receivables from exchange transactions - this includes outstanding amounts for fees and charges that have not been subsidised by rates	209	332	215	342

## 13. INVENTORIES

Council was not carrying any inventories at year end (2017 - Nil).

## 14. OTHER FINANCIAL ASSETS

	Council		Group	
	Actual 2017/18 \$000	Actual 2016/17 \$000	Actual 2017/18 \$000	Actual 2016/17 \$000
<b>Current Portion</b>				
<i>Loans and Receivables</i>				
Financial Assets Available for Sale	-	-	180	37
Community Loan - Stratford Health Trust	17	15	17	15
<b>Total Current Portion</b>	<b>17</b>	<b>15</b>	<b>197</b>	<b>52</b>
<b>Non-current Portion</b>				
Community Loan - Stratford Health Trust	36	53	36	53
Financial Assets Available for Sale	-	-	530	735
LGFA Borrowers Notes	72	-	72	-
Listed Shares	982	1,070	982	1,070
<b>Total Non-current Portion</b>	<b>1,090</b>	<b>1,123</b>	<b>1,620</b>	<b>1,858</b>
<b>Total Other Financial Assets</b>	<b>1,107</b>	<b>1,138</b>	<b>1,817</b>	<b>1,910</b>

### *Impairment*

There were no impairment provisions for other financial assets. At balance date, none of these financial assets are either past due or impaired.

### *Community Loan*

The fair value of the community loan is \$52,981 (2017 \$68,535). Fair value has been determined using cash flows based on Council's assumed cost of borrowing of 6.6% and 5.5%.(2017 6.6% and 5.5%). The purpose of the loan was to assist the Stratford Health Trust construct new premises in the town. The loan was for a term of 10 years.

The face value of the community loan is \$60,000 (2017 \$80,000).

### *Listed Shares*

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

### **Maturity Analysis and Effective Interest Rates**

The maturity dates for all other financial assets with the exception of equity investments and advances to subsidiaries and associates are as follows:

	Council		Group	
	Actual 2017/18 \$000	Actual 2016/17 \$000	Actual 2017/18 \$000	Actual 2016/17 \$000
<b>Short Term Deposits</b>				
Short term deposits with maturities of 3 months or less	3,000	-	3,000	-
<i>Average maturity</i>	80 days		80 days	
<i>Weighted average Effective Interest Rate</i>	3.00%	-	3.00%	-
Short term deposits with maturities of more than 3 months but less than 12 months	-	-	250	250
<i>Average maturity</i>			180 days	180 days
<i>Weighted average Effective Interest Rate</i>	-	-	3.25%	3.45%
<b>Total</b>	<b>3,000</b>	<b>-</b>	<b>3,250</b>	<b>250</b>

## 15. PROPERTY, PLANT AND EQUIPMENT (for further information about the revaluation refer to the accounting policies)

	Cost /	Accumulated	Carrying	Assets	Assets	Disposals	Depreciation	Depreciation	Depreciation	Revaluation	Cost /	Accumulated	Carrying
	Valuation	Depreciation and Impairment	Amount	constructed by Council	transferred to Council			Reversed on Revaluation	Reversed on Disposal	Surplus	Valuation	Depreciation and Impairment	Amount
2018	1 July 2017			Current Year							30 June 2018		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Council Operational Assets</b>													
Land	8,742	-	8,742	-	-	-	-	-	-	-	8,742	-	8,742
Buildings	10,452	433	10,019	83	-	-	429	-	-	-	10,535	862	9,673
Surplus Properties	119	-	119	-	-	-	-	-	-	-	119	-	119
Plant	529	217	312	34	-	(26)	39	-	18	-	537	238	299
Motor Vehicles	268	149	119	39	-	(32)	16	-	20	-	275	145	130
Furniture/Fittings	442	206	206	7	-	-	15	-	-	-	449	251	198
Office Equipment	1,299	975	324	148	-	(38)	41	-	38	-	1,409	978	432
Library Books	575	233	342	44	-	-	44	-	-	-	619	277	342
Work In Progress - Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Work In Progress - Share of joint land	-	-	-	477	-	-	-	-	-	-	477	-	477
Work In Progress - Land	268	-	268	1,665	-	-	-	-	-	-	1,933	-	1,933
<b>Total Operational Assets</b>	<b>22,693</b>	<b>2,243</b>	<b>20,452</b>	<b>2,497</b>	<b>-</b>	<b>(96)</b>	<b>584</b>	<b>-</b>	<b>76</b>	<b>-</b>	<b>25,094</b>	<b>2,751</b>	<b>22,344</b>
<b>Council Restricted Assets</b>													
Land	7,224	-	7,224	-	-	-	-	-	-	-	7,224	-	7,224
Buildings	4,848	222	4,626	167	-	(3)	230	-	-	-	5,012	452	4,561
Street Beautification	1,573	173	1,400	31	-	-	29	-	-	-	1,604	202	1,403
Rubbish Bins	203	-	203	-	-	-	-	-	-	-	203	-	203
Work In Progress - Street Beautification	71	-	71	38	-	-	-	-	-	-	109	-	109
Work In Progress - Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Restricted Assets</b>	<b>13,920</b>	<b>395</b>	<b>13,524</b>	<b>236</b>	<b>-</b>	<b>(3)</b>	<b>258</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,153</b>	<b>653</b>	<b>13,499</b>
<b>Council Infrastructure Assets</b>													
Water Supply													
- Reticulation and other assets	9,660	205	9,456	326	-	(127)	206	-	2	-	9,861	409	9,454
- Treatment plants and facilities	5,409	159	5,250	-	-	-	159	-	-	-	5,409	318	5,091
Wastewater System													
- Reticulation and other assets	6,667	236	6,431	127	-	(16)	236	-	1	-	6,779	471	6,308
- Treatment plants and facilities	1,731	41	1,690	-	-	-	41	-	-	-	1,731	82	1,649
Stormwater System	6,330	103	6,229	135	-	(82)	103	-	3	-	6,386	203	6,184
Roading Network	196,344	2,289	194,055	3,997	-	-	2,292	-	-	-	200,341	4,581	195,761
Land Under Roads	53,639	-	53,639	-	-	-	-	-	-	-	53,639	-	53,639
Bridges	11,824	325	11,499	112	-	-	326	-	-	-	11,936	651	11,285
Work In Progress - Roading Network	-	-	-	-	-	-	-	-	-	-	-	-	-
Work In Progress - Wastewater Treatment	174	-	174	186	-	-	-	-	-	-	360	-	360
Work In Progress - Stormwater	24	-	24	(14)	-	-	-	-	-	-	10	-	10
Work In Progress - Water Reticulation	377	-	377	128	-	-	-	-	-	-	505	-	505
Work In Progress - Water Treatment	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Infrastructure Assets</b>	<b>292,179</b>	<b>3,357</b>	<b>288,825</b>	<b>4,995</b>	<b>-</b>	<b>(225)</b>	<b>3,361</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>296,956</b>	<b>6,713</b>	<b>290,245</b>
<b>Total Council</b>	<b>328,792</b>	<b>5,995</b>	<b>322,801</b>	<b>7,728</b>	<b>-</b>	<b>(324)</b>	<b>4,204</b>	<b>-</b>	<b>83</b>	<b>-</b>	<b>336,203</b>	<b>10,117</b>	<b>326,089</b>
<b>Subsidiaries</b>													
Buildings	1,647	66	1,581	-	-	-	66	-	-	-	1,647	132	1,515
Land	193	-	193	-	-	-	-	-	-	-	193	-	193
Furniture & Fittings	94	25	71	8	-	-	5	-	-	-	102	30	74
Office Equipment	4	4	0	3	-	-	-	-	-	-	7	4	3
Arboretum	45	1	44	-	-	-	1	-	-	-	45	2	43
<b>Total Subsidiaries</b>	<b>1,984</b>	<b>96</b>	<b>1,889</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,994</b>	<b>167</b>	<b>1,828</b>
<b>Total Group</b>	<b>330,776</b>	<b>6,091</b>	<b>324,690</b>	<b>7,738</b>	<b>-</b>	<b>(324)</b>	<b>4,275</b>	<b>-</b>	<b>83</b>	<b>-</b>	<b>338,197</b>	<b>10,285</b>	<b>327,917</b>

## 15. PROPERTY, PLANT AND EQUIPMENT CONT.

	Cost /	Accumulated	Carrying	Assets	Assets	Disposals	Depreciation	Depreciation	Depreciation	Revaluation	Cost /	Accumulated	Carrying
	Valuation	Depreciation	Amount	constructed	transferred			Reversed on	Reversed on	Surplus	Valuation	Depreciation and	Amount
		and Impairment		by Council	to Council			Revaluation	Disposal			Impairment	
	1 July 2016			Current Year							30 June 2017		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Council Operational Assets</b>													
Land	7,168	-	7,168	-	-	-	-	-	-	1,574	8,742	-	8,742
Buildings	8,346	1,180	7,166	1,807	-	(105)	433	(1,180)	-	1,583	10,452	433	10,019
Surplus Properties	114	-	114	-	-	-	-	-	-	5	119	-	119
Plant	425	185	240	104	-	-	32	-	-	-	529	217	312
Motor Vehicles	266	124	142	33	-	(31)	31	-	6	-	268	149	119
Furniture/Fittings	431	222	209	11	-	(5)	14	-	5	-	442	236	206
Office Equipment	1,213	936	277	86	-	-	39	-	-	-	1,299	975	324
Library Books	530	188	342	45	-	-	45	-	-	-	575	233	342
Work In Progress - Buildings	245	-	245	(245)	-	-	-	-	-	-	-	-	-
Work In Progress - Land	262	-	262	6	-	-	-	-	-	-	268	-	268
<b>Total Operational Assets</b>	<b>19,001</b>	<b>2,834</b>	<b>16,167</b>	<b>1,848</b>	<b>-</b>	<b>(141)</b>	<b>594</b>	<b>(1,180)</b>	<b>11</b>	<b>3,162</b>	<b>22,693</b>	<b>2,243</b>	<b>20,452</b>
<b>Council Restricted Assets</b>													
Land	7,300	-	7,300	9	-	(125)	-	-	-	40	7,224	-	7,224
Buildings	4,274	644	3,630	329	-	(4)	222	(643)	1	892	4,848	222	4,627
Street Beautification	1,569	149	1,420	4	-	-	24	-	-	-	1,573	173	1,400
Rubbish Bins	203	-	203	-	-	-	-	-	-	-	203	-	203
Work In Progress - Street Beautificat	-	-	-	71	-	-	-	-	-	-	71	-	71
Work In Progress - Buildings	714	-	714	(714)	-	-	-	-	-	-	-	-	-
<b>Total Restricted Assets</b>	<b>14,060</b>	<b>793</b>	<b>13,267</b>	<b>(301)</b>	<b>-</b>	<b>(129)</b>	<b>246</b>	<b>(643)</b>	<b>1</b>	<b>932</b>	<b>13,920</b>	<b>395</b>	<b>13,525</b>
<b>Council Infrastructure Assets</b>													
Water Supply													
- Reticulation and other assets	5,493	545	4,948	377	-	(106)	205	(568)	2	4,462	9,660	205	9,457
- Treatment plants and facilities	7,717	533	7,183	701	-	-	159	(510)	-	(2,500)	5,409	159	5,249
Wastewater System													
- Reticulation and other assets	1,803	203	1,600	157	-	(65)	236	(203)	3	4,973	6,667	236	6,431
- Treatment plants and facilities	2,091	99	1,992	34	-	-	41	(99)	-	(295)	1,731	41	1,690
Stormwater System	3,075	187	2,889	23	-	(2)	103	(201)	-	3,421	6,331	103	6,229
Roading Network	199,537	6,683	192,854	2,784	-	-	2,289	(6,683)	-	705	196,344	2,289	194,055
Land Under Roads	55,950	-	55,950	-	-	-	-	-	-	(2,311)	53,639	-	53,639
Bridges	12,942	978	11,964	131	-	-	325	(979)	-	(270)	11,824	325	11,499
Work In Progress - Roading Network	197	-	197	(197)	-	-	-	-	-	-	-	-	-
Work In Progress - Wastewater Tr	82	-	82	92	-	-	-	-	-	-	174	-	174
Work In Progress - Stormwater	-	-	-	24	-	-	-	-	-	-	24	-	24
Work In Progress - Water Reticulatio	108	-	108	269	-	-	-	-	-	-	377	-	377
Work In Progress - Water Treatment	10	-	10	(10)	-	-	-	-	-	-	-	-	-
<b>Total Infrastructure Assets</b>	<b>289,005</b>	<b>9,228</b>	<b>279,780</b>	<b>4,385</b>	<b>-</b>	<b>(173)</b>	<b>3,357</b>	<b>(9,242)</b>	<b>5</b>	<b>8,185</b>	<b>292,179</b>	<b>3,357</b>	<b>288,825</b>
<b>Total Council</b>	<b>322,066</b>	<b>12,855</b>	<b>309,214</b>	<b>5,932</b>	<b>-</b>	<b>(443)</b>	<b>4,197</b>	<b>(11,065)</b>	<b>16</b>	<b>12,279</b>	<b>328,792</b>	<b>5,995</b>	<b>322,801</b>
<b>Subsidiaries</b>													
Buildings	1,587	192	1,396	-	-	-	66	-	-	251	1,647	66	1,582
Land	178	-	178	-	-	-	-	-	-	15	193	-	193
Furniture & Fittings	26	24	2	68	-	-	1	-	-	-	94	25	70
Office Equipment	3	3	0	-	-	-	1	-	-	-	4	4	1
Arboretum	44	3	41	-	-	-	1	-	-	5	45	1	43
<b>Total Subsidiaries Assets</b>	<b>1,839</b>	<b>222</b>	<b>1,616</b>	<b>68</b>	<b>-</b>	<b>-</b>	<b>69</b>	<b>-</b>	<b>-</b>	<b>271</b>	<b>1,984</b>	<b>96</b>	<b>1,889</b>

## Estimate of Replacement Cost

	Council	
	Most recent estimate of replacement cost 2017/18	Date of Estimate
<b>2018</b>		
Water Supply		
- Reticulation and other assets	19,863	30 June 2018
- Treatment plants and facilities	6,737	30 June 2018
Wastewater System		
- Reticulation and other assets	13,008	30 June 2018
- Treatment plants and facilities	11,466	30 June 2018
Stormwater System	11,141	30 June 2018
Roads and Footpaths	352,032	30 June 2018
<b>2017</b>		
Water Supply		
- Reticulation and other assets	19,324	30 June 2017
- Treatment plants and facilities	6,663	30 June 2017
Wastewater System		
- Reticulation and other assets	12,741	30 June 2017
- Treatment plants and facilities	11,341	30 June 2017
Stormwater System	10,887	30 June 2017
Roads and Footpaths	344,138	30 June 2017

## Depreciation and Amortisation Expense by Group of Activity

	Council	
	Actual 2017/18 \$000	Actual 2016/17 \$000
<b>Directly attributable depreciation and amortisation by group of activity</b>		
Community Services	581	553
Democracy	-	-
Economy	92	90
Environmental Services	7	3
Roading	2,617	2,619
Stormwater Drainage	103	103
Wastewater (Sewerage)	277	277
Solid Waste	27	27
Water Supply	364	378
<b>Total directly attributable depreciation and amortisation by group of activity</b>	<b>4,069</b>	<b>4,049</b>
Depreciation and amortisation not directly related to group of activities	297	311
<b>Total depreciation and amortisation for the whole of Council</b>	<b>4,366</b>	<b>4,360</b>

16. INTANGIBLE ASSETS – COUNCIL AND GROUP

2018	Cost / Valuation	Accumulated Amortisation and Impairment	Carrying Amount	Additions	Disposals	Current Year Impairment Charges	Depreciation Reversed on Disposal	Current Year Amortisation	Cost / Valuation	Accumulated Amortisation and Impairment	Carrying Amount
	1/07/2017			Current Year					30 June 2018		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Work in Progress	-	-	-	2	-	-	-	-	2	-	2
Computer Software	1,380	608	772	73	(33)	-	(33)	162	1,420	737	682
<b>Total</b>	<b>1,380</b>	<b>608</b>	<b>772</b>	<b>75</b>	<b>(33)</b>	<b>-</b>	<b>(33)</b>	<b>162</b>	<b>1,422</b>	<b>737</b>	<b>685</b>

2017	Accumulated Amortisation and Impairment	Carrying Amount	Additions	Disposals	Current Year Impairment Charges	Depreciation Reversed on Disposal	Current Year Amortisation	Cost / Valuation	Accumulated Amortisation and Impairment	Carrying Amount	
	1/07/2016		Current Year					30 June 2017			
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Computer Software	1360	511	849	180	(160)	0	(66)	163	1380	608	772
<b>Total</b>	<b>1360</b>	<b>511</b>	<b>849</b>	<b>180</b>	<b>(160)</b>	<b>0</b>	<b>(66)</b>	<b>163</b>	<b>1380</b>	<b>608</b>	<b>772</b>

All intangible assets referring to above are computer software.

There are no restrictions over intangible assets. No intangible assets have been pledged as security for liabilities.

## 17. PAYABLES AND DEFERRED REVENUE

	Council		Group	
	Actual	Actual	Actual	Actual
	2017/18	2016/17	2017/18	2016/17
	\$000	\$000	\$000	\$000
<b>Current Portion</b>				
<i>Payables and deferred revenue under exchange transactions</i>				
Trade Payables and Accrued Expenses	1,772	1,303	1,784	1,335
Deposits and Bonds	70	21	70	21
Revenue Received in Advance	108	116	108	116
<b>Total</b>	<b>1,949</b>	<b>1,441</b>	<b>1,961</b>	<b>1,473</b>
<i>Payables and deferred revenue under non-exchange transactions</i>				
Other Taxes Payable (GST)	292	67	292	67
Rates in Advance	221	201	221	201
<b>Total</b>	<b>513</b>	<b>268</b>	<b>513</b>	<b>268</b>
<b>Total Current Portion</b>	<b>2,462</b>	<b>1,708</b>	<b>2,474</b>	<b>1,740</b>

## 18. PROVISIONS

	Council		Group	
	Actual	Actual	Actual	Actual
	2017/18	2016/17	2017/18	2016/17
	\$000	\$000	\$000	\$000
<b>Current Portion</b>				
Landfill Aftercare Provision	11	11	11	11
<b>Total Current Portion</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>Non-current Portion</b>				
Landfill Aftercare Provision	51	58	51	58
<b>Total Non-Current Portion</b>	<b>51</b>	<b>58</b>	<b>51</b>	<b>58</b>
<b>Total Provisions</b>	<b>62</b>	<b>69</b>	<b>62</b>	<b>69</b>
<b>Movements for the Landfill Aftercare provision are as follows:</b>				
	Council		Group	
	Actual	Actual	Actual	Actual
	2017/18	2016/17	2017/18	2016/17
	\$000	\$000	\$000	\$000
Opening Balance	69	79	69	79
Additional Provision Made	-	-	-	-
Amounts used	(7)	(10)	(7)	(10)
<b>Closing Balance 30 June</b>	<b>62</b>	<b>69</b>	<b>62</b>	<b>69</b>

### Rural Landfills

In February 1998 Stratford District Council renewed its aftercare consents for the Pukengahu and Huiroa landfills which were closed in 1990 and 1991 respectively.

New consents have been granted by Taranaki Regional Council for the management of Council's closed landfills. These consents are valid until 2034 and set monitoring parameters with requirements for remedial action depending on the outcomes of the monitoring.

### Stratford Landfill

In March 1999 Stratford District Council renewed its consent for the Swansea Road landfill. While the consent required the site to be closed by June 2005 it was actually closed on 18 March 2002.

Council has an ongoing liability to ensure the site continues to be managed in a manner that least affects the environment and the work is expected to include the following major components:

- Environmental Monitoring (surface and groundwater)
- Surface groundwater controls (drainage maintenance)
- Earthworks (in the initial years the land is expected to sink due to the refuse decomposition and filling will be required to avoid ponding).

These liabilities are expected to continue to the 2025 year following the closure of the landfill however the financial impact is expected to be greatest for the first five years.

The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking in to account existing technology and is discounted using a discount rate of 7.5%.

The management of the landfill will influence the timing of recognition of some liabilities.

## 19. EMPLOYEE ENTITLEMENTS

	Council		Group	
	Actual 2017/18 \$000	Actual 2016/17 \$000	Actual 2017/18 \$000	Actual 2016/17 \$000
<b>Current Portion</b>				
Annual Leave	167	155	173	160
<b>Total Current Portion</b>	<b>167</b>	<b>155</b>	<b>173</b>	<b>160</b>
<b>Non-Current Portion</b>				
Retirement Gratuities	46	45	46	45
<b>Total Non-Current Portion</b>	<b>46</b>	<b>45</b>	<b>46</b>	<b>45</b>
<b>Total Employee Entitlements</b>	<b>213</b>	<b>200</b>	<b>219</b>	<b>205</b>



## 20. BORROWINGS

	Council		Group	
	Actual 2017/18 \$000	Actual 2016/17 \$000	Actual 2017/18 \$000	Actual 2016/17 \$000
<b>Current Portion</b>				
Committed cash advance facility	-	-	-	-
Secured Loans	5,500	-	5,500	-
<b>Total Current Portion</b>	<b>5,500</b>	<b>-</b>	<b>5,500</b>	<b>-</b>
<b>Non-Current Portion</b>				
Secured Loans	8,560	9,560	8,560	9,560
<b>Total Non-Current Portion</b>	<b>8,560</b>	<b>9,560</b>	<b>8,560</b>	<b>9,560</b>
<b>Total Borrowings</b>	<b>14,060</b>	<b>9,560</b>	<b>14,060</b>	<b>9,560</b>

### Security

The Council has entered into a Debenture Trust Deed with Trustees Executors Limited.

Under the debenture trust deed the Council has granted security over its rates and rates revenue. Trustees Executors Limited hold this security for the benefit of any holders of Stock (as that term is defined in the Council's debenture trust deed).

The Council has granted security stock (with a floating nominal amount) to each of TSB Bank Ltd and New Zealand Local Government Funding Agency (to secure all of Council's borrowings with those entities).

### Committed cash advance facility

Stratford District Council has a CCAF (Committed Cash Advance Facility) of \$1.0m that has not been included in the financial statements.

### Maturity Analysis and Effective Interest Rates

	Council		Group	
	Actual 2017/18 \$000	Actual 2016/17 \$000	Actual 2017/18 \$000	Actual 2016/17 \$000
Less than one year	5,500	-	5,500	-
Later than one year but not more than five years	1,500	2,500	1,500	2,500
Later than five years	7,060	7,060	7,060	7,060
<b>Total Borrowings</b>	<b>14,060</b>	<b>9,560</b>	<b>14,060</b>	<b>9,560</b>

The weighted average effective interest rate for 2017/18 is 4.02% (2016/17 4.39%).

### Local Government Funding Agency

Council has two LGFA loans as follows: \$3.0m maturing in May 2019, and \$1.5m maturing in May 2023(2016/17 ; \$0).

### Internal Borrowings

During the 2012/13 year Council made an internal loan to the Water Supply activity, towards the capital costs of the new Stratford Water Treatment Plant. The loan was for \$2,000,000. Interest has been calculated on the balance outstanding as at 1 July 2017 of \$1,670,795 at the weighted average interest rate of 4.02%. The Water Supply activity has been charged the cost of \$67,166. The sum of \$80,000 was repaid at the end of the year.

## 21. EQUITY

	Council		Group	
	Actual 2017/18 \$000	Actual 2016/17 \$000	Actual 2017/18 \$000	Actual 2016/17 \$000
<b>Retained Earnings - 1 July</b>	174,573	175,053	176,532	177,078
Transfers to:				
Restricted Reserves	(43)	(54)	(43)	(54)
Council Created Reserves	(4,634)	(4,736)	(4,634)	(4,736)
Transfers from:				
Council Created Reserves	4,684	3,971	4,684	3,971
Restricted Reserves	36	48	36	48
Profit / (Loss) for the year	881	292	814	226
<b>Balance at 30 June</b>	<b>175,497</b>	<b>174,573</b>	<b>177,390</b>	<b>176,532</b>
<b>Restricted Reserves - 1 July</b>	490	484	490	484
Transfers to:				
Retained Earnings	(36)	(48)	(36)	(48)
Transfers from:				
Retained Earnings	43	54	43	54
<b>Balance at 30 June</b>	<b>497</b>	<b>490</b>	<b>497</b>	<b>490</b>
<b>Fair Value through other comprehensive income - 1 July</b>	(12)	(102)	(12)	(102)
Loss on sale of financial assets at fair value through other comprehensive income	-	-	-	-
Revaluation Gains/(Losses) on Investments	(88)	90	(88)	90
<b>Balance at 30 June</b>	<b>(100)</b>	<b>(12)</b>	<b>(100)</b>	<b>(12)</b>
<b>Council Created Reserves - 1 July</b>	3,406	2,640	3,406	2,640
Transfers to:				
Retained Earnings	(4,684)	(3,971)	(4,684)	(3,971)
Transfers from:				
Retained Earnings	4,634	4,736	4,634	4,736
<b>Balance at 30 June</b>	<b>3,356</b>	<b>3,406</b>	<b>3,356</b>	<b>3,406</b>
<b>Asset Revaluation Reserves - 1 July</b>	138,141	125,863	139,158	126,609
Revaluation Gains/(Losses)	-	12,278	-	12,549
<b>Balance at 30 June</b>	<b>138,141</b>	<b>138,141</b>	<b>139,158</b>	<b>139,158</b>
<b>Total Other Reserves - 30 June</b>	<b>141,894</b>	<b>142,026</b>	<b>142,911</b>	<b>143,043</b>
<b>Asset Revaluation Reserves consist of:</b>				
Operational Assets				
Land	6,195	6,195	6,263	6,263
Buildings	5,324	5,324	6,273	6,273
Restricted Assets				
Wastewater System	5,202	5,202	5,202	5,202
Water System	3,993	3,993	3,993	3,993
Stormwater System	4,262	4,262	4,262	4,262
Roading Network	109,256	109,256	109,256	109,256
Land	2,137	2,137	2,137	2,137
Buildings	1,773	1,773	1,773	1,773
<b>Total</b>	<b>138,141</b>	<b>138,141</b>	<b>139,158</b>	<b>139,158</b>

## **EQUITY (CONT)**

### **Purpose of Each Reserve Fund**

Council's reserve funds are classified in to three categories:

- Council Created Reserves
- Restricted Reserves
- Targeted Rate Reserves

The purposes of the reserves are as follows:

#### **Council Created Reserves**

##### General Renewals Reserve

This reserve has been created for the accumulation of depreciation on buildings, plant, vehicles, office equipment and furniture and fittings. The funds are set aside to provide for the ongoing replacement of operational assets in these categories, and also to maintain and enhance existing Council assets. Funds are also provided for new projects where necessary.

##### Roading Renewals Reserve

This reserve has been created for the accumulation of depreciation on roads, bridges and street services assets. The funds are set aside to provide for the ongoing replacement of operational assets in these categories, and also to maintain and enhance existing Council assets. Funds are also provided for new projects where necessary.

##### Contingency Reserve

This reserve has been created to assist in the event of an emergency. Purposes for which funds are currently set aside are such things as natural disasters e.g. floods, earthquakes, volcanic eruptions etc.

##### Asset Sales Proceeds Reserve

The purpose of this reserve is to accumulate the net proceeds from the sale of Council assets that have not been specifically tagged for a particular purpose. These funds can then be used to acquire new capital assets.

##### Staff Gratuities Reserve

These funds are for the payment of gratuities, redundancies, and farewells/recognition of long service of staff or elected members, however there are no other specific restrictions on this reserve.

##### Mayor's Relief Fund

This fund has been in existence since at least 1934 and was originally set up to provide funds for the 'relief of distress' in the Stratford District. In recent years the reserve has been funded by donations and distributions of these monies has been at the Mayor's discretion.

#### **Restricted Reserves**

##### Elsie Fraser Bequest Reserve

These funds came from a bequest from Elsie Fraser in 1985 for the provision of a 'home for the less affluent old people within the Stratford community'. All surpluses from operations of these units are credited to the reserve.

##### RMA/Financial Contributions Reserve

Financial contributions are required by the Stratford District Plan. Council has received these funds from the subdivision of land and various land use activities. The reserve is used to fund growth related capital works and services.

## **EQUITY (CONT)**

### **Targeted Rate Reserves**

#### Water Supply, Solid Waste and Wastewater Reserves

These reserves represent the balance of funds collected from various targeted rates which have not yet been spent. The funds can only be used for the purpose for which they were originally levied. The reserves include depreciation on infrastructural assets, costs of any capital/renewal expenditure and any surplus/deficit from operations for the year.

## RESERVE FUND MOVEMENTS

		Balance	Transfers	Transfers	Balance
		1 July 2017	into fund	out of fund	30 June 2018
		\$000	\$000	\$000	\$000
<b>2018</b>	<b>Activities to which the reserve relates</b>				
<b>Restricted Reserves</b>					
Elsie Fraser Bequest Reserve	Pensioner Housing	62	29	(36)	55
Financial Contributions Reserve	All activities	428	14	-	442
<b>Total</b>		<b>490</b>	<b>43</b>	<b>(36)</b>	<b>497</b>
<b>2017</b>					
		Balance	Transfers	Transfers	Balance
		1 July 2016	into fund	out of fund	30 June 2017
		\$000	\$000	\$000	\$000
<b>2017</b>	<b>Activities to which the reserve relates</b>				
<b>Council Created and Targeted Rate Reser</b>					
Asset Renewal Reserve		1,481	998	(695)	1,785
Contingency Reserve	All activities	505	9	(9)	505
Asset Sale Proceeds Reserve	All activities	493	131	-	624
Staff Gratuities Reserve	All activities	144	2	(3)	144
Mayor's Relief Fund Reserve	Community	6	-	(1)	5
Stormwater Reserve	Stormwater	181	106	(135)	152
Roading Renewals Reserve	Roading	1,234	2,638	(3,090)	782
Water Supply Reserve	Water Supply	(945)	366	(496)	(1,075)
Solid Waste Reserve	Waste Management	149	104	(21)	232
Wastewater Reserve	Wastewater	158	280	(235)	203
<b>Total</b>		<b>3,407</b>	<b>4,634</b>	<b>(4,684)</b>	<b>3,356</b>
<b>2017</b>					
		Balance	Transfers	Transfers	Balance
		1 July 2016	into fund	out of fund	30 June 2017
		\$000	\$000	\$000	\$000
<b>2017</b>	<b>Activities to which the reserve relates</b>				
<b>Restricted Reserves</b>					
Elsie Fraser Bequest Reserve	Pensioner Housing	73	18	(29)	62
Financial Contributions Reserve	All activities	411	36	(19)	428
<b>Total</b>		<b>484</b>	<b>54</b>	<b>(48)</b>	<b>490</b>
<b>2017</b>					
		Balance	Transfers	Transfers	Balance
		1 July 2016	into fund	out of fund	30 June 2017
		\$000	\$000	\$000	\$000
<b>2017</b>	<b>Activities to which the reserve relates</b>				
<b>Council Created and Targeted Rate Reserves</b>					
Asset Renewal Reserve	All activities	1,027	983	(529)	1,481
Contingency Reserve	All activities	505	11	(11)	505
Asset Sale Proceeds Reserve	All activities	486	10	(4)	493
Staff Gratuities Reserve	All activities	146	3	(5)	144
Mayor's Relief Fund Reserve	Community	6	-	-	6
Stormwater Reserve	Stormwater	102	105	(26)	181
Roading Renewals Reserve	Roading	952	2,923	(2,640)	1,234
Water Supply Reserve	Water Supply	(747)	380	(577)	(945)
Waste Management Reserve	Waste Management	117	45	(12)	149
Wastewater Reserve	Wastewater	47	278	(167)	158
<b>Total</b>		<b>2,641</b>	<b>4,736</b>	<b>(3,971)</b>	<b>3,407</b>

## 22. COMMITMENTS

	Council		Group	
	Actual	Actual	Actual	Actual
	2017/18	2016/17	2017/18	2016/17
	\$000	\$000	\$000	\$000
<b>Financial Commitments</b>				
Not later than one year	6,717	5,884	6,717	5,884
Later than one year and not later than five years	957	5,848	957	5,848
Later than five years	-	73	-	73
<b>Total</b>	<b>7,674</b>	<b>11,805</b>	<b>7,674</b>	<b>11,805</b>
<b>Operating Leases as a Lessor</b>				
Not later than one year	3	3	3	3
Later than one year and not later than five years	12	12	12	12
Later than five years	78	81	78	81
<b>Total</b>	<b>93</b>	<b>96</b>	<b>93</b>	<b>96</b>
<b>Operating Leases as a Lessee</b>				
Not later than one year	16	18	16	18
Later than one year and not later than five years	-	16	-	16
Later than five years	-	-	-	-
<b>Total</b>	<b>16</b>	<b>34</b>	<b>16</b>	<b>34</b>
<b>Non-financial Commitments</b>	<ul style="list-style-type: none"> <li>* Council is committed to a 50/50 sharemilking agreement with the current sharemilker to 31 May 2021.</li> <li>* Council is committed to various leases of rental properties for terms ranging up to 33 years with perpetual rights of renewal in two cases.</li> <li>* Council is committed to a number of leases on reserves to various sports and other community bodies for varying</li> <li>* Council is committed to ground leases for the aerodrome club buildings, and private hangars for terms of up to 20 years.</li> <li>* Quotable Value NZ Ltd will provide valuation services to Council for the period to 30 June 2020.</li> <li>* AA Drivers Licensing have given Council an agency relationship to 30 June 2020.</li> <li>* The Information Centre has various commission agreements with tourism providers.</li> </ul>			

## 23. CONTINGENCIES

### Contingent Assets

The Council operates a scheme whereby sports clubs are able to construct facilities (e.g. club rooms) on reserve land. The clubs control the use of these facilities and the Council will gain control of the asset only if the club vacates the facility. Until this event occurs, the assets are not recognised as assets in the statement of financial position. As at 30 June 2018 there are 6 facilities having an approximate value of \$5.03 million (2017 6 facilities - \$5.03 million). The estimate has been based on rating valuations for the area.

### Building Compliance Investigation

Council has resolved to contribute to remediation of a historical subsidence issue involving a building consent issued in 2004.

Other than the above, there are no further contingent liabilities.

## 24. RELATED PARTY TRANSACTIONS

### Related Party Transactions with Subsidiaries, Associates or Joint Ventures

Council is the ultimate parent of the group and controls one entity, being Percy Thomson Trust and has no significant influence over any other entities. The Percy Thomson Trust building is on council-owned land, and there is no charge to the Trust.

#### Related Party Transactions with Subsidiaries, Associates or Joint Ventures

	Actual 2017/18 \$000	Actual 2016/17 \$000
<b>Percy Thomson Trust</b>		
Grant received from the Council	50	50
Rent received from Council for the Information Centre	18	18
Fees paid to Council for administration services	21	21

#### Transactions with Key Management Personnel

-

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the Council (such as payment of rates, etc).

Gloria Webby and Keryn Walsh, Councillors, are Trustees of Percy Thomson Trust.

#### Payments Made to Related Parties

There were no transactions with related parties at non-arms length.

#### Key Management Personnel Compensation

	Actual 2017/18 \$000	Actual 2016/17 \$000
Salaries and other short term employee benefits	655	653

*(This includes the salaries and superannuation for Senior Management, and is five full time equivalents)*

## 25. REMUNERATION

	Actual 2017/18 \$	Actual 2016/17 \$
<b>Chief Executive</b>		
The former Chief Executive of Stratford District Council, who was appointed under section 42 of the Local Government Act 2002 and resigned from the position on 4 January 2017, received the following remuneration for the period 1 July 2016 to 4 January 2017:		
Salary	0	99,934
Superannuation Subsidy	0	2,911
Vehicle (market value plus FBT)	0	6,821
<b>Total</b>	<b>0</b>	<b>109,666</b>
The current Chief Executive of Stratford District Council was appointed under section 42 of the Local Government Act 2002 as from 5 January 2017 (2016/17 part year) and received the following remuneration for the year ended 30 June 2018:		
Salary	190,000	96,725
Superannuation Subsidy (Kiwisaver)	5,700	2,902
Vehicle (market value plus FBT)	0	0
<i>As at 30 June 2018 the annual remuneration package that was being received by the Chief Executive was calculated at \$190,000. This remuneration excludes Kiwisaver contributions.</i>		
<b>Total</b>	<b>195,700</b>	<b>99,627</b>
<b>Total Chief Executive Remuneration</b>	<b>195,700</b>	<b>209,293</b>
<b>Elected Representatives</b>		
Mayor - N Volzke	70,497	69,319
<b>Councillors</b>		
R Hignett (to October 2016)	0	4,963
R Vickers (to October 2016)	0	4,963
J Sandford	17,942	17,642
K Squire	17,179	16,892
V Milner (to October 2016)	0	4,963
A Jamieson	24,050	23,648
R Thomson (to October 2016)	0	4,963
J Campbell (to October 2016)	0	4,963
J Erwood	17,179	16,892
G Kelly	17,179	16,892
G Boyde (from October 2016)	19,722	13,749
K Walsh (from October 2016)	17,179	12,002
R Coplestone (from October 2016)	17,179	12,002
G Webby (from October 2016)	17,179	12,002
P Dalziel (from October 2016)	17,179	12,002
Full Time Equivalents *	11	11
* Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.		
* In addition to the honorarium a total of \$13,090 was paid to the Councillors as a communications allowance for the year.		
No elected representative received any remuneration from Council's CCO, the Percy Thomson Trust.		
<b>Council employees</b>	<b>30 June 2018</b>	<b>30 June 2017</b>
<b>Total annual remuneration by band</b>		
Less than \$60,000	37	40
\$60,000 - \$79,999	13	10
\$80,000 - \$159,999	9	8
\$160,000 - \$200,000	1	1
<b>Total Council employee remuneration</b>	<b>60</b>	<b>59</b>
At balance date, the Council employed 38 (2017: 40) full-time employees, with the balance of staff representing 22 (2017: 25) full-time equivalent employees. A full-time employee is determined on the basis of a 40 hour working week.		



## 26. SEVERANCE PAYMENTS

For the year ended 30 June 2018, the Council made one severance payment to employees, totalling \$33,024 (2016/17 - no payments made). The value of each severance payment was \$33,024 (2016/17 - \$0).

## 27. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after balance date.

## 28. FINANCIAL INSTRUMENT CATEGORIES

	Council		Group	
	Actual 2017/18 \$000	Actual 2016/17 \$000	Actual 2017/18 \$000	Actual 2016/17 \$000
<b>FINANCIAL ASSETS</b>				
<b>Loans and receivables</b>				
Cash and cash equivalents - Cash	4,107	2,208	4,241	2,301
Short Term Deposits	-	-	250	250
Receivables	1,539	1,137	1,545	1,147
Other financial assets:				
Community loans	53	68	53	68
<b>Total</b>	<b>5,698</b>	<b>3,413</b>	<b>6,088</b>	<b>3,766</b>
<b>Held to maturity</b>				
Other financial assets:				
LGFA Borrower Notes	72	-	72	-
<b>Total</b>	<b>72</b>	<b>-</b>	<b>72</b>	<b>-</b>
<b>Fair value through other comprehensive revenue and expense</b>				
Other financial assets:				
Local authority stock and Bonds	-	-	530	735
Listed shares	982	1,070	982	1,070
<b>Total</b>	<b>982</b>	<b>1,070</b>	<b>1,512</b>	<b>1,805</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Financial liabilities at amortised cost</b>				
Payables and deferred revenue	1,949	1,441	1,961	1,473
Borrowings:				
Secured loans	14,060	9,560	14,060	9,560
<b>Total</b>	<b>16,009</b>	<b>11,001</b>	<b>16,021</b>	<b>11,033</b>

## 29. EXPLANATION OF SIGNIFICANT VARIANCES BETWEEN ACTUAL AND BUDGET

Explanations for major variations from Council's estimated figures in the 2017/18 Annual Plan are as follows:

### Statement of Comprehensive Revenue and Expense

Income is higher than anticipated due to the following:

- Subsidies are higher than budget primarily due to the approval of additional items of work in the subsidised roading activity.
- Other direct operating costs are higher than budget primarily due to the approval of additional items of maintenance works in the roading activity.

### Statement of Financial Position

Revaluation Reserves are less than budget due to the lesser increase arising from the asset revaluation at 1 July 2016.

## 30. DISTRICT LICENSING COMMITTEE DISCLOSURE

	2017/18	2016/17
<b><u>Income from Fees:</u></b>		
Licence Applications	\$33,590	\$33,077
Liquor Licencing Authority Levies	\$2,485	\$2,370
<b>Total Income</b>	<b>\$36,075</b>	<b>\$35,447</b>
<b><u>Expenditure:</u></b>		
Licencing Inspectors	\$42,057	\$37,095
District Licensing Committee Fees	\$5,418	\$2,793
Liquor Licencing Authority Levies	\$2,455	\$2,290
Other operating Costs Relating to Enforcement	\$2,053	\$5,169
<b>Total Expenditure</b>	<b>\$51,982</b>	<b>\$47,347</b>
<i>This information is provided in accordance with Regulation 19 of the Sale and Supply of Alcohol (Fees) Regulations 2013. This regulation requires Territorial Authorities to prepare a report detailing income from fees, and licencing costs under the Act. This information must be publicly available.</i>		

## 31. INSURANCE OF ASSETS

The Local Government Act 2002 requires that details of insurance of assets be included in the annual report.

### STRATFORD DISTRICT COUNCIL INSURANCE OF ASSETS AS AT 30 JUNE 2018

	Carrying value as at 30 June 2018 \$000
<b>ASSETS FROM STATEMENT OF FINANCIAL POSITION</b>	
Property, plant and equipment	325,493
Investment property	119
	<b>325,612</b>
Less	
Land component of operational assets	-8,742
Land under roads	-53,639
Land – restricted assets	-7,224
	<b>-69,605</b>
<b>NET NON-FINANCIAL ASSETS (EXCLUDING LAND)</b>	<b>256,007</b>

	Insured value as at 30 June 2018 \$000	
<b>INSURANCE ARRANGEMENTS</b>		
Material damage cover for buildings, plant, contents	-45,708	Subject to various deductibles including \$5k for most claims except for earthquake or volcanic eruption where deductible is 5% of sum insured or 10% for pre 1935 buildings. Insured for market value – carrying value assumed for this purpose.
Motor vehicle insurance cover (including leased vehicles)	-261	
<b>RISK SHARING ARRANGEMENTS</b>		
Cover for infrastructure assets as a member of LAPP	-23,203	Sum equates 40% of the ORV value of scheduled assets. A deductible of \$150,000 applied.  It is anticipated (though cannot be guaranteed) that under the terms contained in the Guide to Civil Defence Emergency Management Plan central government may fund 60% of the qualifying cost of reinstating essential infrastructure with a deductible of \$150,000
Central Government assistance		
Council arrangements for covering deductibles and/or uninsured assets	<b>69,172</b>	
<b>Sum not specially insured</b>	<b>186,835</b>	Note the 60% of the ORV of infrastructure assets which may be funded by central government equates \$21.03m.

The Council has no insurances relating to financial or intangible assets. The uninsured assets consist of the Roding Network, \$205m, which NZTA may assist with in the event of an emergency.

## 32. JOINT COMMITTEE – CENTRAL LANDFILL

### Joint Committee – Central Landfill

During the year the Council agreed with South Taranaki District Council (STDC) and New Plymouth District Council (NPDC) to form a Joint Committee tasked with developing a new landfill and operating it following the closure of the Colson Landfill.

Each Council's share of capital contributions, distribution of any operating surplus or appointment of any operating deficit has been agreed as follows:

New Plymouth District Council	66.4 per cent (\$10,690,400)
South Taranaki District Council	27.1 per cent (\$4,363,100)
Stratford District Council	6.5 per cent (\$1,046,500)

As at 30 June 2018, total capital contributions of \$16.1 million have been made and capital costs incurred of \$7.2 million.

Stratford District Council's share of the landfill asset accounted for as part of work in progress (note 15). This amount of \$476,847 is the capital and operational costs to 30 June 2018.

The balance of the initial capital contribution being \$569,653, has been recorded as a prepayment in the financial statements.

This accounting treatment is consistent with all three councils that form part of the joint committee.

# FUNDING IMPACT STATEMENTS

## Stratford District Council Funding Impact Statement for the year ended 30 June 2018 (Whole of Council)

	Annual Plan 2016/17	Actual 2016/17	Annual Plan 2017/18	Actual 2017/18
	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	5,446	5,501	5,643	5,615
Targeted rates	5,941	5,802	6,065	5,861
Subsidies and grants for operating purposes	1,628	1,928	1,361	1,917
Fees and Charges	2,459	1,764	2,156	1,833
Interest and dividends from investments	197	42	145	31
Local authorities fuel tax, fines, infringement fees, and other receipts	88	82	34	78
<b>Total operating funding (A)</b>	<b>15,757</b>	<b>15,118</b>	<b>15,404</b>	<b>15,335</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	11,539	11,067	11,604	11,330
Finance costs	618	420	633	454
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>12,156</b>	<b>11,487</b>	<b>12,238</b>	<b>11,784</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>3,600</b>	<b>3,631</b>	<b>3,166</b>	<b>3,551</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,540	1,427	1,545	2,036
Development and financial contributions	-	8	-	7
Increase (decrease) in debt	723	-	3,460	4,500
Gross proceeds from sale of assets	970	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>3,233</b>	<b>1,435</b>	<b>5,006</b>	<b>6,542</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	1,621
- To improve the level of service	1,709	1,320	2,205	1,098
- To replace existing assets	4,796	4,774	5,096	4,981
Increase (decrease) in reserves	329	(1,293)	871	2,394
Increase (decrease) in investments	-	264	-	-
<b>Total applications of capital funding (D)</b>	<b>6,834</b>	<b>5,066</b>	<b>8,172</b>	<b>10,093</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(3,600)</b>	<b>(3,631)</b>	<b>(3,167)</b>	<b>(3,551)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Funding Impact Statement - Note

The funding impact statement is required under the Local Government Act 2002 Schedule and conforms to the Local Government (Financial Reporting) Regulations 2011.

Generally accepted accounting practice does not apply to the preparation of the funding impact statement as stated in Section 111(2) of the Local Government Act.

# Stratford District Council Funding Impact Statement for the year ended 30 June 2018 (Community Services)

	Long Term Plan 2016/17	Actual 2016/17	Long Term Plan 2017/18	Actual 2017/18
	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	2,931	2,961	3,040	3,071
Targeted rates	14	14	14	15
Subsidies and grants for operating purposes	282	315	-	21
Fees and Charges	475	460	496	500
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	28	1	30	0
<b>Total operating funding (A)</b>	<b>3,730</b>	<b>3,751</b>	<b>3,579</b>	<b>3,607</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	2,047	1,932	2,060	2,045
Finance costs	52	20	61	46
Internal charges & overheads applied	784	731	811	988
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,883</b>	<b>2,683</b>	<b>2,932</b>	<b>3,079</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>847</b>	<b>1,068</b>	<b>647</b>	<b>528</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	40
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	165	568	162	(36)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>165</b>	<b>568</b>	<b>162</b>	<b>5</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	631	900	1,789	147
- To replace existing assets	67	271	76	106
Increase (decrease) in reserves	313	557	(1,056)	280
Increase (decrease) in investments	-	(92)	-	-
<b>Total applications of capital funding (D)</b>	<b>1,011</b>	<b>1,636</b>	<b>809</b>	<b>533</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(847)</b>	<b>(1,068)</b>	<b>(647)</b>	<b>(528)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Stratford District Council Funding Impact Statement for the year ended 30 June 2018 (Roading)

	Long Term Plan 2016/17	Actual 2016/17	Long Term Plan 2017/18	Actual 2017/18
	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties *	(8)	(8)	(6)	(7)
Targeted rates	2,871	2,904	2,834	2,821
Subsidies and grants for operating purposes	1,346	1,251	1,372	1,867
Fees and Charges	380	305	387	269
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	9	76	10	78
<b>Total operating funding (A)</b>	<b>4,599</b>	<b>4,528</b>	<b>4,597</b>	<b>5,028</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers - see note below	2,906	2,934	2,921	3,115
Finance costs	21	-	20	-
Internal charges & overheads applied	216	207	224	288
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,143</b>	<b>3,141</b>	<b>3,165</b>	<b>3,403</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,456</b>	<b>1,387</b>	<b>1,431</b>	<b>1,625</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,540	1,703	1,567	2,015
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(17)	-	(17)	4
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,523</b>	<b>1,703</b>	<b>1,550</b>	<b>2,019</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	153	11	156	81
- To replace existing assets	2,967	2,740	2,971	4,027
Increase (decrease) in reserves	(141)	339	(147)	(464)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>2,979</b>	<b>3,090</b>	<b>2,981</b>	<b>3,644</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,456)</b>	<b>(1,387)</b>	<b>(1,431)</b>	<b>(1,625)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Stratford District Council Funding Impact Statement for the year ended 30 June 2018 (Water Supply)

	Long Term Plan 2016/17	Actual 2016/17	Long Term Plan 2017/18	Actual 2017/18
	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	1,811	1,635	2,043	1,658
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	9	-	10	-
<b>Total operating funding (A)</b>	<b>1,821</b>	<b>1,635</b>	<b>2,053</b>	<b>1,658</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	797	1,077	979	874
Finance costs	337	237	360	261
Internal charges & overheads applied	210	207	216	268
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,344</b>	<b>1,520</b>	<b>1,555</b>	<b>1,403</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>476</b>	<b>115</b>	<b>498</b>	<b>255</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	545	943	263	80
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>545</b>	<b>943</b>	<b>263</b>	<b>80</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	247	110	165	20
- To replace existing assets	830	1,236	604	446
Increase (decrease) in reserves	(56)	(289)	(9)	(131)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,021</b>	<b>1,058</b>	<b>760</b>	<b>335</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(476)</b>	<b>(114)</b>	<b>(498)</b>	<b>(255)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Stratford District Council Funding Impact Statement for the year ended 30 June 2018 (Waste Water)

	Long Term Plan 2016/17	Actual 2016/17	Long Term Plan 2017/18	Actual 2017/18
	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	546	546	550	697
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	41	65	42	67
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	4	-	4	0
<b>Total operating funding (A)</b>	<b>591</b>	<b>611</b>	<b>596</b>	<b>764</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	279	321	235	377
Finance costs	98	15	125	31
Internal charges & overheads applied	95	95	98	117
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>473</b>	<b>430</b>	<b>458</b>	<b>524</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>119</b>	<b>181</b>	<b>138</b>	<b>240</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	651	246	330	115
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>651</b>	<b>246</b>	<b>330</b>	<b>115</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	584	84	184	147
- To replace existing assets	208	197	267	166
Increase (decrease) in reserves	(22)	146	17	42
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>769</b>	<b>428</b>	<b>468</b>	<b>356</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(119)</b>	<b>(182)</b>	<b>(138)</b>	<b>(241)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Stratford District Council Funding Impact Statement for the year ended 30 June 2018 (Storm Water)

	Long Term Plan 2016/17	Actual 2016/17	Long Term Plan 2017/18	Actual 2017/18
	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	266	269	333	313
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	4	-	4	-
<b>Total operating funding (A)</b>	<b>270</b>	<b>269</b>	<b>337</b>	<b>313</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	85	71	88	75
Finance costs	7	-	11	15
Internal charges & overheads applied	94	93	96	98
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>186</b>	<b>164</b>	<b>196</b>	<b>187</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>84</b>	<b>105</b>	<b>141</b>	<b>126</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	88	21	59	(15)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>88</b>	<b>21</b>	<b>59</b>	<b>(15)</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	93	33	123	110
- To replace existing assets	104	14	107	11
Increase (decrease) in reserves	(25)	79	(29)	(9)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>172</b>	<b>126</b>	<b>200</b>	<b>112</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(84)</b>	<b>(105)</b>	<b>(141)</b>	<b>(126)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Stratford District Council Funding Impact Statement for the year ended 30 June 2018 (Solid Waste)

	Long Term Plan 2016/17	Actual 2016/17	Long Term Plan 2017/18	Actual 2017/18
	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	19	19	19	19
Targeted rates	713	717	761	685
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	61	84	63	83
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	4	-	4	0
<b>Total operating funding (A)</b>	<b>796</b>	<b>820</b>	<b>846</b>	<b>786</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	591	624	629	568
Finance costs	-	-	12	21
Internal charges & overheads applied	164	158	169	96
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>755</b>	<b>782</b>	<b>810</b>	<b>684</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>41</b>	<b>37</b>	<b>36</b>	<b>102</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	432	1,025
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>432</b>	<b>1,025</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	477
- To replace existing assets	44	13	463	-
Increase (decrease) in reserves	(3)	25	5	650
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>41</b>	<b>38</b>	<b>468</b>	<b>1,127</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(41)</b>	<b>(38)</b>	<b>(36)</b>	<b>(102)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Stratford District Council Funding Impact Statement for the year ended 30 June 2018 (Democracy)

	Long Term Plan 2016/17	Actual 2016/17	Long Term Plan 2017/18	Actual 2017/18
	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	735	742	791	820
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	60	69	60	64
Internal charges and overheads recovered	901	880	926	1,424
Local authorities fuel tax, fines, infringement fees, and other receipts	18	-	19	-
<b>Total operating funding (A)</b>	<b>1,714</b>	<b>1,691</b>	<b>1,796</b>	<b>2,307</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	1,306	1,258	1,377	1,787
Finance costs	-	-	-	-
Internal charges & overheads applied	408	394	419	492
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,714</b>	<b>1,652</b>	<b>1,796</b>	<b>2,279</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>-</b>	<b>39</b>	<b>-</b>	<b>28</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	413	302	198	255
Increase (decrease) in reserves	(413)	(264)	(198)	(227)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>-</b>	<b>38</b>	<b>-</b>	<b>28</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>-</b>	<b>(38)</b>	<b>-</b>	<b>(28)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Stratford District Council Funding Impact Statement for the year ended 30 June 2018 (Economy)

	Long Term Plan 2016/17	Actual 2016/17	Long Term Plan 2017/18	Actual 2017/18
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	454	458	468	410
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	8
Fees and Charges	923	684	954	678
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	14	1	15	-
<b>Total operating funding (A)</b>	<b>1,391</b>	<b>1,142</b>	<b>1,438</b>	<b>1,096</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	855	649	865	655
Finance costs	102	135	104	108
Internal charges & overheads applied	328	309	339	292
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,285</b>	<b>1,093</b>	<b>1,307</b>	<b>1,054</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>106</b>	<b>50</b>	<b>131</b>	<b>42</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(870)	-	1,581	1,514
Gross proceeds from sale of assets	970	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>100</b>	<b>-</b>	<b>1,581</b>	<b>1,514</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	1,621
- To improve the level of service	-	182	-	34
- To replace existing assets	179	-	110	-
Increase (decrease) in reserves	27	(88)	1,602	(99)
Increase (decrease) in investments	-	(44)	-	-
<b>Total applications of capital funding (D)</b>	<b>206</b>	<b>50</b>	<b>1,712</b>	<b>1,556</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(106)</b>	<b>(50)</b>	<b>(131)</b>	<b>(42)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Stratford District Council Funding Impact Statement for the year ended 30 June 2018 (Environmental Services)

	Long Term Plan 2016/17	Actual 2016/17	Long Term Plan 2017/18	Actual 2017/18
	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	1,049	1,060	1,023	990
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	504	378	519	388
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	27	1	29	-
<b>Total operating funding (A)</b>	<b>1,580</b>	<b>1,439</b>	<b>1,571</b>	<b>1,378</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	958	746	927	732
Finance costs	-	-	-	-
Internal charges & overheads applied	619	607	641	618
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,577</b>	<b>1,352</b>	<b>1,568</b>	<b>1,350</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>3</b>	<b>86</b>	<b>3</b>	<b>28</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	-	-	-	-
Increase (decrease) in reserves	3	86	3	28
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>3</b>	<b>86</b>	<b>3</b>	<b>28</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(3)</b>	<b>(86)</b>	<b>(3)</b>	<b>(28)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# ANNUAL REPORT DISCLOSURE STATEMENT

Annual report disclosure statement for year ending 30 June 2018.

## What is the purpose of this statement?

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

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

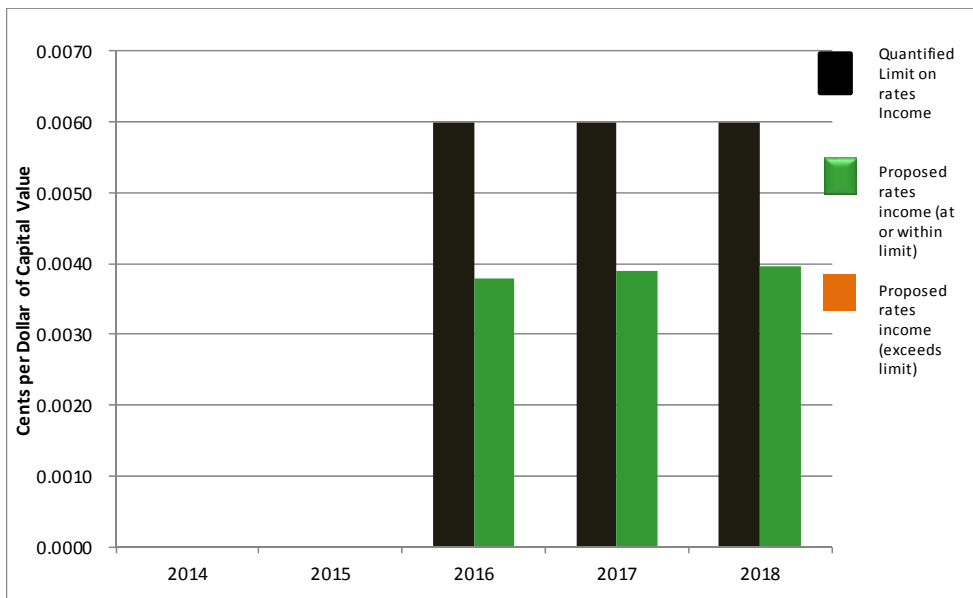
## Rates affordability benchmark

The council meets the rates affordability benchmark if –

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

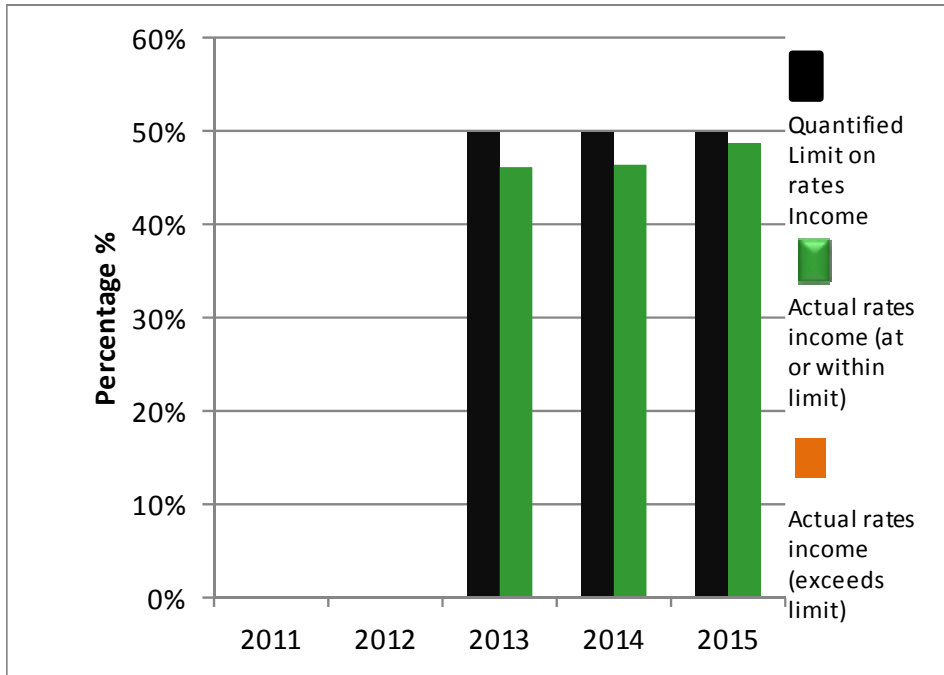
### Rates (income) affordability

The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's long-term plan. The quantified limit for 2017/18 is less than 0.006cents in the dollar of Capital Value for the District.



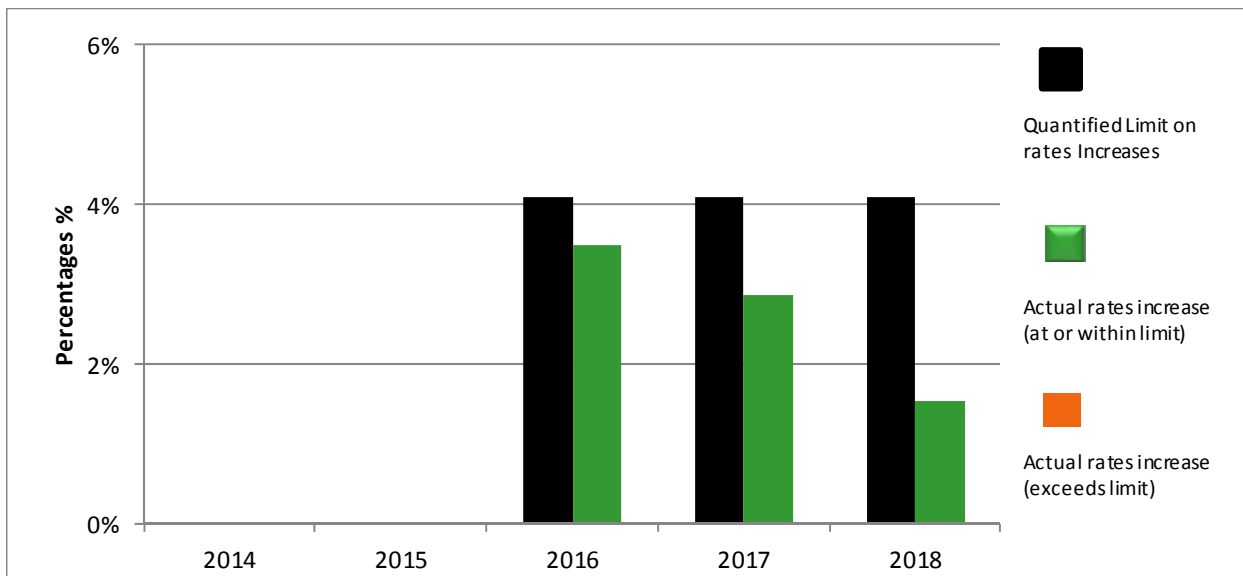
As this benchmark was new for the 2015/16 Annual Report as a result of the 2015-2025 Long Term Plan, there were no comparative numbers in the graph. We have included the rates (income) affordability which sets out the limit as per the 2012-2022 Long Term Plan below.

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's 2012-2022 Long Term Plan. The quantified limit is less than 50%, which represents 50% of the funding required for operating expenditure, capital expenditure and loan repayments.



Rates (increases) affordability

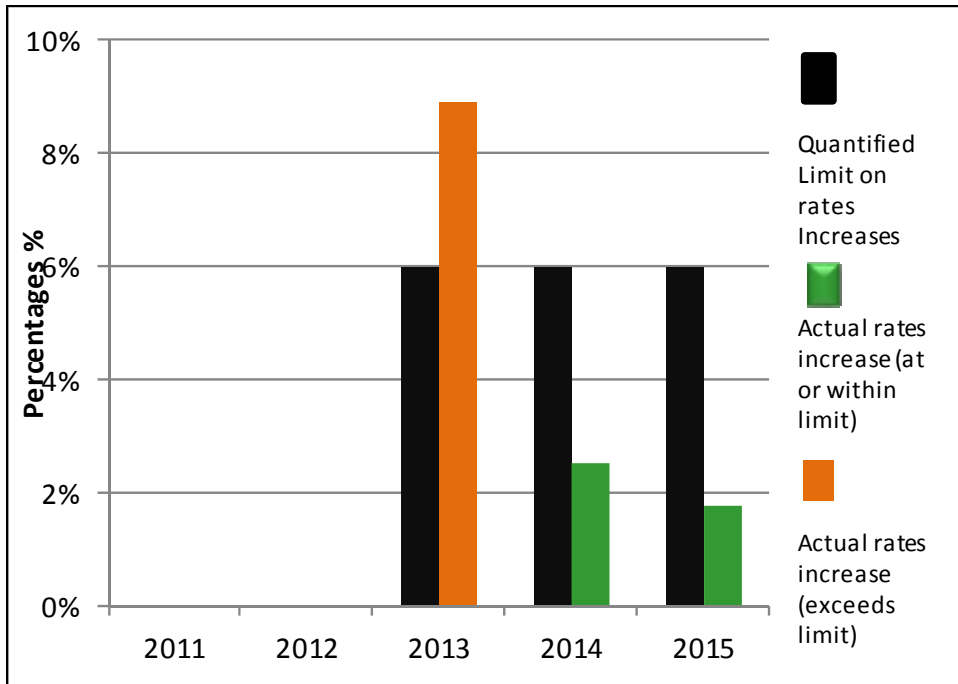
The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's Long Term Plan. The quantified limit for 2017/18 is 4.53% (LGCI + 2%), which represents the maximum rates increase of \$443,000 for 2017/18 as identified in the 2015-2025 Long Term Plan.



As this benchmark was new for the 2015/16 Annual Report as a result of the 2015-2025 Long Term Plan, there were no comparative numbers in the graph. We have included the rates (increases) affordability which sets out the limit as per the 2012-2022 Long Term Plan below.



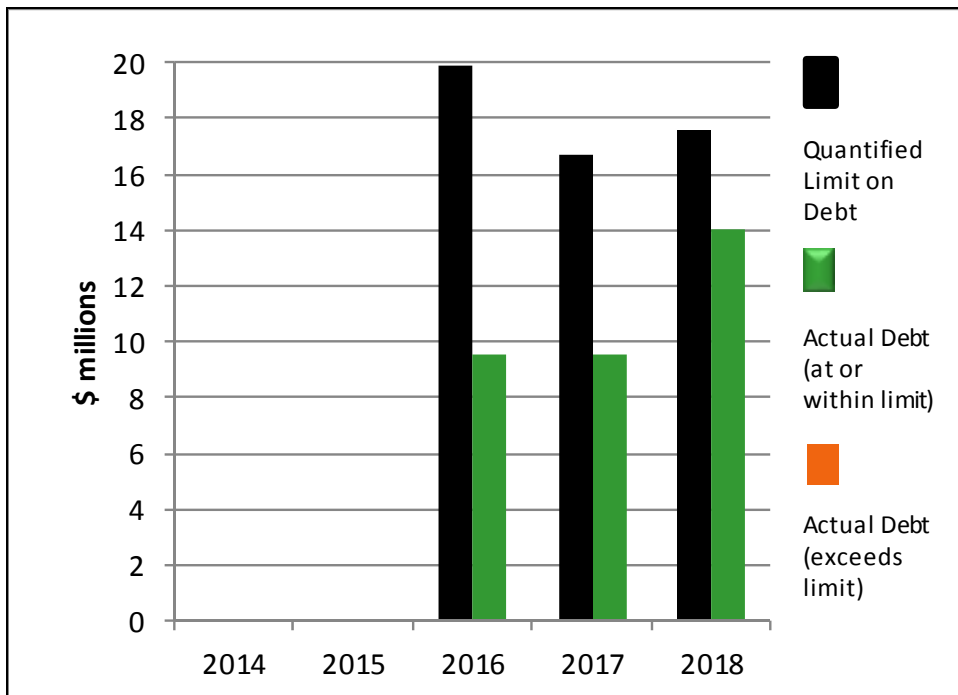
The following graph compares Council’s limit on rate increases to actual rate increases as identified in the 2012-2022 Long Term Plan.



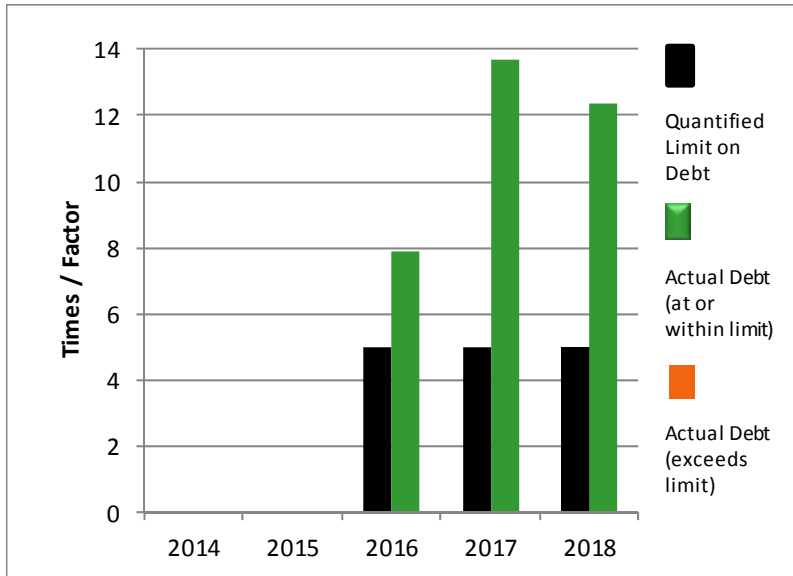
Debt affordability benchmark

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

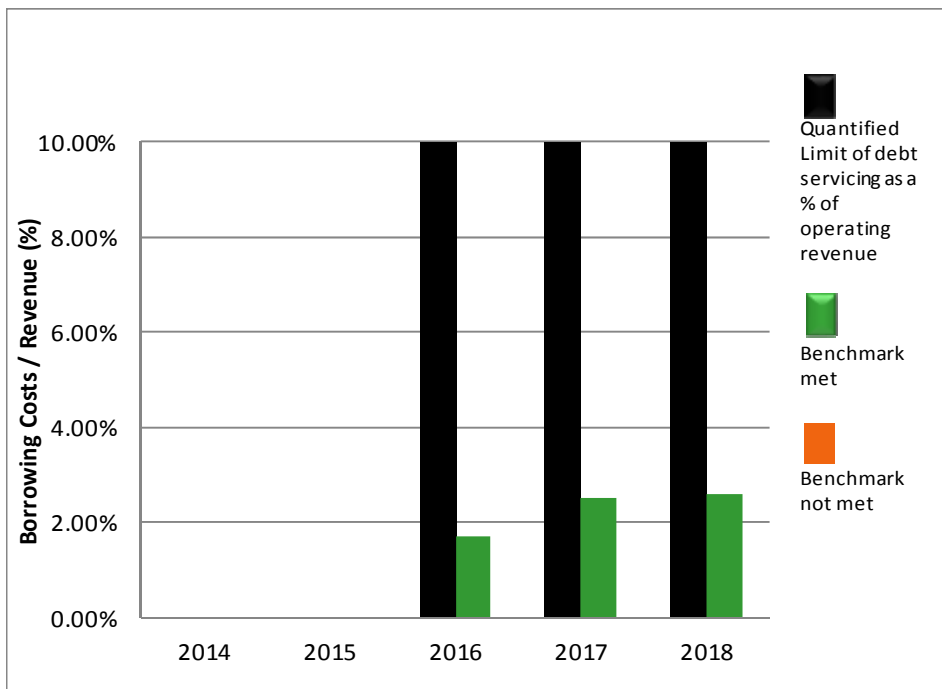
The following graph compares the Council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council’s Long Term Plan. The quantified limit is debt to operating revenue (excludes vested assets) will be less than 100% expressed in \$ terms.



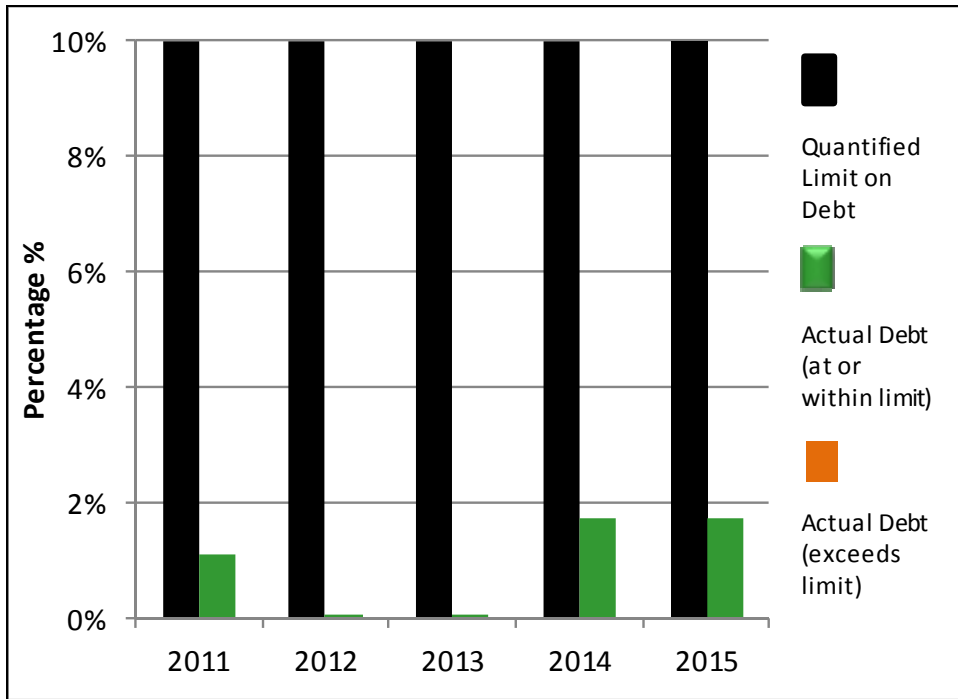
The following graph compares the Council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council’s Long Term Plan. The quantified limit is that the net cash flow from operations exceeds interest cost by more than five times.



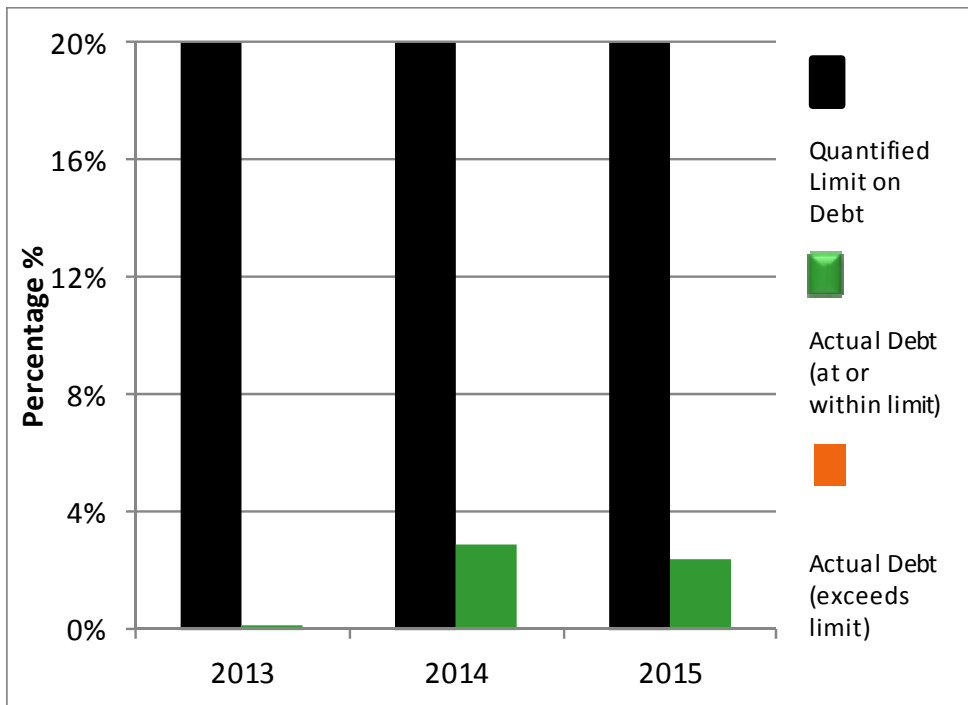
The following graph compares the Council’s actual borrowings with a quantified limit on borrowing stated in the financial strategy included in the Council’s Long Term Plan. The quantified limit is debt servicing as a % of operating revenue (excludes vested assets) is less than 10%.



The following graph compares the Council’s debt to equity ratio. The financial Strategy caps debt at 10% of equity in the 2012-2022 Long Term Plan.



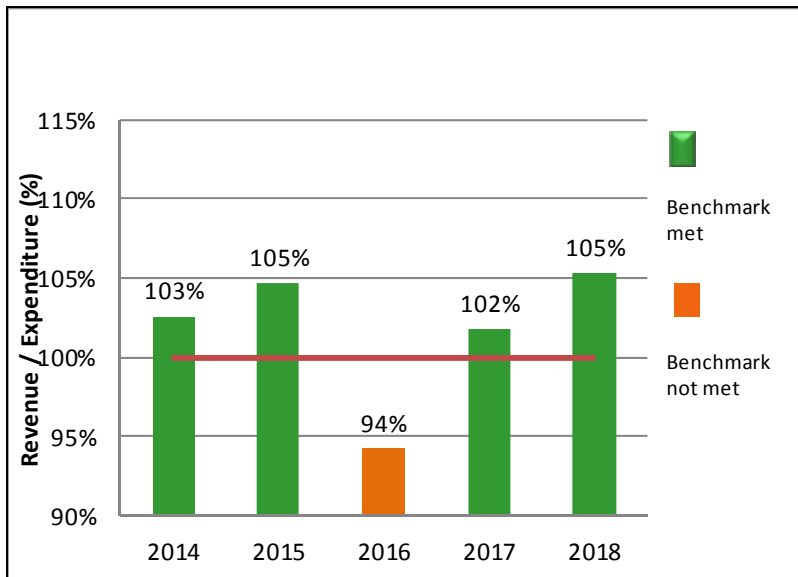
Debt affordability is also measured by the ratio of debt servicing to rates. The 2012-2022 Long Term Plan limits debt servicing to 20% of rates.



Balanced budget benchmark

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

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

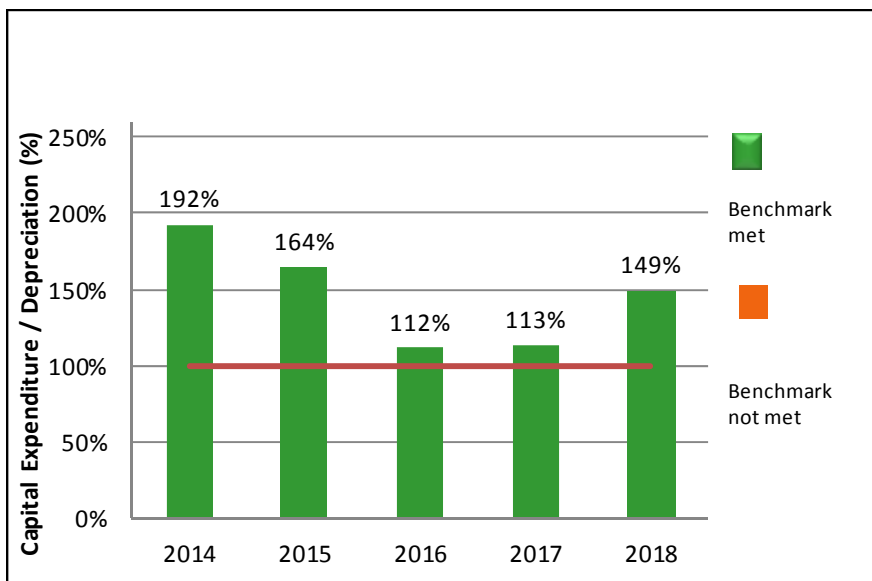


For 2016 the expenditure exceeded income largely as a result of the costs associated with the June 2015 storm event in Roding.

Essential services benchmark

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

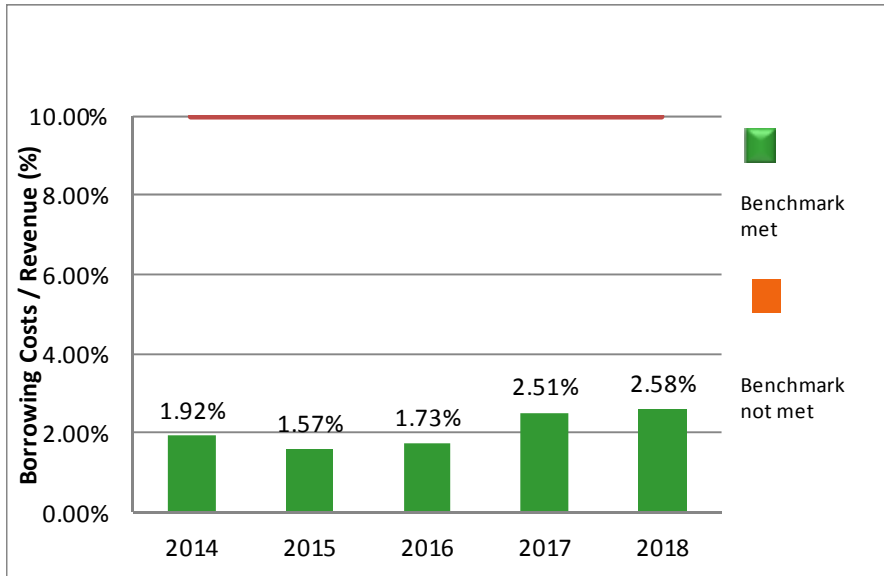
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

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

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



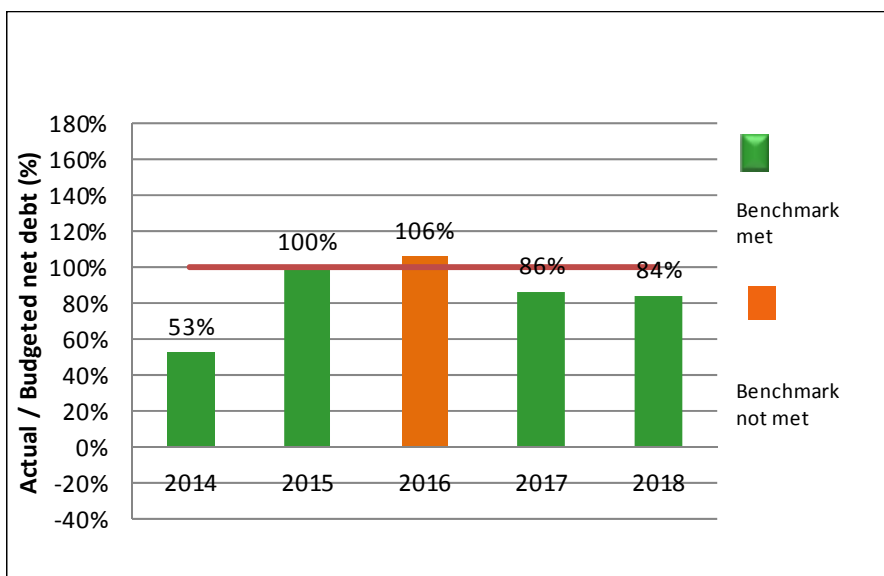
Debt control benchmark

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

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

The 2013 financial year has a forecast net debt but the actual net debt was negative. The debt control benchmark compares the actual net debt with the budgeted net debt. For the 2015 annual report the budgeted net debt is derived from the Long Term Plan, in the 2014 annual report net debt was obtained from the respective Annual Plans.

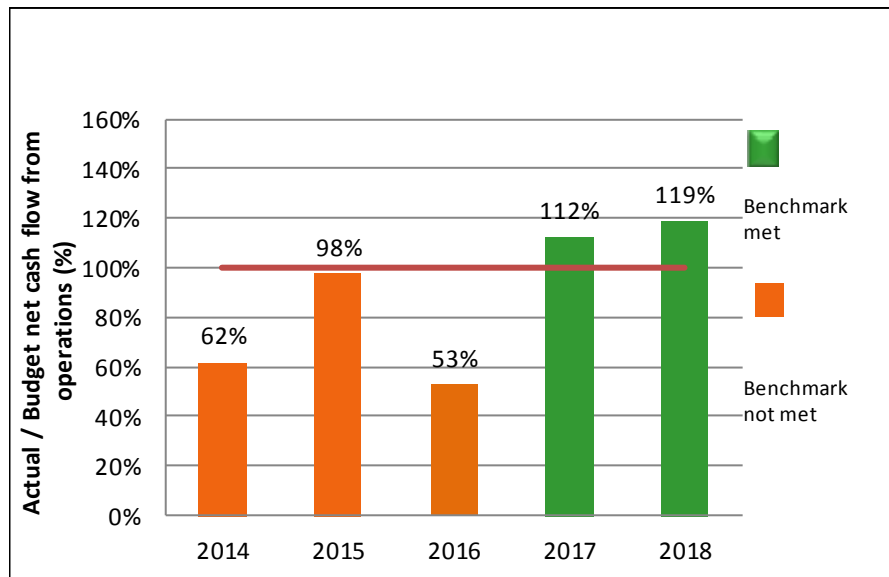
The net debt for 2016 was affected by Council Debt Reserves being used to fund excess Roading costs associated with the 2015 storm event.



Operations control benchmark

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

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





# AUDIT REPORT

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## Independent Auditor's Report

### To the readers of Stratford District Council's annual report for the year ended 30 June 2018

The Auditor-General is the auditor of Stratford District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Andrew Clark, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and

the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 23 October 2018. This is the date on which we give our report.

### Opinion on the audited information

In our opinion:

the financial statements on pages 78, and 80 to 119:

present fairly, in all material respects:

the District Council and Group's financial position as at 30 June 2018; and

the results of the operations and cash flows for the year ended on that date; and

comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and

the funding impact statement on page 120, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;

the statement of service provision on pages 16 to 74:

presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2018, including:

the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and

the reasons for any significant variation between the levels of service achieved and the intended levels of service; and

complies with generally accepted accounting practice in New Zealand; and

the statement about capital expenditure for each group of activities on pages 121 to 129, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's long-term Plan; and

the funding impact statement for each group of activities on pages 121 to 129, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

## **Report on the disclosure requirements**

We report that the District Council has:

complied with the requirements of Schedule 10 of the Act that apply to the annual report; and

made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 130 to 137, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

## **Basis for our opinion on the audited information**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.



## **Responsibilities of the Council for the audited information**

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

## **Responsibilities of the auditor for the audited information**

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

We determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.

We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Other Information**

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 15, 75 to 77, and 79, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit of the audited information and our report on the disclosure requirements, we have audited the District Council's 2018-28 long term plan, provided assurance over the roading asset management plan, and have been engaged to perform a limited assurance engagement related to the District Council's debenture trust deed. Other than these engagements, we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.

A handwritten signature in black ink that reads "Andrew Clark". The signature is written in a cursive style and is positioned above the printed name.

Andrew Clark  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand