



Our reference
F19/13/03-D21/26182

9 December 2021

Ordinary Meeting of Council

Notice is hereby given that the Ordinary Meeting of Council will be held in the **Council Chambers, Stratford District Council, 63 Miranda Street, Stratford** on **Tuesday 14 December 2021** at **3.30pm**.

At this stage the meeting will be held in the Council Chambers, however should it be required due to Covid Protection Framework, the meeting may be moved to an alternative venue or held virtually.

Timetable for 14 December 2021 as follows:

11.00am	Workshop for Councillors <ul style="list-style-type: none">- Gambling Policy- Proposed QE II Covenant – Te Kapua Park Bush
12noon	Lunch for Councillors
12.30pm	Workshop for Councillors <ul style="list-style-type: none">- Proposed Residential Subdivision- Annual Plan 2022/23- Variable Speed Zones (Schools)- Forestry Damage to Roads
3.15pm	Afternoon tea for Councillors
3.30pm	Ordinary Meeting of Council

Yours faithfully

Sven Hanne
Chief Executive

2021 - Ordinary - December - Open

14 December 2021 09:00 AM - 05:00 PM



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AGENDA

Ordinary Meeting of Council



F19/13/05 – D21/43669

Date: Tuesday 14 December 2021 at 3.30 PM

Venue: Council Chambers, 63 Miranda Street, Stratford

The meeting location may change, or will be held via Audio Visual Link, if required due to current Covid Protection Framework or Government Guidelines.

1. Welcome

1.1 Opening Karakia
D21/40748 Page 6

1.2 Health and Safety Message
D21/26210 Page 7

2. Apologies

3. Announcements

4. Declarations of Members Interest

Elected members to declare any real or perceived conflicts of interest relating to items on this agenda.

5. Attendance Schedule

Attendance schedule for Ordinary and Extraordinary Council meetings.

6. Confirmation of Minutes

6.1 Ordinary Meeting of Council – 9 November 2021
D21/40767 Page 9

Recommendation

THAT the minutes of the Ordinary Meeting of Council held on Tuesday 9 November 2021 be confirmed as a true and accurate record.

/
Moved/Seconded

6.2 Audit and Risk Committee – 16 November 2021
D21/41130 Page 14

Recommendation

1. THAT the unconfirmed minutes of the Audit and Risk Committee meeting held on Tuesday 16 November 2021 be received.
2. THAT the recommendations in the minutes of the Audit and Risk Committee meeting, held on Tuesday 16 November 2021 be adopted.

/
Moved/Seconded

6.3 Sport New Zealand Rural Travel Fund Assessment Committee – 16 November 2021
D21/41029 Page 21

Recommendations

1. THAT the unconfirmed minutes of the Sport New Zealand Rural Travel Fund Assessment Committee meeting held on Tuesday 16 November 2021 be received.
2. THAT the recommendations in the minutes of the Sport New Zealand Rural Travel Fund Assessment Committee meeting held on Tuesday 16 November 2021 be adopted.

/
Moved/Seconded

6.4 Policy & Services Committee – 23 November 2021
D21/42340 Page 24

Recommendations

1. THAT the unconfirmed minutes of the Policy & Services Committee meeting held on Tuesday 23 November 2021 be received.
2. THAT the recommendations in the minutes of the Policy & Services Committee meeting held on Tuesday 23 November 2021 be adopted.

/
Moved/Seconded

6.5 Farm & Aerodrome Committee – 7 December 2021
D21/44405 (PE) D21/44582 (Open) Page 31

Recommendations

1. THAT the unconfirmed minutes of the Farm & Aerodrome Committee meeting held on Tuesday 23 November 2021 be received.
2. THAT the recommendations in the minutes of the Farm & Aerodrome Committee meeting, including those in the public excluded section, held on Tuesday 23 November 2021 be adopted.

/
Moved/Seconded

7. District Mayor's Report
D21/44577 Page 38

Recommendation

THAT the District Mayor's report be received.

/
Moved/Seconded

8. Information Report – Percy Thomson Trust – Annual Report 2020/21
D21/42166 Page 48

Recommendation

THAT the Percy Thomson Trust Annual Report for the year ended 30 June 2021 be received.

Recommended Reason

The Percy Thomson Trust is a Council Controlled Organisation of the Stratford District Council and the audit of their Annual Report for the year ended 30 June 2021 was completed by Audit New Zealand.

/
Moved/Seconded

9. Decision Report – Adopt Annual Report 2020/21
D21/43266 Page 80

Recommendations

1. THAT the report be received.
2. THAT the Annual Report for the year ended 30 June 2021 be received and adopted.
3. THAT the Mayor and the Chief Executive be given authority to sign the Annual Report, incorporating any late, minor, changes that may be required by Audit New Zealand.
4. THAT the Chief Executive be authorised to publish a Summary Annual Report once the Audit Report to the Summary Report has been received from Audit New Zealand.

Recommended Reason

Section 98A of the Local Government Act 2002 requires Council to adopt the Annual Report 2020/21 by 31 December 2021. The Annual Report gives the community transparency on the Council's performance for the year. It is a statutory requirement for a local authority to, within one month after the adoption of its Annual Report; make publicly available a summary of the information contained in its Annual Report.

/
Moved/Seconded

10. Questions

11. Closing Karakia
D21/40748 Page 223



Our reference
F19/13/03-D21/40748

Karakia

Kia uruuru mai
Ā hauora
Ā haukaha
Ā haumāia
Ki runga, Ki raro
Ki roto, Ki waho
Rire rire hau Paimārire

I draw in (to my being)
The reviving essence
The strengthening essence
The essence of courage
Above, Below
Within, Around
Let there be peace.



Our reference
F19/13/03-D21/26210

Health and Safety Message

In the event of an emergency, please follow the instructions of Council Staff.

Please exit through main entrance.

Once you reach the footpath outside please turn left and walk towards the Bell tower congregating on lawn outside the Council Building.

Staff will guide you to an alternative route if necessary.

If there is an earthquake – drop, cover and hold where possible. Stay indoors till the shaking stops and you are sure it is safe to exit or remain where you are until further instruction is given.

5. Attendance schedule for 2021 Ordinary and Extraordinary Council meetings.

Date	09/02/21	09/03/21	23/03/21	13/04/21	11/05/21	21/05/21	08/06/21	22/06/21	13/07/21	10/08/21	14/09/21	12/10/21	26/10/21	09/11/21	14/12/21
Meeting	O	O	E	O	O	EM	O	E	O	O	O	O	E	O	O
Neil Volzke	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Grant Boyde	✓	✓	✓	✓	✓	AV	✓	✓	✓	✓	✓	✓	✓	✓	
Rick Coplestone	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	AV	✓	✓	✓	
Peter Dalziel	✓	✓	✓	✓	✓	AV	✓	S	✓	✓	AV	✓	✓	✓	
Jono Erwood	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	AV	✓	✓	✓	
Amanda Harris	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Alan Jamieson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Vaughan Jones	A	✓	✓	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Min McKay	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
John Sandford	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Gloria Webby	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

Key	
O	Ordinary Meeting
E	Extraordinary Meeting
EM	Emergency Meeting
✓	Attended
A	Apology/Leave of Absence
AB	Absent
S	Sick
(AV)	Meeting held, or attended by, by Audio Visual Link

MINUTES

Ordinary Meeting of Council



F19/13/05 – D21/40767

Date: Tuesday 9 November 2021 at 3.30 PM
Venue: Council Chambers, 63 Miranda Street, Stratford

Present

The District Mayor N C Volzke (the Chairman), the Deputy Mayor A L Jamieson, Councillors G W Boyde, P S Dalziel, J M S Erwood, R W Coplestone, A K Harris, V R Jones, M McKay, W J Sandford and G M Webby.

In attendance

The Chief Executive – Mr S Hanne, the Director Community Services – Ms K Whareaitu, the Director Assets – Mrs V Araba (*via audio visual link*), the Committee Advisor and Executive Assistant – Mrs E Bishop, the Communications Manager – Ms G Gibson, one member of the media (Stratford Press).

1. Welcome

The District Mayor welcomed the Chief Executive, Councillors, staff, and the media.

The District Mayor reiterated the health and safety message and emergency procedures.

2. Apologies

Apologies were noted from the Director Environmental Services – Mr B Sutherland and the Director – Corporate Services – Mrs T Radich.

3. Announcements

There were no announcements.

4. Declarations of Members Interest

The District Mayor requested Councillors to declare any real or perceived conflicts of interest relating to items on this agenda.

The declaration of member's interest was circulated for updating.

5. Attendance Schedule

The Attendance Schedule for Ordinary and Extraordinary Council meetings was attached.

6. Confirmation of minutes

6.1 Ordinary Meeting of Council – 12 October 2021
D21/37180 Page 8

Recommendation

THAT the minutes of the Ordinary Meeting of Council held on Tuesday 12 October 2021 be confirmed as a true and accurate record.

DALZIEL/HARRIS
Carried
CL/21/95

6.2 Extraordinary Meeting of Council – 26 October 2021
D21/39418 Page 13

Recommendation

THAT the minutes of the Extraordinary Meeting of Council held on Tuesday 26 October 2021 be confirmed as a true and accurate record.

JAMIESON/WEBBY
Carried
CL/21/96

6.3 Policy & Services Committee – 26 October 2021
D21/39473 Page 16

Recommendations

1. THAT the unconfirmed minutes of the Policy & Services Committee meeting held on Tuesday 26 October 2021 be received.

VOLZKE/BOYDE
Carried
CL/21/97

2. THAT the recommendations in the minutes of the Policy & Services Committee meeting held on Tuesday 26 October 2021 be adopted.

DALZIEL/HARRIS
Carried
CL/21/98

6.4 Taranaki Solid Waste Management Committee – 12 August 2021
Page 24

Recommendation

THAT the unconfirmed minutes of the Taranaki Solid Waste Management Committee Meeting held on Thursday 12 August 2021 be received.

JONES/ERWOOD
Carried
CL/21/99

The Deputy Mayor noted the following points:

- Discussion on PPE gear had been discussed regarding storage for local doctors. Officers were going to look into options that would be lockable and could be dropped off by the Taranaki District Health Board and collected by Doctors as required.
- Concern had been raised regarding collection of waste from a home where a person was isolating and whether it was safe to be collected in the normal way.
- Contamination of recycling bins was also noted as a concern.
- There is a new national waste strategy and emissions reduction scheme currently out for consultation. Concern was noted over the timeframes which did not allow for the group to collate feedback on these from their organisations to then submit on as a joint committee.

6.5 Taranaki Civil Defence Group Joint Committee – 26 August 2021
Page 28

Recommendation

THAT the unconfirmed minutes of the Taranaki Civil Defence Group Joint Committee held on Thursday 26 August 2021 be received.

VOLZKE/BOYDE
Carried
CL/21/100

The District Mayor noted the 3 waters reform had been discussed since this meeting had occurred as the supply of water was a key component of Council's lifeline responsibilities. It will be extremely important to ensure the new entity provider is in a position to fulfil their obligations in an emergency.

6.6 Regional Transport Committee – 1 September 2021
Page 34

Recommendation

THAT the unconfirmed minutes of the Regional Transport Committee Meeting held on Wednesday 1 September 2021 be received.

VOLZKE/HARRIS
Carried
CL/21/101

The District Mayor noted the following points:

- The Ahititi stock effluent site issues as noted in the minutes, page 36, have now been resolved and the site is now operational.
- The speed limit discussions are still ongoing but it is expected there will be some public consultation in the new year.
- The installation of median barriers between New Plymouth and Egmont Village will be the first stage and will include cross over points to allow vehicles to do a U turn. This is a fairly new concept in New Zealand and there was a lot of discussion at the meeting regarding this.
- The sod turning and blessing of the start of the sealing of the Tangarakau Gorge was held last week and attended by Councillor Harris, the Chief Executive, the Roading Asset Manager and the District Mayor. Work has now begun.

Questions/Points of Clarification:

- Councillor Boyde noted his concern that the issues regarding logging in the Stratford area were falling on deaf ears and asked if Waka Kotahi representatives could meet with Stratford District Council. The District Mayor noted that the representatives at this meeting took the queries and concerns back to their senior staff. They are aware of the issues and the constraint it causes on local authority funds but it was also important to note that the issues were not unique to the Stratford District. Councillor Boyde noted the damage and subsequent costs being caused by logging was an unsustainable model and needed to be brought up at a higher level. The District Mayor noted that the Regional Relationship Manager had been very responsive to concerns around the bypass.

7. District Mayor's Report

D21/39950 Page 39

Recommendations

1. THAT the report be received.

VOLZKE/WEBBY
Carried
CL/21/102

2. THAT Council endorses the appointments of Mr Doug Robinson and Mr Jim Clarkson as trustees of the Percy Thomson Trust for a three (3) year term expiring at the 2024 AGM

WEBBY/BOYDE
Carried
CL/21/103

The District Mayor noted that there was a resolution endorsing the appointment and reappointment of trustees for the Percy Thomson Trust.

Questions/Points of Clarification:

- Councillor Webby noted that the Trust had been saddened to have received the resignation of the Gallery Director.

8. Questions

The meeting closed at 3.50pm

N C Volzke
Chairman

Confirmed this 14th day of December 2021.

N C Volzke
District Mayor

MINUTES

Audit and Risk Committee



F19/13/05 – D21/41130

Date: Tuesday 16 November 2021 at 2pm
Venue: Council Chambers, 63 Miranda Street, Stratford

Present

P Jones (the Chair), the District Mayor N C Volzke, the Deputy Mayor A L Jamieson, Councillors J M S Erwood, P S Dalziel and M McKay.

In attendance

Councillors G W Boyde, G M Webby, A K Harris and W J Sandford.

The Chief Executive – Mr Sven Hanne, Director Corporate Services – Mrs T Radich, the Director Assets – Mrs V Araba, the Director Community Services – Ms Kate Whareaitu, the Director Environmental Services – Mr Blair Sutherland, the Administration and Communication Support Officer – Ms R Vanstone, the Roading Engineer – Mr Steve Bowden, the Communications Manager – Ms Gemma Gibson, the Health & Safety/Civil Defence Advisor – Mr Mario Bestall, the Audit Director, Audit New Zealand – Mr Chris Webby (*via audio visual link*) and one member of the media (Stratford Press).

1. Welcome

The Chair welcomed the District Mayor, Councillors, staff and the media to the meeting.

The Chair noted the health and safety message and emergency procedures on page 5 of the agenda.

2. Karakia – opening

The opening karakia 'Kia Uruuru Mai' was conducted by the District Mayor.

3. Apologies

No apologies were received.

4. Announcements

The Chief Executive announced that Mr Barry Jagersma, who gave 34 years of service to this Council as a roading engineer, passed away earlier today. Mr Hanne offered condolences to the Jagersma family on behalf of the organisation.

5. Declarations of Members Interest

The Chair requested councillors to declare any real or perceived conflicts of interest relating to items on this agenda.

There were no declarations of interest relating to items on this agenda.

6. Attendance Schedule

The attendance schedule for Audit and Risk Committee meetings was attached.

7. Programme of Works
D21/6382 (Page 8)

Recommendation

THAT the Audit and Risk Committee's rolling programme of works up to the end of the 2022 be received.

DALZIEL/VOLZKE
Carried
A&R/21/44

The Audit Director was admitted to the meeting by audio visual link at 2.05pm.

8. Confirmation of Minutes

8.1 **Audit and Risk Committee Meeting Minutes – 21 September 2021**
D21/33297 (Page 9)

Recommendation

THAT the minutes of the Audit and Risk Committee Meeting held on Tuesday 21 September 2021 be confirmed, with any amendments, as a true and accurate record.

ERWOOD/McKAY
Carried
A&R/21/45

9. Matters Outstanding
D18/27474 (Page 15)

Recommendation

THAT the matters outstanding be received.

McKAY/VOLZKE
Carried
A&R/21/46

10. Information Report – Receive Draft Annual Report 2020/21
D21/40294 (Page 16)

Recommendations

1. THAT the report be received.
2. THAT the draft Annual Report 2020/21 be received.

Recommended Reason

The draft Annual Report 2020/21 has been released to Audit New Zealand for the annual audit, which is expected to be completed by 8 December 2021 and adopted by Council on 14 December 2021.

ERWOOD/DALZIEL
Carried
A&R/21/47

The Chair welcomed Mr Chris Webby, Audit New Zealand's (Audit NZ) Audit Director to the meeting.

The Audit Director noted the following points:

- A team of auditors was onsite earlier in the month. An auditor continues to work offsite with council staff.
- Regarding central government's Three Waters announcement, a subsequent event note will be added to the Annual Report, and a matter of emphasis in the Audit Report, which will cover the decision.
- The Annual Report is scheduled to be signed off on 14 December. At this stage there are no issues.

The Chair noted that he is aware of three councils that, due to the current shortage of auditors, will not meet the 14 December deadline. Mr Webby confirm that this Council will be able to meet the deadline.

The Director Corporate Services noted the following points:

- The cover of the Annual Report is yet to be designed and formatted.
- The Annual Report also covers non-financial information and performance including highlights for the year.

Questions/Points of clarification:

- Councillor Dalziel noted an unnecessary 'etc' on page 20 (of the agenda) under the heading, Financial Position, of the draft Annual Report and that the second sentence did not read well. Mrs Radich responded that these would be corrected in the final version.
- Councillor Dalziel noted his preference for more explanatory notes in the report for the ratepayer reader.
- Councillor Dalziel questioned whether the net debt figure of 16 per cent noted on page 32 is correct. Mrs Radich responded that this figure would be reviewed and finalised prior to release.
- The Mayor noted that reserve fund movements in the water supply reserve on page 91 showed a deficit. He questioned how the deficit would be affected by the transfer of net debt to the Three Waters entity. Mr Webby responded that a solution had yet to be worked through this early in the development of Three Waters however speculated whether councils could plan in the next 2.5 years to 'cushion' ratepayers somewhat.
- The Chair noted that council had not achieved budget with capital expenditure as yet and was keen to communicate the primary reasons and implications for ratepayers of capital works not being carried out. Major variances and comments should also be included in the summary document to all ratepayers. Mr Webby added that note 29 in the Annual Report could also be an appropriate place to cover this off. The Mayor added that ratepayers would find it helpful to see a list of projects and how individual spend is made up in the summary document. Service level impact could be added to the Long Term Plan Variations page of the Annual Report on page 34.
- The Chair asked whether a surplus of \$7 million is required given the view that a council should break-even. He asked how the surplus had arisen noting that sometimes there is confusion between an accounting surplus and a situation of over-rating and how this situation impacts the ratepayer. Mrs Radich responded that this would be addressed in the final report.

The Audit Director left the meeting at 2.31pm.

11. Information Report – Health and Safety
D21/40386 (Page 155)

Recommendation

THAT the report be received.

JONES/DALZIEL
Carried
A&R/21/48

The Health and Safety/Civil Defence Advisor noted the following points:

- It had been a relatively quiet period concerning health and safety incidents since the last meeting.
- The review of the health and system is progressing and would be available on council's website soon. The review would give contractors more scope to work within in terms of identifying risk and understanding the requirements for prequalification. Mr Bestall emphasised that the system is not 'broken' but rather in need of 'tweaking'.
- A lone worker system/product will be presented to the Senior Leadership Team on 1 December.

Questions/Points of clarification:

- Mr Bestall clarified that WorkSafe had not responded to the truck trailer tip incident, when asked by the Chair.
- Councillor Boyde sought clarification on whether any aerodrome matters needed to be referred to the Farm and Aerodrome Committee. Mr Bestall confirmed that nothing needed to go to the committee until all initial discussions with PCBU's had been undertaken.

The Health and Safety/Civil Defence Advisor left the meeting at 2.38pm.

12. Information Report – Risk Management
D21/40347 (Page 159)

Recommendation

THAT the report be received.

Recommended Reason

To provide an update to the Audit and Risk Committee of any significant risks and any incidents or threats in relation to significant risks on Council's risk register from the previous quarter.

DALZIEL/ERWOOD
Carried
A&R/21/49

The Director Corporate Services noted the following:

- The report highlights incidents or threats on some top 10 risks.
- Regarding reforms to the local government sector (risk 78), the raw risk rating of 20 Extreme demonstrates that reforms will have a major impact and are almost certain. With council's controls currently in place, the effect of reforms could be serious rather than major though. The Chair noted his view that it is almost certain that there will be major impacts if Three Waters continues. Councillor McKay noted that there had been no indication of 'room to move' so a risk rating of almost certain is realistic. The residual risk rating will be updated to reflect that.
- Concerning risk 64, there have been many developments since even the last meeting. Elected members were satisfied with the current risk ratings. The Chief Executive added that elected members had had good visibility of this council's response to the covid situation in the community and Councillor Boyde noted that he felt well informed. Mrs Radich noted that the Senior Leadership Team

review the organisation's resilience including continuity plans on a weekly basis. Government guidance (sometimes vague) is followed.

- The Mayor noted that it would be a mistake for the Council and the community to view the current local covid situation solely in the context of 'the now' but rather take a more futuristic view since this will not be the only time that covid affects the area. Mayor Volzke also noted that it was important to remember that council is not a lead agency in this set of circumstances and that it is not for us to provide a public health response.
- Mr Hanne added that council is currently doing a stocktake of policies and procedures and pandemic plans with a view to centralising all pandemic related responses.
- Concerning risk 11, Mrs Radich noted that the server failure incident was listed as a potential threat. Operationally the failure caused system slowness and was resolved in 5 days which is not considered ideal but the organisation was able to continue functioning. Council continues to await an incident report.
- Concerning risk 55, the Director Environmental Services will report back to this committee on the outcome of the IANZ review. Mr Hanne noted significant improvements to building services since a year ago. Elected members were satisfied with the current risk ratings in this area.

13. Information Report – Long Term Plan Capital Works Programme – Key Projects

Update

D21/40292 (Page 166)

Recommendation

THAT the report be received.

Recommended Reason

To present an update on the progress of our key capital projects in the 2021/22 financial year, as requested in the September 2021 Audit and Risk Committee meeting.

JAMIESON/VOLZKE

Carried

A&R/21/50

The Director Assets noted that the report is provided at the request of the committee and will become a regular item on the Audit and Risk Committee agenda. It provides elected members with an easy to see update on key capital projects. Council will continue to develop tools and processes to manage current projects. A recently established role with oversight of all capital projects will aid with project delivery going forward.

Questions/Points of clarification:

- Councillor Erwood sought clarification on the \$273,995 in costs associated with the bike park which was thought to have been completely funded by central government. Mrs Radich clarified that appendix 1 shows costs paid out (in this case, contract costs) to date, regardless of funding, but not income coming in.
- The Chair asked for an explanation of the table in appendix 1. Mrs Araba clarified that the green graphs the end of the project. Mrs Radich clarified that the next report will show an estimate of contract payments.
- Mrs Araba clarified that no projects were suffering from delays in receiving materials, when asked by the Chair. Mr Hanne noted that the biggest risk in this area probably came from the new pool development but that the contract team had been able to order materials in advance of the most recent covid lockdown and was therefore not impacted, as yet.
- The Chair confirmed that, moving forward, this report will come to each Audit and Risk Committee meeting with dollars included.

14. Information Report – Central Government Reforms
D21/40500 (Page 171)

Recommendation

THAT the report be received.

Recommended Reason

To provide Elected Members with a high level assessment of the wide range of Central Government driven reforms currently under way and the likely impact on local government in general and this council in particular.

JONES/DALZIEL
Carried
A&R/21/51

Questions/Points of clarification:

- The Chair clarified that LGNZ could influence the reforms through working group participation.
- Councillor Dalziel acknowledged the well written report and summary. He asked how staff were feeling about the reforms. Mr Hanne responded that the reform programme undermined how people felt about the future and how they saw themselves fitting into that future. In terms of workload, 1-2 fulltime equivalent positions have provided continuous responses. Coupled with that additional pressure, staff had continued to do an exceptional job in project delivery while feeling, like everyone else in the country, tired, anxious and generally 'cooped up'. As an organisation, the Council was in a 'bidding' type situation for quality staff, for example, building staff. Local government staff generally have a unique skill set and are hard to train. While we are not seeing it at the moment, big job changes are on the horizon. In addition, staff are being reminded about personal wellbeing, which is often put aside in busy times.
- The Mayor noted that the lack of questions from elected members should not be regarded as an acceptance or agreement of the reforms.
- The Chair noted that there has been a breakdown in relationship between local government and central government. As with Three Waters, central government 'holds all the cards'. As a council, we have to carry on to do the best for our communities.
- Councillor Boyde asked whether council were able to 'front foot' human resource requirements around reforms. Mr Hanne clarified that different reforms would require different approaches and that, if additional resource is required, he would address this.
- Councillor Boyde added that, despite the reforms, the same consistent high level of service needed to be maintained. The Chair agreed that business as usual needed to continue and that as we progressed down the transition route, resources would likely be diverted from other areas.
- Mr Hanne added that some of the transition agencies would likely make offers to council's best staff.

15. General Business

No general business was discussed.

16. Questions

No questions were asked.

17. Karakia – closing

The closing karakia 'Kia Uruuru Mai' was conducted by the Director Corporate Services.

The meeting closed at 3.13pm.

P Jones
Chairman

Confirmed this 15th day of March 2022.

N C Volzke
District Mayor

MINUTES



F16/1042– D21/41029

Date: Tuesday 16 November 2021 3.30pm
Venue: Committee Room, Stratford District Council, 63 Miranda Street, Stratford

Present

Councillor V R Sandford (the Chairman), the District Mayor N C Volzke, Councillor J M S Erwood, Councillor A K Harris, Mrs Kerri Dickson and Mr Gary Vincent.

In Attendance

The Administration & Communication Support Officer – Ms Rhonda Vanstone (the Committee Secretary) and Councillor G W Boyde.

1. Apologies

Apologies were received from Councillor V R Jones and Mr Brendan Haami.

THAT apologies from Councillor Jones and Mr Haami be received.

DICKSON/ERWOOD
Carried

2. Announcements

No announcements were made.

3. Minutes

3.1 Confirmation of Minutes

THAT the minutes of the Sport New Zealand Rural Travel Fund Assessment Committee meeting held on 6 April 2021 be confirmed as a true and accurate record.

ERWOOD/DICKSON
Carried

4. Correspondence

4.1 Inwards

Accountability forms: Stratford Eltham Junior Rugby Club, Taranaki Diocesan (hockey and football), Eastern Districts Netball, Toko Junior Rugby, Toko School (touch),

4.2 Outwards

Success emails: Stratford Eltham Junior Rugby Club, Eastern Districts Netball, Stratford Toa Rugby League, Eastern Districts Junior Hockey Club, Stratford High School, Central Rugby & Sports Club Inc, Taranaki Diocesan (hockey), Taranaki Diocesan (football), and Toko & Eastern Districts Junior Rugby Football Club.

Additional inwards correspondence from Mr Aaron Moore (resignation, 10 November 2021) and Mr Brendan Haami (resignation, 15 November 2021) were noted as received.

THAT the inwards correspondence be received and the outwards correspondence be approved.

VINCENT/ DICKSON
Carried

- With regards to the resignations Mayor Volzke noted that Mr Moore had signalled a meeting time clash with after school commitments. In Mr Haami's case, a change in circumstances meant that he was unable to continue with this commitment. The Mayor will write to both thanking them for their service.
- Beyond today's meeting, Mayor Volzke noted that there is one more meeting before local government elections next October. As the Mayor of the day appoints members to this committee, the options are to leave the positions vacant until October 2022; appoint two

new members now; or seek a Delegations Policy change (the policy which governs representation on council committees). Members considered that community input is particularly valuable in the decision-making process and will consider appropriate representatives for the Mayor to consider. Councillor Harris noted that a representative from the secondary school sector would be helpful.

THAT two new members to the Sport New Zealand Rural Travel Fund Assessment Committee be identified and appointed by the Mayor.

SANDFORD/VINCENT
Carried

5. Declarations of interest

The Chair requested committee members to declare any real or perceived conflicts of interest relating to items on this agenda.

No declarations of interest were received.

6. Consideration of Applications

The current status of available funding from Sport New Zealand Rural Travel Fund is as follows:

Received August 2021	\$9,500.00
Funds returned	\$Nil
Unused portion 2019/20 (Round 2)	\$Nil
TOTAL	\$9,500.00
<u>Less</u>	
Advertising	\$Nil
TOTAL AVAILABLE FOR DISTRIBUTION	\$9,500.00

6.1 Application Index

The application index was attached.

6.2 Information Report

The information report was attached.

6.3 Applications for funding

6.3.1 Eastern Districts Touch	\$1,000.00
6.3.2 Stratford Secondary Cricket	\$ 400.00
6.3.3 Toko School (touch)	\$ 700.00

THAT the above funding allocations be approved.

DICKSON/VINCENT
Carried

- Councillor Boyde noted concerns that he had received and passed on to committee members that some Eastern Districts families did not feel they got a 'fair deal' out of the fund. The example given was that Eastern Districts families received the same level of reimbursement as Toko families (some of whom lived in Stratford but schooled in Toko).
- The Mayor noted that he did not regard Toko School families as having a travel cost compared to Eastern District's families. Mrs Dickson noted though that many Eastern Districts families sent their children to Toko School.
- The Chair noted that while he had no concerns with equitable distribution by applicants, he added that this committee could not advise applicants on how to allocate to their families. Ms Vanstone will approach Sport New Zealand to ensure that there is no further advice on this matter.

- The committee commended the Toko and Eastern Districts Junior Rugby Football Club on their distribution spreadsheet. Ms Vanstone will approach the club to share the spreadsheet as a useful tool for other applicants.

7. General Business

7.1 Member resignation

Discussed in Correspondence above.

7.2 Committee times

- Committee agreed that meetings are to commence at 3.30pm.

8. Next Meeting

The following meeting times are provided as an indication only and will be confirmed to members once adopted by council:

Opening date for applications	Monday 21 February 2022
Closing date for applications	Friday 18 March 2022
Sport NZ Rural Travel Fund Committee Meeting	Tuesday 5 April 2022 at 3.30pm
Opening date for applications	Monday 3 October 2022
Closing date for applications	Friday 28 October 2022
Sport NZ Rural Travel Fund Committee Meeting	Tuesday 15 November 2022 at 3.30pm

The meeting closed at 4.11 pm.

Councillor John Sandford
CHAIRMAN

MINUTES

Policy and Services Committee



F19/03/05 – D21/42340

Date: Tuesday 23 November 2021 at 3.00pm
Venue: Council Chambers, 63 Miranda Street, Stratford

Present

The Deputy Mayor A L Jamieson (the Chairman), the District Mayor N C Volzke, Councillors G W Boyde, P S Dalziel, R W Coplestone, A K Harris, V R Jones, M McKay, W J Sandford and G M Webby.

In attendance

The Chief Executive – Mr S Hanne, the Director – Community Services – Ms K Whareaitu (*part meeting*), the Director – Environmental Services – Mr B Sutherland, the Director – Corporate Services – Mrs T Radich, the Director – Assets – Mrs V Araba, the Committee Advisor and Executive Assistant – Mrs E Bishop, the Communications Manager – Ms G Gibson (*part meeting*), the Roading Assets Manager – Mr S Bowden, the Special Projects Manager – Mr N Cooper (*part meeting*), the Project Manager/Engineer – Mr S Taylor (*part meeting*), the Services Asset Manager – Mr J Cooper (*part meeting*), the Asset Management Coordinator – Mrs L Campbell (*part meeting*), the Property Officer – Mrs S Flight (*part meeting*), and one member of the media (Stratford Press)

1. Welcome

The meeting was opened with a karakia.

The Deputy Mayor welcomed the Chief Executive, Councillors, staff, and the media.

The Deputy Mayor reiterated the health and safety message and emergency procedures.

2. Apologies

A leave of absence had been approved for Councillor J M S Erwood.

Recommendation

THAT the apology be received.

HARRIS/DALZIEL
Carried
P&S/21/172

3. Announcements

There were no announcements.

4. Declarations of Members Interest

The Deputy Mayor requested Councillors to declare any real or perceived conflicts of interest relating to items on this agenda. There were no conflicts of interest.

5. Attendance Schedule

The Attendance Schedule for Policy and Services Committee meetings was attached.

6. Confirmation of minutes

6.1 Policy & Services Committee – 26 October 2021
D21/39473 Page11

Recommendation

THAT the minutes of the Policy and Services Committee Meeting held on Tuesday 26 October 2021 be confirmed as a true and accurate record.

WEBBY/JONES
Carried
P&S/21/173

7. Matters Outstanding

D16/47 Page 19

Recommendation

THAT the Matters Outstanding be received.

BOYDE/JONES
Carried
P&S/21/174

8. Decision Report – Adoption of 2022 Meeting Schedule

D21/35697 Page 20

Recommendations

1. THAT the report be received.

McKAY/WEBBY
Carried
P&S/21/175

2. THAT the 2022 Meeting Schedule is adopted as presented.

McKAY/BOYDE
Carried
P&S/21/176

Recommended Reason

Meetings are required to be held to effectively and efficiently conduct Council business in a clear and open manner.

It is the intention of this resolution to hold two-monthly Audit and Risk Committee Meetings, monthly Ordinary Council meetings, monthly Policy and Services Committee meetings and quarterly Farm and Aerodrome Committee meetings to ensure efficiency of implementing decisions made by all Committees.

The Committee Advisor and Executive Assistant undertook to make the following changes:

- February Ordinary meeting amend to 8 February 2022.
- Mayoral Reception amend to 3 December 2022.

9. Decision Report – Review of Windsor Park and Thomson Arboretum Reserve Management Plan

D21/41132 Page 30

Recommendations

1. THAT the report be received.

WEBBY/BOYDE
Carried
P&S/21/177

2. THAT the draft reviewed reserve management plan for Windsor Park and the Thomson Arboretum be publically advertised calling for further public submissions in terms of Section 41(6) of the Reserves Act 1977.

BOYDE/DALZIEL
Carried
P&S/21/178

Recommended Reason

Following initial public submissions a draft reviewed management plan has been prepared for Windsor Park and the Thomson Arboretum that, in accordance with the Reserves Act 1977, is required to be publically advertised seeking further submissions before being adopted by Council.

The Special Projects Manager noted the following points:

- The purpose of this report was to seek council approval to submit a draft management plan for public consultation.
- The Reserves Act requires reserve administrating bodies to have plans for all recreation reserves. Council have adopted Reserve Management Plans for King Edward Park and Victoria Park. The Percy Thomson Trust is the administrating body for the arboretum and the trust deed requires a management plan to be prepared in conjunction with the council, therefore it was considered appropriate to have a joint plan for these two reserves and another plan for the remaining reserves.
- The first round of public consultation received three submissions which were discussed at a council workshop and changes incorporated into this management plan. If there are any further submissions received then a workshop will be held to discuss these and make any further amendments to the final plan.

Questions/Points of Clarification

- The District Mayor noted that there were 16 pieces of legal documents that were required to be adhered to in building this document and commended Mr Cooper on this work.
- It was clarified that if there was a request for encroachment on the reserve land or to occupy the land on a temporary basis then it could be done but would require public consultation and a change to the policy.

The Special Projects Manager left the meeting at 3.19pm.

10. Information Report – Waste Management and Minimisation Plan 2018 – Progress report

D21/38386 Page 70

Recommendation

THAT the report be received.

WEBBY/SANDFORD
Carried
P&S/21/179

Recommended Reason

This report provides an update on the progress of the targets and effectiveness of the actions contained in the Waste Management and Minimisation Plan (WMMP) 2018. Council officers consider it important to monitor Council's progress to highlight the changes and improvements made, in order to quantify the gaps and identify measures necessary to achieve the purpose of the WMMP by 2023.

The Asset Management Coordinator/Waste Minimisation Officer noted that this report was the second progress report on the targets and effectiveness of the waste minimisation plan.

Questions/Points of Clarification

- It was clarified that a stakeholders meeting has been held to discuss the regional compositing facility. A feasibility study is underway and iwi collaboration has begun. Another meeting will be held once those are complete.
- It was clarified that contamination of recycling was both dirty items and non-recyclable items. Councillor Harris noted that contamination could be reduced at the transfer station if the items were separated like they previously were. Mrs Campbell noted that this had been an instruction to the employee by Envirowaste as it was a time consuming task to complete.
- Councillor Dalziel noted that New Plymouth District Council had halved the total amount of waste going to landfill. Mrs Campbell noted this was largely due to the introduction of kerbside food waste collection which had been identified as contributing 30% of total waste going to landfill. The council had also significantly invested in communications on waste minimisation.
- The District Mayor noted that there was no consistency with the waste stream which made it difficult to know which area to focus on. He noted the kerbside collection for greenwaste had been withdrawn from the Long Term Plan but felt that some promotion for alternative options could be helpful. He noted the Transfer Station fees for greenwaste were significantly lower than the neighbouring districts and that South Taranaki District Council had an optional 240 litre green waste bin that was collected fortnightly for an annual fee of approximately \$130. The Director – Assets noted this would be an area for the new Education Officer to focus on. It was clarified that interviews had been conducted for this role but no appointment made to date.
- Councillor McKay questioned if council had considered partnering up with the Enviroschools to help get the message through the children and into their homes? Mrs Araba noted this was an area the Education Officer would be looking into.

The Asset Management Coordinator/Waste Minimisation Officer left the meeting at 3.26pm.

11. Monthly Reports

11.1 Assets Report D21/40154 Page 177

Recommendation

THAT the report be received.

McKAY/BOYDE
Carried
P&S/21/180

The Director - Assets noted that the Assets department was making progress on the waste water oxidation pond upgrade and a meeting had been held with stakeholders.

Questions/Points of Clarification

- It was clarified the \$5,000 cost for the repair of the stonework at the southern round-a-bout was the insurance excess and council was unable to claim this from the person who caused the damage.
- Councillor Sandford noted his congratulations to the Special Projects Manager, Mr Cooper, for his work in bringing the Midhurst land issues to completion. He felt it was one of the most monumental tasks council had achieved.
- It was clarified that the performance measure for Water Supply urgent call outs should read achieved as it had been under the time limit threshold.
- It was clarified that public electric vehicle charging stations would be discussed within a workshop and would formally go into the annual plan projects if council determines it would like to proceed.
- It was requested that the numbers be confirmed for the Aerodrome aircraft movements as shown on page 196 and if these were all paying the landing fees.

The Services Asset Manager, the Property Officer and the Projects Engineer/Manager departed the meeting at 3.33pm.

11.2 Community Services Report D21/39727 Page 213

Recommendation

THAT the report be received.

JONES/SANDFORD
Carried
P&S/21/181

The Director – Community Services noted the following points:

- One of the highlights has been the launch of *Recollect* with the Library. These items were previously stored in the archives room but through funding from the National Library have been digitised and there has been lots of engagement with the community particularly over Facebook.
- Since the report was written the Taranaki Electricity Trust has confirmed a grant of \$230,000 for the coming year with \$30,000 towards pool play equipment and the remaining allocated to other projects in the application.
- The Mayoral Gift Appeal starts next week.
- Working through the implications for the facilities under the new COVID-19 protection framework.

Council Organisations and Council Representatives on Other Organisations

- Councillor McKay noted that the Stratford Business Association had cancelled the Christmas Parade but were working on alternative projects to bring Christmas Cheer to Stratford and to encourage shopping local to support the local businesses – they were waiting on confirmation that the parade funding could be diverted to alternative Christmas activities. There are also workshops coming up with the first being an employment lawyer to talk to businesses about vaccinations and the COVID-19 mandates, it is hoped that this will be able to help answer questions and that it will be well attended.

The Communications Manager left the meeting at 3.36pm

11.3 Environmental Services Report
D21/39390 Page 222

Recommendation

THAT the report be received.

BOYDE/HARRIS
Carried
P&S/21/182

The Director – Environmental Services noted the following points:

- October had been a quieter month compared to the previous few months and there does not seem to be any particular driver for that. November numbers have already bounced back.
- The IANZ Audit for the Building Control Accreditation is beginning next week and will have one auditor via audio visual link and a second auditor onsite.

11.4 Corporate Services Report
D21/40960 Page 230

Recommendations

1. THAT the report be received.

WEBBY/DALZIEL
Carried
P&S/21/183

2. THAT the Committee acknowledges that the Investment with Counterparty limit breach has been authorised by the Chair of the Audit and Risk Committee, and the Mayor, in accordance with the Treasury Management Policy.

VOLZKE/DALZIEL
Carried
P&S/21/184

The Director – Corporate Services noted the following points:

- There was nothing standing out in terms of financials for year to date at the moment.
- Officers are working on completing the audit of the annual report, auditors have not identified any issues and it is planned that the report will be adopted by council on 14 December.
- Work has begun on the Annual Plan. The Long Term Plan budget for the year is being used but it just being adjusted as required and assumptions updated to give a more accurate overview. Council will be updated on a monthly basis until the plan is adopted which was requested through feedback received after the Long Term Plan debrief.
- The second recommendation is continuing from the last few reports and highlights that council is in breach of its limits which is a result of over \$4 million having been invested with one bank (Westpac). Approval had been sought from the Mayor and the Audit and Risk Chair when this was done.

12. Questions

There were no questions.

13. Closing Karakia

D21/40748

Page 247

The meeting was closed with a karakia.

The meeting closed at 3.41pm

A L Jamieson
Chairman

Confirmed this 25th day of January 2022.

N C Volzke
District Mayor

MINUTES

Farm and Aerodrome Committee



F19/13/06 – D21/444582

Date: Tuesday 7 December 2021 at 12noon
Venue: Council Chambers, 63 Miranda Street, Stratford

Present

Councillor G W Boyde (the Chairman), the District Mayor N C Volzke, Councillors P S Dalziel (*via audio visual link*), V R Jones and Committee Members: the Director Corporate Services – Mrs T Radich and the Property Officer – Mrs S Flight.

In attendance

Councillor W J Sandford.

The Chief Executive – Mr S Hanne, the Director Environmental Services – Mr B Sutherland, the Committee Advisor and Executive Assistant – Mrs E Bishop, Communications Manager – Ms G Gibson, and one member of the media (Stratford Press).

1. Welcome

The Chairman welcomed the Chief Executive, Councillors, staff, and the media.

1.1 Opening Karakia D21/40748 Page 7

The opening karakia was read.

1.2 Health and Safety Message D21/26210 Page 8

The Chairman reiterated the health and safety message and emergency procedures.

2. Apologies

Apologies were received from the Deputy Mayor A L Jamieson and noted from the Director Assets – Mrs V Araba and the Director Community Services – Ms K Whareaitu.

Recommendation

THAT the apologies be received.

JONES/BOYDE
Carried
F&A/21/27

3. Announcements

There were no announcements.

4. Declarations of Members Interest

The Chairman requested Councillors to declare any real or perceived conflicts of interest relating to items on this agenda. There were no declarations of interest.

5. Attendance Schedule

The attendance schedule for Farm & Aerodrome Committee meetings was attached.

6. Confirmation of minutes

6.1 Farm and Aerodrome Committee Meeting – 21 September 2021
D21/33298 Page 10

Recommendation

THAT the minutes of the Farm and Aerodrome Committee Meeting held on Tuesday 21 September 2021 be confirmed as a true and accurate record.

VOLZKE/BOYDE
Carried
F&A/21/28

7. Matters Outstanding

D20/11504 Page 14

Recommendation

THAT the matters outstanding be received.

JONES/DALZIEL
Carried
F&A/21/29

8. Programme of Works

D20/28552 Page 15

Recommendation

THAT the Programme of Works be received. VOLZKE/BOYDE

VOLZKE/BOYDE
Carried
F&A/21/30

The Chief Executive noted that the sharemilkers agreement had been moved on the programme of works to December 2021.

9. Decision Report – Approve Farm Business Report 2021
D21/42260 Page 16

Recommendations	
1. <u>THAT</u> the report be received.	BOYDE/JONES Carried F&A/21/31
2. <u>THAT</u> the allocation of the remaining profit made in the 2020/21 financial year, after the rates mitigation portion (\$53,000) be \$115,781 for debt repayment and \$96,925 to be put into the farm reserve.	VOLZKE/BOYDE Carried F&A/21/32
Recommended Reason To discharge the Committee's responsibilities in relation to the Council farm.	

The Director – Corporate Services noted the following points:

- This report presents the year end result to 30 June 2021 and provides an update and overview of the farm and budget for 2021/22 year with reforecasting of figures.
- The Committee is asked to allocate the remaining profits made in the last financial year. There is \$265,706 profit with \$53,000 allocated to rate mitigation. The remaining amounts can be used for debt repayment or put into the reserve fund to be used in later years for rate mitigation or other uses the Committee may deem appropriate.
- Work has begun on the 2022/23 Annual Plan so the Committee will be required to review the budgets for the Farm and Aerodrome activities as part of this process.

Questions/Points of Clarification:

- The Chairman supported \$115,781 of debt repayment with the remaining \$96,925 being put into the farm reserve.
- It was clarified that the funds placed into the reserve can be used for anything the committee determines appropriate including debt repayment.
- Councillor Dalziel noted his concern on the \$62,000 allocated for administration and overheads, he queried if the meetings with the sharemilkers could be moved to quarterly to reduce this administration cost and noted that there could be more movement in the corporate services expenses. It was requested that a breakdown of the overheads be added to the matters outstanding and brought back to this committee.
- Councillor Dalziel supported the debt reduction of \$115,781 and felt that the \$53,000 allocated to rate mitigation could be increased to \$100,000 with the remaining profit being put into the reserves fund. He felt it was important that net debt was not increasing.
- The District Mayor acknowledged the outstanding result the farm had achieved in the last 12 months. He noted this was much more than just the financial return and included the riparian planting and environmental report achievements. He was pleased to see that the integration of the two farms had gotten to the point they were full integrated and that the improvements to the water systems and the races are also really good. He acknowledged staff involved and the sharemilkers who had played an integral part in establishing these improvements.
- It was clarified that if there were funds allocated to the reserve for rate mitigation that this could not happen until the next financial year and would be part of the 2022/23 Annual Plan discussion.
- The District Mayor supported the debt repayment of \$115,781 and the remaining balance of \$96,925 being put into the farm reserve.
- It was clarified that the riparian planting was still 95% complete as the sharemilker was awaiting the Taranaki Regional Council to confirm the spaces the remaining plants were to be put.
- It was requested that the summary of the farm in the Business Report (Farm and Aerodrome Committee Members) be updated to include *the District Mayor as ex officio*.

10. Information Report – Risk Review
D21/42675 Page 39

<p>Recommendation</p> <p><u>THAT</u> the report be received.</p> <p style="text-align: right;">BOYDE/JONES <u>Carried</u> <u>F&A/21/33</u></p> <p>Recommended Reason To provide an update to the Farm and Aerodrome Committee of any changes to the Farm Risk Register and advise the Committee of any incidents in relation to the Top Seven Risk on the Risk Register from the previous quarter.</p>
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The Property Officer noted the following points:

- The Committee’s approval was sought for an additional risk to be added to the Farm Risk Register regarding the sharemilker contracting. COVID-19

Risk Category	Risk Subject	Risk Description	Risk Score Raw	Control Description	Residual Risk Score
Operational	COVID-19	<ul style="list-style-type: none"> If the sharemilker contracts COVID-19 and is unable to work for a few weeks this could affect the operation of the farm. 	Medium	<ul style="list-style-type: none"> Prepare and maintain a Business Continuity Plan. Have a Movement Plan between the Sharemilker and other workers to eliminate the transmission of the virus to others. Limit movement of stock, people and machinery on/off farm. Work with Bio-Security NZ, Ministry Primary Industries (MPI), Taranaki Regional Council (TRC), Farm Vets to ensure the threat is identified and work to minimise the threat. Ensure Staff/committee are kept up to date with everyday decisions. Follow MPI Guidelines - https://www.biosecurity.govt.nz/growing-and-harvesting/land-care-and-farm-management/biosecurity-on-your-farm/ 	Medium to Low

Questions/Points of Clarification:

- Councillor Jones noted his concern to how the Committee was assured that the control measures in the Risk Registered were meeting the associated risk. He noted the Hazard Register for the Aerodrome included dates for completion and this is not a feature on the risk register. He questioned if the Committee should be reviewing items such as the Animal Health Plan as required for the farm. The Director – Corporate Services noted that the Audit and Risk Committee reviewed the full Council Risk Register from which this was a subset register. Officers complete internal audits and report back to the Audit and Risk Committee on the controls and if they are working. Officers also do a deep dive into one of the risks to show the controls are working in the report. The Farm and Aerodrome Committee is being presented with a register to say these controls are in place and it is an operational matter to ensure these are being place with the assurance being in the internal audits and deep dive reviews. The Committee can request a review of any of the risks.
- Councillor Boyde noted that the sharemilkers have a lease block which is used for grazing purposes so their stock does not come into contact with other stock which helps mitigate the risk of Mycoplasma Bovis.

Recommendation

THAT the Operational Risk for COVID-19 be added to the Farm Risk Register.

BOYDE/JONES
Carried
F&A/21/34

11. Quarterly Report – Farm and Aerodrome Business and Financial Report

D21/42800 Page 48

Recommendation

THAT the report be received.

BOYDE/DALZIEL
Carried
F&A/21/35

Recommended Reason

This report provides the first quarterly update to the Farm and Aerodrome Committee. It highlights the milk production from the current season at the farm and also reports on the key activities at the Aerodrome.

The Property Officer noted the following points:

- The Stratford Aeroclub has approached Council for approval for a new hangar to be constructed adjacent to their existing hangars on land which is part of the Council farm. The sharemilker has advised that this paddock is only used for lame cows and the loss of the small area of land would not impact adversely on the farm operations. The lease of the land will bring in further revenue to the Council.
- The upgrade to the AIMM reporting programme will now provide 99% accuracy of aircraft movement numbers.

Questions/Points of Clarification:

- It was clarified the lost milk solids noted in item 12 was an estimated amount of 300 milk solids and did not show in this report as this was dated to 30 October.
- The District Mayor questioned if the location of the proposed hangar was consistent with the report done for the aerodrome development completed a number of years ago. The Chief Executive clarified that the locations within that report were when there was no room left to build and would start going into the infield. He questioned if a more suitable location would be on the opposite side of the road between the fuelling station and the last hangar, Mr Hanne noted that this position was the desirable location to align with the current aeroclub hangars and there had been no concerns regarding access, he confirmed the costs would be to the aeroclub regarding the drain crossing and that the sharemilkers had not expressed any objections to the use of that paddock.
- It was clarified the total aircraft movement was 375. Mrs Flight noted there had been a new aerial and cable installed along with an upgrade to the AIMM programme which will provide much more accurate numbers.
- It was noted the strategic alignment section of this report would be updated as the Long Term Plan was now in effect. The Chief Executive noted the importance of the Committee doing a self review to ensure it is delivering what it was established to do. He noted the value of contracts monitored by this committee are some of the smallest within Council when compared to activities such as roading and it was important to figure out if the Committee was fit for purpose and was required as this tied back to the overheads discussion.
- The Chairman thanked the Parks and Reserves Officer for the work she had undertaken over the past year particularly with the capital works projects that she had picked up as this was a huge amount of work. She has done a fantastic job in delivering these on time.
- Councillor Jones noted he was watching with interest the fact that milk production was down but sustenance was up as he had thought the in-shed feed system was to balance the peaks and troughs.

12. Quarterly Report – Health and Safety

D21/42479 Page 57

Recommendation

THAT the report be received.

BOYDE/VOLZKE
Carried
F&A/21/36

The Property Officer noted the following points:

- There were no recorded incidents at the Aerodrome.
- There was one incident at the farm where milk from a penicillin cow was mixed with the milk in the vat. Council will be reimbursed for the lost milk by the sharemilkers when they have received this from their insurers.

13. Questions

There were no questions.

14. Resolution to Exclude the Public

Recommendation

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

Agenda Items No: 15

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

General subject of each matter to be considered	Reason for passing this resolution to each matter	Grounds under section 48(1) for the passing of this resolution
Farm Contract	The withholding of the information is necessary for commercial sensitivity	The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. Section 7(2)b(ii) of the Local Government Official Information and Meetings Act 1987.

BOYDE/JONES
Carried
F&A/21/37

The media departed the meeting at 12.46pm.

15. Public Excluded Item

Recommendation

THAT the open meeting resumes.

JONES/VOLZKE
Carried
F&A/21/42

16. Closing Karakia

D21/40748 Page 152

The closing karakia was read.

The meeting closed at 1.47pm

G W Boyde
Chairman

Confirmed this 15th day of March 2022.

N C Volzke
District Mayor

MONTHLY REPORT

District Mayor



F19/13/04 – D21/44577

To: Council
From: District Mayor
Date: 14 December 2021
Subject: District Mayor Monthly Report – November 2021

Recommendation

THAT the report be received.

/
Moved/Seconded

1. Stratford's COVID-19 Outbreak

It is now more than one month since COVID-19 was found in Stratford's waste water. I think it is timely to look back from a personal perspective and reflect on the pandemic issues that struck us in November and acknowledge those involved with the health response that successfully managed to achieve containment of the outbreak.

Firstly though, a recap of the key dates and events:

- Monday November 1 – a routine sample was taken from Stratford's waste water system;
- Thursday November 4 - the sample reveals a strong positive test result confirming the presence of COVID;
- Friday November 5 - pop up testing clinics set up, vaccination numbers surge, search for the source begins, media interest sky rockets;
- Monday November 8 - health authorities follow up on a tip off about a Stratford family being unwell;
- Thursday November 11 - COVID tests conducted on six family group members confirms all six are positive, one person is hospitalised, media interest sky rockets again, an additional five people are identified as close contacts and some are symptomatic, locations of interest announced;
- Friday November 12 onwards - the family are monitored and supported at home while self-isolating, community testing continues, vaccination numbers continue to surge.
- Monday November 22 - three weeks after the first waste water sample was taken, the positive cases have all moved past the infectious stage and are recovering well. No additional cases have been located in the Stratford community.
- Thursday December 2 - No further cases located in Stratford. First cases (3) reported in New Plymouth.

When the COVID discovery was first announced on 4 November, I can recall the sudden feeling of inevitability and urgency that filled my mind and I am sure most other people in the community. It was the reality check that many had anticipated and the reality that COVID was now present in our community.

It was also the start of a search that focussed on identifying the source of the COVID-19 virus and implementing measures to manage the situation and to contain the potential spread across the community. Seven days later the source was identified and confirmed as a family group of six people, who because they were unwell, had largely and thankfully stayed at home, effectively self-isolating themselves.

For many, myself included, the seven-day period when we did not know the source of COVID was the worst time in this whole event. The worry of not knowing who, how many, friends or family, local or visitors (remember the garden festival was in full swing) all contributed to a great deal of tension and uncertainty across the community.

Randomly finding and confirming active cases in the community had a feeling of inevitability about it and came with little surprise, but finding six cases at one time was a shock. In a town with only 6,000

people this number equated to a city the size of Auckland finding 1,500 cases at one time. This was the real worry and it was a reasonable assumption to make at the time, that there would be more undetected cases in the community. I think, this was one of the key reasons there was so much media interest generated at the time.

Not surprisingly, it came as a huge sense of relief to learn that the source of COVID-19 in our wastewater had been identified. This enabled the management response to focus entirely on containment and avoiding further spread of the virus. The key message was – TEST. The response needed people in the community who were unwell or symptomatic to get tested immediately and they did, in droves, right across the region. While others queued up at vaccination clinics and boosted the collective vaccination percentages substantially. The collective community response was a major factor in the containment, as it would have identified any other positive COVID cases in the community at an early stage. Thankfully, the testing confirmed no additional cases.

It is important to remember that the management response of this outbreak was a multi-agency approach. Key players were the Ministry of Health, the Taranaki District Health Board, Taranaki Civil Defence, pharmacies, medical practices, Maori health providers from Te Runanga o Ngāti Ruanui and Te Korowai o Ngāruahine as well as the Stratford District Council. Each contributed in a really meaningful but different way, going about their respective roles with a common purpose of containing the outbreak. I wholeheartedly thank all the individual people who committed themselves to a positive outcome of zero COVID in this community and for the moment at least, this has been achieved.

As I write this report, we know that COVID-19 cases have been identified in the neighbouring New Plymouth District. Again, we are fortunate that these have been identified early and indications are that no wider community spread has occurred.

Looking ahead, COVID-19 is going to be with us for a long time to come and the challenge will be how we learn to live with this constant threat around us, so where to now. It is important for people's mental health and financial wellbeing to get back to the new normal, trying to get out and about, as well as trying to support local businesses. The vaccination rates are around 91% first dose and 85% second dose for the region so we are nearly at the milestone target of 90% double dose that will help keep us all safe.

2. Chamber of Commerce TSB Business Excellence Awards

Last month I attended the Chamber of Commerce TSB Business Excellence Awards representing the Mayoral Forum. Each year the Forum members select a person to receive the Mayoral Forum Award which is based on a set of criteria that broadly acknowledges entrepreneurial skills and contribution to the regional economy. It was great to see this year's award go to John Burling (JB) and his team at Carac Couplings. John started his business from nothing and has grown the enterprise to become a large employer and a business that exports innovative products all over the world. Even some car parts are manufactured at the Eltham based business and exported to be used in international brands including Volkswagen, Ford and Toyota. John's success has enabled him to employ many skilled trades people and he continues to offer trade training to new employees. Congratulations on the award, it is very well deserved.

3. Second Trunk Main Project

Iwi representatives, council staff, contractors and elected members attended last month's blessing ceremony for the second trunk main project. This is the first step in the construction stage of this project and physical works can now begin. Constructing a second water main to supply the Stratford township with drinking water has been a long time coming due mainly to lack of funding for this project. A grant of \$2.4 million from the Provincial Growth Fund has enabled the project to progress with minimal financial impact for our rate payers. Once the project is completed the resilience of our water network will be significantly enhanced, rectifying issues that have caused problems on multiple occasions in the past.

4. 100th Birthday Parties

It is not often that you get invited to a 100th birthday party but in November it was my privilege to be invited to two of them. Isobel Harnett and Andrea Smith both turned 100 years old during November. Both received congratulatory cards from Her Majesty Queen Elizabeth II, the Prime Minister Jacinda Ardern and the Governor General Dame Cindy Kiro. Need less to say, I was a little out of my league when compared to this group, however it was to attend the parties and offer community congratulations on the milestone. For those looking for hints, clean living and hard work were the secret ingredients needed for a long, healthy life.

5. SH43 Seal Programme

It was a hot, dusty and long trip to the Tangarakau Gorge on SH43 to take part in the blessing and "sod turning" ceremony for the sealing project that is about to begin, but totally worth it. For more than sixty years successive Mayors, Chairs and elected officials have been calling for the last 12km's of the highway to be sealed and the day had finally arrived. Work has begun. A minimum of 2 km's and a maximum of 4.8 km's will be completed in coming weeks, and the balance of the 12km section through the Tangarakau Gorge will be completed next summer. It should also be noted that over the next two summers, numerous other safety improvements will be made along the route.

In particular, it is pleasing to have confirmation that the Kahouri Bridge replacement plans are progressing well, with construction work planned to start in mid-2022. A new, two lane bridge with much improved road alignment at both sides of the bridge will be a major safety improvement for the highway, especially in consideration of the increasing number of truck movements in the area. All up the work package is budgeted at around \$23 million.

6. Seasons Greetings

As this is the last report for the year, I take this opportunity to thank all elected members and staff for your valuable input and commitment during the 2021 year. In this report last year, I wrote: "It has truly been a year like no other. In my 20 years of service on this council I cannot recall a year that has been as busy and demanding as this one". Without doubt, I could easily write exactly the same comment about the 2021 year and add "multiplied by two". On reflection it has been a tumultuous, sometimes crazy year that has thrown up challenge after challenge which have tested us to the max.

COVID-19 restrictions, Three Waters Reforms, Future of Local Government Reforms, RMA Reforms, Long Term Plan decisions, Shovel Ready Projects, a Representation Review (Maori Ward) and a COVID-19 outbreak are only some of the issues that we have dealt with, but we have got through. These demands have combined to make life very hectic, but collectively we have fared well and provided a great service for our community. Seasons Greetings to everyone, stay safe and go well.

7. Correspondence – see attached

8. Some Events Attended

- Attended – SH 43 Blessing and Turning of the Sod Ceremony
- Attended – Stratford District Youth Council meeting
- Attended – Blessing Ceremony for Second Trunk Main Project
- Attended – 100th Birthday Party for Isobel Harnett
- Attended - Taranaki Emergency Services Leaders and Mayor's meeting (x1)
- Attended – CCS Disability Annual General Meeting
- Attended – Taranaki Civil Defence Joint Management Committee meeting
- Attended – Local Government New Zealand Sector Update meeting (x1)
- Attended – Chaired Stratford District Licensing Committee Hearing
- Attended - Sport NZ Rural Travel Fund - Assessment Committee meeting
- Attended – Local Government New Zealand Zone Three meeting
- Attended - Barry Jagersma funeral service
- Attended – Department of Internal Affairs – COVID Protection Framework meeting
- Attended – Three Waters Webinar Local Government New Zealand (x1)
- Attended – Te Kōpuka nā Te Awa Tupua meeting
- Attended – Local Government New Zealand Rural & Provincial Sector meeting
- Attended – Chamber of Commerce TSB Business Awards

- Attended - 100th Birthday Party for Andrea Smith
- Met with representatives of Avon Medical
- Attended – Taranaki District Health Board meeting (multiple)
- Attended – Local Government New Zealand Mayors & CE's special meeting (x1)
- Newspaper - Stratford Press Interviews and Articles (multiple)
- Newspaper - Daily News - Interviews (multiple)
- Newspaper - The Star - Interview (x1)
- Newspaper Interview – The Herald (x3)
- Newspaper Interview – Stuff (x2)
- Radio Interview - More FM (x1)
- Radio Interview – Checkpoint – Lisa Owen Show (x2)
- Radio Interview – Morning Report – Guyon Espiner Show (x2)
- Radio Interview – The Hits (x1)
- Radio Interview – New Hub Radio (x2)
- Radio Interview – News Talk ZB – Mike Hosking Show (x2)
- Radio Interview – Radio New Zealand News (x4)
- Radio Interview – Radio New Zealand - Midday Report Show (x1)
- Television Interview – TV1 – Caroline Robinson (x2)
- Television Interview - TV1 Breakfast Show with Matty (x1)
- Television Interview – TV1 One News at Midday Show (x2)
- Television Interview – TV3 (x1)
- Television Interview – TV3 News Hub (x1)
- Television Interview - TV3 Late News (x1)
- Television Interview – TV3 – The AM Show – Ryan Bridges (x1)
- Attended Regional Mayors and Chairs meeting (x3)
- Attended - Regional Leadership Group meeting – COVID outbreak (x2)
- Attended – Public Forums (x1)
- Attended Council Pre-Agenda meetings (x4)
- Attended Council Workshops (x3)
- Attended Council Meetings (x3)



N C Volzke JP
District Mayor

Date: 8 December 2021

Stratford Volunteer Fire Brigade Call Outs

November 2021

Calls this month

10

Calls this year

202



Fire related calls

- 08-11-21** Oven fire causing smoke logged house – Verona Place
- 08-11-21** Investigate reported gas leak – Broadway
- 10-11-21** Alarm activation at New Commercial Hotel – Broadway
- 13-11-21** Alarm activation Taranaki Accomodation Lodge – Romeo Street
- 25-11-21** Investigate smoke in the area – Ajax Street
- 25-11-21** Tyre fire – Broadway South
- 26-11-21** Alarm activation – Stratford High School



Motor vehicle accidents

- 12-11-21** Car vs tree – Salisbury Road, Midhurst



Medical calls

- 16-11-21** Assist ambulance with urgent lift assist – Rosalind Satreet



Other emergencies

- 29-11-21** Cat stuck up tree – Brecon Road



24 November 2021

Emissions Reduction Plan consultation,
Ministry for the Environment,
PO Box 10362,
Wellington 6143

Submitted by email to: climateconsultation2021@mfe.govt.nz

Dear Sir/Madam,

Combined Taranaki Councils' Submission on *Te hau mārohi ki anamata*, Transitioning to a low-emissions and climate-resilient future, draft Emissions Reduction Plan

We thank the Ministry for the Environment (the Ministry) for the opportunity to comment on *Te hau mārohi ki anamata*.

As the three territorial authorities and the regional council (the Councils) responsible for implementing a large part of Taranaki's transition to a low-emissions future, we have particular interest in the consultation process informing Aotearoa New Zealand's National Emissions Reduction Plan. We recognise our role in leading, supporting and coordinating Taranaki's just transition to a low-emissions economy through our regulatory and non-regulatory functions. We also recognise the unique relationships the Councils have with their local communities, businesses, tangata whenua and iwi and hapū partners. These relationships will be essential if our transition is to be a just one for all our communities.

The Councils continue to work collaboratively on a number of the key reforms facing the sector and the region, including climate change, future of local government, resource management reform and three waters. We have prepared this combined submission on some high-level points in response to *Te hau mārohi ki anamata* to speak with a single "Taranaki Voice" that we feel better represents and promotes the interests of the communities and the region we serve. We trust that the Ministry also recognises the strength of this unity.

Our Regional Economic Development Agency Te Puna Umanga Venture Taranaki have also submitted on matters relating to how the ERP addresses wider economic development for the Taranaki region. While we are collectively not signatories to that document, we support their intent in making their submission.

We offer qualified support for *Te hau mārohi ki anamata* and the direction that government is proposing, subject to the specific comments contained below. Many of these points were points that we already raised in each Council's submissions to the Climate Change Commission on their "Climate action for Aotearoa" draft advice package. We attach those original submissions again to this submission for MFE's reference and integration into the finalised ERP.

For the people of Taranaki, there are some important considerations below that we would like the Ministry to consider and incorporate as part of this opportunity for consultation and feedback, and we wish to emphasise the following key points:

- The need for clarity around Aotearoa New Zealand's plans to reduce emissions
- Concerns around a one-size fits all approach to emissions reductions
- Ongoing reforms and Covid19
- General support for plans to reduce emissions
- The need for greater clarity on local government's role.
- Centralisation without clear co-ordination

The need for clarity around Aotearoa's plans to reduce emissions

The Councils express disappointment that *Te hau mārohi ki anamata* does not provide the necessary clarity and direction for how New Zealand will reduce emissions to further inform our submission.

Te hau mārohi ki anamata is not a draft National Emissions Reduction Plan, but a list of current actions, policies and potential options being explored by government, many of which have been consulted on by other agencies. There is also a distinct lack of information about how the potential actions will be implemented, or indeed prioritised.

It is a missed opportunity that we are not able to feedback on the specific issues that are important to Taranaki. This is particularly disappointing due to the disproportionate impact Taranaki will feel in the transition compared to other regions.

Concerns around the one-size fits all approach to emissions reductions

Te hau mārohi ki anamata takes a one-size fits all approach to reducing emissions, and largely disregards the disproportionately high impacts to regions like Taranaki, compared to other regions with lower per-capita emissions profiles.

Transitioning to a new environmental limits regime will be a significant issue for Taranaki, so realistic regional planning to enable this needs to be implemented with support from central government. We therefore submit that, when finalised, the National Emission Reduction Plan should consider detailed regional effects of emissions targets, economic impacts and social impacts.

Finally, the Councils are disappointed to see that the "working together in new ways" section (p 34) does not include local government as a part of the proposed partnership. We feel that this omission is a significant oversight.

Ongoing reforms and COVID-19

It is of note that our communities are both directly and indirectly impacted by the scale and breadth of the reforms which are afoot at present. The COVID-19 pandemic remains a source of instability while the forthcoming National Emissions Reduction Plan sits alongside major reforms in health, three waters, local government and the Resource Management Act.

Both these reforms and the pandemic necessarily create uncertainty and instability for people as residents, employees and investors in our region. It is requested that this uncertainty and its impacts be acknowledged and minimised by transparent communication and well-planned action from government.

General support for plans to reduce emissions

Reducing emissions in Taranaki means transitioning our economy and the way we do things across our communities. The local economy in Taranaki is predominantly comprised of industrial manufacturing, oil and gas, and primary industries, all of which will be affected by emissions reductions targets, carbon pricing and any future biogenic methane pricing.

The shifts required of the region are well documented through Taranaki 2050 and Tapuae Roa. These need adequate support to ensure the region transitions to a low-emissions economy while keeping the things that are great about Taranaki, and planning for inclusive growth.

The Councils offer general support for emission reduction options and initiatives across different sectors, and note the following:

- Energy

We support, in principle, the decarbonisation of the energy sector and the renewable targets set out in *Te hau mārohi ki anamata*. However, we caution the phase out of fossil fuels prior to available, economically viable technology alternatives (especially for the hard to abate manufacturing and commercial transport sectors).

We agree with the need for a Strategy to guide our energy transition, but this must be co-designed and developed in collaboration with all affected parties. In particular, this strategy needs a clearly articulated plan on how to meet the energy trilemma: affordability, access and energy security.

We acknowledge the importance of the Emissions Trading Scheme to achieving emissions budgets and support recommendations from the Climate Change Commission to review industrial allocation of New Zealand Units to ensure that emissions intensive and trade exposed industries, such as the Taranaki petrochemical sector, does not drive emissions leakage offshore.

- Agriculture

The Councils support the general intention of *Te hau mārohi ki anamata's* proposal to support a lower carbon agricultural sector. However, Taranaki farming communities will need to be provided with comprehensive support and training and be enabled to invest in real-world on-farm technology and initiatives to enable them to successfully transition to low-carbon farming methodologies.

- Transport

The Councils acknowledge that centres with large populations will be advanced a greater and earlier share of investment in low carbon options. However, in order not to exacerbate equity issues, Taranaki requires support as we pursue the required innovative thinking to resolve our transport challenges.

Taranaki is a predominantly rural region, with a mid-sized city and several smaller urban areas dispersed over a large geographic area. Our rural economy and communities' mobility and connectivity are heavily road and vehicle dependent, with few alternative transport options available. Our rural areas have a low level of public transport options when compared with more urbanised districts or regions, with low patronage and limited electric vehicle infrastructure.

Councils will need significant funding to incentivise active/shared transport options everywhere, including small rural towns. Regional communities will be significantly impacted if the government activates levers to deter the use of Internal Combustion Engine cars while not providing suitable alternatives, creating barriers for accessing employment, education, health and social infrastructure in Taranaki.

- Tangata whenua partnerships

The Councils support the Ministry's commitment to a greater role for tangata whenua to partner, be included in planning and help implement the initiatives proposed in *Te hau mārohi ki anamata*. Based on our experience in working with the Iwi of Taranaki, the strongest partnerships and best results for all parties come when that relationship recognises the high resource demands being placed on tangata whenua by a range of policy measures.

Ensuring that adequate funding and resourcing be made available from central government to ensure tangata whenua are enabled to engage in planning, decision-making and implementation of emissions reduction and climate change adaptation work programmes will

therefore be key. Partnering with tangata whenua to determine both the areas and approaches that best suit them (at both national and regional levels) is also a measure that the Councils would strongly encourage the government to follow.

- Waste, circular economy

We support the package of measures for the waste sector, and the circular economy approach. We believe that these measures will also have large knock-on positive impacts for improving many of our other environmental problems.

Taranaki works regionally on waste minimisation and there is considerable expertise in waste prevention, management and minimisation. The region is in a strong position to contribute more directly to central government decision- and policy-making in this area.

- Forestry, native planting

We are supportive of the proposal within *Te hau mārohi ki anamata* of increasing the focus on balancing planting of both native forests and plantation forestry. The region has invested significantly in riparian planting and recently committed to reaching its 10% biodiversity target in New Plymouth City.

We are supportive of any recommendations to extend grant schemes such as One Billion Trees (or an equivalent scheme), or to create ecosystems payments. We would like further clarity on how this could be enabled and aligned with the Emissions Trading Scheme.

However, we note there are demonstrable negative economic effects from large-scale replacement of farms with forestry in the Taranaki eastern hill country. We submit that the government needs to include large-scale land use change and its socioeconomic and environmental impacts in any transition planning for rural communities.

We submit that government enables measuring the carbon capture of small-scale native planting blocks, which are often individually small but cumulatively large and offer co-benefits to sequestration such as biodiversity and landscape-scale vegetation corridors.

The need for greater clarity on local government's role

Local government plays a key role in reducing emissions through decarbonising our own operations and advocating for our communities to lower their emissions. Many of the proposed recommendations to lower emissions in *Te hau mārohi ki anamata* rely on local government implementation. To achieve the pace and scale of transition proposed by the Ministry, a coordinated and aligned effort will be needed between local and central government.

References to local government partnerships are unclear within *Te hau mārohi ki anamata*. *Te hau mārohi ki anamata* provides little detail on funding for key proposals and policies suggested to help reduce emissions. The Councils submit that the National Emissions Reduction Plan detail how local government will be supported and funded to help deliver emissions reduction activities across key regulatory and non-regulatory functions.

Centralisation without clear co-ordination

Allied to the need for clarity on local government's role in this transition is a concern at the proposed level of centralisation and lack of clarity in *Te hau mārohi ki anamata* on how cross-government collaboration will be achieved.

The Councils note the proposal to generate 16 strategy documents to support the National Emissions Reduction Plan, which alongside the ongoing reform, has potential to create further complexity in an already complex landscape. The Councils support the calls for greater cross-government coordination and accountability in *Te hau mārohi ki anamata*. However, references to departmental accountability and cross department groups need greater detail in the final plan to provide assurance of their effectiveness.

We submit that Government should be providing clear guidance to local communities, and empowering them to develop solutions that can roll up to national level solutions. Taranaki's experience with Taranaki 2050, Tapuae Roa and current agricultural energy and waste-to-energy projects could be instructive in this capacity.

Conclusion

The Councils request that in finalising the National Emissions Reduction Plan, particular emphasis be placed on unique regional perspectives and positioning, such as the disproportionately large impact emissions reduction activities will have on Taranaki.

Transitioning to new environmental limits regime will be a significant issue for this region, so realistic regional approaches will need to be adopted, with support packages from central government partnering with local government. The significant regional impacts of this transition require further consideration, funding and place-based planning and implementation to ensure the region can successfully and equitably transition to a low-emissions economy.

We submit that in order to successfully implement the National Emissions Reductions Plan, maximising the emissions reduced and ensuring a just transition, partnership between central government and local government is required. Taranaki Councils welcome working with central government and our Taranaki iwi partners to develop a transition programme that is achievable and fit for purpose for Taranaki. In doing so, the Councils will continue to broaden and strengthen our efforts to speak with our single "Taranaki Voice" as we advocate for the cultural, social, environmental and economic well-being of our region.

Yours sincerely,



Mayor Phil Nixon
South Taranaki District Council



Mayor Neil Volzke
Stratford District Council



Mayor Neil Holdom
New Plymouth District Council



David MacLeod
Taranaki Regional Council Chair

INFORMATION REPORT



F19/13/04 – D21/42166

To: Council
From: Corporate Accountant
Date: 14 December 2021
Subject: Percy Thomson Trust – Annual Report 2020/21

Recommendation

THAT the Percy Thomson Trust Annual Report for the year ended 30 June 2021 be received.

Recommended Reason

The Percy Thomson Trust is a Council Controlled Organisation of the Stratford District Council and the audit of their Annual Report for the year ended 30 June 2021 was completed by Audit New Zealand.

/_____
Moved/Seconded

1. Purpose of Report

To present the Annual Report for the year ended 30 June 2021 for Percy Thomson Trust to Council. This report must be delivered to the shareholders (Council) within 3 months after the end of each financial year (30 September) and requires the Auditor's Report to be included. However due to COVID-19, legislation was passed on 8 July 2021 to extend the statutory reporting timeframes for Council Controlled Organisations to 30 November 2021. The Report was delivered to Council on 30 November 2021, via email.

2. Executive Summary

The Annual Report of the Percy Thomson Trust was audited by Audit New Zealand. The Percy Thomson Trust is a Council Controlled Organisation of the Stratford District Council and their performance forms part of Council's group financial statements as recorded in Council's Annual Report.

Revenue for the year was less than budget primarily due to the reduction of grant funding available to the Trust at the moment, although the revenue from commissionable sales was higher than anticipated. Total expenditure was in line with budget.

Of the five performance measures, three were achieved. The two that were not achieved were as follows:

- The trust did not meet the breakeven criteria, due to the revenue as explained above
- The trust is still looking at an alternative way to deliver the herbarium, as it will be done in conjunction with the review of the arboretum that will take place in the 2021/22 year.

3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council's purpose is to "enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future"			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:			Yes
Social	Economic	Environmental	Cultural
✓	✓		✓

4. Background

The Local Government Act 2002 defines entities in which the Council has more than a 50 percent shareholding, or the ability to appoint more than 50 percent of the Trustees/Directors, as a Council Controlled Organisation. The Percy Thomson Trust (the Trust) meets these criteria and Council monitors the performance of the Trust. The Trust operates on an independent basis at arms length from the Council.

5. Information Summary

5.1 Trustee Changes

There were no changes to the Trustees during the year.

5.2 Exhibitions

During the year the gallery was fully booked for exhibitions, however due to COVID-19, and the lockdowns, the gallery and Percy's Place were closed for a short period. Some of the exhibitions that were able to be delivered were *Adam Portraiture; Glass Art 2021; Matariki – Stephen Chadwick; Emergence; and Alby Carter - Retrospective*.

Exhibitions that were unable to be delivered due to COVID-19 were the Taranaki Arts Trail; and the Stratford Art Society spring exhibition.

The gallery is now booked well into 2022, and includes local and national exhibitions.

5.3 Financial Statements

The Trust had a net deficit of \$91,000 (after accounting for depreciation) for the 2020/21 financial year, compared to a budgeted deficit \$75,000.

This was primarily due to the reduction in external funding that was received during the year. Grants and subsidies received during the year were \$12,500, compared to a budget of \$45,000, and made up as follows:

- Taranaki Electricity Trust, \$2,500, for the provision of exhibitions, and
- TSB Community Trust, granted \$10,000 during the 2019/20 year, that was carried over to be used for the TSB Emergence Exhibition and awards, which did not commence until July 2020.

Other funding anticipated did not eventuate.

6. Strategic Alignment

6.1 Direction

The Annual Report (including the Audit Opinion from Audit NZ) is a statutory requirement, as is the requirement to deliver the report to council.

6.2 **Annual Plan and Long Term Plan**

The recommendation does not have any implications concerning the Long Term Plan

6.3 **District Plan**

The recommendation does not have any implications concerning the Long Term Plan.

6.4 **Legal Implications**

There are no legal implications.

6.5 **Policy Implications**

There are no policy implications

Attachments:

Appendix 1 - Percy Thomson Trust Annual Report



Christine Craig
Corporate Accountant



[Endorsed by]
Tiffany Radich
Director – Corporate Services



[Approved by]
Sven Hanne
Chief Executive

Date: 7 December 2021

Appendix 1



PERCY THOMSON TRUST

• Percy Thomson Gallery • Percy Thomson Arboretum • Percy Thomson Herbarium

**ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2021**

PERCY THOMSON TRUST

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PERCY THOMSON TRUST – BOARD

Chairman: Bruce Ellis

Trustees: Jim Clarkson
Helen Cloke
Deborah Clough
Christine Craig
Keryn Walsh
Gloria Webby

PERCY THOMSON TRUST – STAFF

As at 30 June 2021

Gallery Director – Rhonda Bunyan

Part-time Gallery Assistants

- Isaac Ander
- Bill Davies
- Donna Hitchcock
- Carina McQueen
- Gayleen Schrider
- Amy Taunt

PERCY THOMSON TRUST – CHAIRMAN'S REPORT

On behalf of the Trust, it is my pleasure to present the report for the twelve months ended 30 June 2021. The period saw a bounce back from the effects of the Covid-19 lock down that adversely affected the previous year. In the 2020 year visitor numbers were 19,433 against the performance measure of 20,000, however 2021 surged to 24,314. This is reflected in the financials to the extent that they reflect visitor numbers although the overall financial performance suffered from lower grant income. The Trustees continue to note the effort of the Gallery Director and her team in the presentation of successful and innovative exhibitions providing opportunities for local and Taranaki artists and a mecca for residents of and visitors to Stratford.

Work has also been undertaken to refresh the arboretum with a focus on planting, signage and an enhanced visitor experience.

Financials

The overall operating position was affected by a shortfall in grant income compared to the previous year and to the budget. The tightening of criteria from the previously major sources of funding – the TET and the TSB Community Trust now TOI Foundation) – away from more general funding towards the funding of specific projects to meet specific criteria came at a time too late for us to reset our approaches. The Trust is focussing on this for the current year and beyond.

There was a cash deficit of \$11,000 from operating activities compared with the budgeted break-even position and a deficit of \$9,000 in the previous year. Grant income was \$22,000 lower than the previous year (which also included the Government wage subsidy), and \$32,000 lower than budget.

Direct income from the gallery being Commissions on exhibition sales and Percy's Place turnover, donations, "Friends" subscriptions and rental/hireage fees showed a welcome improvement on budget and the previous year to partially offset the lower grant income.

The Financial Position as shown in the "Statement of Financial Position" shows the total Trust Equity of \$2,874,000 – a decrease of \$91,000 being \$80,000 in depreciation and the \$11,000 cash deficit. Features to note are:

- Capital expenditure of \$15,000 on the Gallery building;
- A decrease in funds invested of \$75,000 from maturing bonds but offset by the increase in "Bank Accounts and Cash" of \$91,000.

Gallery Operations

The Gallery Director reports as follows:

Another year (financial) has come to a close. We have continued to perform above average in all areas, including income, visitor numbers, commissions and other targets. We have surpassed our 20,000 visitor target, which is quite remarkable really, considering absence of overseas tourists and the ongoing unsettling effect of Covid.

Sitters in Percy's Place take daily visitor tallies, and this is nearing 6000. This indicates that the gallery and the shop are major attractions for bringing visitors, and locals, to Prospero Place.

Shop sales have excelled, buoyed by a buying frenzy during the 2020 Garden Festival where we took more than the entire period for the previous financial year (Covid shut-down weeks during 2020 attributed to this, of course). Commissions were approximately \$18,000 with a further \$42,000 paid back to local artists.

Our exhibitions continue to be of a high calibre. The Taranaki Arts Trail Exhibition features more than 70 artists who will open their studios/homes etc. during the Trail over the two weekends during the Garden Festival in October /November. Next year, I have a spot in August reserved for the Trail exhibition which will be closer to the Trail dates. Unfortunately 'there was no room at the inn' for the exhibition to move this year.

I am delighted to report such a successful year. The gallery is highly respected and every day we receive positive comments from those who hark from the region and further afield.

A special thank you to Rhonda Vanstone who assisted with an application to Creative New Zealand for our upcoming 20th Birthday exhibition in December through to January 22. Funding applications are always so involved and time-consuming, but, at the end of the day, usually worth the time and energy. Fingers crossed. Funding will allow me to produce an anniversary booklet, including all participating artists and their stories to mark the occasion.

Investment Funds

The investment portfolio of the Trust is summarised as follows:

Category	Book Value as at 30 June 2021	Book Value as at 30 June 2020
Trading Bank Term Deposits	\$250,000	\$250,000
Bonds	\$155,000	\$280,000
Commercial Property through Proportionate Ownership Schemes and Property Investment Funds	\$447,000	\$447,000
Total	\$852,000	\$977,000

The reduction in bonds is from the maturity of two bond holdings. The funds from these maturities is reflected in the funds in our bank accounts.

The property investments continue to perform well, despite the challenges presented by the pandemic. The decision to participate in the various schemes and funds has the following objectives:

- To increase the cash investment returns of the overall invested funds given the reducing returns available from Bank Term Deposits and other fixed interest bonds;
- The opportunity for capital growth in these investments.

Further, in seeking such investments particular criteria included:

- The quality of the respective buildings;
- The quality and security of the tenancies within each property;
- The quality and experience of the managers of the respective properties.

The breakdown of these investments is:

Property	Original Investment (as per Statement of Financial Position)	Market Value (as at Balance Date of the investments of 31 March 2021)	Market Value (as at Balance Date of the investments of 31 March 2020)	Cash Income Return on Original Investment	Summary of Tenancies
Bush Road, Albany, Auckland – light industrial	\$125,000	\$288,284	\$231,388	7.80%	- Thermo Fisher Scientific 100%
Osterley Way, Manukau, Auckland – office building	\$50,000	\$79,282	\$51,985	9.25%	- IRD 98% - Other 2%
Todd Park, Porirua, Wellington – light office/ industrial complex	\$122,000	\$208,742	\$135,751	7.58%	- Place-makers 15.4% - Hannah's 10.9% - Hexatronic 17.6% - Anderson & Flowers 10.9% - Mitsubishi Motors 13.3% - Fusion Interiors 12.3% - Conroy Removals 6% - Downer NZ 4.7% - NZ Post 4.5% - Free Kindergarten Association 4.2% - Other 0.2%
Cameron Road, Tauranga – Office building and retail	\$50,000	\$58,694	\$50,788	7.80%	- Tauranga City Council 49.8% - IRD 40.0% - Other (3) – retail & office 10.2%

Augusta Industrial Fund – light industrial mainly in Auckland	\$100,000	\$133,000	\$106,159	6.50%	The 48 tenants in 11 properties across three cities but weighted 73% to Auckland include Toll, Repco, Linfox, Fujitsu, Fletcher Building Steel Group, Macpac, Vulcan Steel, and Halls Refrigeration Transport (Icepak), D&H Steel Construction, Graphic Packaging, and TCI NZ. Overall occupancy is 96%.
Total	\$447,000	\$768,002	\$576,071	Average 7.61%	
		(33.3% increase)	(28.9% increase)		

The returns reflect a strong increase over the year. This reflects the strength of the property market and the rental profile of individual properties. With recent renewals of tenancies there is a notable reflection of this in the property values.

The Covid-19 pandemic has had a minimal effect on the investment returns but has not adversely affected the overall strength and prospects of the investments. The return from the Augusta Industrial Fund reduced from a projected 6.5% to the average of 6.03% in 2021 but has returned to the 6.5% from March 2021. Some concessions were required for some of the tenants in the Cameron Road, Todd Park and Augusta properties. The cash reserves held within the Cameron Road and Todd Park investments meant that returns to investors were maintained at previously agreed levels.

The overall conclusion is that this portfolio of investments continues to provide good security and investment returns for the Trust.

Building Works

The completion of the roof restoration appears to have fixed our leakage and humidity problems.

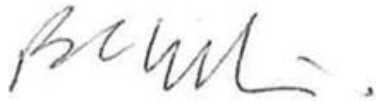
Other Responsibilities

- **The Arboretum.** This has been maintained to a good standard. Work is currently underway with a view to enhancing the visitor experience, especially in conjunction with the Council and its development of the Discovery Trail and visitor reserves.
- **The Herbarium.** Work has commenced to enhance this part of the bequest with the New Zealand Plant Network.

Summary

I particularly acknowledge the work of the Trustees; Rhonda Bunyan, our Gallery Director; Amy Taunt, the Gallery Assistant; Christine Craig and her team at the Council for administrative support, and the volunteers without whom the operation of the gallery would become most difficult.

The Trust continues to make an important contribution to the life and culture of the District. Our stewardship of Percy Thomson's legacy is our key role and we acknowledge the support of the Council and the TET and TSB Community Trusts in making this happen.



Bruce Ellis
CHAIRMAN

PERCY THOMSON TRUST – AUDIT REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor’s Report To the readers of Percy Thomson Trust’s financial statements and performance information for the year ended 30 June 2021

The Auditor-General is the auditor of Percy Thomson Trust (the Trust). The Auditor-General has appointed me, Chris Webby, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

Opinion

We have audited:

- the financial statements of the Trust on pages 14 to 27, that comprise the statement of financial position as at 30 June 2021, the statement of financial performance, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on pages 10 to 12.

In our opinion:

- the financial statements of the Trust on pages 14 to 27:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2021; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Standard; and
- the performance information of the Trust on pages 10 to 12 presents fairly, in all material respects, the Trust’s actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust’s objectives for the year ended 30 June 2021.

Our audit was completed on 30 November 2021. This is the date at which our opinion is expressed. The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trust Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

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. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our 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.

Responsibilities of the Trust Board for the financial statements and the performance information

The Trust Board is responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trust Board is also responsible for preparing the performance information for the Trust.

PERCY THOMSON TRUST – AUDIT REPORT

The Trust Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Trust Board is responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trust Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trust Board intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

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

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Trust's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance 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 financial statements and the performance 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 Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trust Board.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.

PERCY THOMSON TRUST – AUDIT REPORT

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trust Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements and the performance 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 auditor’s report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trust Board 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.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Trust Board is responsible for the other information. The other information comprises the information included on pages 1 to 6, but does not include the financial statements and the performance information, and our auditor’s report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, 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 Trust in accordance with the independence requirements of the Auditor-General’s Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.



Chris Webby
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand

PERCY THOMSON TRUST – PERFORMANCE

STATEMENT OF SERVICE PERFORMANCE

NATURE AND SCOPE OF ACTIVITIES

The Percy Thomson Trust covers three activities, the Art Gallery, the Arboretum, and the Herbarium.

The Thomson Gallery is located in Prospero Place, the arboretum on Cloten Road near the intersection with Ariel Street, and the herbarium at the website www.taranakiplants.net.nz.

The Thomson Gallery is Stratford's public art gallery and was opened in June 2002. The gallery contains both exhibition areas and work areas for use by local artists and community art groups. The gallery provides an active programme of exhibitions and events that is both internally generated and toured from other art collections.

The gallery's main display area totals 178 m² which can be comfortably partitioned into two areas of 116 m² and 62 m² respectively.

OBJECTS OF THE TRUST

The objects for which the Trust is established are, to the extent that they are a Charitable Purpose within New Zealand, as follows:

- to receive the Thomson Arboretum, the Thomson Herbarium and the Thomson Gallery and to be responsible for the on-going establishment and maintenance of an arboretum, herbarium and art gallery in Stratford;
- to manage the Trust Facilities and to create, acquire, promote, exhibit and manage the collections for the benefit of the inhabitants of the Stratford District and the public generally;
- to endeavour to achieve the objectives the Council sets for the delivery of services in respect of the Trust Facilities as negotiated and set out in the Statement of Intent;
- to implement the Council's policy as revised from time to time for the development and enhancement of the Trust Facilities with an emphasis on Stratford and in accordance with the Charter, Business Plan and Strategic Plan;
- to provide advice to the Council on the Council's long term policy for the development of gallery services in Stratford;
- to establish exhibition programmes and education policies for the Trust Facilities;
- to develop acquisition, de-accession and collection development policies for the Trust;
- to provide all financial, administration, marketing, technology and services required for the Trust Facilities;
- to determine charges for viewing or using any of the Trust Facilities and the Collections with a view to generating appropriate revenue and encouraging public enjoyment and utilisation of the Trust Facilities and Collections;
- to house and care for any art collections, antiquities or other articles acquired by, loaned, created or otherwise made available to the Trust and particularly to

PERCY THOMSON TRUST – PERFORMANCE

preserve and maintain the Collections (subject to any de-accession policies developed by the Trustees);

- to lease land or other assets where the Trustees determine that such land or other assets can be used in conjunction with the Trust Facilities or to promote the objectives of the Trust;
- to solicit and raise funds and carry out such activities as are necessary or conducive for the carrying out and giving effect to the objects of the Trust.
- to encourage and foster liaison and co-operative activities with related facilities, particularly those in the Stratford district; and
- generally to do all acts, matters and things that the Trustees consider may advance the objects of the Trust.

For the avoidance of doubt, the objects of the Trust expressed above are set out in no particular order or priority and do not include an intention or purpose that the Trust operates a trading undertaking with the intention or purpose of making a profit, but rather that the Trustees fairly and efficiently manage the Trust Fund, the Trust Facilities and the Collections for the benefit of the people of Stratford District.

The Trust's objects shall only be carried out in, or to benefit people in the Stratford District. The Trustees may carry out activities outside the Stratford District to promote the Trust or the Trust's activities but only if they believe that such activities will be for the ultimate benefit of people in the Stratford District.

Level of Service	Performance Measures	Actual 2020/21	Target 2020/21
Delivery of art exhibitions	Deliver proposed art exhibitions which will include local, regional and at least 1 National.	<p><i>Achieved:</i> <i>Exhibitions that were unable to be delivered due to COVID-19:</i></p> <ul style="list-style-type: none"> • Taranaki Arts Trail • Stratford Art Society <p><i>Art exhibitions that were delivered throughout the year included the following:</i></p> <p>National –</p> <ol style="list-style-type: none"> 1. Adam Portraiture 2. Glass Art 2021 3. Matariki – Stephen Chadwick <p>Regional –</p> <ol style="list-style-type: none"> 1. Taranaki Arts Trail 2. Alby Carter - Retrospective 3. Aroaromahana – Taranaki Māori Artists 4. Emergence <p>Local –</p> <ol style="list-style-type: none"> 1. Stratford Art Society 2. Aotearoa Quilters 3. Reflections – the Art of Lockdown 4. # Make/Believe <p>(2019/20) – Achieved</p>	<p><i>Deliver proposed art exhibitions which will include local, regional and at least 1 National.</i></p>

PERCY THOMSON TRUST – PERFORMANCE

Level of Service	Performance Measures	Actual 2020/21	Target 2020/21
	Number of visitors to the Gallery to be not less than 20,000 per year.	<i>Achieved:</i> <i>There were 24,314 visitors for the year.</i> (2019/20 – Not Achieved – 19,433 – reduced numbers were as a direct result of the closure of the gallery due to Covid-19)	>20,000
	To operate to a "break-even" balance	<i>Not Achieved:</i> <i>The trust did not break even, as a result of the reduction of available grant funding. "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 and the gain on sale of investments.</i> (2019/20 – Not Achieved)	<i>Operate within "break-even" budget</i>
Development and maintenance of arboretum	Develop and maintain the arboretum to the standards in the facilities management contract	<i>Achieved:</i> <i>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. The planting programme was also maintained, and continued on in conjunction with the plantings/replacement of native trees.</i> (2019/20) - Achieved)	<i>Develop and maintain the arboretum to the standards in the Facilities Management Contract</i>
Delivery of Herbarium	Deliver the herbarium via the internet	<i>Not Achieved:</i> <i>The trust is still looking at an alternative arrangement to deliver the herbarium via a third party, and will be done in conjunction with a review of the arboretum, which will be completed during the 2021/22 year.</i> (2019/20 – Not achieved – The trust continue to look for an alternative arrangement to deliver the herbarium via a third party, it is expected that the herbarium will be delivered online in the 2020/21 year)	<i>Deliver the herbarium via the internet.</i>

PERCY THOMSON TRUST – PERFORMANCE



Bronze figurines - Stratford Art Society exhibition, May 2021 (Peter Hanly)



Ceramics - # Make/Believe exhibition, January 2021 (Amy Brennan)

PERCY THOMSON TRUST – FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE FOR YEAR ENDED 30 JUNE 2021

	Note	Actual 2020/21 \$000	Budget 2020/21 \$000	Actual 2019/20 \$000
Revenue				
Council Funding - Grant		50	52	50
Sale of Goods and Services		82	60	59
Interest, Dividends and Other Investment Revenue		49	54	52
Other Grants, Subsidies and Donations Received	1	13	45	35
Total Revenue		194	211	196
Expenses				
Employee-related Costs	2	111	98	102
Depreciation of Property, Plant and Equipment	3	80	75	76
Other Expenditure	4	94	113	103
Total Expenses		285	286	281
Surplus/(Deficit) from operations		(91)	(75)	(85)

Explanations of significant variances against budget are detailed in note 14.


PERCY THOMSON TRUST – FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	Actual 2020/21 \$000	Budget 2020/21 \$000	Actual 2019/20 \$000
Assets				
Current Assets				
Bank Accounts and Cash	5	132	51	41
Investments		250	250	250
Other Financial Assets	6	50	-	50
Debtors and Prepayments	7	3	10	3
Total Current Assets		435	311	344
Non-Current Assets				
Property, Plant and Equipment	3	1,907	1,820	1,972
Other Financial Assets	6	552	727	677
Total Non-Current Assets		2,459	2,547	2,649
Total Assets		2,894	2,857	2,993
Liabilities				
Current Liabilities				
Creditors and Accrued Expenses	8	14	5	20
Employee Costs Payable	9	6	2	8
Total Current Liabilities		20	7	28
Total Liabilities		20	7	28
Trust Equity				
Accumulated Surpluses	10	1,666	1,726	1,757
Contributed Capital	10	0.1	0.1	0.1
Revaluation Reserve	10	1,207	1,124	1,207
Total Equity		2,874	2,850	2,965
Total Liabilities & Equity		2,894	2,857	2,993

The accompanying notes form part of these financial statements.

The Trust Board is approved and authorised to issue the financial statements on 30 November 2021.



B Ellis
CHAIRMAN
30 November 2021



C Craig
TRUSTEE
30 November 2021

PERCY THOMSON TRUST – FINANCIAL STATEMENTS

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	Actual 2020/21 \$000	Actual 2019/20 \$000
Cash Flows from Operating Activities			
Receipts of Council Funding		50	50
Receipts from Sale of Goods and Services		74	68
Interest, Dividends and Other Investment Revenue		48	55
Receipts of Other Grants and Donations		13	35
Payments to Suppliers and Employees		(203)	(243)
Goods and Services Tax (net)		(1)	1
Net Cash flow from Operating Activities		(20)	(34)
Cash Flows from Investing and Financing Activities			
Receipts from Sale of Investments		125	-
Payments to Acquire Property Plant and Equipment		(15)	(48)
Payments to Acquire Investments		-	(72)
Net Cash flow from Investing and Financing Activities		110	(120)
Net (Decrease)/Increase in Cash for the year		90	(154)
Add opening bank accounts and cash		41	195
Closing bank accounts and cash	5	131	41

PERCY THOMSON TRUST – FINANCIAL STATEMENTS

PERCY THOMSON TRUST ENTITY INFORMATION FOR THE YEAR ENDED 30 JUNE 2021

Legal name

Percy Thomson Trust (the Trust).

Type of entity and legal basis

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

The Trust's purpose or mission

The primary objectives of the Trust are to provide the Percy Thomson Gallery, Percy Thomson Arboretum and Percy Thomson Herbarium in accordance with the bequest left by the late Percy Thomson, and to be responsible for the ongoing maintenance of these assets.

Structure of the Trust's operations, including governance arrangements

The Trust comprises a Board of 7 Trustees who oversee the governance of the Trust, including a Chairman who is responsible for the day-to-day operations of the Trust and reporting to the Trustees, and six other voluntary members who support the Chairman in delivering against the Trust's objectives. At least 50% of the Trustees shall not be current elected members of the Stratford District Council.

Main sources of the Trust's cash and resources

An operating grant received from the Stratford District Council, investment income, and other forms of grant revenue are the primary sources of funding to the Trust.

Outputs

The Trust owns and maintains the building in which the gallery is situated and all expenses relating to this are incurred by the Trust. The Trust also promotes and exhibits various forms of art works in the gallery, and exhibition costs are also a major output for the Trust.

PERCY THOMSON TRUST – FINANCIAL STATEMENTS

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2021

ACCOUNTING POLICIES APPLIED

Basis of Preparation

The Board has elected to apply PBE SFR-A (PS) *Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)* on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

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

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

The financial statements are presented in NZ dollars, and all values are rounded to the nearest thousand dollars, as per paragraph A22 and A17 c of PBE tier 3 presentation and disclosure, unless stated otherwise.

Goods and Services Tax

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Grants

Council, government, and non-government grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Sale of goods

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

Sale of services

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

Interest revenue

Interest revenue is recorded as it is earned during the year.

Employee related costs

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries, and leave entitlements.

Performance payments are recorded when the employee is notified that the payment has been granted.

Superannuation contributions are recorded as an expense as staff provide services.

Advertising, marketing, administration, and other costs

These are expensed when the related service has been received.

Bank accounts and cash

Bank accounts and cash comprise a cheque account and deposits held at call with banks.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Investments

Investments are comprised of term deposits with banks, listed bonds, listed shares, short term promissory notes issued by companies and Local Authorities, real estate, and professionally managed portfolios of investments.

Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

Listed bonds and shares are initially recorded at the amount paid. If the market price of the investment falls below cost, the carrying value of the investment is reduced to the current market price. If the market price of the investment subsequently increases, the carrying amount of the investment is increased but limited to the original cost of the investment.

Property, plant, and equipment

Property, plant, and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Furniture and fittings	10 to 20 years (5% to 10%)
Office Equipment	4 to 10 years (10% to 25%)
Buildings	10 to 80 years (1.25% to 10%).

Revaluation

The Trust has adopted tier 2 standards regarding the revaluation of its land and buildings in accordance with PBE IPSAS 17.

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, land or equipment within a class has a carrying value that is materially different from its fair value.

Land and buildings were valued as at 1 January 2020 by Telfer Young (Taranaki) Ltd, independent valuers. Telfer Young have advised that COVID-19 had no impact on their assessment of valuations.

Revaluation increases and decreases will be transferred to equity.

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

Employee costs payable

A liability for employee costs payable is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date.

Income tax

Tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax.

Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

Budget figures

The budget figures are derived from the statement of intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Tier 2 PBE Accounting Standards applied

The Trust has applied tier 2 accounting standards for asset revaluations only, in preparing its financial statements. This was to bring consistency in property revaluations between the Trust and its parent, the Stratford District Council.

CHANGES IN ACCOUNTING POLICIES

There have been no changes to the accounting policies during the year.

PERCY THOMSON TRUST – FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

1. Other Grants Received

	Actual 2020/21 \$000	Actual 2019/20 \$000
Grant - Taranaki Electricity Trust	3	3
Grant - TSB Community Trust	10	10
Wages subsidy	-	23
Total Other Grants Received	13	35

There are no unfulfilled conditions and other contingences attached to government grants recognised.

2. Employee-related Costs

	Actual 2020/21 \$000	Actual 2019/20 \$000
Salaries and Wages	109	99
Kiwisaver Contributions	3	3
Increase/(Decrease) in Employee Entitlements	(1)	1
Total Employee-related Costs	111	102

PERCY THOMSON TRUST – FINANCIAL STATEMENTS

3. Property, Plant and Equipment

2021	Buildings	Land	Furniture and Fittings	Office Equipment	Arboretum	Work in Progress - buildings	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cost / Revaluation 1 July 2020	1,687	235	105	10	50	-	2,087
Less Accumulated depreciation	69	-	39	5	2	-	115
Carrying amount 1 July 2020	1,618	235	66	5	48	-	1,972
Additions	10	-	-	3	2	-	15
Transfers	-	-	-	-	-	-	-
Depreciation expense	(73)	-	(5)	(1)	(2)	-	(80)
Carrying amount at 30 June 2021	1,555	235	61	7	49	-	1,907

2020	Buildings	Land	Furniture and Fittings	Office Equipment	Arboretum	Work in Progress - buildings	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Carrying amount 1 July 2019	1,452	193	71	2	42	50	1,810
Additions	94	-	-	4	-	-	98
Transfers	-	-	-	-	-	(50)	(50)
Depreciation expense	(69)	-	(5)	(1)	(1)	-	(76)
Revaluation surplus (incl of depreciation reversed on revaluation)	141	42	-	-	8	-	190
Carrying amount at 30 June 2020	1,618	235	66	5	49	-	1,972

4. Other Expenses

	Actual 2020/21	Actual 2019/20
	\$000	\$000
Fees to Principal Auditor		
<i>Audit Fees for Financial Statement Audit</i>	8	8
Operating Expenses		
<i>Property expenses</i>	20	27
<i>Art Gallery expenses</i>	43	45
<i>Other operating expenses</i>	22	23
Total Other Expenses	94	103

PERCY THOMSON TRUST – FINANCIAL STATEMENTS

5. Bank Accounts and Cash

Current Assets

	Actual 2020/21 \$000	Actual 2019/20 \$000
Cheque Account	132	41
Net Bank Accounts and Cash for the purposes of the Statement of Cash Flows	132	41

6. Other Financial Assets

	Actual 2020/21 \$000	Actual 2019/20 \$000
Current Portion		
Financial Assets Available for Sale		
ASB Bank Ltd - 4.25% - matured 26/05/2021	-	50
Fonterra Co-op Group - 4.33% - mature 20/10/2021	50	-
Total Current Portion	50	50
Non-current Portion		
Financial Assets Available for Sale		
<u>Bonds</u>		
Fonterra Co-op Group - 4.33% - mature 20/10/2021	-	50
ASB Bank Ltd - 4.20% - matures 24/02/2022	50	50
Meridian Energy Ltd - 4.88% - matures 20/03/2024	30	30
Auckland International Airport - 4.28% - matures 09/11/2022	25	25
Bank of New Zealand Fixed Rate - 5.31% - matured 17/06/2021	-	75
<u>Other Investments</u>		
Proportionate Ownership - Albany, Auckland	50	50
Proportionate Ownership - Manukau, Auckland	50	50
Proportionate Ownership - Porirua, Wellington	122	122
Proportionate Ownership - Albany, Auckland	75	75
Proportionate Ownership - Tauranga	50	50
Proportionate Ownership - Henderson, Auckland	100	100
Total Non-current Portion	552	677
Total Other Financial Assets	602	727

PERCY THOMSON TRUST – FINANCIAL STATEMENTS

7. Debtors and Prepayments

	Actual 2020/21 \$000	Actual 2019/20 \$000
GST Refundable	1	-
Debtors	2	3
Total Debtors and Prepayments	3	3

8. Creditors and Accrued Expenses

	Actual 2020/21 \$000	Actual 2019/20 \$000
Creditors	3	1
Income received in advance	1	10
Accrued Expenses	11	9
Total Creditors and Accrued Expenses	14	20

9. Employee Costs Payable

	Actual 2020/21 \$000	Actual 2019/20 \$000
Annual Leave	7	8
Total Employee Costs Payable	7	8

10. Equity

	Actual 2020/21 \$000	Actual 2019/20 \$000
Opening Equity		
Contributed Capital	0.1	0.1
Revaluation Reserve	1,207	1,017
Accumulated Surpluses	1,757	1,842
Total Opening Balance	2,965	2,859
Movements during the year		
Surplus (Deficit)	(91)	(85)
Revaluation during the year	-	190
Total	(91)	106
Closing Equity		
Contributed Capital	0.1	0.1
Revaluation Reserve	1,207	1,207
Accumulated Surpluses	1,666	1,757
Total Closing Equity	2,874	2,965

PERCY THOMSON TRUST – FINANCIAL STATEMENTS

11. Commitments and Leases

	Actual 2020/21 \$000	Actual 2019/20 \$000
Financial Commitments		
* Percy Thomson Trust will provide building space in the Complex for Sgt Peppers to operate, for the period to 1 June 2022, having just exercised its one further right of renewal for three years.	13	27
* Percy Thomson Trust will provide building space in the Complex for Juffermans Surveyors Ltd to operate, for the period to 12 April 2026, with two further rights of renewals of three years each.	86	-
* Percy Thomson Trust will provide land outside the Complex for NZ Post to use as a box lobby, for the period to 31 May 2022, with one further right of renewal of two years.	1	2
Total	100	29
Operating Leases as a Lessor		
Not later than one year	32	15
Later than one year and not later than five years	68	14
Later than five years	-	-
Total operating leases as a lessor	100	29

12. Related Party Transactions

The Trust is a subsidiary of Stratford District Council and receives an operating grant from the Council to deliver its objectives as specified in the Trust Deed. The Stratford District Council is the ultimate controlling party.

Trustees that have a relationship with Stratford District Council:

- Gloria Webby, Deputy Chairman, is a Councillor
- Christine Craig, Trustee, is an employee of Stratford District Council

The following transactions were carried out with related parties at normal commercial terms:

	Actual 2020/21 \$000	Actual 2019/20 \$000
Stratford District Council		
Grant received from the Council	50	50
Rent received from Council for the Information Centre	12	18
Fees paid to Council for administration services	21	21

PERCY THOMSON TRUST – FINANCIAL STATEMENTS

13. Events After the Balance Sheet Date

There were no significant events after balance date 30 June 2021.

14. Explanations of major variances against budget

Explanations for major variances from the Trust's budgeted figures in the 30 June 2021 Statement of Intent are as follows:

Statement of Financial Performance

- * Revenue from gallery hire and commissions was higher than budget due to the ongoing success of Percy's Place, and the increased sales of art works from gallery exhibitions.
- * Revenue from grants was less than budget due to the current market situation, however the Trust are actively seeking alternative sources of grant funding.

Statement of Financial Position

- * The land and buildings were revalued during the 2019/20 year, and the new valuations were higher than anticipated.
- * The cash balance was higher than budget due to the maturity of bonds, however the balance of bonds held also reduced accordingly.

DECISION REPORT



F19/13 – D21/43266

To: Council
From: Director – Corporate Services
Date: 14 December 2021
Subject: Adopt Annual Report 2020/21

Recommendations

1. THAT the report be received.
2. THAT the Annual Report for the year ended 30 June 2021 be received and adopted.
3. THAT the Mayor and the Chief Executive be given authority to sign the Annual Report, incorporating any late, minor, changes that may be required by Audit New Zealand.
4. THAT the Chief Executive be authorised to publish a Summary Annual Report once the Audit Report to the Summary Report has been received from Audit New Zealand.

Recommended Reason

Section 98A of the Local Government Act 2002 requires Council to adopt the Annual Report 2020/21 by 31 December 2021. The Annual Report gives the community transparency on the Council's performance for the year. It is a statutory requirement for a local authority to, within one month after the adoption of its Annual Report; make publicly available a summary of the information contained in its Annual Report.

/
Moved/Seconded

1. Purpose of Report

The purpose of this report is to receive, consider, and adopt the Annual Report for the year ended 30 June 2021 and to authorise the publication of a Summary Annual Report.

2. Executive Summary

- 2.1 The Annual Report 2020/21 is the annual document that summarises the performance of the Council in the following aspects:
 - Financial performance – including financial statements, compliance with financial benchmarks, individual Activity cost of service statements, and a summary of variations to the Long-Term Plan 2021-31.
 - Non-Financial performance – performance measures and outcomes for the year by activity, and a summary of non-financial performance measures that were not met.
 - Confirmation from Audit NZ that the Annual Report complies with appropriate legislation and standards (not yet available in the draft report).

It also includes commentary from the Mayor and Chief Executive in relation to the financial year, along with a summary of the Council Structure and Governance arrangements.

- 2.2 The Annual Report is audited by Audit New Zealand to report on compliance with the Local Government Act 2002, the Local Government (Financial Reporting and Prudence) Regulations 2014, and the Public Benefit Entity Standards Reduced Disclosure Regime, and is audited in accordance with the Auditor-General's Auditing Standards. Audit New Zealand have advised Council staff that they expect to issue Council with an Unmodified Audit Opinion with an "Emphasis of Matter" attached. The

“Emphasis of Matter” highlights readers of the report to Note 27 of the Financial Statements in the Annual Report which outlines that, subsequent to year-end, the Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibility for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the Stratford District Council will no longer deliver three water services.

2.2 At the time of writing this decision report, the Audit Manager was still in the final stages of reviewing the audit of the Annual Report document, so there may be some minor changes as a result of the audit process.

3. Local Government Act 2002 – Section 10

Under section 10 of the Local Government Act 2002, the Council’s purpose is to “enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future”			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:			Yes - all
Social	Economic	Environmental	Cultural
✓	✓	✓	✓

The Annual Reporting process benefits all ratepayers in the District and organisations to whom Council is accountable for in its decision making and meets the requirements of good quality local public service and providing for Community Outcomes in relation to all four well-beings.

4. Background

4.1 The draft Annual Report 2020/21 was released to Audit New Zealand for audit in October 2021. On the 26 October 2021 Audit New Zealand advised that they had to reduce resourcing for the audit due to staff shortages. However, they were confident that the resourcing allocated will still enable the audit to be completed by the planned adoption date of 14 December 2021.

4.2 Refer to the Annual Report 2020/21 attached to this report. The document is yet to undergo design work with the new Council logo and other design updates.

The message from the Mayor and Chief Executive at the start of the report sums up the highlights for the year and touches on some of the key outcomes.

Key Financial information includes:

- Total Revenue \$30,046,000 (budget \$27,005,000)
- Total Operating Expenditure \$19,926,000 (budget \$19,111,000)
- Net Surplus \$10,120,000 (budget \$7,894,000)
- Capital Expenditure \$13,121,000 (budget \$21,910,000)
- Gross External Debt \$22,200,000
- Rates Increase 4.68% (> rates increase limit of 4.45%)

Non-Financial Performance measures are reported by Activity. The measures are developed to ensure accountability of service level outcomes for each Activity. Of the measures, 70% were achieved (2020: 80%), 6% were not applicable for the financial year (2020: 0%), and 24% were not achieved (2020: 20%).

Refer to pages 21-22 of the Annual Report 2020/21 for an explanation on each of the non-financial performance measures not achieved.

4.3 The Net Surplus of \$10,120,000 is made up of the following capital revenue:

Roading subsidy for capital expenditure	2,682,000
Govt funding for the swimming pool	4,856,000
Govt funding for the bike park	935,000
Govt funding for community hall upgrades	326,000
TET funding for capital expenditure	60,000
Sale of residential sections	2,779,000
Financial contributions	127,000
	11,765,000

In addition, part of roading depreciation is funded from reserves, instead of rates (the subsidised portion). In 2020/21, this made up \$1,448,000 of total depreciation.

5. **Consultative Process**

5.1 **Public Consultation - Section 82**

There is no requirement for public consultation on Council’s Annual Report, however the Summary Annual Report is an opportunity to engage with the community on Council performance for the previous year.

5.2 **Māori Consultation - Section 81**

Iwi in the Stratford District will be directly sent a copy of the Annual Report.

6. **Risk Analysis**

Refer to the Council Risk Register - available on the Council website.
<ul style="list-style-type: none"> Does this report cover any issues that relate to any risks on the Council Risk Register, and if so which risks and what are the impacts and likelihood of eventuating? Does this report cover any issues that may lead to any new risks that are not on the Council Risk Register, and if so, provide some explanation of any new identified risks. Is there a legal opinion needed?

6.1 This report relates to Risk 8 – Annual Report Adoption and Publication. The Annual Report also covers Council risk management in general and is subject to a thorough audit process by Audit New Zealand.

7. **Decision Making Process – Section 79**

7.1 **Direction**

	Explain
Is there a strong link to Council’s strategic direction, Long Term Plan/District Plan?	Yes, the Annual Report compares the actual activities and the actual performance of Council for the year ended 30 June 2021 with the intended activities and the intended level of performance as set out in year 3 of the Council’s 2018–2028 Long Term Plan.
What relationship does it have to the communities current and future needs for infrastructure, regulatory functions, or local public services?	It provides a snapshot of the Council’s financial position, and gives a view as to Council’s financial sustainability in order to meet the current and future infrastructure needs.

7.2 **Data**

- | |
|--|
| <ul style="list-style-type: none"> • Do we have complete data, and relevant statistics, on the proposal(s)? • Do we have reasonably reliable data on the proposals? • What assumptions have had to be built in? |
|--|

Refer to the Annual Report 2020/21 attached to this report.

7.3 **Significance**

	Yes/No	Explain
Is the proposal significant according to the Significance Policy in the Long-Term Plan?	No	The decision to adopt the Annual Report in itself is not significant, as it is a matter of reporting past performance, and there are limited other options.
Is it:		
• considered a strategic asset; or		
• above the financial thresholds in the Significance Policy; or		
• impacting on a CCO stakeholding; or		
• a change in level of service; or		
• creating a high level of controversy; or		
• possible that it could have a high impact on the community?		

In terms of the Council's Significance Policy, is this proposal of high, medium, or low significance?		
High	Medium	Low
		✓

7.4 **Options**

- | |
|--|
| <p>An assessment of costs and benefits for each option must be completed. Use the criteria below in your assessment.</p> <ol style="list-style-type: none"> 1. What options are available? 2. For each option: <ul style="list-style-type: none"> • explain what the costs and benefits of each option are in terms of the present and future needs of the district; • outline if there are any sustainability issues; and • explain if the outcomes meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance 3. After completing these, consider which option you wish to recommend to Council, and explain: <ul style="list-style-type: none"> • how this option is the most cost-effective option for households and businesses; • if there are any trade-offs; and • what interdependencies exist. |
|--|

There is a statutory requirement to adopt the Annual Report by 31 December.

It is also a statutory requirement for a local authority to, within one month after the adoption of its annual report; make publicly available a summary of the information contained in its annual report.

The recommended option is to approve the recommendations to adopt the Annual Report 2020/21, subject to any minor changes as requested by Audit New Zealand, and approve the other recommendations in this report.

However, if Council does not agree to adopt the Annual Report, there is limited time to make any changes, in order to comply with the legislative reporting timeframe. Note – any further changes done at Council’s request (rather than at the request of Audit New Zealand) will require additional audit review by Audit New Zealand.

7.5 Financial

- Is there an impact on funding and debt levels?
- Will work be undertaken within the current budget?
- What budget has expenditure come from?
- How will the proposal be funded? e.g., rates, reserves, grants etc.

By adopting this report there is minimal financial impact to Council, besides some communication and printing costs.

The total proposed audit fee for the audit of the Annual Report 2020/21 is \$116,769.

7.6 Prioritisation & Trade-off

- Have you taken into consideration the:
- Council’s capacity to deliver;
 - contractor’s capacity to deliver; and
 - consequence of deferral?

The recommended option carries no direct implications to Council’s capacity to deliver its services as proposed in the Long-Term Plan or Annual Plan.

7.7 Legal Issues

- Is there a legal opinion needed?
- Are there legal issues?

It is a statutory requirement under Section 98 and 98A of the Local Government Act 2002 for Council to adopt the Annual Report by 31 December.

It is a statutory requirement under Section 98 (4) for a local authority to, within one month after the adoption of its Annual Report; make publicly available its Annual Report and a summary of the information contained in its Annual Report.

7.8 Policy Issues - Section 80

- Are there any policy issues?
- Does your recommendation conflict with Council Policies?

The recommendation is not in conflict with any Council Policies.

Attachment:

Appendix 1 Annual Report 2020/21



Tiffany Radich
Director – Corporate Services



[Approved by]
Sven Hanne
Chief Executive

Date 7 December 2021

Appendix 1

Message from the Mayor and Chief Executive

Tēnā koutou katoa

Welcome to Stratford District Council's Annual Report for 2020/21.

Just as last year's annual report was heavily overshadowed by the impacts of COVID-19 on our business, district and community, so too does this year's report demonstrate the continuing impact of Covid-19. This year's report also reflects the broad range of other external influences that have demanded the attention and time of elected members and council staff in addition to the business as usual provision of council services.

The vast majority of external influences have been positive in their impact, some however have been quite controversial. All in all and in no particular order these were:

- Applications for government funding and subsequent delivery of projects, including
 - the new children's bike park and half basketball court
 - the new swimming pool
 - upgrades of community halls,
 - the second trunk main between the Stratford treatment plant and Stratford township, and
 - the sealing of the final stretch of SH43.
- The establishment of a Māori ward which will see the number of councillors increase from 10 to 11, plus the mayor, at the next local government election.
- Unprecedented growth in building and subdivision activities, which stretched our staff but is great for the community overall.
- The impacts forestry harvesting has on our road network, particularly remote, unsealed roads continues to put a strain council's finances as we try to maintain these roads as well as possible.
- Central government reforms, particularly
 - the proposal regarding the restructuring of council's three water services,
 - the Resource Management Act reforms, and
 - the Future of Local Government consumed a significant amount of time and resources.

Council, once again worked through the pandemic to deliver all of its core services (Water Supply, Wastewater, Stormwater, Roding and Solid Waste) as well as a number of activities that enabled businesses and residents to retain at elements of normality throughout Covid-19 Alert Levels. This work included:

- Our Customer Service Centre, who did everything in their power to support customers, whether the call was about council business, pandemic related information or just for a friendly chat.
- Governance – with elected members unable to meet in person, meetings were held online.
- Building control – the team managed to process consents throughout Alert Levels and while things slowed down a little bit, activity returned to strong levels once restrictions were lifted.

Other highlights this year were:

- The delivery of the 2021-31 Long Term Plan in which elected members determined what council's focus is going to be for the next 10 years. The development of the plan required an extraordinary amount of elected members and staff time, in addition to the multitude of workshop meetings held.
- The completion of sale of sections on the Council led residential subdivision off Pembroke Road.
- The progress made on the swimming pool development despite the disruptions of Covid-19.
- The children's bike park being almost complete, awaiting some final touches held up by COVID restrictions.
- Sealing of State Highway 43 is confirmed and about to start.
- Drinking water compliance – once again, all three of our water schemes achieved provisional full compliance.

Operating Results

We finished the year with an operating surplus of \$10,120,000, compared to a budgeted net surplus of \$7,894,000. This was due to a significant amount of unbudgeted government funding received to pay for capital projects. Additionally, the unexpected pace at which sections in the Council subdivision sold enabled council to repay the debt related to the subdivision faster than anticipated.

The council-owned farm exceeded its production target and produced 150,918kg of milk solids. This, combined with a higher than expected pay out, saw this activity create an operating profit of \$266,000, of which \$53,000 went towards subsidising general rates, and the remainder repaying farm debt and investing in new farm infrastructure.

Financial Position

All LGFA lending covenants were met during the 2020/21 financial year with budgeted gross debt (\$24,536,000) vs actual gross debt (\$22,200,000).

Due to significant grant funding received during the year and not all loan funded capital projects being delivered as budgeted, Council debt is lower than anticipated. This is despite a loan of \$7,180,000 to the Stratford A&P Association in December 2020 which is being treated as a financial investment incurring interest revenue of cost plus an administration fee, and included in net debt.

General Performance

Responses from our annual customer survey once again showed residents consider Stratford to be an attractive place to live (90% agreed), a safe place (93% agreed), and offering a healthy lifestyle (92% agreed). A higher number of non-financial performance measures than in previous years were not met. This was largely due to the impact of COVID-19 on activities as well as an exceptionally high numbers of building and resource consent applications.



Neil Volzke, JP
District Mayor

Sven Hanne
Chief Executive

Community Outcomes

Vision

Council has spent time reviewing its vision statement for the district and will aspire to be: A vibrant, resilient, and connected community – in the heart of Taranaki

Community Outcomes

To deliver the Vision we will develop strategies, policies and procedures that facilitate and encourages a:

- Vibrant Community,
- Sustainable Environment,
- Connected Communities, and an
- Enabling Economy

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 community 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:

COMMUNITY OUTCOME	WHAT COUNCIL WILL DO
Vibrant community (Insert Icon)	<ul style="list-style-type: none"> • We celebrate and embrace our community's cultures and traditions • We tell our unique story • We develop strong relationships with iwi, hapu and marae
Sustainable environment (Insert Icon)	<ul style="list-style-type: none"> • Our natural resources can be enjoyed now and by future generations. • We are committed to working towards zero waste • We have well planned and resilient infrastructure that meets the current and future needs of the district • We aim to understand and support Te Ao Māori values and principles
Connected communities (Insert Icon)	<ul style="list-style-type: none"> • Our neighbourhoods are safe and supported • We enable positive healthy lifestyles, through access to health, social and recreation services • We have a strong sense of belonging • We value opportunities to be involved and work together as a community
Enabling economy (Insert Icon)	<ul style="list-style-type: none"> • We are a welcoming and business friendly District • We encourage a strong and diverse local economy • We promote opportunities to visit, live and invest in the district • We support economic opportunities for Māori

The groups of activities contribute predominantly to the following community outcomes:

Activities	Vibrant community (Insert Icon)	Sustainable environment (Insert Icon)	Connected communities (Insert Icon)	Enabling economy (Insert Icon)
Recreation and Facilities	✓	✓	✓	✓
Community Development	✓		✓	✓
Democracy	✓	✓	✓	✓
Environmental Services		✓	✓	✓
Roading			✓	✓
Stormwater		✓		✓
Wastewater		✓		✓
Solid Waste		✓		✓
Water Supply		✓		✓

Note: The groups of activities and community outcomes listed in this section were adopted as part of the 2021 – 2031 Long Term Plan. Therefore each of the community outcomes in the Council Activities section and significant negative effects have been updated to match, however the financial reporting and headings in the next sections of the 2020/21 Annual Report are structured to match the 2020/21 Annual Plan to ensure accurate reporting on the past year.

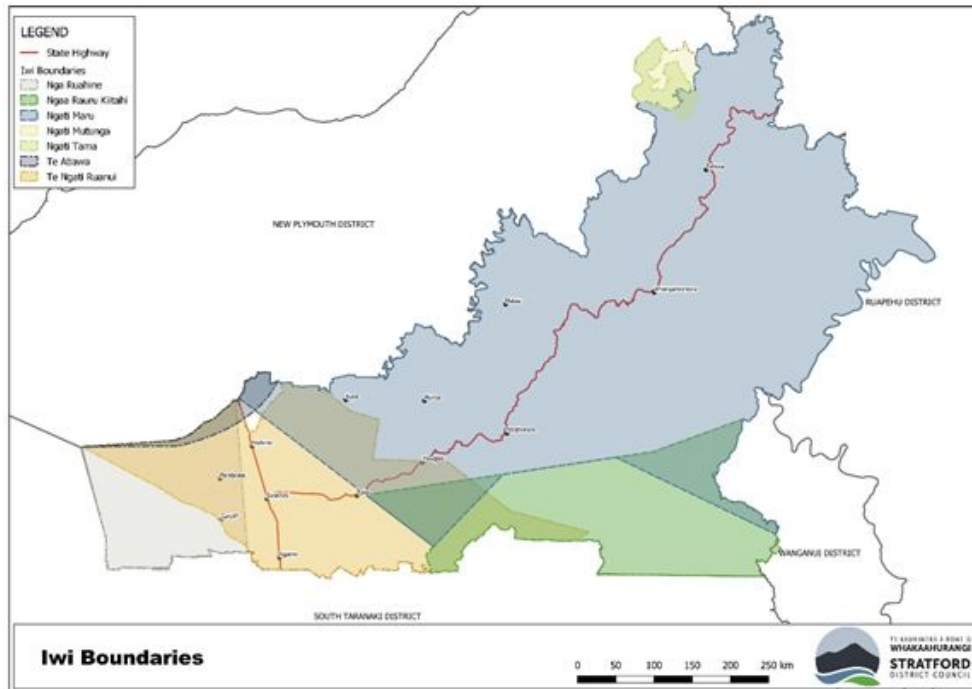
The activities meet the purpose of the Local Government four well-beings as follows:

Activities	Cultural	Social	Economic	Environmental
Aerodrome		✓	✓	✓
Civic Amenities	✓	✓		
Library	✓	✓		
Parks, Reserves and Cemeteries	✓	✓		✓
Pool Complex	✓	✓	✓	
Democracy	✓	✓	✓	✓
Community Development	✓	✓		
Economic Development	✓		✓	
Information Centre	✓	✓	✓	
Rental and Investment Properties		✓	✓	
Building Services			✓	✓
Planning			✓	✓
Community Health and Safety			✓	
Civil Defence and Emergency Management		✓	✓	✓
Roading		✓	✓	
Stormwater	✓	✓	✓	✓
Wastewater	✓	✓	✓	✓
Solid Waste		✓	✓	✓
Water Supply	✓	✓	✓	✓

Opportunities for Māori Contribution to Decision-Making Process

As a Council, we recognise the special position of tangata whenua and the important role Māori have to play in Council's decision-making processes and aim to build and grow mutually beneficial, positive relationships with iwi and hapu situated within the Stratford District.

We acknowledge the following seven iwi as tangata whenua within the Stratford District. These are Ngāti Ruanui, Ngāruahine, Ngāti Maru, Ngāti Mutunga, Ngāti Tama, Ngā Rauru and Te Atiawa. Council also recognises the role of Whakaahurangi Marae within the district.



Council provides opportunities for Māori contribution to decision making in the following ways:

STATUTORY

Section 81 of the Local Government Act, 2002 requires Council to provide opportunities for Māori to participate in Council decision-making and consider ways we can foster the development of Māori capacity to contribute to Council's decision-making. The Resource Management Act 1991 places further requirements on Council to support Māori participation and capacity in contributing to its decision making processes.

SIGNIFICANCE AND ENGAGEMENT

The Significance and Engagement Policy sets out how Council will determine the significance of an issue, proposal, or decision and the level of engagement required with key stakeholders including iwi. This ensures a consistent approach is used when considering Māori contributions to Council's decision-making. Council acknowledges its unique relationship with Māori and supports this through:

- Establishing and maintaining processes to provide opportunities for Māori to contribute to decision-making;
- Taking into account the relationship Māori have with their ancestral land, water, sites, waahi tapu, and other taonga, when a significant decision relates to land or a body of water;
- Building ongoing relationships with Māori to enable early engagement in the development of appropriate plans and policies.

INTERNAL CAPACITY

To enable and enhance effective engagement of Māori in decision making processes Council has committed resource to support and guide its interactions with Māori, with a focus on building the cultural competency of our staff and elected members. This includes ensuring training on Te Ao Māori is available and supported, including basic te reo Māori, tikanga, local history, and relevant legislation. This enhances staff confidence and skills in engaging with Māori to establish and manage effective relationships.

WORKING TOGETHER

Council values its relationship with mana whenua, demonstrated through involvement in significant community events such as the Puanga and te wiki o te reo Māori celebrations, through active engagement in the development of new recreational facilities as well as policy and bylaw adoption processes. Cooperation is also directly benefiting from iwi being increasingly included in regional groups such as the Taranaki Regional Executive Group, Ngā Kaiwhakaterere o Taranaki and Civil Defence.

Going forward Council is committed to adopt a more formal approach to further enable Māori in decision making by having regular liaison meetings, at both governance and operational levels, and by establishing a Māori engagement framework with local iwi.

GOVERNANCE

In 2021 Council adopted a bilingual name Te Kaunihera a Rohe o Whakaahurangi Stratford District Council, and is looking forward to continuing the conversation around bilingual language use across Council operations, services and facilities moving forward.

In May 2021 Council adopted to include a Māori Ward for the 2022 and 2025 local body elections.

District Profile

Stratford is located at the junction of State Highway 3 and State Highway 43, in the heart of Central Taranaki, in the North Island of New Zealand.

Stratford is the closest main centre to Egmont National Park, and the gateway to Mt Taranaki, the Manganui Ski Field, Dawson Falls, and the Forgotten World Highway (SH43) which winds its way through east Taranaki to Taumarunui.

Covering approximately 2,170 square kilometres, it has four distinct regions:

- The alpine and bush environment of the Egmont National Park.
- The dairy farming country of the Egmont ring-plain.
- The frontal hill country. This land lies between the ring plain and the eastern hill country. It is mostly utilised for sheep and beef farming.
- The relatively steep hill-country of eastern Taranaki, some areas of which are farmed mostly for sheep and beef farming. Some areas are abandoned farmland reverting to bush while some land remains in original bush.

Stratford District is one of New Zealand's smallest local authority areas, being the 58th largest district in New Zealand, of 67, based on population estimates.

Stratford District is part of the Taranaki Region. Taranaki has four Councils, made up of three territorial authorities and one regional council:

- Taranaki Regional Council
- New Plymouth District Council
- South Taranaki District Council
- Stratford District Council



The Stratford District Council is represented by 10 Councillors and the Mayor. Stratford district is divided into two wards – an urban ward (6 Councillors) and a rural ward (4 Councillors). The Council currently has no Community Boards or Māori wards, but has made the provision for a māori ward in the 2022 local elections.

The Council has one Council Controlled Organisation (CCO), the Percy Thomson Trust, with control through the ability to appoint more than half of the trustees. The Trust is registered as a charitable trust, and therefore exempt from income tax.

The most recent population estimate for the district of 9,880 people is based on Statistics NZ population estimates as at 30 June 2020. The average age of Stratford District residents is expected to increase from 40 to 42 over the next 30 years.

GDP growth has generally been static to low, and generally under the national average – except for 2009 and 2012 where there were spikes in the district's GDP compared to the rest of the country.

The two biggest contributing industries in Stratford are the Agriculture and Forestry sector contributing 27% (Dairy Farming making up 16% of this) of district GDP, and the Electricity and Gas Supply contributing 16%. Stratford has the region's largest electricity generation site at Contact's 575MW gas powered plant – it is considered a nationally significant generation site.

In 2019, there were 3,462 filled jobs in the Stratford District. The district unemployment rate was 4.4%, compared to the regional unemployment rate of 5.0% and national unemployment rate of 4.3%. Employment growth lags behind the rest of the country (2018 Stratford: 1.5%, National: 3.0%), although it did spike above the national average in 2009. The biggest increase in jobs in Stratford since 2017 has been in the house construction (building) sector, and in primary education.

The home ownership rate in Stratford is 68% (compared to the national average of 65%). Stratford has good housing affordability compared to the national average: the mortgage servicing costs as a proportion of income in Stratford is 0.21, compared to 0.34 the national average. The average household size in Stratford is expected to remain at 2.5 individuals over the next 30 years, unlike other districts where it is expected to decline.

Elected Members

Council consists of a District Mayor and ten Councillors.

DISTRICT MAYOR

Neil Volzke, JP
Mobile: 027 631 7418
Email:
nvolzke@stratford.govt.nz

URBAN WARD

Deputy Mayor Alan Jamieson JP
Mobile: (027) 533 1167
Email:
alan.jamieson@stratford.govt.nz

Councillor Peter Dalziel
Mobile: (027) 509 8830
Email:
peter.dalziel@stratford.govt.nz

Councillor Jono Erwood
Mobile: (027) 6404 008
Email:
jono.erwood@stratford.govt.nz

Councillor Min McKay
Phone: (027) 472 5904
Email:
min.mckay@stratford.govt.nz

Councillor John Sandford, JP
Mobile: (027) 496 2278
Email:
john.sandford@stratford.govt.nz

Councillor Gloria Webby
Mobile: (021) 022 62258
Email:
gloria.webby@stratford.govt.nz

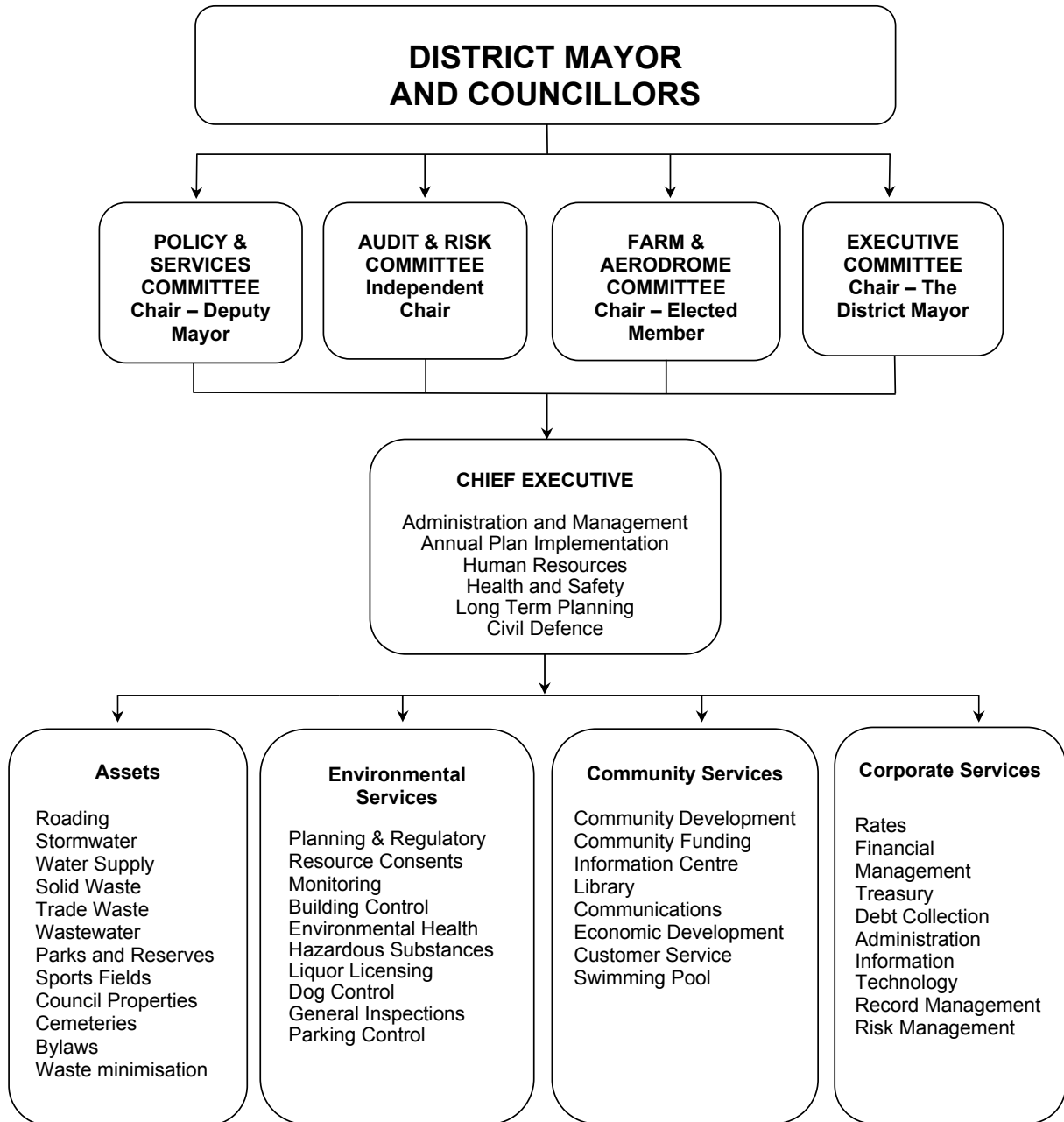
RURAL WARD

Councillor Grant Boyde, JP
Mobile: (027) 603 2842
Email:
grant.boyde@stratford.govt.nz

Councillor Rick Coplestone
Mobile: (027) 264 5154
Email:
rick.coplestone@stratford.govt.nz

Councillor Amanda Harris
Mobile: (027) 698 8291
Email:
Amanda.harris@stratford.govt.nz

Councillor Vaughan Jones
Phone: (027) 620 2106
Email:
vaughan.jones@stratford.govt.nz



Standing Committee Membership

	Council	Policy Services & Executive Committee	Audit & Risk Committee	Farm Aerodrome & Sport Zealand Travel Fund	New Rural	
<i>Frequency</i>	<i>Monthly</i>	<i>Monthly</i>	<i>As required</i>	<i>5x per year</i>	<i>Quarterly</i>	<i>2x per year</i>
Elected Member						
District Mayor – N Volzke	*	●	*	●		
Deputy Mayor – A Jamieson	●	*	●	●		
Cr G Boyde	●	●			*	
Cr R Coplestone	●	●				
Cr P Dalziel	●	●	●	●	●	
Cr J Erwood	●	●	●	●		●
Cr A Harris	●	●				●
Cr V Jones	●	●			●	●
Cr M McKay	●	●		●		
Cr W Sandford	●	●	●			*
Cr G Webby	●	●				

- * Chairperson
- Member of Committee

Highlights

The purpose of this Annual Report is to outline the financial performance for the 2020/21 year, identify any changes from the 2018-2028 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.

RATING BASE and STATISTICAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2021

Rating Base Information

Rating units within Stratford District Council at the end of the preceding financial year (30 June 2020)	
- Number of Rateable Assessments	4,814
- Total Number of Rating Units	5,153
Valuations of the district (including non rateable)	
- Land Value of Rating Units	\$2,019,797,100
- Improvements	\$1,263,555,800
- Total Capital Value of Rating Units	\$3,283,352,900
Statistical Information	30 June 2021
Land Area	2170 sq km
Population (as at June 2020)	9,880
Rates per head of population	\$1,360
Public Debt / Term Liabilities	\$22,200,000
Debt per Head of Population	\$2,247
Debt per Rateable Assessment	\$4,612
Debt Servicing as a Percentage of Total Revenue (limit is < 10%)	1.49%
Full Time Equivalent Staff at 30 June 2021	58
Roads - Sealed	391.1 km
- Unsealed	206.7 km

The operating result for the year ended 30 June 2021 demonstrates the Council's commitment to delivering its services to the community within the financial parameters of its LTP.

For the years ended:	30-Jun-21 Actual \$000	30-Jun-21 Budget \$000	30-Jun-20 Actual \$000
Revenue			
- Rates	13,437	13,321	12,836
- All Other Revenue	16,608	13,685	14,926
Total Revenue	30,046	27,005	27,762
Total Operating Expenditure	19,926	19,111	19,740
Net Surplus (Deficit)	10,120	7,894	8,022
Capital Expenditure	13,121	21,910	4,867
Working Capital (excludes current portion of debt repayment which will be refinanced immediately)	7,785		6,647
Current Ratio (Budget not to be less than 1:1)	1.59:1		1.53:1

Financial Strategy

The Financial Strategy to which this Annual Report year was subject to is within the LTP 2018-28 document. The objective of the Financial Strategy is to ensure that debt, revenue, and expenditure are managed in a way that ensures service levels are able to be maintained in a financially sustainable way. To achieve this, the Council has set limits on debt, rates increases, and the UAGC, as outlined below. In 2020/21, the rates measures were in compliance.

		Council's Target (limits)	LTP – 2020/21	Actual – 2020/21
Debt	Net debt as a % of total annual revenue	<100%	118%	27%
Income & Affordability	% Rates Increase	<4.45%	5.72%	4.68%
Fixed Rate	Uniform Annual General Charge (UAGC) as a percentage of total rates.	<30%	26%	24.2%

Net debt levels are within the targeted limits. Council has gross borrowings of \$22.2 million at interest rates ranging from 1.04% to 3.65%.

The rates increase limit was breached as noted in Year 3 of the Long Term Plan 2018-2028 but the increase was less than budgeted originally.

Financial Terminology

Net Surplus	The difference between Revenue and Operating Expenses, where Revenue is higher.
Net Deficit	The difference between Revenue and Operating Expenses, where Operating Expenses is higher.
Gross Debt	This is the total amount of external borrowings.
Net Debt	This is the total amount of external borrowings, less liquid financial investments including term deposits with registered banks and the loan to the Stratford Agricultural and Pastoral Association.

Net Surplus

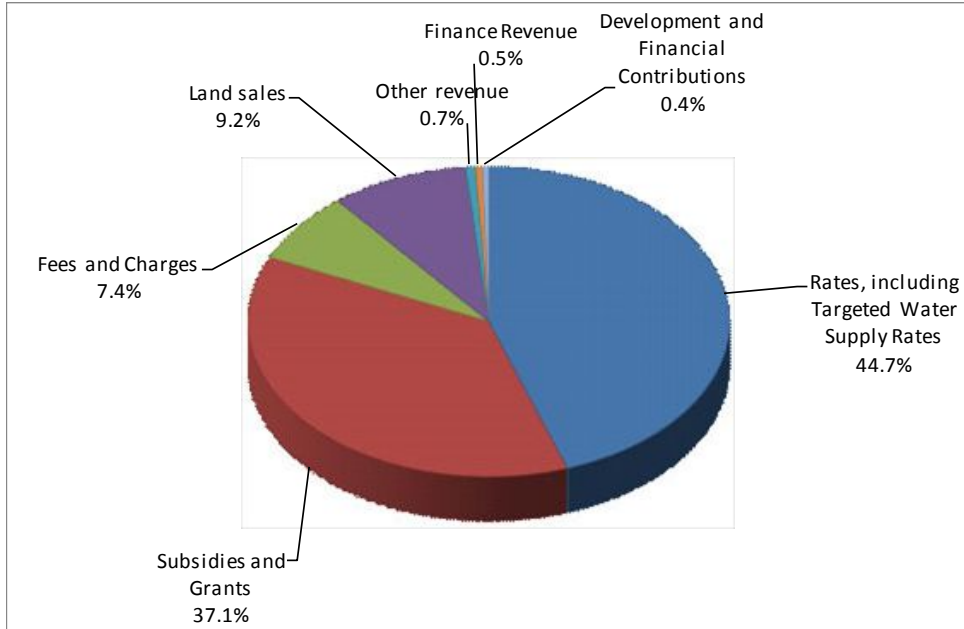
The Net Surplus of \$10,120,000 is made up of capital revenue including the following:

	000's
Roading subsidy for capital expenditure	2,682
Government funding for the swimming pool	4,856
Government funding for the bike park	935
Government funding for community hall upgrades	326
TET funding for capital expenditure	60
Sale of residential sections	2,779
Financial contributions	127
	11,765

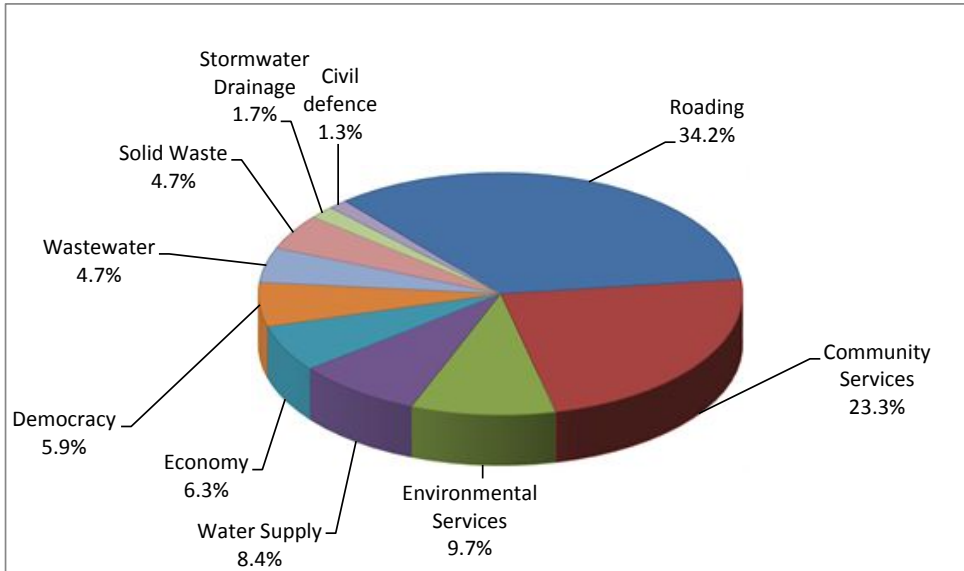
In addition, part of roading depreciation is funded from reserves (government subsidised portion). In 2020/21, this made up \$1,448,000 of total depreciation.

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 2021.

	Net Actual \$000	Net Budget \$000	Variance \$000	Variance %
Net Operating Cost				
Community Services	4,034	3,738	(298)	(7.972%)
Democracy	1,052	1,027	(25)	(2.42%)
Economy	517	675	158	23.42%
Environmental Services	1,218	1,036	(182)	(17.60%)
Civil Defence and Emergency Management	256	231	(25)	(10.85%)
Roading	2,327	2,479	152	6.14%
Stormwater Drainage	325	328	3	0.85%
Wastewater	839	920	81	8.76%
Solid Waste	800	775	(25)	(3.17%)
Water Supply	1,183	1,459	276	18.92%
Total	12,551	12,668	116	0.92%
Capital Expenditure				
Roading	4,159	3,107	(1,052)	(33.86%)
Stormwater	22	292	269	91.97%
Water Supply	1,274	1,001	(272)	(27.21%)
Wastewater	423	687	264	38.41%
Solid waste	-	21	21	100.00%
Parks and Reserves and Cemeteries	1,466	680	(786)	(115.66%)
Property	5,525	15,981	10,456	65.43%
Council Projects	94	-	(94)	0.00%
Other	157	141	(16)	(11.62%)
Total	13,121	21,910	8,788	40.11%

Net Operating Costs

Community Services

- Civic Amenities is over budget due to the unbudgeted depreciation on the TET Multi Sports Centre that was vested in Council on 1 July 2019.
- Community Development expenditure is above budget as a result of external funding received. The increase in expenditure is matched by an increase in income.

Economy

- The cost of the Farm investment is under budget, as a result of more revenue than budgeted, and less expenditure than anticipated.

Environmental Services

- Building Control expenditure is over budget due to the extraordinary workload this year as a result of extra building activity necessitating the use of consultants, which is partly offset by the increase in revenue from building consents.

Water Supply

- Net costs are less than budget due to cost savings in the operations of the plant.

Capital Expenditure

Total capital expenditure was under budget by \$8,788,000. Although there were unders and overs across the Council Activities, the Swimming Pool (under Property), contributed most to the variance and was under budget by \$10,456,000. This is a result of not progressing with the new swimming pool development within the year as originally anticipated in the LTP 2018-28. The implications of the variance for new projects that

are funded by loans is that Council will have rated in the 2020/21 year for interest on the expenditure. If a project was expected to be completed in 2020/21, then Council will have also rated for 50% of the depreciation”.

Roading

- Roothing is over budget as a result of the additional funding received from Central Government for safety improvements, resulting in an additional net cost to Council of 39% per each extra \$1 spent.
- The additional funding received was for the Minor Improvements projects which were all road safety projects and include Beaconsfield Road and Mangaotuku Road realignments, and active warning signs on Opunake Road

Stormwater

- Expenditure is under budget due to the inability to find a suitable contractor, and unable to source the materials for the work required.

Water Supply

- Expenditure is over budget as a result of consultancy fees incurred relating to the construction of the second water trunk main.

Parks, Reserves and Cemeteries

- This is over budget due to the construction of the bike park at Victoria Park, which is fully funded through the Provincial Growth Fund.

Property

- This was considerably under budget as the physical construction of the new aquatic centre only commenced in March 2021, and is expected to be completed by December 2022.

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
14 December 2021



Chief Executive
S Hanne
14 December 2021

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

Performance Reporting

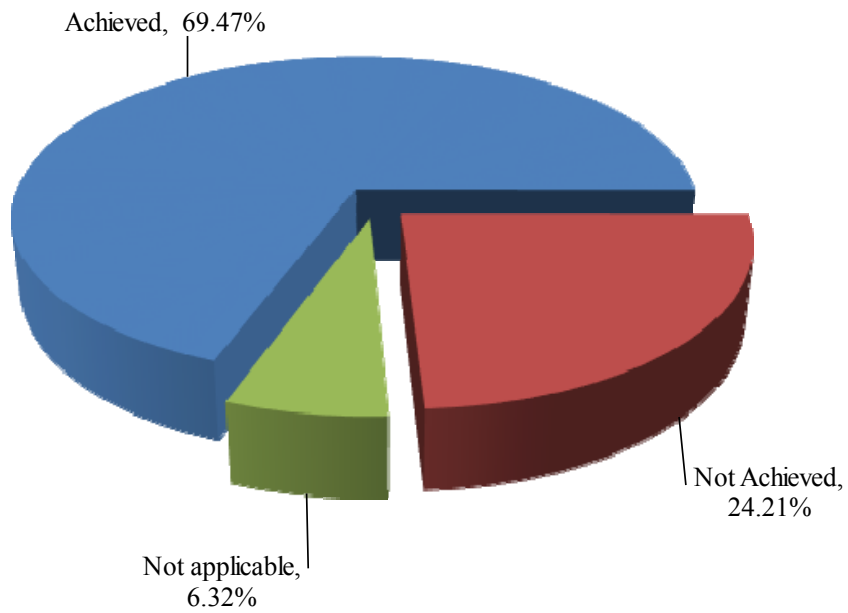
In the activities that follow, performance reporting against the **Targets** will be detailed as follows:

Achieved - Required actions have been completed and the intended level of service has been achieved.

Not Achieved - None of the required actions have been undertaken, or the performance measure was not met.

Not Applicable - No action was required during the year.

Performance Measures Pie Chart



Performance Measures Not Achieved

Activity	Reason
Civic Amenities	
Annual Bookings of War Memorial Centre.	The number of bookings was not achieved due to renovations undertaken during the year – the facility was closed from 8 December 2020 to 14 March 2021.
Library	
Number of people visiting the library is measured.	The door count target has not been met since 2015, reflecting changing patterns of use in that people come in less frequently but for longer periods. The measure has been updated in the LTP 2021-31.
The number of sessions accessing the people's network is measured.	Again, this performance measure has never been achieved and is a result of more people using their own devices to access the wifi service rather than using a library shared computer. There is also public wifi on the main street now. This measure has been removed in the LTP 2021-31.
Cemeteries, Parks and Reserves	
Number of complaints and requests for service.	There were a number of complaints during the year relating to trees, i.e fallen trees due to heavy winds and rain, and overhanging trees on private property.
Democracy	
Complete annual review of the Health and Safety Manual	This was not completed due to re-prioritisation of resources towards responding to Covid-19 impacts.
Economic Development	
The Community is satisfied with how Council keeps them informed.	In the 2021 Customer Satisfaction Survey, some respondents expressed that they did not feel like they had the opportunity to have a say on some council decisions during the year e.g Anzac Day Parade, Māori Wards. Also, some residents felt like their voice wasn't heard when they did have a say, e.g. water meters.
Information Centre	
Number of users of AA Agency is measured.	The number of users was not achieved as Waka Kotahi are heavily promoting online services, some people are avoiding public places due to Covid-19, and there have been extensions offered by Waka Kotahi so less people need to update their licences. Also, relocation of the information centre to the library resulted in a temporary closure of the facility.
Building Control	
Percentage of building consent applications processed within 20 days	Council has attempted to use contractors to try and keep on top of an extraordinary high number of building consent applications during the financial year. This has presented its own challenges in terms of keeping to deadlines.
Percentage of inspection requests completed within 24 hours of request	Due to limited staffing resource, work overload, and the need to use contractors outside of the district.
Percentage of customers using building consent processes are satisfied with the service provided	No feedback on this survey question was provided in the Customer Satisfaction Survey 2021 to give further insight into the rating of 65% satisfaction.
Planning	
Percentage of customers using resource consent processes are satisfied with the service provided	Feedback from several respondents to the Customer Satisfaction Survey 2021 indicated that there is a lack of communication and it is difficult to contact the relevant staff in this area.
Community Health & Safety	
Percentage of premises registered under the Food Act, Health Act, Beauty and Tattoo Bylaw, to be inspected for compliance	One premise was not inspected for compliance due to unforeseen circumstances, but they were inspected mid July 2021.
Percentage of complaints responded to within 2 hours	This was due to the Council's after-hours contractor not being able to attend on time due to unforeseen circumstances. Improvements have been made to after-hours procedures.

Percentage of known dogs registered.	Council has limited control over the registration of known dogs by their owners. We do however encourage dog owners to register their dogs by offering a discount by paying within one month of the due date. In addition, known owners are sent reminder notices.
Percentage of dog attack / wandering dog complaints responded to within an hour.	This was due to the Council's after-hours contractor not being able to attend on time due to unforeseen circumstances. Improvements have been made to after-hours procedures.
Roading	
Road Maintenance – the percentage of the sealed road network that is resurfaced	Fell only slightly short of the target – reseals have now been completed in July 2021.
Road Maintenance – the percentage of the unsealed road network that has been metal dressed	This is a direct result of forestry and the impact it has had on the Puniwhakau Road in particular.
Percentage of residents who are satisfied with Roding Networks	Feedback from the Customer Satisfaction Survey 2021 include complaints about the number of potholes and uneven surfaces. Also the safety of the roundabouts on Broadway, rush hour traffic, the state highways.
Percentage of residents who are satisfied with Footpaths	Footpath width is a recurring complaint in the Customer Satisfaction Survey 2021. Overhanging private trees encroaching making footpaths unusable was also discussed in responses, as well as uneven and slippery surfaces. Council does on occasion write to property owners regarding overhanging vegetation.
Solid Waste	
Percentage (by weight) of council controlled waste stream that is recycled (municipal kerbside collection only)	This is due to the change to the definition of recyclable material limiting what could be recycled – resulting in a reduction of recyclable material.
Percentage of customers satisfied with the service provided	Feedback from the Customer Satisfaction Survey 2021 mainly relate to the rubbish collection contractors / drivers behaviour, lack of care taken and inconsistent service. Also, limited options for recycling with recent changes limiting what can be recycled.
Water Supply	
Maintenance of the reticulation network – the percentage of real water loss from the local authority's networked reticulation system	Midhirst did not make the target due to the unexplained water loss during the year. Investigations are continuing to ascertain the problem.
Number of unplanned disruptions – minor	There were two asbestos pipe breaks, adjacent to each other, occurring within 12 hours of each other in April 2021.
Percy Thomson Trust	
Operate within 'break-even' budget	The trust did not break-even as a result of a reduction in grant funding available.
Delivery of Herbarium	The trust have been looking for arrangements to deliver the herbarium via a third party for several years. It is intended that this be done in conjunction with a review of the arboretum, which the trustees have advised will be completed during the 2021/22 year.

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:

- Connected Communities – by providing an alternative transport route for people to connect to the district.
- Enabling Economy – promotes district opportunities for economic growth by increasing accessibility.

1.3 Significant Negative Effects

The Aerodrome activity has the potential to negatively impact the social, economic, environmental or cultural well-being of the local community. The most likely significant negative effects from this activity and the mitigation measures in place, are outlined below.

Social & environmental - The Aerodrome activity has the potential to negatively impact on the social and environmental well-being of the local community through noise. To mitigate this, the aerodrome is located in a rural area and Council owns the farm surrounding the aerodrome which serves as a buffer zone.

These negative effects and any controls and mitigation in place have to be balanced against the positive impact the activity has on the social, economic, environmental and cultural well-being of its users and the district overall.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21		How Measured
		Target	Actual	
<i>The aerodrome meets the needs of users</i>	A high level of satisfaction amongst the users with the condition and maintenance of the aerodrome.	>70%	Achieved – 74% (2019/20 Achieved – 71.5%)	Annual Aerodrome user survey

1.5 Projects and Other Programmes

There were no projects associated with the Aerodrome activity.

1.6 Cost of Services Statement

The detailed financial summary for the Aerodrome is shown below.

Aerodrome

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
96	Operating Expenditure	105	106
23	Revenue	24	22
73	Net Cost of Service	81	85
	EXPENDITURE		
70	Operating Costs	74	74
6	Depreciation	6	7
20	Allocated Overheads	25	25
96	Total Operating Expenditure	105	106
3	Capital Expenditure	-	-
99	Total Expenditure	105	106
	FUNDED BY:		
23	Charges for Services	24	22
23	Total Revenue	24	22
74	General Rates	86	84
3	Transfer from Depreciation Reserve	-	-
99	Total Funding	110	106

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)
- War Memorial Centre
- TET Multi Sports 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, social and cultural needs.

This activity contributes to the community outcomes of:

- Vibrant Community
- Connected Communities

1.3 Significant Negative Effects

There are no significant negative effects associated with the Civic Amenities activity that may affect the social, economic, environmental or cultural well-being of the local community. However, failure to deliver this activity would have a significant negative impact on the social, economic and cultural well-being.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21		How Measured
		Target	Actual	
To provide facilities that are well maintained and utilised.	Buildings legally requiring a Building WoF have a current Building WoF at all times.	100%	Achieved – 100% (2019/20 Achieved - 100%)	Building WoF records
	Annual booking of War Memorial Centre.	>500	Not Achieved – 441 – see explanation on page 20 (2019/20 Not Achieved – 376)	Booking records
	Annual booking of Centennial Restrooms.	>200	Achieved - 209 (2019/20 Achieved – 205)	Booking records
To provide suitable housing for the elderly.	Percentage of Customer satisfaction.	>89%	Achieved – 93% (2019/20 Achieved – 92.8%)	Annual User Survey
	Annual Occupancy rate.	>95%	Achieved – 100% (2019/20 Achieved – 100%)	Tenancy records.
To provide clean, well maintained toilet facilities.	Percentage of Stratford District residents satisfied with overall level of service of toilets.	>75%	Achieved – 82.99% (2019/20 Achieved – 83%)	Annual Residents Survey

1.5 Projects and Other Programmes

Project	Category	Budget 2020/21	Actual 2020/21	Notes
Stratford 2035	Level of Service	\$100,000	\$19,353	This project was partly reliant on external funding, which did not eventuate. The balance was spent on signs for the town.
War Memorial Centre – upgrade for Civil Defence	Level of Service	\$50,000	\$0	This was put on hold while other more cost effective options were investigated.
Centennial Restrooms Replacements	Replacements	\$8,700	\$23,936	Heat pump and air-conditioning units were in poor state and required replacement immediately.
Community Halls	Replacements	\$0	\$329,678	Funding was received from the Provincial Growth Fund for refurbishments of local community halls.

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

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
924	Operating Expenditure	1,036	807
28	Revenue	42	51
896	Net Cost of Service	993	756
	EXPENDITURE		
365	Operating Costs	445	338
8	Interest	8	13
442	Depreciation	451	329
109	Allocated Overheads	131	127
924	Total Operating Expenditure	1,036	807
13	Principal Loan Repayments	16	19
131	Capital Expenditure	422	161
1,068	Total Expenditure	1,473	988
	FUNDED BY:		
28	Charges for Services	42	51
28	Total Revenue	42	51
740	General Rates	695	688
16	Targeted Rates	16	14
41	Depreciation Funded from Reserves	54	51
15	Transfers from Depreciation Reserves	45	30
17	Grants and Donations	343	50
114	Loan Funding - Capital	66	100
-	Other Funding	-	2
970	Total Funding	1,260	988

Pensioner Housing

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
103	Operating Expenditure	107	107
67	Revenue	68	65
36	Net Cost of Service	39	42
	EXPENDITURE		
26	Operating Costs	27	32
1	Interest	1	1
30	Depreciation	33	28
47	Allocated Overheads	47	46
103	Total Operating Expenditure	107	107
1	Principal Loan Repayments	1	1
28	Capital Expenditure	-	-
132	Total Expenditure	108	108
	FUNDED BY:		
67	Charges for Services	68	65
67	Total Revenue	68	65
24	General Rates	22	22
22	Transfers from Depreciation Reserves	18	21
13	Balance From Reserves	-	-
6	Loan Funding - capital	-	-
132	Total Funding	108	108

Community Development

1.1 What We Do

Community Services encourages and supports groups and individuals in the district to achieve their own goals and outcomes in a sustainable way that 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 the current community services activities include:

- Facilitating the Positive Ageing Group and Youth Council
- Coordinating the promotion of school holiday activities
- Administration of community funds including 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. The aim is to actively involve people in building their own sustainable and resilient communities 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:

- Vibrant community
- Connected communities

1.3 Significant Negative Effects

There are no significant negative effects associated with the Community Services activity that may affect the social, economic, environmental or cultural well-being of the local community. However, failure to deliver this activity would have a significant negative impact on the social, economic, environment and cultural well-being.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21		How Measured
		Target	Actual	
<p><i>To provide a number of community events and provide support that encourages involvement of the community</i></p>	Number of Community events organised.	2	<p>Achieved – 12 Events including:</p> <ul style="list-style-type: none"> • ANZAC Day commemorations • Puanga Celebrations • Chunuk Bair commemorations • Scarecrow Trail • Trade Graduation Ceremony • Summer Nights concert <p>(2019/20 Achieved – 7)</p>	Number of events held are recorded
	Percentage of residents feeling a sense of community.	>75%	<p>Achieved – 91% (2019/20 Achieved – 94%)</p>	Annual Residents Survey
<p><i>Youth are supported to participate in their community through developing and implementing their own projects</i> <i>Council will provide, encourage and/or support events within the district</i></p>	Number of projects successfully developed and implemented by youth with support from community development	4	<p>Achieved - 5 (2019/20 Achieved – 4)</p>	Number of projects developed are recorded
	Events Council has provided or supported are measured	2	<p>Achieved - 8 (2019/20 Achieved - 9)</p>	Number of supported events are recorded

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 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
467	Operating Expenditure	652	429
29	Revenue	37	21
438	Net Cost of Service	615	409
	EXPENDITURE		
382	Operating Costs	525	306
85	Allocated Overheads	128	123
467	Total Operating Expenditure	652	429
	FUNDED BY:		
29	Charges for Services	37	21
29	Total Revenue	37	21
360	UAGC	411	407
16	Grants	247	-
-	Other Funding	0	2
406	Total Funding	695	429

Library

1.1 What We Do

The Stratford District Library is co-located with the Visitor Information Centre (i-SITE) which sees a vibrant, community hub situated in the town centre, Prospero Place. The library provides physical and digital access to a collection of lending material and information resources in a 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:

- Vibrant community
- Connected communities

1.3 Significant Negative Effects

There are no significant negative effects associated with the Library activity that may affect the social, economic, environmental or cultural well-being of the local community. However, failure to deliver this activity would have a significant negative impact on the social, economic and cultural well-being.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21		How Measured
		Target	Actual	
<i>To provide a library service which meets the needs of and is being used by Stratford District residents</i>	Number of people visiting the library is measured.	>90,000	Not Achieved – 65,560 – see explanation on page 20 (2019/20 Not Achieved – 52,554)	Door count
	% of library users satisfied with library services.	>80%	Achieved – 98.87% (2019/20 Achieved – 98%)	Annual Residents Survey
<i>Library services will be accessible to the community</i>	The number of visitors accessing the Wi-Fi service is measured.	>15,000	Achieved – 22,087 (2019/20 Achieved – 25,995)	Internal records
	The number of sessions accessing the People's Network is measured.	>10,000	Not Achieved – 6,048 – see explanation on page 20 (2019/20 Not Achieved – 6,441)	Internal records

1.5 Projects and Other Programmes

Project	Category	Budget 2020/21	Actual 2020/21	Notes
<i>Library Upgrade</i>	Level of Service	\$0	\$70,056	During the year the Information Centre relocated and merged with the Library. This expenditure was to upgrade the existing area and procure new furniture.

1.6 Cost of Services Statement

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

Library

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
649	Operating Expenditure	701	659
15	Revenue	15	17
634	Net Cost of Service	686	642
	EXPENDITURE		
325	Operating Costs	405	343
22	Interest	18	21
82	Depreciation	65	93
220	Allocated Overheads	213	202
649	Total Operating Expenditure	701	659
33	Principal Loan Repayments	33	32
-	Capital Expenditure	76	-
682	Total Expenditure	810	691
	FUNDED BY:		
15	Charges for Services	15	17
15	Total Revenue	15	17
625	General Rates	609	602
40	Depreciation Funded from Reserves	32	37
-	Loan Funding - Capital	70	-
-	Grants and Donations	79	-
36	Transfer from Depreciation Reserves	33	32
-	Other Funding	-	3
716	Total Funding	838	691

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) 9.5 hectares of urban active reserves comprising:
 - 2 croquet greens
 - 6 netball/tennis courts
 - 4 rugby fields
 - 1 cricket wicket
 - 2 soccer fields
 - 1 hockey fields
- (iii) 9.4 hectares of cemeteries
 - 5.1 hectares in 2 operating cemeteries
 - 4.3 hectares in 5 closed cemeteries
- (iv) 14km of walkway including 9 foot bridges.
- (v) 5.4 hectares in 19 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) 34.3 hectares in rural domains and reserves.

1.2 Why We Do It

To provide and manage parks, reserves and cemeteries encompassing passive, active and scenic open spaces which contribute towards the desirability and attractiveness in the community.

The Parks and Reserves activity creates and provides a sense of belonging and pride, adding to social, recreational and cultural facilities in the community which are accessible to all.

- This activity contributes to the community outcomes of:
- Connected communities
- Sustainable environment

1.3 Significant Negative Effects

There are no significant negative effects associated with the Parks, Reserves and Cemeteries activity that may affect the social, economic, environmental or cultural well-being of the local community. However, failure to deliver this activity would have a significant negative impact on the social, economic, environmental and cultural well-being.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21		How Measured
		Target	Actual	
<i>To provide parks, sports fields and other open spaces that meet community demand</i>	Number of complaints and requests for service.	<40	Not Achieved – 51 – see explanation on page 20 (2019/20 Achieved – 21)	Reporting against corporate CRM system.
	Percentage of Stratford residents satisfied with:			Annual Residents Survey
	Parks;	>80%	Achieved 94% (2019/20 Achieved 95%)	
	Sports fields; and	>80%	Achieved 88% (2019/20 Achieved 94%)	
	Cemeteries.	>80%	Achieved 82% (2019/20 Achieved 81%)	

Safe playgrounds are provided	All playgrounds meet NZ Safety Standards.	100%	Not Applicable – 100% - the inspection was completed in June 2020 (2019/20 Achieved – 100%)	Biennial playground inspection report and records provided from weekly and quarterly compliance checks by contractor.
Foot Bridges are safe.	All foot bridges meet NZ Safety standards.	100%	Not Applicable – was completed in June 2020 (2019/20 Achieved – 100%)	Biennial bridge inspection Report

1.5 Projects and Other Programmes

Project	Category	Budget 2020/21	Actual 2020/21	Notes
<i>Walkway Sign Upgrade</i>	Level of Service	\$10,500	\$5,203	The Council branding has been completed and the design phase is now underway for signage.
<i>Trail Development and Artwork</i>	Level of Service	\$104,200	\$31,222	This project was partly dependent on external funding but the application was declined. However some work did take place including the installation of a butterfly tree, trail rubbing stations and picture frames.
<i>Park Development</i>	Level of Service	\$15,400	\$20,034	This was for planting and an extension to the lime chip path.
<i>Walkway Development</i>	Level of Service	\$15,600	\$16,850	This expenditure was to enhance the eastern loop.
<i>Plantings and Walkway Signs</i>	Level of Service	\$23,000	\$11,876	The Council branding has been completed and the design phase is now underway for signage.
<i>Children's Bike Park</i>	Level of Service	\$521,300	\$1,385,832	Funding of \$1,870,000 was approved from the Provincial Growth Fund so a much larger project has been constructed. It will be completed early in 2021/22 with the official opening before Christmas 2021.

1.6 Cost of Services Statement

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

Parks and Reserves

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
642	Operating Expenditure	698	778
9	Revenue	8	9
632	Net Cost of Service	690	769
EXPENDITURE			
429	Operating Costs	475	498
4	Interest	5	6
89	Depreciation	94	144
120	Allocated Overheads	125	130
642	Total Operating Expenditure	698	778
6	Principal Loan Repayments	9	9
96	Capital Expenditure	1,466	680
745	Total Expenditure	2,173	1,467
FUNDED BY:			
9	Charges for Services	8	9
9	Total Revenue	8	9
673	General Rates	785	777
6	Transfer (to) from Reserves	9	9
80	Loan Funding - Capital	49	54
(10)	Transfer (to) Turf Replacement Reserve	(10)	(10)
16	Grants and Donations	1,482	626
-	Other Funding	0	-
774	Total Funding	2,323	1,467

Cemeteries

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
214	Operating Expenditure	201	180
89	Revenue	116	85
125	Net Cost of Service	85	95
EXPENDITURE			
126	Operating Costs	133	113
8	Depreciation	7	9
80	Allocated Overheads	61	58
214	Total Operating Expenditure	201	180
-	Capital Expenditure	-	-
214	Total Expenditure	201	180
FUNDED BY:			
89	Charges for Services	116	85
89	Total Revenue	116	85
110	General Rates	95	94
-	Other Funding	-	1
198	Total Funding	211	180

TSB Pool Complex

1.1 What We Do

Owned and operated by Council, this facility has three heated indoor pools that cater year-round for both recreational and competitive swimming. It provides a place for people to learn-to-swim, particularly for young people, and has a range of fitness programmes, coaching and events.

A new facility is currently being built on Portia Street, north of the hockey turf. It will have four water spaces including, a 25m main pool, programme/hydrotherapy, learn to swim, and toddler pool with kids splash pad. The building is expected to be completed in 2022/2023.

1.2 Why We Do It

Council owns the pool to provide aquatic recreation for its residents and visitors. Council has historically 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 overall health and wellbeing of residents and visitors providing diverse recreational activities and enhancing the attractiveness of the district.

This activity contributes to the community outcomes of:

- Vibrant Community
- Connected Communities
- Enabling Economy

1.3 Significant Negative Effects

The TSB Pool Complex activity has the potential to negatively impact the social, economic, environmental or cultural well-being of the local community. The most likely significant negative effects from this activity and the mitigation measures in place, are outlined below.

Social - Cryptosporidia and other pathogens have the potential to cause significant negative health effects. Mitigation of this risk is a critical part of the water filtration and treatment processes.

Social – Chlorine odour has the potential to cause significant negative health effects. The water filtration system used minimises the level of chlorine used, and keeps the chlorine odour at low levels.

Environmental & cultural – Any accidental or uncontrolled discharge of pool water or associated chemicals into the neighbouring Patea River would have significant negative impacts on the environmental and cultural wellbeing of the river and the community. This is managed and mitigated through compliance with existing resource consent conditions.

These negative effects and any controls and mitigation in place have to be balanced against the positive impact the activity has on the social, economic, environmental and cultural well-being of its users and the district overall.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21		How Measured
		Target	Actual	
<i>The pool complex will be a safe place to swim.</i>	Number of reported accidents, possible accidents and similar incidents pa.	<80	Achieved - 44 (2019/20 Achieved –63)	Accident register – also reported monthly to Council.
	Compliance with NZS5826:2010 NZ Pool Water Quality Standards.	100%	Achieved – 100% (2019/20 Achieved – 100%)	Water quality register.
<i>That the pool facilities meet demand.</i>	Percentage of pool users are satisfied with the pool.	>80%	Achieved – 85.37% (2019/20 Achieved – 91%)	Annual customer survey.
	Number of pool admissions per annum.	Target suspended due to expected closures for upgrade	Not Applicable – Target was set in the 2018/2028 Long Term Plan as it was expected the pool would be closed for a period of time, due to the upgrade. However, this didn't happen but the number of admissions was 37,598 (2019/20 Not Achieved – 47,779)	Ticketing system – also reported monthly to council.

1.5 Projects and Other Programmes

Project	Category	Budget 2020/21	Actual 2020/21	Notes
<i>Pool Development</i>	Level of Service	\$15,636,500	\$4,856,111	Funding of \$8 million from the Provincial Growth Fund was approved. Physical construction didn't commence until March 2021, and has an expected completion date of December 2022.
<i>Various Items of Equipment</i>	Level of Service	\$37,200	\$0	This was put on hold until the pool development is completed.

1.6 Cost of Services Statement

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

TSB Pool Complex

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
936	Operating Expenditure	1,056	1,163
188	Revenue	211	222
748	Net Cost of Service	845	941
	EXPENDITURE		
650	Operating Costs	718	701
-	Interest	0	165
108	Depreciation	122	102
177	Allocated Overheads	215	195
936	Total Operating Expenditure	1,056	1,163
-	Principal Loan Repayments	-	253
31	Capital Expenditure	4,856	15,674
967	Total Expenditure	5,912	17,089
	FUNDED BY:		
188	Charges for Services	211	222
188	Total Revenue	211	222
665	General Rates	948	938
16	Loan funding - capital	-	12,637
-	Grants and Donations	4,856	3,000
15	Transfers from Depreciation Reserves	-	290
-	Other Funding	-	3
884	Total Funding	6,014	17,089

Democracy

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.

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:

- Connected Communities
- Vibrant Communities
- Enabling Economy
- Sustainable Environment

1.3 Significant Negative Effects

There are no significant negative effects associated with the Democracy activity that may affect the social, economic, environmental or cultural well-being of the local community. However, failure to deliver this activity would have a significant negative impact on the social, economic, environment and cultural well-being

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21		How Measured
		Target	Actual	
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.	100%	Achieved – 100% (2019/20 Achieved – 100%)	Meeting Register.
	All Council meetings are publicly notified in accordance with statutory timeframes.	100%	Achieved – 100% (2019/20 Achieved – 100%)	Meeting Register.
To ensure that the Health and Safety manual is reviewed.	Complete an annual review of the Health and Safety Manual.	Achieved	Not Achieved – – see explanation on page 20 (2019/20 Achieved)	Review Date.
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,	Achieved	Achieved (2019/20 Achieved)	Audit Opinion.

1.5 Projects and Other Programmes

<i>Project</i>	<i>Category</i>	<i>Budget 2020/21</i>	<i>Actual 2020/21</i>	<i>Notes</i>
<i>Website redevelopment</i>	Replacements	\$0	\$27,935	Funds were carried forward and project is now complete.
<i>Computers and peripherals</i>	Replacements	\$90,000	\$74,030	Complete
<i>Vehicle Replacements</i>	Replacements	\$31,000	\$23,404	Complete
<i>Miscellaneous Equipment</i>	Replacements	\$20,000	\$3,200	Complete
<i>Replace Floor Coverings in Miranda Street Office</i>	Replacements	\$42,700	\$14,698	Only selected floor coverings were replaced as many carpeted areas were assessed as being in good condition.

1.6 Cost of Services Statement

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

Democracy

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
1,154	Operating Expenditure	1,148	1,097
-	Revenue	-	-
1,154	Net Cost of Service	1,148	1,097
EXPENDITURE			
474	Operating Costs	478	501
680	Allocated Overheads	670	595
1,154	Total Operating Expenditure	1,148	1,097
FUNDED BY:			
1,128	UAGC	1,101	1,088
-	Other Funding	-	9
1,128	Total Funding	1,101	1,097

Corporate Support

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
-	Operating Expenditure	(0)	-
86	Revenue	96	70
(86)	Net Cost of Service	(96)	(70)
	EXPENDITURE		
	Operating Costs		
430	- Chief Executive's Department	490	377
932	- Corporate Services Department	894	754
(1,362)	Allocated Overheads	(1,384)	(1,130)
-	Total Operating Expenditure	0	-
219	Capital Expenditure	176	189
219	Total Expenditure	176	189
	FUNDED BY:		
86	Charges for Services	96	70
86	Total Revenue	96	70
(60)	UAGC	(71)	(70)
219	Transfer from Depreciation Reserves	176	189
246	Total Funding	201	189

Economy

Economic Development

1.1 What We Do

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

- Encouraging and supporting the establishment, retention and development of sustainable, new and existing businesses.
- Promoting business opportunities and events that benefit the local economy
- Promoting the district as a great place to live and visit.
- 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, increase employment opportunities, and promote the district as a destination for business and visitors. This works towards enabling a local economy that is prosperous.

This activity contributes to the community outcomes of:

- Vibrant Community
- Enabling Economy

1.3 Significant Negative Effects

There are no significant negative effects associated with the Economic Development activity that may affect the social, economic, environmental or cultural well-being of the local community. However, failure to deliver this activity would have a significant negative impact on the social, economic and cultural well-being.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21		How Measured
		Target	Actual	
<i>To support and promote the economic growth of the district.</i>	Business mentoring and economic development support is available.	Report received	Achieved – 4 Reports (2019/20 Achieved – 4 reports)	Venture Taranaki Quarterly reports
<i>To support the business community.</i>	Provide administration support to the Stratford Business Association meetings	11	Achieved - 11 (2019/20 Achieved – 11)	Minutes and agendas completed
<i>The website is a valuable resource for the community to access Council information</i>	The number of visitors accessing Council information and services via the internet is measured.	Not less than previous year	Achieved – 53,782 (2019/20 Achieved – 50,411)	Website statistics
<i>Opportunities for the community to participate in decision making is widely publicised</i>	The community is satisfied with how Council keeps them informed.	>85%	Not Achieved – 74.05% – see explanation on page 20 (2019/20 Not Achieved – 79%)	Annual Residents Survey

1.5 Projects and Other Programmes

Project	Category	Budget 2020/21	Actual 2020/21	Notes
Final Development for Council-led subdivision at Pembroke Road.	Level of Service	\$0	\$93,880	Final costs in relation to 2020 council subdivision.

1.6 Cost of Services Statement

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

Economic Development

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
368	Operating Expenditure	444	440
-	Revenue	-	-
368	Net Cost of Service	444	440
	EXPENDITURE		
259	Operating Costs	281	295
108	Allocated Overheads	163	145
368	Total Operating Expenditure	444	440
	FUNDED BY:		
205	General Rates	221	219
105	Subsidies / Grants	43	-
205	UAGC	221	219
-	Other Funding	-	2
515	Total Funding	486	440

Council Projects

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
89	Operating Expenditure	80	97
-	Revenue	-	-
89	Net Cost of Service	80	97
	EXPENDITURE		
-	Operating Costs	-	-
89	Interest	80	97
89	Total Operating Expenditure	80	97
-	Principal Loan Repayments	3,736	3,719
580	Capital Expenditure	94	-
669	Total Expenditure	3,911	3,816
	FUNDED BY:		
(3)	General Rates	(3)	-
1,292	Sale of sections - capital	2,779	3,816
-	Loan Funding - Capital	94	-
1,289	Total Funding	2,869	3,816

Information Centre

1.1 What We Do

The Visitor Information Centre (i-SITE) is co-located with the Stratford District Library which sees a vibrant, community hub situated in the town centre, Prospero Place. Residents and visitors can access a wide range of travel information, booking services and complete NZTA transactions such as car registration and driver licensing.

1.2 Why We Do It

This activity provides a range of tourism information related to the Stratford District, Taranaki, and New Zealand. It also acts as an Automotive Association touring agent providing driver licence and vehicle licensing services that otherwise may not have been available.

This activity contributes to the community outcomes of:

- Vibrant community
- Enabling economy

1.3 Significant Negative Effects

There are no significant negative effects associated with the Information Centre activity that may affect the social, economic, environmental or cultural well-being of the local community. However, failure to deliver this activity would have a significant negative impact on the social, economic, environment and cultural well-being.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21		How Measured
		Target	Actual	
<i>To provide an Information Centre for visitors, incorporating Automobile Association Agency services that meets the needs of and is being used by the community.</i>	Number of people to the Information Centre service is measured.	>40,000	Achieved – 63,767 (includes library door count figures from 15 December 2020) (2019/20 Not Achieved – 33,008)	Door Count
	Number of users of AA Agency Service is measured.	>10,000	Not Achieved – 7,712 – see <i>explanation on page 20</i> (2019/20 Not Achieved – 8,842)	AA customer count records
	Percentage customers are satisfied.	>80%	Achieved – 95.72% (2019/20 Achieved – 96%)	Annual Residents Survey

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

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
338	Operating Expenditure	287	312
74	Revenue	65	92
264	Net Cost of Service	222	220
EXPENDITURE			
231	Operating Costs	173	210
5	Depreciation	4	1
103	Allocated Overheads	111	101
338	Total Expenditure	287	312
FUNDED BY:			
74	Charges for Services	65	112
74	Total Revenue	65	92
182	General Rates	221	218
-	Other Funding	-	1
256	Total Funding	286	312

Rental & Investment Properties

1.1 What We Do

The Rental and Investment Properties activity manages properties council owns for strategic or commercial purposes.

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.

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 - The farm is considered to be an economic investment that was purchased for the purposes of providing a financial contribution to ease the burden of rates on the community. In 2015 the farm expanded by 54 hectares when the Council purchased the neighbouring farm for the purposes of increasing economies of scale, and returns to the ratepayer. The farm contributes to the economic well-being of the district by providing rates mitigation for ratepayers.

The farm surrounds the aerodrome, therefore providing a buffer zone to allow for smooth operations of the aerodrome.

Holiday Park - Council has traditionally adopted the role of provider of the holiday park as there has been no alternative provider in Stratford.

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:

- Enabling Economy

1.3 Significant Negative Effects

The Rental and Investment Property activity has the potential to negatively impact the social, economic, environmental or cultural well-being of the local community. The most likely significant negative effects from this activity and the mitigation measures in place, are outlined below.

Environmental & cultural - Contamination of streams that cross or border the council owned farm, from runoff from paddocks, effluent ponds or animals gaining access to the river has the potential to negatively impact the environmental and cultural wellbeing. This is mitigated by good farming practices and significant investment made in fencing and riparian planting of stream edges as well as effluent management.

These negative effects and any controls and mitigation in place have to be balanced against the positive impact the activity has on the social, economic, environmental and cultural well-being of its users and the district overall.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21		How Measured
		Target	Actual	
Maximum profits from the farm are returned to Council.	Milk production is maximised	>150,000kg	Achieved 150,918kgs (2019/20 Achieved 154,177kgs)	– Milk Supplier's Statements issued by milk collector (currently Fonterra).
Leased property is safe and fit for purpose.	Number of complaints from tenants.	<5	Achieved – 2 (2019/20 Achieved – 3)	– Reporting against corporate CRM system.

1.5 Projects and Other Programmes

Project	Category	Budget 2020/21	Actual 2020/21	Notes
Farm				
<i>Landscaping and Riparian Planting</i>	Level of Service	\$10,400	\$9,862	Complete
<i>Calf Bay</i>	Level of Service	\$15,000	\$7,871	Complete
<i>Yard Upgrade</i>	Level of Service /Replacements	\$60,000	\$20,000	Council approved an increase in the budget and will be completed in July 2021
<i>House components</i>	Replacements	\$12,000	\$12,344	Complete
<i>Effluent Pump Replacement</i>	Replacements	\$0	\$15,710	The existing pump failed and the cost of a replacement was partly covered by insurance.
<i>Relocate concrete feed pad and lime chip turning area</i>	Level of Service	\$0	\$52,986	This was programmed for the 2021 Long Term Plan but due to issues around a temporary concrete pad it was brought forward.
<i>Relocate race</i>	Level of Service	\$0	\$35,062	This was required due to the high number of stock injuries

1.6 Cost of Services Statement

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

Holiday Park

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
17	Operating Expenditure	2	3
3	Revenue	3	3
14	Net Cost of Service	(2)	-
EXPENDITURE			
-	Operating Costs	-	1
17	Allocated Overheads	2	2
17	Total Expenditure	2	3
FUNDED BY:			
3	Charges for Services	3	3
3	Total Revenue	3	3
13	General Rates	-	-
16	Total Funding	3	3

Farm

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
322	Operating Expenditure	340	389
518	Revenue	606	507
(197)	Net Cost of Service	(266)	(119)
EXPENDITURE			
188	Operating Costs	205	211
63	Interest	47	54
38	Depreciation	34	66
32	Allocated Overheads	54	58
322	Total Operating Expenditure	340	389
828	Principal Loan Repayments	219	83
17	Capital Expenditure	154	97
1,167	Total Expenditure	712	569
FUNDED BY:			
518	Charges for Services	606	507
518	Total Revenue	606	507
(50)	General Rates	(53)	(52)
17	Loan Funding - Capital	116	55
682	Sale of Assets/Insurance proceeds	11	-
-	Transfer (to) from Reserves	27	57
-	Other Funding	-	1
1,167	Total Funding	707	569

Rental Properties

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
71	Operating Expenditure	69	68
31	Revenue	32	32
40	Net Cost of Service	38	36
	EXPENDITURE		
9	Operating Costs	13	10
22	Depreciation	17	21
40	Allocated Overheads	39	37
71	Total Operating Expenditure	69	68
-	Capital Expenditure	-	-
71	Total Expenditure	69	68
	FUNDED BY:		
31	Charges for Services	32	32
31	Total Revenue	32	32
37	General Rates	36	35
-	Other Funding	-	1
68	Total Funding	68	68

Environmental Services

Building Services

1.1 What We Do

The 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. The Building Control Team also leads the preparation of Land Information Memorandums.

1.2 Why We Do It

The Council has a legal responsibility to ensure buildings are fit for purpose and comply with legislation.

This activity contributes to the community outcomes of:

- Enabling Economy
- Sustainable Environment

1.3 Significant Negative Effects

The Building activity has the potential to negatively impact the social, economic, environmental or cultural well-being of the local community. The most likely significant negative effects from this activity and the mitigation measures in place, are outlined below.

Social, economic, environmental & cultural - the construction and modification of buildings and structures represents a significant investment for its owners and directly impacts the community and the natural and built environment, as well as community safety. Performance indicators have been designed to strike a balance between legal requirements, supporting the environmental and economic well-being and delivering efficiency from a customer service perspective. Maintenance of a quality management system and a structured approach to continual improvement are two measures to ensure the purpose of the Building Act is upheld.

These negative effects and any controls and mitigation in place have to be balanced against the positive impact the activity has on the social, economic, environmental and cultural well-being of its users and the district overall.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21		How Measured
		Target	Actual	
To process applications within statutory timeframes.	Percentage of building consent applications processed within 20 days.	100%	Not Achieved – 96%, 293 out of 306 – see explanation on page 20 (2019/20 Achieved 100%, 242 out of 242 building consents)	Council Records
	Percentage of inspection requests completed within 24 hours of request	100%	Not Achieved – 98%, 1,034 out of 1054 – see explanation on page 20 (2019/20 Achieved – 100%)	Council Records
	Percentage of code compliance certificate applications determined within 20 working days	100%	Achieved – 100%, 172 out of 172 (2019/20 Achieved – 100% 213 out of 213)	Council Records
To retain registration as a Building Consent Authority.	Current registration.	Confirmed	Achieved – IANZ audit due November 2021 (2019/20 Achieved – expires July 2020)	Current IANZ Certification
To process LIMs within statutory timeframes	% of LIMs processed within timeframes.	100%	Achieved – 100% 59 of 59 (2019/20 Not Achieved – 98%, 53 of 54)	Council Records
Service meets customer expectations.	Percentage of customers using building consent processes are satisfied with the service provided	>80%	Not Achieved – 65% see explanation on page 20 (2019/20 Achieved – 83%)	Council Records

1.5 Projects and Other Programmes

There were no future projects associated with the Building Services activity.

1.6 Cost of Services Statement

The detailed financial summary for Building Services' activities is below:

Building Control

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
468	Operating Expenditure	901	560
284	Revenue	361	256
184	Net Cost of Service	540	304
EXPENDITURE			
279	Operating Costs	655	322
189	Allocated Overheads	246	239
468	Total Operating Expenditure	901	560
FUNDED BY:			
284	Charges for Services	361	256
284	Total Revenue	361	256
153	UAGC	304	301
-	Other Funding	-	4
437	Total Funding	665	560

Planning and Bylaws

1.1 What We Do

This activity covers:

- The development and administration of the Stratford District Plan
- The processing of resource consents required under the District Plan.
- Monitoring of the district to ensure that the District Plan is relevant and complied with.

1.2 Why We Do It

All of the above functions are required by legislation.

This activity contributes to the community outcomes of:

- Sustainable Environment

1.3 Significant Negative Effects

The Planning activity has the potential to negatively impact the social, economic, environmental or cultural well-being of the local community. The most likely significant negative effects from this activity and the mitigation measures in place, are outlined below.

Social, economic, environmental & cultural - land use and subdivision activity can impact on short and long term social, economic, environmental and cultural outcomes. Performance indicators have been designed to strike a balance between legal requirements, supporting the environmental and economic well-being, meeting the community's needs and delivering efficiency from a customer service perspective. Best social, economic, environmental & cultural practice and community expectations will also be incorporated in the future update of the District Plan which governs much of this activity.

These negative effects and any controls and mitigation in place have to be balanced against the positive impact the activity has on the social, economic, environmental and cultural well-being of its users and the district overall.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21		How Measured
		Target	Actual	
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 2018/19.	Not applicable	Not Applicable (2019/20 Not Achieved)	Reports to Council
	To undertake a systematic review of bylaws and related policies as they reach their statutory review dates.	Not applicable	Not Applicable (2019/20 Not Achieved)	Reports to Council
To process resource consents within statutory timeframes.	% of non notified applications processed within 20 working days.	100%	Achieved – 100% 70 of 70 applications. (2019/20 Achieved – 100%, 72 of 72 applications)	Council records
	% of notified applications processed within legislated timeframes for notification, hearings and decisions.	100%	Achieved – 0 notified consent applications (2019/20 Achieved – 0 notified consent)	Council records
	% of s223 and s224 applications processed within 10 working days.	100%	Achieved – 100% 42 of 42 applications. (2019/20 Achieved – 100% 36 of 36 applications)	Council records
Service customer expectations.	Percentage of customers using resource consent processes are satisfied with the service provided	>80%	Not Achieved – 64% – see explanation on page 20 (2019/20 Achieved – 84%)	Council Records

1.5 Projects and Other Programmes

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

1.6 Cost of Services Statement

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

District Plan and Bylaws

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
116	Operating Expenditure	144	169
-	Revenue	-	-
116	Net Cost of Service	144	169
EXPENDITURE			
44	Operating Costs	47	78
72	Allocated Overheads	97	91
116	Total Operating Expenditure	144	169
FUNDED BY:			
146	UAGC	170	168
-	Other Funding	-	1
146	Total Funding	170	169

Resource Consents

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
195	Operating Expenditure	225	179
59	Revenue	97	35
136	Net Cost of Service	128	144
EXPENDITURE			
102	Operating Costs	124	81
93	Allocated Overheads	101	99
195	Total Operating Expenditure	225	179
FUNDED BY:			
59	Charges for Services	97	35
59	Total Revenue	97	35
133	UAGC	145	143
-	Other Funding	-	1
192	Total Funding	243	179

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

The Council:

- provides a uniform system of control to ensure that food being sold 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 licencing, compliance and enforcement.

Sale and Supply of Alcohol Act

The 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.

The Council receives an average of 300 complaints concerning infringements of the various bylaws each year.

Animal Control

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

This covers:

- registration of dogs
- providing a 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.

The Council operates a dog pound which has 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:

- Enabling Economy
- Sustainable Environment

1.3 Significant Negative Effects

There are no significant negative effects associated with the Community Health and Safety activity that may affect the social, economic, environmental or cultural well-being of the local community. This activity exists to avoid, minimise or mitigate significant negative effects of environmental or community health and safety events. Failure to deliver this activity would therefore have a significant negative impact on the economic and environment well-being.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21		How Measured
		Target	Actual	
To fulfil obligations to improve, promote and protect public health.	Percentage of premises registered under the Food Act, Health Act, Beauty and Tattoo Bylaw, to be inspected for compliance.	100%	Not Achieved – 99% - 73 out of 74 – see explanation on page 20 (2019/20 Achieved – 100%)	Council Records
	Health nuisance and premise complaints are responded to within 1 working day.	100%	Achieved – 100% 18 out of 18 complaints (2019/20 Achieved – 100%, 22 out of 22 complaints)	Council Records
To fulfil obligations as a District Licensing Committee.	Percentage of licensed premises inspected.	100%	Achieved – 100% 29 of 29 inspected (2019/20 Not Achieved – 91% 30 of 33 inspected)	Council Records
	Percentage of applications processed within 25 working days (excluding hearings).	100%	Achieved – 100% 87 of 87 applications (2019/20 – Achieved 100% 81 of 81 applications)	Council Records
To monitor and enforce bylaws.	Percentage of complaints responded to within 2 hours.	100%	Not Achieved – 99% 275 of 278 complaints – see explanation on page 20 (2019/20 Achieved – 100%, 322 of 322 complaints)	Council Records
To ensure dogs are controlled.	Percentage of known dogs registered.	98%	Not Achieved – 97% 2,039 of 2,086 dogs – see explanation on page 21 (2019/20 Not Achieved – 97%, 2,072 of 2,132 dogs)	Council Records
	Percentage of dog attack/wandering dog complaints responded to within an hour.	100%	Not Achieved – 99% 320 of 324 complaints – see explanation on page 21 (2019/20 Achieved – 100%, 278 of 278 complaints)	Council Records

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

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
125	Operating Expenditure	164	155
31	Revenue	32	15
94	Net Cost of Service	132	140
EXPENDITURE			
86	Operating Costs	86	81
38	Allocated Overheads	78	73
125	Total Operating Expenditure	164	155
FUNDED BY:			
31	Charges for Services	32	15
31	Total Revenue	32	15
73	UAGC	140	138
-	Other Funding	-	1
104	Total Funding	172	155

Liquor Licensing

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
149	Operating Expenditure	110	115
34	Revenue	37	35
115	Net Cost of Service	73	80
EXPENDITURE			
54	Operating Costs	57	66
95	Allocated Overheads	53	50
149	Total Operating Expenditure	110	115
FUNDED BY:			
34	Charges for Services	37	35
34	Total Revenue	37	35
121	UAGC	80	79
-	Other Funding	-	1
155	Total Funding	117	115

Parking and other Bylaws

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
164	Operating Expenditure	137	141
-	Revenue	(0)	1
164	Net Cost of Service	137	140
EXPENDITURE			
54	Operating Costs	62	71
111	Allocated Overheads	75	70
164	Total Operating Expenditure	137	141
FUNDED BY:			
-	Charges for Services	(0)	1
-	Total Revenue	(0)	1
159	UAGC	141	139
-	Other Funding	-	1
159	Total Funding	140	141

Animal Control

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
194	Operating Expenditure	205	201
141	Revenue	141	142
53	Net Cost of Service	64	60
EXPENDITURE			
112	Operating Costs	100	102
1	Interest	1	2
7	Depreciation	4	7
74	Allocated Overheads	100	91
194	Total Operating Expenditure	205	201
-	Principal Loan Repayments	2	-
56	Capital Expenditure	-	-
250	Total Expenditure	208	201
FUNDED BY:			
141	Charges for Services	141	142
141	Total Revenue	141	142
60	UAGC	59	58
56	Loan funding	-	-
-	Other Funding	-	1
257	Total Funding	200	201

Civil Defence and Emergency Management

1.1 What We Do

The overriding principle for Civil Defence and Emergency Management delivery across the Taranaki Civil Defence and Emergency Management (CDEM) Group is that it is a regionally coordinated and locally delivered approach. The Taranaki Region operates a CDEM Group Office, called the Taranaki Emergency Management Office (TEMO). TEMO is a shared service between all four councils in Taranaki that delivers Civil Defence and Emergency Management coordination throughout Taranaki on behalf of the councils in the region. The Council is obligated to plan and provide for Civil Defence and Emergency Management within the Stratford District and to ensure that it can function at the fullest possible extent during an emergency.

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:

- Sustainable Environment
- Connected Communities

1.3 Significant Negative Effects

There are no significant negative effects associated with the Civil Defence and Emergency Management activity that may affect the social, economic, environmental or cultural well-being of the local community. However, failure to deliver this activity would have a significant negative impact on the social, economic, environment and cultural well-being.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21		How Measured
		Target	Actual	
To maintain effective emergency capability	Operative Taranaki Civil Defence and Emergency Management Plan.	Achieved	Achieved (2019/20 Achieved)	Annual CDEMG Report

1.5 Projects and Other Programmes

There were no projects associated with the Civil Defence and Emergency Management activity.

1.6 Cost of Services Statement

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

Civil Defence and Emergency Management

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
124	Operating Expenditure	256	231
-	Revenue	-	-
124	Net Cost of Service	256	231
EXPENDITURE			
86	Operating Costs	103	105
-	Depreciation	-	1
38	Allocated Overheads	153	125
124	Total Operating Expenditure	256	231
FUNDED BY:			
135	UAGC	231	229
-	Other Funding	-	2
135	Total Funding	231	231

Roading

1.1 What We Do

The Roothing 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 Roothing 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 Roothing 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
<i>Sealed km</i>	349.4	41.6	391.1
<i>Unsealed km</i>	206.7	0.01	206.7
Total	556.1	41.6	597.8

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 Roothing Facilities Management Contract.

1.2 Why We Do It

Council is the road controlling authority under the Local Government Act 1974 and 2002 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:

- Connected communities
- Enabling economy

1.3 Significant Negative Effects

The Roothing activity has the potential to negatively impact the social, economic, environmental or cultural well-being of the local community. The most likely significant negative effects from this activity and the mitigation measures in place, are outlined below.

Social, economic, environmental & cultural - Traffic hazards and accidents have the potential to negatively impact the community's social, economic, environmental and cultural well-being. Council is actively involved in regional road safety strategies such as 'Roadsafe Taranaki', and the 'Community Road Safety Programme' and investigates injury accidents with the Police to address any roading issues that may be involved.

Social, economic, environmental & cultural – Dust from unsealed roads has the potential to negatively impact the community's social, economic, environmental and cultural well-being. Council is working with the rural community to manage nuisance from dust.

Social, economic & cultural –Road closures have the potential to negatively impact the community's social, economic and cultural well-being. Unplanned road closures are usually the result of environmental events and 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 road closures are generally not a significant problem as they are well notified to affected parties and council works with event organisers to reduce the impact of closures of popular routes.

Environmental & cultural – Earthworks and run-off from road construction and maintenance activities has the potential to impact the environmental and cultural wellbeing. To manage and mitigate this risk, all major project works are carried out under resource consent conditions and undertaken in a manner that avoids significant negative effects. Routine maintenance activities are governed by performance criteria outlined in the maintenance contract.

These negative effects and any controls and mitigation in place have to be balanced against the positive impact the activity has on the social, economic, environmental and cultural well-being of its users and the district overall.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21		How Measured
		Target	Actual	
To provide a safe roading network.	Road safety - 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.	1	Achieved – minus 4 there was one crash during the year. (2019/20 – Not Achieved, Increase of 1 (5 Fatalities and serious injury crashes)	Police CAS Database
To provide a well maintained roading network.	Road Condition – The average quality of ride on sealed road network, measured by smooth travel exposure.	Urban – ≥83% Rural – ≥91%	Not Applicable – Urban – 88% This was at March 2020. The survey is undertaken bi-annually and will be done next year, taking into account traffic counts. Not Applicable – Rural – 78% – This was at March 2020. The survey is undertaken bi-annually and will be done next year, taking into account traffic counts. (2019/20 – Achieved – Urban 88% Not Achieved – Rural 78%)	RAMM Rating Report
	Road maintenance – The percentage of the sealed road network that is resurfaced.	≥5%	Not Achieved – 4.95% – see explanation on page 21 (2019/20 Achieved – 5.4%)	RAMM Rating Report
	Road maintenance – The percentage of the unsealed road network that has been metal dressed.	≥7%	Not Achieved – 1% – see explanation on page 21 (2019/20 – Achieved – 14.4%)	RAMM Report
	Footpaths - 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)	>84%	Achieved – 89% (2019/20 Not Achieved – 62% - target was >83%)	RAMM Report and conditio

	Response to service requests - 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).	>88%	Achieved – 100% (2019/20 Achieved – 100%)	RAMM Report. Spreadsheet until connectivity is established between RAMM and Customer Service Requests
To provide a well maintained roading network.	Percentage of residents who are satisfied with:			
	Roading Networks	>78%	Not Achieved – 65.28% – see explanation on page 21 (2019/20 – Not Achieved – 75%)	Annual Customer Survey
	Footpaths	>79%	Not Achieved – 70.11% – see explanation on page 21 (2019/20 – Achieved – 73%)	

1.5 Projects and Other Programmes

Project	Category	Budget 2020/21	Actual 2020/21	Notes
<i>Unsealed Road Metalling</i>	Replacements	\$795,000	\$250,027	Complete
<i>Sealed Road Resurfacing</i>	Replacements	\$750,000	\$636,829	Complete
<i>Drainage Renewals</i>	Replacements	\$525,415	\$394,860	Complete
<i>Pavement Rehabilitation</i>	Replacements	\$742,800	\$553,356	Complete
<i>Structure Component Replacement</i>	Replacements	\$80,000	\$8,402	Complete
<i>Traffic Services</i>	Replacements	\$50,000	\$72,605	Complete
<i>Sealed Road Resurfacing – Special Purpose Roads</i>	Replacements	\$151,000	\$172,418	Complete
<i>Provincial Growth Fund safety improvements</i>	Level of Service	\$0	\$979,672	Complete
<i>Under verandah Lighting</i>	Replacements	\$12,500	\$0	Not required
<i>Low cost/low risk safety improvements</i>	Level of Service	\$0	\$1,077,568	Complete. This was the remainder of the three year's allocation that had to be spent this year. It was funded by Waka Kotahi (NZTA) at the rate of 61%, and the balance had already been rated for in previous years.
<i>Passenger Safety</i>	Level of Service	\$0	\$12,750	This was for an extension to the existing bus shelter on Miranda Street as the Connector bus is becoming more popular. Taranaki Regional Council contributed \$10,000 towards this cost.

1.6 Cost of Services Statement

The detailed financial summary for Roading activities is below:

Roading

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
6,651	Operating Expenditure	6,382	6,324
3,660	Revenue	4,019	3,830
2,990	Net Cost of Service	2,363	2,494
EXPENDITURE			
3,546	Operating Costs	3,486	3,368
2,804	Depreciation	2,732	2,805
302	Allocated Overheads	164	152
6,651	Total Operating Expenditure	6,382	6,324
2,903	Capital Expenditure	4,159	3,107
9,553	Total Expenditure	10,539	9,431
FUNDED BY:			
195	Charges for Services	211	169
3,465	Waka Kotahi (NZTA) Financial Assistance	3,808	3,661
3,660	Total Revenue	4,019	3,830
3,049	Targeted Rates	3,010	2,992
1,482	Depreciation funded from Reserves	1,448	1,482
1,289	Transfers from Reserves - Capital	1,397	1,278
18	Grants - Capital	762	-
55	Transfer from (to) reserves	(96)	(153)
-	Other Funding	-	2
9,553	Total Funding	10,539	9,431

Business Unit

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
204	Operating Expenditure	292	313
198	Revenue	328	327
6	Net Cost of Service	(36)	(14)
EXPENDITURE			
160	Operating Costs	110	144
4	Depreciation	5	9
39	Allocated Overheads	177	161
204	Total Operating Expenditure	292	313
FUNDED BY:			
196	In-house Services - NZTA Assisted	327	327
2	Charges for Services	1	-
198	Total Revenue	328	327
(6)	General Rates	(16)	(16)
-	Other Funding	0	2
192	Total Funding	312	313

Stormwater

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 eg. 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.

The Stratford District Council manages around 6.7km of stormwater pipes, and 1.9km of open channels/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.

The Council provides the Stormwater service to meet the needs and requirements of its customers and stakeholders. The stormwater activity goals and objectives are:

- Channelization of stormwater flows in a safe and efficient manner;
- Protection of property from impacts of flooding;
- Protection of receiving environments.

This activity contributes to the community outcomes of:

- Sustainable Environment
- Enabling Economy

1.3 Significant Negative Effects

The Stormwater activity has the potential to negatively impact the social, economic, environmental or cultural well-being of the local community. The most likely significant negative effects from this activity and the mitigation measures in place, are outlined below.

Social, economic, environmental & cultural - the Stormwater system has the potential to affect community health if existing drainage systems are inadequate and results in flooded houses and properties.

Social, economic, environmental & cultural - 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. Council recognises this potential and endeavours to take all steps to ensure the risk is minimised.

These negative effects and any controls and mitigation in place have to be balanced against the positive impact the activity has on the social, economic, environmental and cultural well-being of its users and the district overall.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21		How Measured
		Target	Actual	
Stormwater system protects property from impacts of flooding.	System adequacy			Reporting against corporate CRM system. Note: specific category to be set up for flooding – to separate between residential & commercial buildings and include count of habitable floors flooded (residential only).
	The number of flooding events that occur in a territorial authority district. "Flooding" in this context means stormwater entering a habitable floor	0	Achieved – 0 – No flooding events meeting the criteria (2019/20 Achieved – 0 - No flooding events meeting the criteria)	
	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)	0	Achieved – 0 – No flooding events meeting the criteria (2019/20 Achieved – 0 - No flooding events meeting the criteria)	
	For each flooding event, the number of buildings in the central business zone affected by flooding.	0	Achieved – 0 – No flooding events meeting the criteria (2019/20 Achieved – 0 - No flooding events meeting the criteria)	
Discharge Compliance	Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: Abatement notices Infringement notices Enforcement orders, and Convictions received by the territorial authority in relation to those resource consents.	N/A	Not Applicable (2019/20 Not Applicable)	Council does not hold discharge consents for discharge from its stormwater system.
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.	1 hour	Achieved – 0 (2019/20 Achieved – 0 – No flooding events meeting the criteria)	Work order tracking/reporting through Council's Infrastructure asset management system.
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.	<8	Achieved –5 (2019/20 – Achieved - 0)	Reporting against corporate CRM system.

1.5 Projects and Other Programmes

Project	Category	Budget 2020/21	Actual 2020/21	Notes
<i>Pipework Capacity Increase Safety Improvements Reticulation Renewals</i>	Level of Service	\$110,700	\$0	Unable to find a contractor and source materials
	Level of Service	\$123,100	\$0	Unable to find a contractor and source materials
	Replacements	\$55,600	\$22,452	Complete

1.6 Cost of Services Statement

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

Stormwater

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
336	Operating Expenditure	325	328
-	Revenue	-	-
336	Net Cost of Service	325	328
	EXPENDITURE		
51	Operating Costs	61	61
14	Interest	15	18
141	Depreciation	130	141
130	Allocated Overheads	119	107
336	Total Operating Expenditure	325	328
21	Principal Loan Repayments	28	27
498	Capital Expenditure	22	292
856	Total Expenditure	375	647
	FUNDED BY:		
353	UAGC	329	326
162	Transfer from Depreciation Reserves	50	85
357	Loan Funding - Capital	-	234
-	Other Funding	-	2
872	Total Funding	379	647

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.

Stratford District Council is responsible for wastewater treatment and reticulation in Stratford Township. The Stratford wastewater system services over 2,500 properties, which is approximately 97 percent of the Stratford urban area. All other dwellings in the district are serviced by on-site wastewater treatment systems.

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.

The Council provides the Wastewater service to meet the needs and requirements of its customers and stakeholders. The goals and objectives of the Wastewater activity are:

- To collect wastewater from residential, commercial and industrial properties in a safe and efficient manner;
- To dispose of treated wastewater into the receiving environments in an environmentally friendly and sustainable manner in line with all applicable resource consent conditions.
- To facilitate the minimisation of risk and maintenance of public health through the safe disposal of wastewater into the receiving environment;
- To deliver on the agreed customer service levels

This activity contributes to the community outcomes of:

- Sustainable Environment
- Enabling Economy

1.3 Significant Negative Effects

The Wastewater activity has the potential to negatively impact the social, economic, environmental or cultural well-being of the local community. The most likely significant negative effects from this activity and the mitigation measures in place, are outlined below.

Social, economic, environmental & cultural - The Wastewater system has the potential to affect community health. Continued efforts are made to ensure that environmental effects are minimised. This is addressed through ongoing improvements to the treatment system which form part of the resource consent.

Social, economic, environmental & cultural - 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.

Social, economic, environmental & cultural – Periodic failures in the system, such as blockages and overflows are being addressed as a priority and the immediate resolution followed up by root cause investigation to minimise the risk of future recurrence.

Cultural – Historically, the treatment and disposal of wastewater raised cultural concerns, such as the direct disposal of the discharge from the oxidation ponds to the Patea River. These were addressed as part of the consent consultation process and subsequent upgrades. Council will continue to give consideration to cultural aspects as part of future upgrades.

These negative effects and any controls and mitigation in place have to be balanced against the positive impact the activity has on the social, economic, environmental and cultural well-being of its users and the district overall.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21		How Measured
		Target	Actual	
Wastewater is managed without risk to public health.	System and adequacy - The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	<5	Achieved – 0 (2019/20 Achieved – 0)	Reporting against corporate CRM system.
	Discharge compliance - Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of Abatement notices Infringement notices Enforcement orders; and Convictions, Received by the territorial authority in relation to those resource consents.	0	Achieved - 0 (2019/20 Achieved – 0)	Consent compliance & documentation.
Fault response times	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:			Work order tracking/reporting through Council's Infrastructure asset management system.
	Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site; and	1 hour	Achieved – 54 minutes (2019/20 Achieved – 42 minutes)	
	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.	8 hours	Achieved – 4 hours 40 minutes (2019/20 Achieved – 4 hours 34 minutes)	
Customer satisfaction	The total number of complaints received by the territorial authority about any of the following: <ul style="list-style-type: none"> • Sewage odour • Sewerage system faults • Sewerage system blockages, and • The territorial authority's response to issues with its sewerage system, Expressed per 1000 connections to the territorial authority's sewerage system.	<5	Achieved – 0 (2019/20 Achieved – 0)	Reporting against corporate CRM system.

1.5 Projects and Other Programmes

<i>Project</i>	<i>Category</i>	<i>Budget 2020/21</i>	<i>Actual 2020/21</i>	<i>Notes</i>
<i>Resource Consents</i>	Level of Service	\$262,100	\$1,452	Nothing more required until the diatomix trial has been completed.
<i>Safety Improvements</i>	Level of Service	\$33,900	\$0	No longer required.
<i>Pipework Capacity Increase</i>	Level of Service	\$104,900	\$79,836	Complete
<i>Step/aerate treatment renewals</i>	Replacements	\$31,500	\$0	Not required
<i>Infiltration renewals</i>	Replacements	\$160,400	\$0	Not required
<i>Reticulation Renewals</i>	Replacements	\$0	\$340,922	This was necessary for Central Broadway.
<i>Pump Station Telemetry</i>	Level of Service	\$83,900	\$0	Unable to find a contractor and unable to source materials.
<i>Bulk Discharge Renewals</i>	Replacements	\$10,500	\$0	Not required

1.6 Cost of Services Statement

The detailed financial summary for Wastewater activity is shown below.

Wastewater (Sewerage)

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
923	Operating Expenditure	911	993
89	Revenue	71	73
834	Net Cost of Service	839	920
	EXPENDITURE		
376	Operating Costs	382	423
29	Interest	24	59
296	Depreciation	269	300
221	Allocated Overheads	235	211
923	Total Operating Expenditure	911	993
43	Principal Loan Repayments	44	91
209	Capital Expenditure	423	687
1,175	Total Expenditure	1,378	1,771
	FUNDED BY:		
89	Charges for Services	71	73
89	Total Revenue	71	73
878	Targeted Rates	889	881
(52)	Transfer from (to) Reserves	(50)	36
196	Transfer (to) from Depreciation Reserves	385	293
64	Loan Funding - Capital	82	485
-	Other Funding	0	3
1,175	Total Funding	1,378	1,771

Solid Waste

1.1 What We Do

The Solid Waste activity encompasses the planning and provision of solid waste services and the operation, maintenance and renewal of all associated infrastructure.

The Council provides domestic refuse and recycling services to the households in the urban area of Stratford and Midhirst. In addition, it contracts out the operations of a transfer station in Stratford which allows for the disposal of general waste, recycling and green waste. All services are provided by a contractor with all recycling transported to the Materials Recovery Facility in New Plymouth, the general waste transported to the Hawera Transfer Station, consolidated with South Taranaki Districts general waste, then taken to the Bonny Glen landfill in the Rangitikei.

1.2 Why We Do It

The Council provides the Solid Waste service to meet the needs and requirements of its customers and stakeholders. The goals and objectives of the Solid Waste Activity as per the LTP are to ensure that the:

- Levels of waste generated are reducing; and
- waste collection services meet the needs of the community.

This activity contributes to the community outcomes of:

- Sustainable Environment
- Enabling Economy

1.3 Significant Negative Effects

The Solid Waste activity has the potential to negatively impact the social, economic, environmental or cultural well-being of the local community. The most likely significant negative effects from this activity and the mitigation measures in place, are outlined below.

Social, economic, environmental & cultural - disposal of solid waste to land has inherent negative impacts on the social, environmental and cultural wellbeing. To minimise these impacts, council only sends waste to appropriately consented sites and aims to minimise the volume of waste it sends to landfill by actively seeking further opportunities to increase waste minimisation and diversion.

Social, economic, environmental & cultural - odour, litter and noxious materials originating from historic, closed landfills can have negative impacts on the social, environmental and cultural wellbeing. These effects are controlled and minimised by resource consents and management practices.

These negative effects and any controls and mitigation in place have to be balanced against the positive impact the activity has on the social, economic, environmental and cultural well-being of its users and the district overall.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21		How Measured
		Target	Actual	
<i>The levels of waste generated are reducing.</i>	Waste to landfill per household (municipal kerbside collection only)	<700kg	Achieved – 509kg (2019/20 Achieved – 634kg)	Landfill invoices & transactions.
	Percentage (by weight) of council controlled waste stream that is recycled (municipal kerbside collection only).	>25%	Not Achieved – 24% – see explanation on page 21 (2019/20 Not Achieved - 11%)	Recycling facility invoices & transactions.
<i>The waste collection service meets the needs of the community.</i>	Percentage of customers satisfied with the service provided.	>90%	Not Achieved – 89% - see explanation on page 21 (2019/20 Achieved – 96%)	Annual Residents Survey

1.5 Projects and Other Programmes

<i>Project</i>	<i>Category</i>	<i>Budget 2020/21</i>	<i>Actual 2020/21</i>	<i>Notes</i>
<i>Transfer Station building upgrade</i>	Replacements	\$20,800	\$0	Not required

1.6 Cost of Services Statement

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

Solid Waste

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
876	Operating Expenditure	926	858
121	Revenue	127	83
756	Net Cost of Service	801	776
	EXPENDITURE		
657	Operating Costs	729	671
26	Interest	21	25
28	Depreciation	30	31
165	Allocated Overheads	147	132
876	Total Operating Expenditure	926	858
7	Landfill Aftercare Costs	(14)	12
39	Principal Loan Repayments	38	38
-	Capital Expenditure	-	21
922	Total Expenditure	950	928
	FUNDED BY:		
121	Charges for Services	127	83
121	Total Revenue	127	83
702	Targeted Rates	702	696
19	UAGC	19	19
39	Transfer (to) from Depreciation Reserves	38	-
41	Transfers from (to) Reserves	64	129
-	Other Funding	-	2
922	Total Funding	950	928

Water Supply

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.

The Council provides the Water Supply service to meet the needs and requirements of its customers and stakeholders. The goals and objectives of the Water Supply activity are:

- Water is safe to drink;
- A reliable water supply is provided;
- Water has a pleasant taste and odour;
- Water flow and pressure is appropriate for its intended use; and
- Water supply meets firefighting requirements.

This activity contributes to the community outcomes of:

- Sustainable Environment
- Enabling Economy

1.3 Significant Negative Effects

The Water Supply activity has the potential to negatively impact the social, economic, environmental or cultural well-being of the local community. The most likely significant negative effects from this activity and the mitigation measures in place, are outlined below.

Social & Economic - Failure to meet Drinking Water Standards could have a significant negative impact on the social and economic well-being of its users and the district overall.

Social, economic, environmental & cultural – Discharge of contaminants to air, water or land could have a significant negative impact on the social, economic, environmental and cultural well-being of its users and the district overall.

These negative effects and any controls and mitigation in place have to be balanced against the positive impact the activity has on the social, economic, environmental and cultural well-being of its users and the district overall.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21		How Measured
		Target	Actual	
Water is safe to drink.	The extent to which the local authority's drinking water supply complies with:			
	Part 4 of the drinking water standards (bacterial compliance criteria), and	100% for all plants	Results are Provisional Only Stratford – Achieved -100% Midhurst – Achieved – 100% Toko – Achieved – 100% (2019/20 Stratford – Achieved Midhurst – Achieved Toko – Achieved)	Plant & reticulation performance records in water outlook. Includes water quality sampling programme records as well as any plant non-performances.
	Part 5 of the drinking water standards (protozoal compliance criteria).	100%	Results are Provisional Only Stratford – Achieved – 100% Midhurst – Achieved – 100% Toko – Achieved – 100% (2019/20 Stratford – Achieved 100% Midhurst – Achieved 100% Toko – Achieved 100%)	
	Maintenance of the reticulation network - The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).	<25%	Not Achieved Stratford –20.2% Midhurst –36.9% Toko – 18.3% – (see explanation on page 21) (2019/20 Stratford – Achieved 21.4% Midhurst – Not Achieved 10.1% Toko – Achieved 12.0%)	Calculated annually as per NZWWA Water Loss Guidelines.
A reliable water supply is provided.	Fault Response Times – 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:			
	Attendance for urgent call-outs: from the time that council receives notification to the time that service personnel reach the site.	1 hour	Achieved – 31 minutes (2019/20 Achieved – 33 minutes)	Work order tracking/reporting through Council's Infrastructure asset management system.
	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.	8 hours	Achieved – 5 hours 7 minutes (2019/20 Achieved – 2 hours 41 minutes)	
	Attendance for non-urgent call-outs: from the time that council receives notification to the time that service personnel confirm resolution of the fault or interruption	2 working days	Achieved – 8 hours 50 minutes (2019/20 Achieved – 8 hours 1 minute)	Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System

	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	5 working days	Achieved – 17 hours 26 minutes (2019/20 Achieved- 11 hours 29 minutes)	
	Number of unplanned disruptions:			
	Minor * (between 5 and 50 connections affected)	<5	Not Achieved – 6 – (see explanation on page 21) (2019/20 Not Achieved - 5)	Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System
	Major * (more than 50 connections affected)	<2	Achieved - 0 (2019/20 Achieved – 0)	
Water has a pleasant taste and odour.	Customer Satisfaction - Total number of complaints received for: Drinking water clarity Drinking water taste Drinking water odour Drinking water pressure or flow Continuity of supply Council's response to any of these issues expressed per 1000 connections to council's networked reticulation system.	<32	Achieved: - 6 (2019/20 Achieved -2.6)	Reporting against corporate CRM system.
	Note: This is understood to be limited to supplied properties within the water supply zones.			
	Demand management - The average consumption of drinking water per day per resident within the district (in litres).	<275	Achieved: Stratford - 180 Achieved: Midhurst - 200 Achieved: Toko - 157 (2019/20 Achieved Stratford – 248.1 litres Midhurst – 262.1 litres Toko –157.8 litres)	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.
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)	100%	Achieved –54 properties tested for water pressure and flow - all passed – 100% (2019/20 52 properties tested for water pressure and flow - all passed – 100%)	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 private pipework from public network.

Water supply meets fire fighting requirements.				Customer is advised if problem with internal plumbing.
	Fire hydrants meet NZFS Code of Practice conditions regarding supply.	100%	Achieved – 43 hydrants were tested and all 43 passed the test – 100%. (2019/20 Achieved – 31 hydrants were tested and all 31 passed the test – 100%.)	Flow & pressure testing carried out by council contractor and or NZ Fire Service to NZ Fire Fighting Code of Practice standards.

1.5 Projects and Other Programmes

Project	Category	Budget 2020/21	Actual 2020/21	Notes
<i>Water Metering</i>	Level of Service	\$346,000	\$161,396	Complete
<i>Pressure Reducing and Zone Valves</i>	Level of Service	\$209,000	\$378,553	Complete
<i>Laterals</i>	Replacements	\$32,100	\$14,363	Complete
<i>Grit tank replacement</i>	Replacements	\$0	\$95,154	Complete
<i>Meter replacements</i>	Replacements	\$52,400	\$0	Not required
<i>Hydrants</i>	Replacements	\$15,500	\$27,680	Complete.
<i>Stratford Street work rider mains</i>	Level of Service	\$31,400	\$0	Not required
<i>General Infrastructure and Reticulation renewals – 3 water schemes</i>	Replacements	\$314,000	\$133,622	Complete
<i>Second trunk main</i>	Level of Service	\$0	\$380,043	This was for consultancy fees towards the design and route selection of the pipeline contract to build a second trunk main. The physical construction will be funded by the Provincial Growth Fund.
<i>Patea delivery line</i>	Replacements	\$0	\$82,909	Complete

1.6 Cost of Services Statement

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

Water Supply

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
1,611	Operating Expenditure	1,636	1,904
350	Revenue	453	445
1,261	Net Cost of Service	1,183	1,459
	EXPENDITURE		
642	Operating Costs	631	860
187	Interest	162	206
421	Depreciation	368	414
360	Allocated Overheads	475	424
1,611	Total Operating Expenditure	1,636	1,904
301	Principal Loan Repayments	321	339
152	Capital Expenditure	1,274	1,001
2,064	Total Expenditure	3,230	3,244
	FUNDED BY:		
350	Charges for Water Usage	453	445
350	Total Revenue	453	445
1,482	Targeted Rates	1,481	1,453
301	Transfer from Depreciation Reserves	321	339
(221)	Transfers (to) from Reserves	(298)	-
152	Loan Funding - Capital	1,274	1,001
-	Other Funding	-	6
2,064	Total Funding	3,230	3,244

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 178m². The arboretum has been established at Cloten Road, and the herbarium is a 'virtual' asset that can be found at 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.

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 Significant Negative Effects

There are no significant negative effects associated with the Percy Thomson Trust activity that may affect the social, economic, environmental or cultural well-being of the local community. However, failure to deliver this activity would have a significant negative impact on the social, economic, environment and cultural well-being.

1.5 Statement of Service Provision

Level of Service	Performance Measure	Year 3 – 2020/21 Target	Actual	How Measured
Delivery of art exhibitions	Deliver proposed art exhibitions which will include local, regional and at least 1 National:	Deliver proposed art exhibitions which will include local, regional and at least 1 National.	<p>Achieved: Exhibitions that were unable to be delivered due to COVID-19:</p> <ul style="list-style-type: none"> • Taranaki Arts Trail • Stratford Art Society <p>Art exhibitions that were delivered throughout the year included the following:</p> <p>National –</p> <ol style="list-style-type: none"> 1. Adam Portraiture 2. Glass Art 2021 3. Matariki – Stephen Chadwick <p>Regional –</p> <ol style="list-style-type: none"> 1. Taranaki Arts Trail 2. Alby Carter - Retrospective 3. Aroaromahana – Taranaki Māori Artists 4. Emergence <p>Local –</p> <ol style="list-style-type: none"> 1. Stratford Art Society 2. Aotearoa Quilters 3. Reflections – the Art of Lockdown 4. # Make/Believe (2019/20 - Not Achieved) 	Art Gallery Records
	Number of visitors to the Gallery to be not less than 20,000 per year	>20,000	Achieved 24,314 (2019/20 - Not Achieved – 19,433)	Door Count
	To operate to a “break-even” balance	Operate within “break-even” budget. “Break-even is defined by the Trust as a cash surplus only, excluding depreciation, and receiving external funding to make up any shortfalls in cash and the gain on sale of investments.”	Not Achieved – see explanation on page 21 (2019/20 – Not Achieved)	Annual Report
Development and maintenance of arboretum	Develop and maintain the arboretum to the standards in the Facilities Management Contract.	Develop and maintain the arboretum to the standards in the Facilities Management Contract.	<p>Achieved (2019/20 Achieved)</p> <p>Note: 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. The planting programme was also maintained, and continued on in conjunction with the plantings/replacement of native trees.</p>	Council Records
Delivery of Herbarium	Explore alternative options to achieve this measure.	Explore alternative options to achieve this measure.	Not Achieved: – see explanation on page 21 (2019/20 - Not Achieved)	Dependent on option selected

1.6 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

Actual 2019/20 \$000		Actual 2020/21 \$000	Budget 2020/21 \$000
281	Operating Expenditure	284	286
94	Revenue	95	107
187	Net Cost of Service	189	179
	-		
	EXPENDITURE		
205	Operating Costs	204	211
76	Depreciation	80	75
281	Total Operating Expenditure	284	286
	-		
	FUNDED BY:		
94	User Charges	95	107
94	Total Revenue	95	107
50	Council Grant	50	50
52	Investment Interest	49	54
190	Gain on revaluation of property, plant and equipment	-	-
(105)	Transfer from (to) Accumulated Surplus	91	75
281	Total Funding	284	286

Financial Statements

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2021

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2020/21	2020/21	2019/20	2020/21	2019/20
		\$000	\$000	\$000	\$000	\$000
Revenue						
Rates	4	13,437	13,321	12,836	13,437	12,836
Subsidies and Grants	5	11,138	7,341	3,695	11,152	3,731
Development and Financial Contributions		127	-	47	127	47
Fees and Charges		2,226	2,345	2,000	2,275	2,021
Finance Revenue	9	139	139	97	188	149
Other revenue - residential sections sales		2,779	3,816	1,292	2,779	1,292
Other revenue - sale of property		-	-	615	-	615
Gains on property, plant and equipment	6	61	-	260	61	260
Vested Assets		-	-	6,786	-	6,786
Sundry Revenue	5	140	44	134	140	134
Total Revenue	5	30,046	27,005	27,762	30,157	27,870
Expenses						
Personnel Costs	7	4,427	4,157	4,099	4,537	4,201
Depreciation and Amortisation	15 & 16	4,626	4,810	4,784	4,706	4,860
Other expenses	8	10,426	9,478	10,436	10,437	10,451
Landfill impairment	31	-	-	23	-	23
Finance Costs	9	447	665	398	447	398
Total Expenses		19,926	19,111	19,740	20,128	19,933
SURPLUS/(DEFICIT) BEFORE TAX		10,120	7,894	8,022	10,029	7,937
Income Tax Expense	10	-	-	-	-	-
SURPLUS/(DEFICIT) AFTER TAX		10,120	7,894	8,022	10,029	7,937
Other Comprehensive Revenue and Expense						
<i>Items that will not be reclassified to surplus / (deficit)</i>						
Fair value movement of listed and unlisted shares	21	9	-	(61)	9	(61)
Staff Gratuities		-	(48)	-	-	-
Property, Plant and Equipment Revaluations	21	37,875	-	1,154	37,875	1,344
Total Other Comprehensive Revenue and Expense		37,884	(48)	1,093	37,884	1,283
Total Comprehensive Revenue and Expense		48,004	7,846	9,115	47,913	9,220
Total Comprehensive Revenue and Expense attributable to:						
Stratford District Council		48,004	7,846	9,115	48,004	9,114
Percy Thomson Trust		-	-	-	(91)	106
		48,004	7,846	9,115	47,913	9,220
<p>Note: The net surplus of \$10,120,000 is primarily due to the receipt of central government funding for capital projects; and the sale of further residential sections in the Pembroke Road development.</p> <p>The accompanying notes form part of these financial statements. Explanations of significant variances against budget are provided in note 29.</p>						

Statement of Financial Position as at 30 June 2021

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2020/21	2020/21	2019/20	2020/21	2019/20
		\$000	\$000	\$000	\$000	\$000
Assets						
Current Assets						
Cash and Cash Equivalents	11	3,256	3,981	5,082	3,388	5,123
Short Term Deposits	11	6,000	-	3,000	6,250	3,250
Receivables	12	6,235	1,026	904	6,238	907
Inventory - assets held for sale	13	-	-	610	-	610
Prepayments	32	13	-	11	13	11
Other Financial Assets	14	32	-	56	82	106
Total Current Assets		15,536	5,007	9,664	15,971	10,008
Non-Current Assets						
Receivables	12	19	-	23	19	23
Property, Plant and Equipment	15	374,924	344,534	328,722	376,831	330,694
Intangible Assets	16	497	-	565	497	565
Investment in Percy Thomson Trust (CCO)		0	0	0	-	-
Other Financial Assets	14	8,276	921	865	8,828	1,542
Total Non-Current Assets		383,717	345,455	330,175	386,174	332,825
Total Assets		399,253	350,462	339,838	402,145	342,832
Liabilities						
Current Liabilities						
Payables and deferred revenue	17	7,501	2,067	2,823	7,515	2,843
Provisions	18	7	11	11	7	11
Employee entitlements	19	243	117	183	249	190
Borrowings	20	2,000	1,500	3,500	2,000	3,500
Total Current Liabilities		9,751	3,695	6,517	9,771	6,544
Non-Current Liabilities						
Provisions	18	18	26	45	18	45
Employee entitlements	19	52	47	49	52	49
Borrowings	20	20,200	23,036	12,000	20,200	12,000
Total Non-Current Liabilities		20,270	23,108	12,094	20,270	12,094
Total Liabilities		30,021	26,803	18,611	30,041	18,638
Equity						
Accumulated Funds	21	189,944	181,362	181,353	191,609	183,109
Reserves	21	179,290	142,296	139,878	180,496	141,084
Total Equity Attributable to Stratford District Council		369,234	323,658	321,230	372,105	324,193
Total Liabilities & Equity		399,253	350,462	339,838	402,145	342,832

The accompanying notes form part of these financial statements.

Explanations of significant variances against budget are provided in note 29.

Statement in Changes of Equity For the Year Ended 30 June 2021

	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2020/21	2020/21	2019/20	2020/21	2019/20
	\$000	\$000	\$000	\$000	\$000
Balance at 1 July					
Accumulated Funds	181,353	175,066	174,920	183,109	176,761
Revaluation of financial assets at fair value through other comprehensive revenue and expense	(410)	-	(349)	(410)	(349)
Reserves / Special Funds	6,383	5,549	4,706	6,383	4,706
Asset Revaluation Reserves	133,904	135,197	132,837	135,111	133,854
Total Equity - Opening Balance	321,230	315,812	312,114	324,193	314,972
Changes in Equity					
Accumulated Funds	8,592	6,296	6,346	8,500	6,261
Revaluation of financial assets at fair value through Other Comprehensive Revenue and Expense	9	-	(61)	9	(61)
Reserves / Special Funds	1,528	1,550	1,677	1,528	1,677
Revaluation reversal of buildings disposed of during year	-	-	-	-	-
Asset Revaluation Reserves	37,875	-	1,154	37,875	1,344
Total Comprehensive Revenue and Expense	48,003	7,847	9,115	47,912	9,221
Closing Balance					
Accumulated Funds	189,944	181,362	181,353	191,609	183,109
Revaluation of financial assets at fair value through other comprehensive revenue and expense	(401)	-	(410)	(401)	(410)
Reserves / Special Funds	7,911	7,099	6,383	7,911	6,383
Asset Revaluation Reserves	171,779	135,197	133,904	172,986	135,111
Total Equity - Closing Balance	369,234	323,658	321,230	372,105	324,193
<i>The accompanying notes form part of these financial statements.</i>					

Statement of Cashflows For the Year Ended 30 June 2021

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2020/21	2020/21	2019/20	2020/21	2019/20
		\$000	\$000	\$000	\$000	\$000
Cash Flows from Operating Activities						
Rates Revenue		13,452	13,321	12,767	13,452	12,767
Interest Received		139	139	97	187	152
Dividends Received		-	-	54	-	54
Development and Financial Contributions		127	-	47	127	47
Subsidies, Grants and Donations		8,779	7,337	4,472	8,792	4,507
Residential section sales and sale of house		2,779	-	1,913	2,779	1,913
User Charges and Sundry Revenue		2,330	2,389	2,198	2,372	2,228
Regional Council Rates		971	-	923	971	923
Payments to Suppliers and Employees		(11,899)	(13,690)	(13,011)	(12,020)	(13,166)
Interest Paid		(447)	(665)	(398)	(447)	(398)
Goods and Services Tax (net)		(439)	-	314	(440)	315
Regional Council Rates		(971)	-	(923)	(971)	(923)
Net Cash from Operating Activities		14,821	8,829	8,453	14,801	8,419
Cash Flows from Investing Activities						
Proceeds from Sale of Property, Plant and Equipment		51	3,836	638	51	638
Proceeds from Sale of Investments		4,000	-	-	4,125	-
Purchase of Property, Plant & Equipment		(12,995)	(21,909)	(4,831)	(13,010)	(4,879)
Acquisition of Investments		(14,403)	-	(3,000)	(14,403)	(3,072)
Net Cash from Investing Activities		(23,347)	(18,073)	(7,193)	(23,237)	(7,313)
Cash Flows from Financing Activities						
Proceeds from Borrowings		10,200	14,566	4,000	10,200	4,000
Repayment of Borrowings (Loans)		(3,500)	(4,530)	(3,000)	(3,500)	(3,000)
Net Cash from Financing Activities		6,700	10,036	1,000	6,700	1,000
Net (Decrease)/Increase in Cash, Cash						
Equivalents and Bank Overdrafts						
Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the Year		5,082	3,189	2,822	5,123	3,017
Cash, Cash Equivalents and Bank Overdrafts at the End of the Year	11	3,256	3,981	5,082	3,387	5,123
<p>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.</p> <p><i>The accompanying notes form part of these financial statements.</i></p>						

Notes to Financial Statements

Note 1

Reporting Entity

The financial statements of the Stratford District Council are for the year ended 30 June 2021.

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 Services.
- Civil Defence and Emergency 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 group has been designated a 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 2021 and were authorised for issue by Council on 14 December 2021.

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 2021

The following accounting policies which materially affect the measurement of results and financial position have been applied consistently to the year ended 30 June 2021 unless otherwise stated.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

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.

Although council is not publicly accountable, Council has 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.

The Council and group has adopted the new group financial standards, PBE IPSAS 34 to PBE IPSAS 38. The adoption of these standards has not had a significant impact on the financial statements and there are no changes to accounting policies or comparative information.

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

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date when the council obtains control of the entity and ceases when the council loses control of the entity.

Control over an entity is determined when the council has exposure, or rights, to variable benefits from its involvement with the entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The council considers all relevant facts and circumstances in assessing whether it has power over another entity. For example, the ability to appoint or remove a majority of the entity's governance and management, binding arrangements the council enters into, group voting rights, and pre-determination mechanisms. The council reassesses whether or not it controls another entity if facts and circumstances change.

Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), other than the remuneration and the severance payment disclosures in Notes 24 and 25. The remuneration and severance payment disclosures are rounded to the nearest dollar.

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, except for 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.

Budget Figures

The budget figures are those approved by the council in its 2020/21 annual plan. The budget figures have been prepared in accordance with GAAP, using accounting policies that are consistent with those adopted by the council in preparing these financial statements.

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.

Critical Judgements in Applying Accounting Policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2021:

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.

Changes in Accounting Policies

There have been no changes in accounting policies from the previous year.

Note 3 Summary of Cost of Services

Accounting Policy

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.

	Revenue		Expenditure		Net Actual	Net Budget	Actual
	Actual \$000	Budget \$000	Actual \$000	Budget \$000	2020/21 \$000	2020/21 \$000	2019/20 \$000
FUNCTION							
Community Services							
Aerodrome	24	22	105	106	81	84	73
Civic Amenities	42	51	1,036	807	993	756	896
Pensioner Housing	68	65	107	107	39	41	36
Community Development	37	21	652	429	615	410	438
Library	15	17	701	659	686	642	634
Parks and Reserves	8	9	698	778	690	769	633
Cemeteries	116	85	201	180	85	95	125
TSB Pool Complex	211	222	1,056	1,163	845	941	748
Sub-Total	522	492	4,556	4,229	4,034	3,738	3,583
Democracy							
Democracy	-	-	1,148	1,097	1,148	1,097	1,154
Corporate Support	96	70	(0)	-	(96)	(70)	(86)
Sub-Total	96	70	1,148	1,097	1,052	1,027	1,068
Economy							
Economic Development	-	-	444	440	444	440	368
Council Projects	-	-	80	97	80	97	89
Information Centre	65	92	287	312	222	220	264
Farm Investment	606	507	340	389	(266)	(118)	(196)
Holiday Park	3	3	2	3	(2)	-	14
Rental Properties	32	32	69	68	38	36	40
Sub-Total	706	634	1,223	1,309	517	675	579
Environmental Services							
Building Control	361	256	901	560	540	304	184
Dog Control	141	142	205	201	64	59	53
District Plan	-	-	144	169	144	169	116
Resource Consents	97	35	225	179	128	144	136
Bylaws	(0)	1	137	141	137	140	165
Environmental Health	32	15	164	155	132	140	94
Liquor Licensing	37	35	110	115	73	80	115
Sub-Total	669	484	1,887	1,520	1,218	1,036	862
Civil Defence and Emergency Management							
Civil defence and emergency management	-	-	256	231	256	231	124
Sub-Total	-	-	256	231	256	231	124
Roading	4,019	3,830	6,382	6,324	2,363	2,493	2,991
Business Unit	328	327	292	313	(36)	(14)	6
Sub-Total	4,347	4,157	6,674	6,637	2,327	2,479	2,997
Stormwater							
Stormwater	-	-	325	328	325	328	336
Sub-Total	-	-	325	328	325	328	336
Wastewater (Sewerage)							
Wastewater (Sewerage)	71	73	911	993	839	920	834
Sub-Total	71	73	911	993	839	920	834
Solid Waste							
Solid Waste	127	83	926	858	800	775	755
Sub-Total	127	83	926	858	800	775	755
Water Supply							
Water Supply	453	445	1,636	1,904	1,183	1,459	1,261
Sub-Total	453	445	1,636	1,904	1,183	1,459	1,261
Total Activity Revenue & Expenditure	6,990	6,438	19,541	19,103	12,551	12,668	12,399
Plus: General Rates & UAGC	7,025	6,854	-	-	(7,025)	(6,854)	(6,274)
Plus: Targeted Rates	6,097	6,022	-	-	(6,097)	(6,022)	(6,126)
Total Revenue and Operating Expenditure	20,113	19,314	19,541	19,103	(572)	(209)	(1)

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.

Note 4 Rates Revenue

Accounting Policy

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.

	Council Actual 2020/21 \$000	Council Actual 2019/20 \$000
General rates	6,928	6,397
Targeted rates attributable to activities:		
- metered water supply	453	350
- other water rates - uniform annual charge	1,481	1,482
- wastewater - uniform annual charge	888	877
- solid waste - uniform annual charge	702	702
- roading	3,009	3,049
- community halls	16	16
Rate penalties	96	86
Less rates remissions	(138)	(123)
Total rates	13,437	12,836
<p>Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by Council from other local authorities for services provided by Council for which those other local authorities rate. The annual rates income of the Council for the year ended 30 June 2021 for the purposes of the LGFA Guarantee and indemnity Deed disclosure is shown below:</p>		
	Council Actual 2020/21 \$000	Council Actual 2019/20 \$000
Total Rates	13,437	12,836

Non-Rateable Land

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.

Note 5 Other Revenue

Accounting Policy

Revenue is measured at fair value. The specific accounting policies for significant revenue items are explained below:

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.

Waka Kotahi (New Zealand Transport Agency) roading subsidies

The Council receives funding assistance from Waka Kotahi, 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.

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

Sale of Land

Revenue from the Sale of Land is recognised in full when the sale and purchase agreement becomes legally enforceable, as at the date the contract becomes unconditional.

	Council		Group	
	Actual 2020/21	Actual 2019/20	Actual 2020/21	Actual 2019/20
	\$000	\$000	\$000	\$000
Grants - Toi Foundation	1	16	11	26
Grants - Taranaki Electricity Trust	103	195	106	198
Grants - Other capital contributions	15	-	15	-
Wages subsidies	-	1	-	24
Mayors Taskforce for Jobs	228	-	228	-
Ultrafast Fibre	19	-	19	-
Provincial Growth Fund / MBIE	6,965	18	6,965	18
Waka Kotahi (NZTA) Roading Subsidies	3,808	3,465	3,808	3,465
Total Subsidies and Grants	11,138	3,695	11,152	3,731
There are no unfulfilled conditions and other contingences attached to Waka Kotahi (NZTA) subsidies recognised.				
Sundry Revenue				
	Council		Group	
	Actual 2020/21	Actual 2019/20	Actual 2020/21	Actual 2019/20
	\$000	\$000	\$000	\$000
Petrol Tax	81	77	81	77
Low Interest Loan Revenue	-	2	-	2
Insurance proceeds	11	-	11	-
Dividends received	-	55	-	55
Sundry Corporate Services Revenue	48	-	48	-
Gain from sale of investments	-	-	-	-
Total Revenue	140	134	140	134
Revenue from Exchange and Non-Exchange Transactions				
	Council		Group	
	Actual 2020/21	Actual 2019/20	Actual 2020/21	Actual 2019/20
	\$000	\$000	\$000	\$000
Exchange transactions	4,164	3,253	4,213	3,305
Non-exchange transactions	25,883	24,508	25,944	24,564
Total Revenue	30,046	27,761	30,157	27,870

Note 6 Other Gains

	Council		Group	
	Actual	Actual	Actual	Actual
	2020/21	2019/20	2020/21	2019/20
	\$000	\$000	\$000	\$000
Gain on Disposal of Property, Plant and Equipment	61	260	61	260
Total Gains	61	260	61	260

Note 7 Personnel Costs**Accounting Policy****Salaries and Wages**

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes

Defined contribution schemes - Employer contributions to Kiwisaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

	Council		Group	
	Actual	Actual	Actual	Actual
	2020/21	2019/20	2020/21	2019/20
	\$000	\$000	\$000	\$000
Salaries and Wages	4,364	4,031	4,475	4,133
Increase/(Decrease) in Employee Entitlements	63	68	62	68
Total Personnel Costs	4,427	4,099	4,537	4,201

The total paid for defined contribution plan employer contributions was \$118,748 (2019/20: \$104,131), and is included in note 8, under operating expenses.

Note 8 Other Expenses**Accounting Policy****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.

	Council		Group	
	Actual	Actual	Actual	Actual
	2020/21	2019/20	2020/21	2019/20
	\$000	\$000	\$000	\$000
Losses on Disposal and other sundry expenses	122	524	122	524
Insurance premiums	160	135	167	142
Landfill Aftercare Expenses	(14)	7	(14)	7
Cost of sales - residential property	-	615	-	615
Cost of sales - subdivision	710	329	710	329
Operating Expenses	9,448	8,826	9,452	8,834
Total Other Expenses	10,426	10,436	10,437	10,451

Note 9 Interest Revenue and Finance Costs

Accounting Policy

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

	Council		Group	
	Actual 2020/21 \$000	Actual 2019/20 \$000	Actual 2020/21 \$000	Actual 2019/20 \$000
Interest Revenue				
Interest on term deposits	139	97	188	149
Total Finance Income	139	97	188	149
Finance costs				
Interest on bank borrowings	447	398	447	398
Total finance costs	447	398	447	398
Net finance costs	(308)	(301)	(259)	(249)

Note 10 Tax

Accounting Policy

Income tax expense includes components relating to current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

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 profit.

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.

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

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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

Both Council and its subsidiary, the Percy Thomson Trust, are exempt from income tax.				
	Council		Group	
	Actual 2020/21 \$000	Actual 2019/20 \$000	Actual 2020/21 \$000	Actual 2019/20 \$000
Components of Tax Expense				
Current Tax Expense	-	-	-	-
Adjustments to Current Tax in Prior Years	-	-	-	-
Deferred Tax Expense	-	-	-	-
Tax Expense	-	-	-	-
Relationship Between Tax Expense and Accounting Surplus				
Surplus/(Deficit) Before Tax	10,120	8,022	10,029	7,937
Tax at 28%	2,834	2,246	2,808	2,222
Non-deductible Expenses	(2,834)	(2,246)	(2,808)	(2,222)
Non-taxable Revenue	-	-	-	-
Tax Expense	-	-	-	-

Note 11 Cash and Cash Equivalents and Short Term Deposits

Accounting Policy

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.

	Council		Group	
	Actual 2020/21 \$000	Actual 2019/20 \$000	Actual 2020/21 \$000	Actual 2019/20 \$000
Cash at Bank and on Hand	2,256	4,082	2,388	4,123
Term Deposits Maturing Three Months or Less from Date of Acquisition	1,000	1,000	1,000	1,000
Sub-total Cash and Cash Equivalents	3,256	5,082	3,388	5,123
Term Deposits Maturing More than Three Months from Date of Acquisition	6,000	3,000	6,250	3,250
Total Cash and Cash Equivalents and Short Term Deposits	9,256	8,082	9,638	8,373

Refer to note 14 for weighted average effective interest rate for term deposits

Cash, cash equivalents and bank overdrafts include the following for the purpose of the cash flow

	Council		Group	
	Actual 2020/21 \$000	Actual 2019/20 \$000	Actual 2020/21 \$000	Actual 2019/20 \$000
Cash at Bank and on Hand	2,256	4,082	2,388	4,123
Term Deposits Maturing Three Months or Less from Date of Acquisition	1,000	1,000	1,000	1,000
Sub-total	3,256	5,082	3,388	5,123
Investments Maturing More than Three Months from Date of Acquisition	6,000	3,000	6,250	3,250
Total	9,256	8,082	9,638	8,373

Note 12 Receivables

Accounting Policy

Debtors and other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

Rates are "written-off":

- When remitted in accordance with the council's rates remission policy; and
- In accordance with the write-off criteria of section 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

	Council		Group	
	Actual 2020/21	Actual 2019/20	Actual 2020/21	Actual 2019/20
	\$000	\$000	\$000	\$000
Current Portion				
Rates Receivables	217	236	217	236
Other Receivables	5,828	668	5,831	671
Other Miscellaneous Debtors	190	-	190	-
Receivables prior to impairment	6,235	904	6,238	907
Less Provision for Impairment	-	-	-	-
Total Current Portion of Receivables	6,235	904	6,238	907
Non-Current Portion				
Other Receivables	19	23	19	23
Total Non-Current Portion of Receivables	19	23	19	23
Total Receivables	6,254	927	6,257	930
Total Receivables Comprise:				
<i>Receivables from non-exchange transactions</i>				
Rates receivables	217	236	217	236
Other receivables from non-exchange transactions	5,904	591	5,907	594
Total receivables from non-exchange transactions	6,121	827	6,124	830
<i>Receivables from exchange transactions</i>				
Other receivables from exchange transactions	133	100	133	100
Total receivables from exchange transactions	133	100	133	100
The Chief Executive approved the write-off of rates receivables during the year under the Local Government (Rating) Act 2002 as follows:				
- Section 90A:\$Nil (2020:Nil)				
- Section 90B:\$Nil (2020:Nil)				

Previous Accounting Policy

In the previous year, the allowance for credit losses was based on the incurred credit loss model. An allowance for credit losses was recognised only when there was objective evidence that the amount due would not be fully collected.

Note 13 Inventories

Accounting Policy

Inventories are held for distribution for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or a nominal charge) distribution or use. Inventories are measured as follows:

- Non-commercial: measured at cost, adjusted for any loss of service potential.
- Commercial: measured at the lower of cost and net realisable value. .

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Any write-down from cost to net realisable value or for the loss of service potential is recognised in surplus or deficit in the year of the write-down.

When land held for development and future resale is transferred from investment property/property, plant and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs, which are capitalised to property, plant and equipment.

	Council		Group	
	Actual	Actual	Actual	Actual
	2020/21	2019/20	2020/21	2019/20
	\$000	\$000	\$000	\$000
Assets held for resale	-	610	-	610
Total Inventories	-	610	-	610

The write-down of inventory during the year was NIL (2019/20: NIL). There have been no reversals of write-downs (2020: NIL). No inventory is pledged as security for liabilities.

Note 14 Other Financial Assets

Accounting Policy

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.

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.

	Interest Rate	Council		Group	
		Actual 2020/21 \$000	Actual 2019/20 \$000	Actual 2020/21 \$000	Actual 2019/20 \$000
Current Portion					
<i>Loans and Receivables</i>					
Financial Assets Available for Sale		-	-	50	50
LGFA Borrowers Notes					
Maturity April 2021	0.91%	-	32	-	32
Maturity May 2021	2.22%	-	24	-	24
Maturity April 2022	2.41%	32	-	32	-
Total Current Portion		32	56	82	106
Non-current Portion					
Financial Assets Available for Sale		-	-	552	677
LGFA Borrowers Notes					
Maturity April 2022	2.41%	-	32	-	32
Maturity April 2023	1.15%	16	16	16	16
Maturity May 2023	3.06%	24	24	24	24
Maturity April 2024	0.74%	25	-	25	-
Maturity May 2024	2.13%	32	32	32	32
Maturity April 2025	2.98%	32	32	32	32
Maturity December 2025	0.64%	93	-	93	-
Maturity April 2026	1.62%	16	16	16	16
Maturity April 2026	1.27%	25	-	25	-
Maturity April 2027	3.25%	24	24	24	24
Maturity April 2027	0.98%	16	16	16	16
Maturity May 2028	1.72%	25	-	25	-
Maturity December 2032	1.47%	88	-	88	-
Community Loan - Stratford A & P Association		7,180	-	7,180	-
Listed Shares		681	673	681	673
Total Non-current Portion		8,276	865	8,828	1,542
Total Other Financial Assets		8,308	921	8,910	1,648

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 face value of the community loan is \$7,180,000 (2020: \$Nil). The purpose of the loan was to assist the Stratford A and P Association to purchase land to enable development of a multi-purpose facility, focusing on equestrian, motorsport, educational and sporting activities.

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 2020/21 \$000	Actual 2019/20 \$000	Actual 2020/21 \$000	Actual 2019/20 \$000
Short Term Deposits				
Short term deposits with maturities of 3 months or less	1,000	1,000	1,000	1,000
<i>Average maturity</i>	91 days	66 days	91 days	66 days
<i>Weighted average Effective Interest Rate</i>	0.68%	1.52%	0.68%	1.52%
Short term deposits with maturities of more than 3 months but less than 12 months	6,000	3,000	6,250	3,250
<i>Average maturity</i>	116 days	116 days	124 days	132 days
<i>Weighted average Effective Interest Rate</i>	0.83%	1.81%	0.83%	1.81%
Total	7,000	4,000	7,250	4,250

Note 15 Property, Plant and Equipment

Accounting Policy

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

- **Operational Assets** – These include land, buildings, library books, plant and equipment, motor vehicles, furniture and fittings, and office equipment.
- **Restricted Assets** – Restricted assets are mainly parks and reserves owned by the council and group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- **Infrastructure Assets** - Infrastructure assets are the fixed utility systems owned by the council and group. Each asset class includes all items that are required for the network to function. For example wastewater reticulation includes reticulation piping and wastewater pump stations.

Property, plant and equipment classes of assets whose fair value can be measured reliably shall be carried at a revalued amount (except land under roads), 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:

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

Revaluation

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 January 2020 at fair value as determined from market-based evidence. Telfer Young have advised that COVID-19 had no impact on these valuations.

Council's infrastructure assets consisting of Stormwater, Waste Water and Water Supply were revalued by Infrastructure Associates Ltd, independent valuers, as at 1 July 2018 in accordance with Financial Reporting Standard (PBE IPSAS 17) and the New Zealand Infrastructure Asset Valuation and Depreciation Guidelines.

Roading assets (except land under roads) were revalued by the independent valuers, Calibre Consultants Ltd, as at 1 July 2018. A fair value assessment was done as at 30 June 2021 and as the new valuation was considered material, the roading assets have been adjusted accordingly.

Roading Corridor Land is valued on the fair value of adjacent land. This assumes land in its bare state without the benefit of roading, water supply, sewer etc. The valuation takes into consideration the sale of vacant land in the area which is suitably adjusted to reflect an unimproved state.

Land under roads was valued based on fair value provided by previous valuations in 2016 of the Roothing Network. This valuation was carried out by Calibre Consultants Ltd. Council elected to use the fair value of Land under Roads as at 1 July 2016 as the deemed cost. Land under roads is no longer revalued.

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

Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where the results in a debit balance in the revaluation reserve, the balance is recognised surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of the impairment loss is also recognised in surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in surplus or deficit.

Value in use for non-cash generating assets

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

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

Value in use for cash-generating assets

Cash generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cashflow.

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.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably.

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

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

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

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

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:

	Years	Rate
<i>Buildings</i>	10-100	1% to 10%
<i>Plant</i>	5-10	10% to 20%
<i>Motor Vehicles</i>	5	20%
<i>Fixtures and Fittings</i>	5-10	10% to 20%
<i>Office Equipment</i>	4-10	10% to 25%
<i>Roading Base course</i>	15-80	1.25% to 6.66%
<i>Roading Seal</i>	2-16	6.25% to 50%
<i>Roading Culverts</i>	20-80	1.25% to 5%
<i>Roading Sumps</i>	80	1.25%
<i>Signs</i>	10	10%
<i>Bridges (including Tunnels)</i>	60-100	1% to 1.66%
<i>Footpaths</i>	20-80	1.25% to 5%
<i>Streetlights</i>	30	3.33%
<i>Stormwater</i>	20-80	1.25% to 5%
<i>Water Supply Treatment</i>	20-120	0.83% to 5%
<i>Water Supply Reticulation</i>	20-120	0.83% to 5%
<i>Wastewater Treatment</i>	40-80	1.25% to 2.5%
<i>Wastewater Reticulation</i>	40-80	1.25% to 2.5%
<i>Street Beautification</i>	10-100	1% to 10%

Insurance of Assets

The following information relates to the insurance of Council assets as at 30 June:		
	2021 \$000	2020 \$000
The total book value of all Council assets covered by insurance contracts	20,956	21,156
The maximum amount to which insured assets are insured	48,080	51,317
The total book value of all Council assets covered by financial risk-sharing arrangements	34,633	32,320
The total replacement cost of all Council assets covered by financial risk-sharing arrangements	26,164	55,249
Maximum amount available to the Council under financial risk-sharing arrangements	10,466	22,100
Total value of assets that are self-insured	-	-
Value of funds maintained for self-insurance	-	-
In the event of natural disaster, central government may contribute up to 60% towards the restoration of water, drainage, and wastewater assets, and provide a subsidy towards the restoration of roads.		

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	Cost /	Accumulated	Carrying	Assets	Assets	Disposals /	Transfers	Depreciation	Depreciation	Depreciation	Revaluation	Cost /	Accumulated	Carrying
	Valuation	Depreciation and Impairment	Amount	constructed by Council	transferred to Council	Impairment			Reversed on Revaluation	Reversed on Disposal	Surplus (incl of depreciation reversed on revaluation)	Valuation	Depreciation and Impairment	Amount
	1 July 2019			Current Year								30 June 2020		
2020	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council Operational Assets														
Land	8,742	-	8,742	18	-	(95)	-	-	-	-	333	8,998	-	8,998
Buildings	10,823	1,283	9,540	94	-	(675)	-	416	(1,132)	(177)	(173)	8,937	390	8,547
Surplus Properties	119	-	119	-	-	-	-	-	-	-	49	168	-	168
Plant	540	274	266	68	-	(8)	-	40	-	(8)	-	600	306	294
Motor Vehicles	312	160	152	55	-	(25)	-	19	-	(20)	-	342	159	183
Furniture/Fittings	491	267	224	11	-	-	-	19	-	-	-	502	286	216
Office Equipment	1,200	772	429	78	-	(61)	-	73	-	(61)	-	1,217	784	434
Library Books	662	320	342	40	-	-	-	40	-	-	-	702	360	342
Work In Progress - Buildings	-	-	-	1	-	-	-	-	-	-	-	1	-	1
Work in progress - plant and equip	22	-	22	-	-	-	(22)	-	-	-	-	-	-	-
Work In Progress - Land	378	-	378	-	-	-	(361)	-	-	-	-	17	-	17
Total Operational Assets	23,289	3,076	20,214	365	-	(864)	(383)	607	(1,132)	(266)	208	21,484	2,285	19,200
Council Restricted Assets														
Land	7,235	-	7,235	16	-	(77)	-	-	-	-	1,738	8,912	-	8,912
Buildings	5,134	692	4,442	94	6,786	-	-	416	(693)	-	(878)	10,443	415	10,028
Street Beautification	1,604	219	1,385	90	-	-	-	20	-	-	-	1,694	239	1,455
Rubbish Bins	203	-	203	-	-	-	-	-	-	-	-	203	-	203
Work In Progress - Street Beautif	90	-	90	-	-	-	(22)	-	-	-	-	68	-	68
Work In Progress - Buildings	15	-	15	34	-	-	(15)	-	-	-	-	34	-	34
Total Restricted Assets	14,281	911	13,370	233	6,786	(77)	(37)	436	(693)	-	860	21,353	654	20,699
Council Infrastructure Assets														
Water Supply														
- Reticulation and other assets	11,625	226	11,401	370	-	(191)	-	243	-	(8)	-	11,808	458	11,350
- Treatment plants and facilities	4,044	158	3,886	30	-	(3)	-	170	-	(1)	-	4,065	327	3,738
Wastewater System														
- Reticulation and other assets	6,990	244	6,746	546	-	(8)	-	250	-	-	-	7,528	494	7,033
- Treatment plants and facilities	1,496	44	1,452	601	-	-	-	46	-	(2)	-	2,096	90	2,007
Stormwater System	8,009	138	7,872	496	-	(36)	-	141	-	-	-	8,469	278	8,192
Roading Network	190,979	2,449	188,531	4,044	-	-	-	2,452	-	-	-	195,023	4,901	190,123
Land Under Roads	53,639	-	53,639	745	-	-	-	-	-	-	-	54,384	-	54,384
Bridges	12,348	352	11,996	181	-	-	-	352	-	-	-	12,529	704	11,826
Work in Progress - Roading	-	-	-	18	-	-	-	-	-	-	-	18	-	18
Work In Progress - Subdivision - Land under roads	745	-	745	-	-	-	(745)	-	-	-	-	-	-	-
Work in Progress - Subdivision - 3 waters	1,090	-	1,090	-	-	-	(1,090)	-	-	-	-	-	-	-
Work In Progress - Wastewater Tr	564	-	564	-	-	-	(564)	-	-	-	-	-	-	-
Work In Progress - Water Reticul	116	-	116	37	-	-	-	-	-	-	-	153	-	153
Total Infrastructure Assets	291,646	3,610	288,038	7,068	-	(238)	(2,399)	3,655	-	(11)	-	296,074	7,252	288,823
Total Council	329,215	7,598	321,621	7,666	6,786	(1,179)	(2,819)	4,697	(1,825)	(277)	1,067	338,911	10,191	328,722
Subsidiaries														
Buildings	1,649	197	1,452	94	-	-	-	69	(197)	-	141	1,687	70	1,618
Land	193	-	193	-	-	-	-	-	-	-	42	235	-	235
Furniture & Fittings	104	35	71	-	-	-	-	5	-	-	-	104	40	66
Office Equipment	7	5	2	4	-	-	-	1	-	-	-	11	6	5
Work in Progress - buildings	50	-	50	-	-	-	(50)	-	-	-	-	-	-	-
Arboretum	45	3	42	-	-	-	-	1	(4)	-	8	49	0	48
Total Subsidiaries Assets	2,049	240	1,810	98	-	(50)	(50)	76	(200)	-	190	2,086	116	1,972
Total Group	331,264	7,839	323,432	7,764	6,786	(1,179)	(2,869)	4,773	(2,025)	(277)	1,257	340,998	10,307	330,694

Estimate of Replacement Cost

	Council	
	Most recent estimate of replacement cost	Date of Estimate
	2020/21	
	\$000	
2021		
Water Supply		
- Reticulation and other assets	20,272	30 June 2021
- Treatment plants and facilities	6,049	30 June 2021
Wastewater System		
- Reticulation and other assets	23,725	30 June 2021
- Treatment plants and facilities	3,389	30 June 2021
Stormwater System	14,858	30 June 2021
Roads and Footpaths	383,879	30 June 2021
2020		
Water Supply		
- Reticulation and other assets	19,774	30 June 2020
- Treatment plants and facilities	5,889	30 June 2020
Wastewater System		
- Reticulation and other assets	22,961	30 June 2020
- Treatment plants and facilities	3,339	30 June 2020
Stormwater System	14,616	30 June 2020
Roads and Footpaths	345,970	30 June 2020

Work in Progress

Property, plant and equipment in the course of construction by class of asset is summarised below, and included in Note 15 above

	Council	
	2020/21	2019/20
	\$000	\$000
Infrastructure Assets		
Water Supply		
- Reticulation	1,052	153
- Treatment	101	-
Wastewater System		
- Reticulation	1	-
- Treatment	1	-
Stormwater System	-	-
Roads and Footpaths	-	18
Operational assets		
- Land	19	17
- Buildings	21	1
Restricted Assets		
- Street beautification	19	68
- Buildings	6,272	34

Depreciation and Amortisation Expense by Group of Activity

	Council	
	Actual 2020/21 \$000	Actual 2019/20 \$000
Directly attributable depreciation and amortisation by group of activity		
Community Services	771	758
Democracy	-	-
Economy	54	65
Environmental Services	4	7
Roading	2,732	2,804
Stormwater Drainage	130	141
Wastewater (Sewerage)	269	296
Solid Waste	30	28
Water Supply	368	421
Total directly attributable depreciation and amortisation by group of activity	4,359	4,521
Depreciation and amortisation not directly related to group of activities	267	263
Total depreciation and amortisation expense	4,626	4,784

Note 16 Intangible Assets – Council and Group

Accounting Policy

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 – 10% to 33 1/3%.

	Cost / Valuation	Accumulated Amortisation and Impairment	Carrying Amount	Additions	Disposals	Transfers	Current Year Impairment Charges	Depreciation Reversed on Disposal	Current Year Amortisation	Cost / Valuation	Accumulated Amortisation and Impairment	Carrying Amount
2021	1/07/2020			Current Year						30 June 2021		
	\$000	\$000	\$000	\$000	\$000		\$000	\$000	\$000	\$000	\$000	\$000
Work in Progress	5	-	5	-	-	(5)	-	-	-	-	-	-
Computer Software	1,504	944	560	60	(265)		-	(225)	82	1,298	801	497
Total	1,509	944	565	60	(265)	(5)	-	(225)	82	1,298	801	497
2020	1/07/2019			Current Year						30 June 2020		
	\$000	\$000	\$000	\$000	\$000		\$000	\$000	\$000	\$000	\$000	\$000
Work in progress	5	0	5	0	-		0	-	0	5	-	5
Computer Software	1436	860	576	71	(3)		0	(3)	87	1504	944	560
Total	1441	860	581	71	(3)		0	(3)	87	1509	944	565
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.												

Note 17 Payables and Deferred Revenue

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

	Council		Group	
	Actual	Actual	Actual	Actual
	2020/21	2019/20	2020/21	2019/20
	\$000	\$000	\$000	\$000
Current Portion				
<i>Payables and deferred revenue under exchange transactions:</i>				
Trade Payables and Accrued Expenses	3,635	1,191	3,648	1,201
Deposits and Bonds	191	118	191	118
Revenue Received in Advance	105	83	106	93
Total	3,931	1,392	3,945	1,412
<i>Payables and deferred revenue under non-exchange transactions:</i>				
Other Taxes Payable (GST)	329	401	329	401
Revenue received in advance - PGF and MBIE funding	1,766	752	1,766	752
Revenue received in advance - Three Waters Reform funding	1,195	-	1,195	-
Rates in Advance	280	278	280	278
Total	3,570	1,431	3,570	1,431
Total Current Portion	7,501	2,823	7,515	2,843

Note 18 Provisions

Accounting Policy

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.

	Council		Group	
	Actual	Actual	Actual	Actual
	2020/21	2019/20	2020/21	2019/20
	\$000	\$000	\$000	\$000
Current Portion				
Landfill Aftercare Provision	7	11	7	11
Total Current Portion	7	11	7	11
Non-current Portion				
Landfill Aftercare Provision	18	45	18	45
Total Non-Current Portion	18	45	18	45
Total Provisions	25	56	25	56
Movements for the Landfill Aftercare provision are as follows:				
	Council		Group	
	Actual	Actual	Actual	Actual
	2020/21	2019/20	2020/21	2019/20
	\$000	\$000	\$000	\$000
Opening Balance	56	55	56	55
Additional Provision Made	-	-	-	-
Amounts used	(31)	1	(31)	1
Closing Balance 30 June	25	56	25	56

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 5.0% (2019/20: 5.0%).

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

Note 19 Employee Entitlements

Accounting Policy

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.

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.

	Council		Group	
	Actual 2020/21 \$000	Actual 2019/20 \$000	Actual 2020/21 \$000	Actual 2019/20 \$000
Current Portion				
Annual Leave	243	183	249	190
Total Current Portion	243	183	249	190
Non-Current Portion				
Retirement Gratuities	52	49	52	49
Total Non-Current Portion	52	49	52	49
Total Employee Entitlements	295	232	301	239

Note 20 Borrowings

Accounting Policy

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.

	Council		Group	
	Actual	Actual	Actual	Actual
	2020/21	2019/20	2020/21	2019/20
	\$000	\$000	\$000	\$000
Current Portion				
Committed cash advance facility	-	-	-	-
Secured Loans	2,000	3,500	2,000	3,500
Total Current Portion	2,000	3,500	2,000	3,500
Non-Current Portion				
Secured Loans	20,200	12,000	20,200	12,000
Total Non-Current Portion	20,200	12,000	20,200	12,000
Total Borrowings	22,200	15,500	22,200	15,500
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	Actual	Actual	Actual
	2020/21	2019/20	2020/21	2019/20
	\$000	\$000	\$000	\$000
Less than one year	2,000	3,500	2,000	3,500
Later than one year but not more than five years	13,200	6,500	13,200	6,500
Later than five years	7,000	5,500	7,000	5,500
Total Borrowings	22,200	15,500	22,200	15,500
The weighted average effective interest rate for 2020/21 is 2.18% (2019/20 2.55%).				

Internal Borrowing

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 2020 of \$1,430,795 at the weighted average interest rate as at 31 December 2020 of 2.18%. The Water Supply activity has been charged the cost of \$31,191. The sum of \$80,000 was repaid at the end of the year. The balance as at 30 June 2021 is \$1,350,795.

A breakdown of each loan with the LGFA and respective details is listed below:					
	Maturity date	Interest rate 2020/21	Interest rate 2019/20	Actual 2020/21 \$000	Actual 2019/20 \$000
Current					
LGFA Bond issue	April 2021	0.00%	1.31%	\$0	\$2,000
LGFA Bond issue	May 2021	0.00%	2.62%	\$0	\$1,500
LGFA Bond issue	April 2022	2.81%	2.81%	\$2,000	\$0
Total Current borrowings				\$2,000	\$3,500
Non-current					
LGFA Bond issue	April 2022	-	2.81%	\$0	\$2,000
LGFA Bond issue	April 2023	1.55%	-	\$1,000	\$1,000
LGFA Bond issue	May 2023	3.47%	3.47%	\$1,500	\$1,500
LGFA Bond issue	April 2024	1.14%	-	\$1,000	\$0
LGFA Bond issue	May 2024	2.53%	2.53%	\$2,000	\$2,000
LGFA Bond issue	April 2025	3.38%	3.38%	\$2,000	\$2,000
LGFA Bond issue	December 2025	1.04%	-	\$3,700	\$0
LGFA Bond issue	April 2026	1.67%	-	\$1,000	\$0
LGFA Bond issue	April 2026	2.02%	-	\$1,000	\$1,000
LGFA Bond issue	April 2027	1.38%	-	\$1,000	\$1,000
LGFA Bond issue	April 2027	3.65%	3.65%	\$1,500	\$1,500
LGFA Bond issue	May 2028	2.12%	-	\$1,000	\$0
LGFA Bond issue	December 2032	1.87%	-	\$3,500	\$0
Total non-current borrowings				\$20,200	\$12,000
Total Borrowings				\$22,200	\$15,500

Note 21 Equity

Accounting Policy

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.

	Council		Group	
	Actual	Actual	Actual	Actual
	2020/21 \$000	2019/20 \$000	2020/21 \$000	2019/20 \$000
Accumulated Funds - 1 July	181,353	174,920	183,109	176,761
Transfers to:				
Restricted Reserves	(162)	(97)	(162)	(97)
Council Created Reserves	(5,094)	(5,567)	(5,094)	(5,567)
Transfers from:				
Council Created Reserves	3,691	3,953	3,691	3,953
Restricted Reserves	37	35	37	35
Revaluation reserve disposal of building	-	87	-	87
Profit / (Loss) for the year	10,120	8,022	10,029	7,937
Balance at 30 June	189,944	181,353	191,609	183,109
Restricted Reserves - 1 July	650	587	650	587
Transfers to:				
Accumulated Funds	(37)	(35)	(37)	(35)
Transfers from:				
Accumulated Funds	162	97	162	97
Balance at 30 June	775	650	775	650
Fair Value through other comprehensive revenue and expense - 1 July	(410)	(349)	(410)	(349)
Loss on sale of financial assets at fair value through other comprehensive income	-	-	-	-
Revaluation Gains/(Losses) on Investments Carried at Fair Value	9	(61)	9	(61)
Balance at 30 June	(401)	(410)	(401)	(410)
Council Created Reserves - 1 July	5,734	4,120	5,734	4,120
Transfers to:				
Accumulated Funds	(3,691)	(3,953)	(3,691)	(3,953)
Transfers from:				
Accumulated Funds	5,094	5,567	5,094	5,567
Balance at 30 June	7,137	5,734	7,138	5,734
Asset Revaluation Reserves - 1 July	133,904	132,837	135,111	133,854
Revaluation reserve disposal of buildings	-	(87)	-	(87)
Revaluation Gains/(Losses)	37,875	1,154	37,875	1,344
Balance at 30 June	171,779	133,904	172,986	135,111
Total Other Reserves - 30 June	179,290	139,878	180,496	141,084
Asset Revaluation Reserves consist of:				
Operational Assets				
Land	6,577	6,577	6,687	6,687
Buildings	5,150	5,150	6,247	6,247
Restricted Assets				
Wastewater System	5,451	5,451	5,451	5,451
Water System	3,983	3,983	3,983	3,983
Stormwater System	6,081	6,081	6,081	6,081
Roading Network	139,769	101,894	139,769	101,894
Land	3,875	3,875	3,875	3,875
Buildings	895	895	895	895
Total	171,779	133,904	172,986	135,111

Note 21 Equity continued

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 Reserve

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.

Turf Replacement Reserve

This reserve was created to accumulate funds annually to contribute towards the replacement of the hockey turf, when required.

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.

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 2020	into fund	out of fund	30 June 2021
		\$000	\$000	\$000	\$000
2021	Activities to which the reserve relates				
Restricted Reserves					
Elsie Fraser Bequest Reserve	Pensioner Housing	66	22	(37)	51
Financial Contributions Reserve	All activities	583	140	-	723
Total		649	162	(37)	774
<hr/>					
		Balance	Transfers	Transfers	Balance
		1 July 2020	into fund	out of fund	30 June 2021
		\$000	\$000	\$000	\$000
2021	Activities to which the reserve relates				
Council Created /Targeted Rate Reserves					
General Renewal Reserve		3,256	1,207	(355)	4,108
Contingency Reserve	All activities	505	11	(11)	505
Asset Sale Proceeds Reserve	All activities	1,024	140	-	1,164
Staff Gratuities Reserve	All activities	147	3	(5)	145
Mayor's Relief Fund Reserve	Community	4	-	-	4
Turf Replacement Reserve	Community	20	11	-	31
Stormwater Reserve	Stormwater	258	135	(50)	343
Roading Renewals Reserve	Roading	745	2,845	(2,844)	745
Water Supply Reserve	Water Supply	(708)	384	62	(262)
Solid Waste Reserve	Waste Management	147	33	(102)	78
Wastewater Reserve	Wastewater	338	326	(385)	278
Total		5,735	5,094	(3,691)	7,140
<hr/>					
		Balance	Transfers	Transfers	Balance
		1 July 2019	into fund	out of fund	30 June 2020
		\$000	\$000	\$000	\$000
2020	Activities to which the reserve relates				
Restricted Reserves					
Elsie Fraser Bequest Reserve	Pensioner Housing	69	32	(35)	66
Financial Contributions Reserve	All activities	518	65	-	583
Total		587	97	(35)	649
<hr/>					
		Balance	Transfers	Transfers	Balance
		1 July 2019	into fund	out of fund	30 June 2020
		\$000	\$000	\$000	\$000
2020	Activities to which the reserve relates				
Council Created and Targeted Rate Reserves					
General Renewal Reserve	All activities	2,493	1,135	(372)	3,256
Contingency Reserve	All activities	505	14	(14)	505
Asset Sale Proceeds Reserve	All activities	623	401	-	1,024
Staff Gratuities Reserve	All activities	144	4	(1)	147
Mayor's Relief Fund Reserve	Community	4	1	(1)	4
Turf Replacement Reserve	Community	10	10	-	20
Stormwater Reserve	Stormwater	271	149	(162)	258
Roading Renewals Reserve	Roading	746	2,825	(2,826)	745
Water Supply Reserve	Water Supply	(1,049)	642	(301)	(708)
Waste Management Reserve	Waste Management	193	34	(80)	147
Wastewater Reserve	Wastewater	181	353	(196)	338
Total		4,120	5,567	(3,953)	5,735

Note 22 Commitments

	Council		Group	
	Actual 2020/21	Actual 2019/20	Actual 2020/21	Actual 2019/20
	\$000	\$000	\$000	\$000
Financial Commitments				
Not later than one year	6,994	6,891	6,994	6,891
Later than one year and not later than five years	1,112	8,009	1,112	8,009
Later than five years	-	-	-	-
Total	8,106	14,900	8,106	14,900
Operating Leases as a Lessor				
Not later than one year	3	3	35	18
Later than one year and not later than five years	12	12	80	26
Later than five years	69	72	69	72
Total	84	87	184	116
Capital Commitments				
Aquatic Centre	15,317	-	15,317	-
Bike park and pump track	321	-	321	-
Roading network	2,628	5,242	2,628	5,242
Roading network - council subdivision	-	159	-	159
(The amount for the council subdivision relates mainly to the roading network with some other incidental costs related to wastewater, water and stormwater assets)				
Total	18,266	5,401	18,266	5,401

Non-financial commitments

- Council is committed to a 50/50 sharemilking agreement with the current sharemilker to 31 May 2022.
- Council is committed to various leases of rental properties for terms ranging up to 33 years with perpetual rights of renewal in two cases.
- Council is committed to a number of leases on reserves to various sports and other community bodies for varying terms.
- Council is committed to ground leases for the aerodrome club buildings, and private hangars for terms of up to 20 years.
- Quotable Value NZ Ltd will provide valuation services to Council for the period to 30 June 2026.
- AA Drivers Licensing have given Council an agency relationship to 30 September 2021.
- The Information Centre has various commission agreements with tourism providers.

Note 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 2021 there are 6 properties, with 7 facilities, having an

approximate value of \$940,000 (2020 - 6 properties with 7 facilities - \$1.01 million). The estimate has been based on rating valuations for the district that were performed effective August 2020.

Contingent Liabilities

Local Government Funding Agency (LGFA)

The Council is a guarantor of the New Zealand Local Government Funding Agency (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a current credit rating from Standard and Poor's of AAA for local currency and a foreign currency rating of AA+as at 22 February 2021.

As at 30 June 2021, the Council is one of 63 local authority guarantors with NZ LGFA. Together with the other guarantors, the Council is a guarantor of all of the LGFA's borrowings. At 30 June 2021, NZ LGFA had borrowings totalling \$14.42 billion (2020: \$11.90 billion).

PBE Accounting Standards require the council to recognise the guarantee liability by applying the 12-month expected credit loss (ECL) model (as fair value could not be reliably measured at initial recognition), and subsequently at the higher of the provision for impairment at balance date determined by the ECL model and the amount initially recognised. The Council has assessed the 12-month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the Council has not recognised a liability.

The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

Building Act Claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities relating to the issue of building consents and inspection of work done. At the date of these financial statements, one matter under that Act indicating a potential liability has been brought to the Council's attention.

Note 24 Related Party Transactions

Related party disclosures have not been made for transactions with related parties that are:

- Within a normal supplier or client/recipient relationship; and
- On terms and conditions no more ore less favourable than those that is reasonable to expect the council and group would have adopted in dealing with the party at arm's length in the same circumstances.

Further, no disclosure has been made for transactions with entities within the council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

	Actual 2020/21 \$000	Actual 2019/20 \$000
Percy Thomson Trust		
Grant received from the Council	50	50
Rent received from Council for the Information Centre (lease terminated by Council on 28 February 2021)	12	18
Fees paid to Council for administration services	21	21
Key Management Personnel Compensation	Actual 2020/21	Actual 2019/20
<i>Councillors</i>		
Full time equivalent members	11	11
Remuneration		
Mayor - N Volzke	\$86,276	\$83,501
Councillors:		
J Sandford	\$25,965	\$24,307
K Squire (to October 2019)	\$0	\$6,532
A Jamieson	\$34,953	\$32,094
J Erwood	\$24,967	\$23,414
G Kelly (to October 2019)	\$0	\$6,532
G Boyde	\$28,712	\$26,657
K Walsh (to October 2019)	\$0	\$6,532
R Coplestone	\$24,967	\$23,414
G Webby	\$24,967	\$23,414
P Dalziel	\$24,967	\$23,414
A Harris (from October 2019)	\$24,967	\$17,545
M McKay (from October 2019)	\$24,967	\$17,545
V Jones (from October 2019)	\$24,967	\$17,545
	\$350,675	\$332,446
<i>Senior Management Team, including the Chief Executive</i>		
Full time equivalent members	5	5
Remuneration	\$859,000	\$744,000
Total full time equivalent personnel	16	16
Total key management personnel remuneration	\$1,209,675	\$1,076,446

Note 25 Remuneration

	Actual 2020/21 \$	Actual 2019/20 \$
Chief Executive		
The Chief Executive of Stratford District Council was appointed under section 42 of the Local Government Act 2002 as from 5 January 2017 and received the following remuneration for the year ended 30 June 2021:		
Salary (including a back pay effective from September 2017)	255,933	190,000
Superannuation Subsidy (Kiwisaver)	7,677	5,700
<i>As at 30 June 2021 the annual remuneration package that was being received by the Chief Executive was calculated at \$220,000. This remuneration excludes Kiwisaver contributions.</i>		
Total Chief Executive Remuneration	263,610	195,700
Council employee remuneration by band	30 June 2021	30 June 2020
<i>Total annual remuneration by band</i>		
Less than \$60,000	41	40
\$60,000 - \$79,999	15	15
\$80,000 - \$99,999	10	6
\$100,000 - \$159,999	7	6
\$180,000 - \$199,999	0	1
\$220,000 - \$240,000	1	0
Total employees	74	68
Council Employee Numbers	30 June 2021	30 June 2020
Number of employees (at 30 June)	Actual	Actual
Full-time employees	44	39
Part-time employees (including casual employees)	30	29
Total employees	74	68
NB - A full-time equivalent is determined on the basis of a 40 hour working week.		
Full-time equivalent employees		
Full-time employees	44	39
Part-time employees (in full-time equivalents)	14	16
Total full-time equivalent employees	58	55

Note 26 Severance Payments

For the year ended 30 June 2021, the Council made two severance payments to employees totalling \$25,200 (2019/20 - one payment, \$18,000). The value of each of the severance payments was \$10,200 and \$15,000.

Note 27 Events After the Balance Date

On 17 August 2021 New Zealand moved to Covid Delta Alert Level 4. On the 31st of August all of New Zealand south of Auckland moved to Alert Level 3. On the 7th of September 2021 New Zealand except Auckland moved into Alert Level 2 on which the Stratford District still complies with. No significant impact of these level changes are anticipated.

On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated “all in” approach. The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities and the control and governance of these entities. Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024.

Note 28 Financial Instruments

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

	Council		Group	
	Actual 2020/21 \$000	Actual 2019/20 \$000	Actual 2020/21 \$000	Actual 2019/20 \$000
FINANCIAL ASSETS				
Loans and receivables				
Cash and cash equivalents - Cash	3,256	5,082	3,388	5,123
Short Term Deposits	6,000	3,000	6,250	3,250
Receivables	6,235	904	6,238	907
Community Loan	7,180	-	7,180	-
Total	22,671	8,985	23,056	9,280
Held to maturity				
Other financial assets:				
LGFA Borrower Notes	447	248	447	248
Total	447	248	447	248
Fair value through other comprehensive revenue and expense				
Other financial assets:				
Local authority stock and Bonds	-	-	552	677
Listed shares	681	673	681	673
Total	681	673	1,233	1,350
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
Payables and deferred revenue	3,931	1,392	3,945	1,412
Borrowings:				
Secured loans	22,200	15,500	22,200	15,500
Total	26,131	16,892	26,145	16,912

Note 29 Explanation of Significant Variances Between Actual and Budget

Explanations for major variations from Council's estimated figures in the 2020/21 Annual Plan are as follows:

Statement of Comprehensive Revenue and Expense

Income is higher than anticipated due to the following:

- Revenue received from the sale of land in the council led subdivision was less than budget, as at the time the budget was set, it was assumed that not as many sections would have sold prior to 30 June the previous year.
- Grant revenue was higher than budget due to the receipt of Provincial Growth Funding that was not budgeted for.
- Roading infrastructure assets were revalued at fair value as at 30 June 2021, and as there was a significant increase over the carrying amount this has been reflected in these accounts.

Statement of Financial Position

- Cash was less than budget as surplus funds were placed on short term deposits.
- Short term deposits were higher than budget due to the additional funds council received during the year for Provincial Growth Fund and central government stimulus funding.
- Receivables were higher than budget due to further funds invoiced for the above projects.
- Other financial assets include the loan to the Stratford A & P Association, which was not budgeted.
- Roading infrastructure assets were revalued at fair value as at 30 June 2021, and as there was a significant increase over the carrying amount this has been reflected in these accounts.
- Payables are higher than budget due the portion of government grant funding for projects that was received in advance, in addition to the higher than normal value of trade creditors at year end as a direct result of the extra capital projects in progress.
- Payables are higher than budget due the portion of government grant funding for projects that was received in advance, in addition to the higher than normal value of trade creditors at year end as a direct result of the extra capital projects in progress.

Note 30 District Licensing Committee Disclosure

	2020/21	2019/20
<u>Income from Fees:</u>		
Licence Applications	\$36,502	\$32,085
Liquor Licencing Authority Levies	\$703	\$1,508
Total Income	\$37,205	\$33,593
<u>Expenditure:</u>		
Licencing Inspectors	\$50,522	\$47,767
District Licensing Committee Fees	\$2,896	\$3,009
Liquor Licencing Authority Levies	\$1,035	\$1,330
Other operating Costs Relating to Enforcement	\$2,418	\$1,415
Total Expenditure	\$56,871	\$53,521

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.

Note 31 Joint Committee – Central Landfill

During the 2017/18 year the Council agreed with South Taranaki District Council (STDC) and New Plymouth District Council (NPDC) tasked with developing a new landfill and operating it following the closure of the Colson Road Landfill. Each Council's share of capital contributions, distribution of any operating surplus or apportionment of any operating deficit has been agreed as follows: NPDC 66.4%, STDC 27.1% and SDC 6.5%. As at 30 June 2021, no additional capital contributions were made (2019/20: \$0 million)

In November 2018, the Joint Committee made the decision to suspend further development of the Central Landfill. Waste is now being disposed of at Bonny Glen, in the Rangitikei District, under a 35 year contract with Midwest Disposals Ltd who operate the landfill. As there was no alternative use for the proposed central landfill in Taranaki, all capital costs incurred have been written off to surplus or deficit. As at 30 June 2021 an amount of \$1,950 has been retained by the central Landfill Joint Committee for Stratford District Council's share of future operational costs.

Funding Impact Statements

Funding Impact Statement for the year ended 30 June 2021 (Whole of Council)

	Annual Plan 2019/20	Actual 2019/20	Annual Plan 2020/21	Actual 2020/21
	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	6,253	6,274	6,854	7,025
Targeted rates	6,555	6,460	6,467	6,534
Subsidies and grants for operating purposes	1,902	2,049	1,883	2,266
Fees and Charges	2,249	1,906	2,345	2,573
Interest and dividends from investments	126	97	139	139
Local authorities fuel tax, fines, infringement fees, and other receipts	41	77	44	81
Total operating funding (A)	17,126	16,864	17,730	18,618
Applications of operating funding				
Payment to staff and suppliers	13,392	13,868	13,631	13,670
Finance costs	640	398	665	447
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	14,032	14,266	14,296	14,117
Surplus (deficit) of operating funding (A-B)	3,095	2,598	3,434	4,501
Sources of capital funding				
Subsidies and grants for capital expenditure	1,963	1,646	5,454	8,872
Development and financial contributions	-	47	-	127
Increase (decrease) in debt	(1,591)	1,000	10,036	6,700
Gross proceeds from sale of assets	4,360	1,907	3,816	2,779
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	18	-	-
Total sources of capital funding (C)	4,731	4,618	19,306	18,478
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	580	-	94
- To improve the level of service	2,240	902	17,865	9,631
- To replace existing assets	5,227	3,442	4,044	3,396
Increase (decrease) in reserves	358	2,292	831	2,677
Increase (decrease) in investments	-	-	-	7,180
Total applications of capital funding (D)	7,825	7,216	22,740	22,979
Surplus (deficit) of capital funding (C-D)	(3,094)	(2,598)	(3,434)	(4,501)
Funding balance ((A-B) + (C-D))	0	0	0	0

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 2014.

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.

Funding Impact Statement for the year ended 30 June 2021 (Community Services)

	Long Term Plan 2019/20	Actual 2019/20	Long Term Plan 2020/21	Actual 2020/21
	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	3,221	3,271	3,622	3,651
Targeted rates	14	16	14	16
Subsidies and grants for operating purposes	-	74	-	336
Fees and Charges	527	418	532	521
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	12	-	12	0
Total operating funding (A)	3,774	3,779	4,181	4,524
Applications of operating funding				
Payment to staff and suppliers	2,255	2,373	2,341	2,802
Finance costs	70	35	344	32
Internal charges & overheads applied	885	859	909	945
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	3,210	3,267	3,594	3,779
Surplus (deficit) of operating funding (A-B)	564	512	588	745
Sources of capital funding				
Subsidies and grants for capital expenditure	124	33	3,771	6,189
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	245	(33)	12,231	37
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	369	-	16,002	6,226
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	469	265	16,353	6,457
- To replace existing assets	3	70	92	362
Increase (decrease) in reserves	462	176	145	152
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	933	512	16,590	6,972
Surplus (deficit) of capital funding (C-D)	(564)	(512)	(588)	(745)
Funding balance ((A-B) + (C-D))	0	0	0	0

Funding Impact Statement for the year ended 30 June 2021 (Roading)

	Long Term Plan 2019/20	Actual 2019/20	Long Term Plan 2020/21	Actual 2020/21
	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties *	(7)	(6)	(7)	(16)
Targeted rates	2,990	3,049	3,217	3,010
Subsidies and grants for operating purposes	1,795	1,870	1,857	1,887
Fees and Charges	288	316	293	458
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	77	5	81
Total operating funding (A)	5,071	5,305	5,366	5,420
Applications of operating funding				
Payment to staff and suppliers - see note below	3,483	3,706	3,602	3,596
Finance costs	32	-	30	-
Internal charges & overheads applied	311	341	320	340
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	3,827	4,047	3,953	3,936
Surplus (deficit) of operating funding (A-B)	1,245	1,258	1,413	1,483
Sources of capital funding				
Subsidies and grants for capital expenditure	1,839	1,613	1,840	2,682
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(29)	-	(28)	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	18	-	752
Total sources of capital funding (C)	1,810	1,631	1,812	3,434
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	88	-	2,057
- To replace existing assets	3,353	2,815	3,359	2,101
Increase (decrease) in reserves	(299)	(13)	(133)	759
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	3,055	2,890	3,225	4,918
Surplus (deficit) of capital funding (C-D)	(1,245)	(1,258)	(1,413)	(1,483)
Funding balance ((A-B) + (C-D))	0	0	0	0

Funding Impact Statement for the year ended 30 June 2021 (Water Supply)

	Long Term Plan 2019/20	Actual 2019/20	Long Term Plan 2020/21	Actual 2020/21
	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	2,064	1,832	2,099	1,934
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	-	5	-
Total operating funding (A)	2,068	1,832	2,104	1,934
Applications of operating funding				
Payment to staff and suppliers	1,032	642	1,019	631
Finance costs	337	187	361	162
Internal charges & overheads applied	274	360	280	475
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,643	1,190	1,660	1,268
Surplus (deficit) of operating funding (A-B)	425	642	444	666
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	625	(149)	433	953
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	625	(149)	433	953
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	420	62	587	920
- To replace existing assets	538	52	414	354
Increase (decrease) in reserves	92	379	(124)	345
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	1,050	493	878	1,619
Surplus (deficit) of capital funding (C-D)	(425)	(642)	(444)	(666)
Funding balance ((A-B) + (C-D))	0	0	0	0

Funding Impact Statement for the year ended 30 June 2021 (Waste Water)

	Long Term Plan 2019/20	Actual 2019/20	Long Term Plan 2020/21	Actual 2020/21
	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	873	877	906	888
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	71	89	73	71
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	3	-	3	0
Total operating funding (A)	947	966	981	959
Applications of operating funding				
Payment to staff and suppliers	442	376	368	382
Finance costs	70	29	100	24
Internal charges & overheads applied	152	221	156	235
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	664	627	624	641
Surplus (deficit) of operating funding (A-B)	283	340	357	318
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	972	21	392	38
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	972	21	392	38
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	1,038	56	485	81
- To replace existing assets	492	154	202	341
Increase (decrease) in reserves	(274)	151	62	(67)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	1,255	360	749	355
Surplus (deficit) of capital funding (C-D)	(283)	(339)	(357)	(318)
Funding balance ((A-B) + (C-D))	0	0	0	0

Funding Impact Statement for the year ended 30 June 2021 (Storm Water)

	Long Term Plan 2019/20 (\$000)	Actual 2019/20 (\$000)	Long Term Plan 2020/21 (\$000)	Actual 2020/21 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	355	353	371	329
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	2	-	2	-
Total operating funding (A)	357	353	373	329
Applications of operating funding				
Payment to staff and suppliers	115	51	118	61
Finance costs	28	14	33	15
Internal charges & overheads applied	95	130	97	119
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	238	195	248	195
Surplus (deficit) of operating funding (A-B)	119	158	125	134
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	151	336	98	(28)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	151	336	98	(28)
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	228	358	234	-
- To replace existing assets	57	138	58	22
Increase (decrease) in reserves	(15)	(2)	(69)	84
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	270	494	223	106
Surplus (deficit) of capital funding (C-D)	(119)	(158)	(125)	(134)
Funding balance ((A-B) + (C-D))	0	0	0	0

Funding Impact Statement for the year ended 30 June 2021 (Solid Waste)

	Long Term Plan 2019/20 (\$000)	Actual 2019/20 (\$000)	Long Term Plan 2020/21 (\$000)	Actual 2020/21 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	19	19	19	19
Targeted rates	709	702	740	702
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	81	121	83	127
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	-	1	-
Total operating funding (A)	810	841	842	847
Applications of operating funding				
Payment to staff and suppliers	630	657	644	729
Finance costs	47	26	45	21
Internal charges & overheads applied	142	165	145	147
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	819	848	834	897
Surplus (deficit) of operating funding (A-B)	(9)	(8)	7	(50)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(43)	(39)	(42)	(38)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(43)	(39)	(42)	(38)
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	52	-	32	-
Increase (decrease) in reserves	(104)	(47)	(67)	(88)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	(52)	(47)	(35)	(88)
Surplus (deficit) of capital funding (C-D)	9	8	(7)	50
Funding balance ((A-B) + (C-D))	0	0	0	0

Funding Impact Statement for the year ended 30 June 2021 (Democracy)

	Long Term Plan 2019/20 (\$000)	Actual 2019/20 (\$000)	Long Term Plan 2020/21 (\$000)	Actual 2020/21 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	1,003	1,069	1,003	1,030
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	60	86	60	96
Internal charges and overheads recovered	1,343	1,362	1,376	1,384
Local authorities fuel tax, fines, infringement fees, and other receipts	11	-	11	-
Total operating funding (A)	2,417	2,516	2,450	2,510
Applications of operating funding				
Payment to staff and suppliers	1,784	1,836	1,800	1,862
Finance costs	-	-	-	-
Internal charges & overheads applied	633	680	650	670
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,417	2,516	2,450	2,532
Surplus (deficit) of operating funding (A-B)	-	-	-	(22)
Sources of capital funding				
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	-	-	-	-
Total sources of capital funding (C)	-	-	-	-
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	288	219	160	176
Increase (decrease) in reserves	(288)	(219)	(160)	(198)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	-	-	-	(22)
Surplus (deficit) of capital funding (C-D)	-	-	-	22
Funding balance ((A-B) + (C-D))	0	0	0	0

Funding Impact Statement for the year ended 30 June 2021 (Economy)

	Long Term Plan 2019/20 (\$000)	Actual 2019/20 (\$000)	Long Term Plan 2020/21 (\$000)	Actual 2020/21 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	586	591	591	647
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	105	-	43
Fees and Charges	663	626	674	706
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	-	5	-
Total operating funding (A)	1,254	1,322	1,270	1,396
Applications of operating funding				
Payment to staff and suppliers	636	687	653	672
Finance costs	108	63	104	47
Internal charges & overheads applied	303	300	311	368
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,048	1,050	1,068	1,087
Surplus (deficit) of operating funding (A-B)	206	273	202	309
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(101)	(1,421)	(97)	(2,777)
Gross proceeds from sale of assets	-	1,907	-	2,779
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(101)	486	(97)	2
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	580	-	94
- To improve the level of service	-	17	-	116
- To replace existing assets	15	-	70	38
Increase (decrease) in reserves	90	162	36	63
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	105	759	106	311
Surplus (deficit) of capital funding (C-D)	(206)	(273)	(202)	(309)
Funding balance ((A-B) + (C-D))	0	0	0	0

Funding Impact Statement for the year ended 30 June 2021 (Environmental Services)

	Long Term Plan 2019/20 (\$000)	Actual 2019/20 (\$000)	Long Term Plan 2020/21 (\$000)	Actual 2020/21 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	1,082	981	1,064	1,271
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	464	515	474	668
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	11	-	11	-
Total operating funding (A)	1,558	1,495	1,550	1,939
Applications of operating funding				
Payment to staff and suppliers	891	765	863	1,178
Finance costs	1	-	3	1
Internal charges & overheads applied	657	709	674	903
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,549	1,475	1,540	2,084
Surplus (deficit) of operating funding (A-B)	8	20	9	(145)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	60	56	(2)	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	60	56	(2)	-
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	61	56	-	-
- To replace existing assets	-	-	-	-
Increase (decrease) in reserves	7	20	7	(145)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	68	76	7	(145)
Surplus (deficit) of capital funding (C-D)	(8)	(20)	(9)	145
Funding balance ((A-B) + (C-D))	0	0	0	0

Annual Report Disclosure Statement

Annual report disclosure statement for year ending 30 June 2021.

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

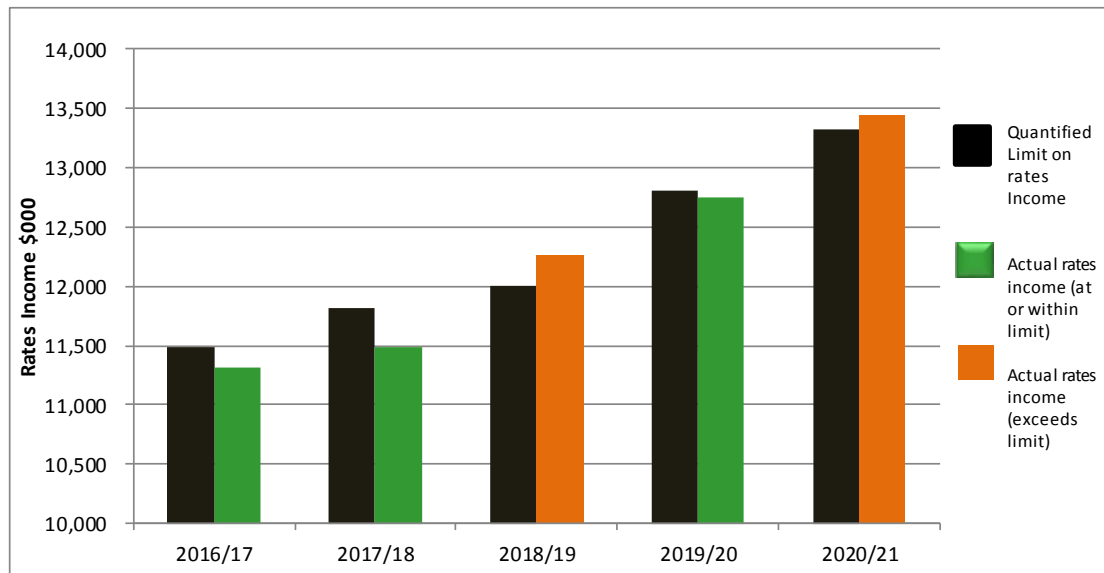
The council meets the rates affordability benchmark if –

- 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

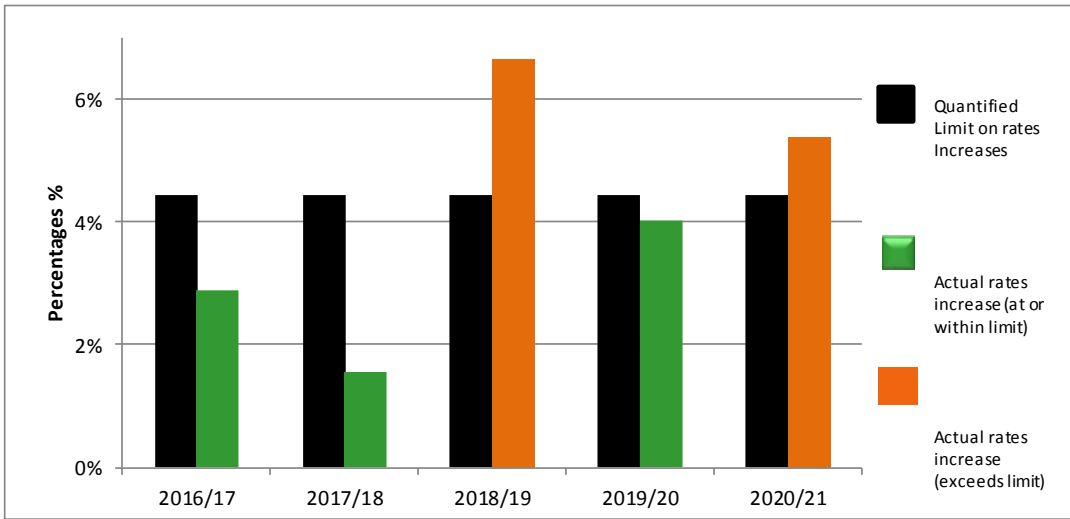
The following graph compares the Council's actual total rates income with the quantified limit on rates income as per the LTP 2018 which is the previous year's rates plus 4.45%.

The breach in 2020/21 was approved by council as part of the 2018-2028 Long Term Plan and was a result of anticipated higher interest and depreciation expenditure as a result of new capital projects. The limit of \$13,317,000 was exceeded by \$119,000.



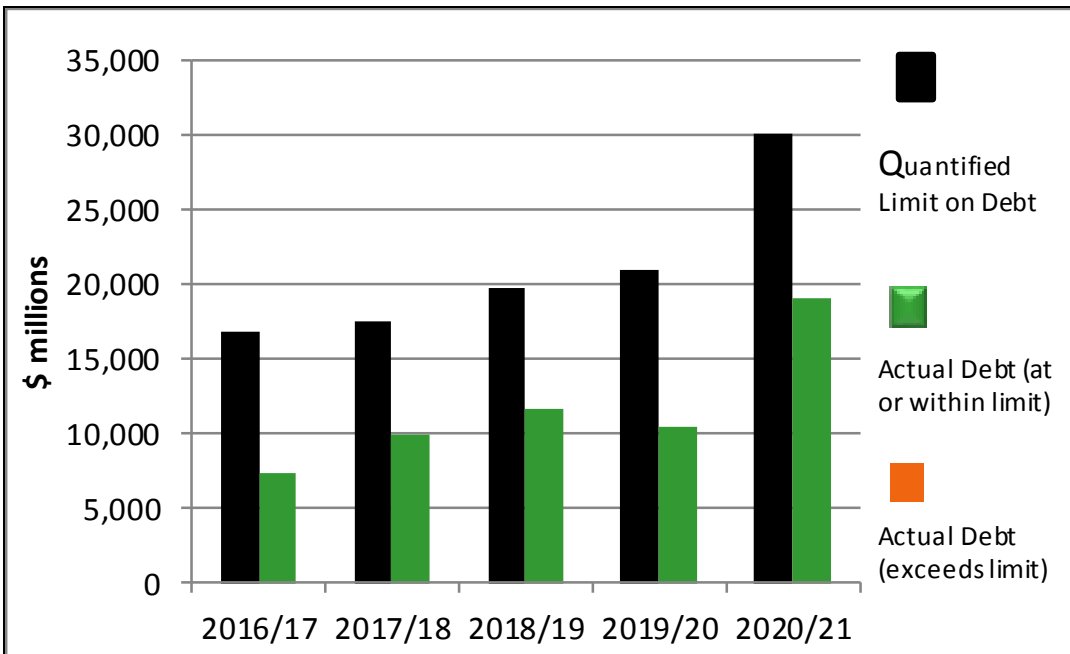
Rates (increases) affordability

The following graph compares the year-on-year actual, and the LTP limit (4.45%), percentage increase in the Council's total rates income. The percentage increase limit is calculated using the increase in income from the previous year. The limit of 4.45% was exceeded in 2020/21 by an actual rates increase of 5.39%.



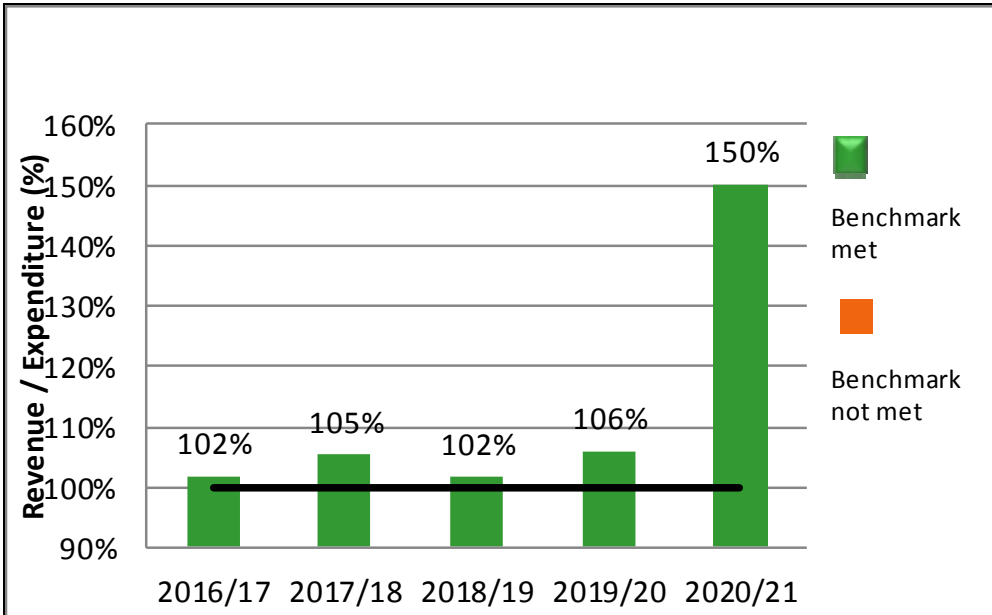
Debt affordability benchmark

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 net debt (total borrowings minus cash holdings) to operating revenue (excludes vested assets) will be less than 100%, expressed in \$ terms.



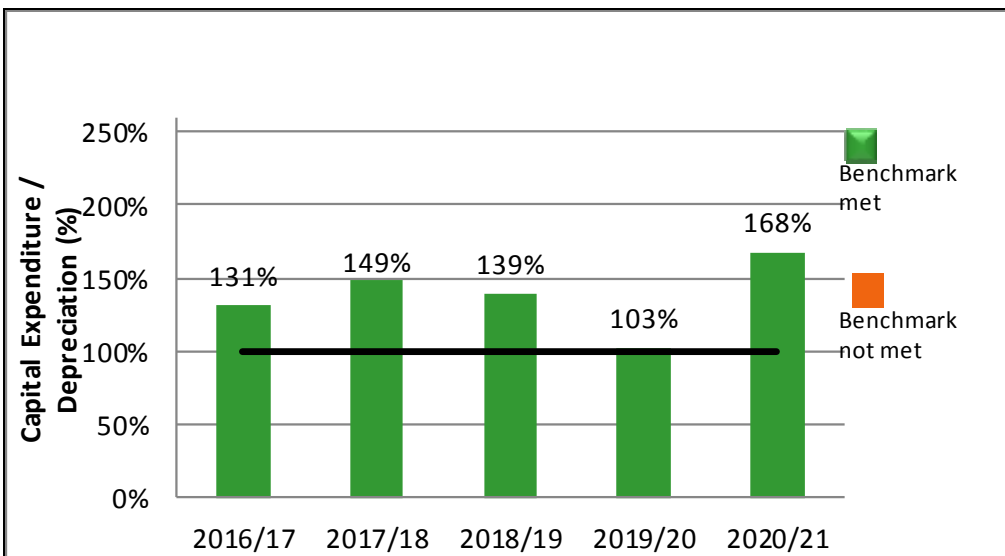
Balanced budget benchmark

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). Revenue is a lot higher in proportion to expenditure in 2020/21 due to the high amount of grant funding received and subdivision section sales.



Essential services benchmark

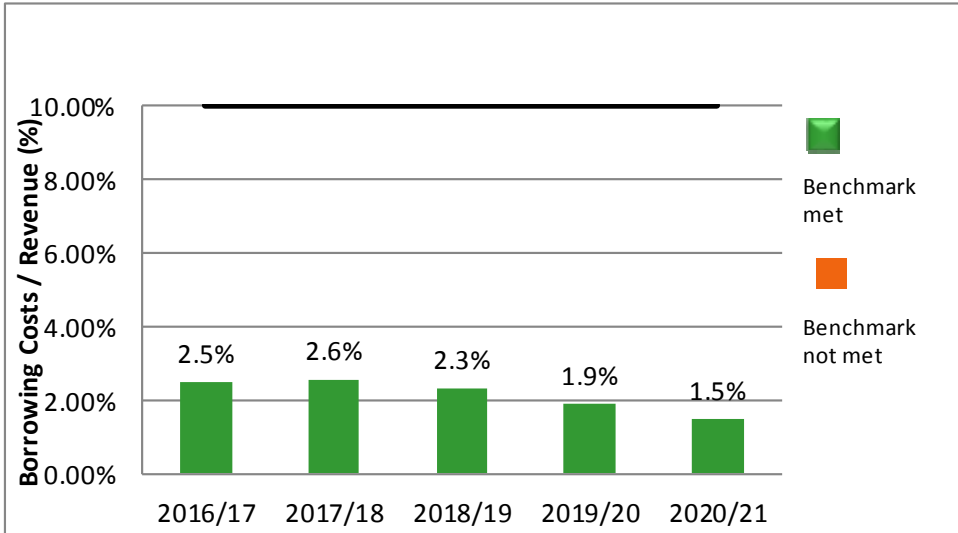
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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).

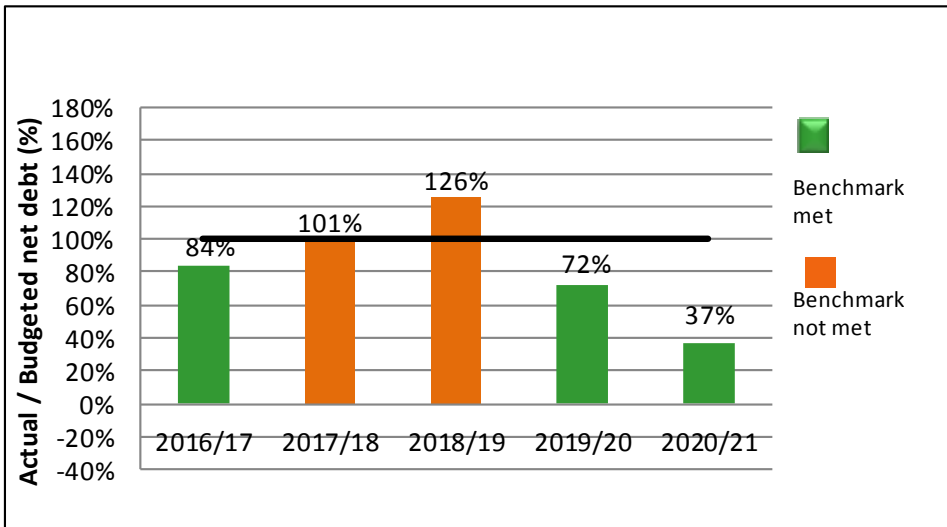
Because Statistics New Zealand projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or is less than 10% of its revenue.



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.

In 2018/19, property asset sales, including subdivision sales, were expected to come through but due to delays, the sales receipts are in 2019/20 and 2020/21.

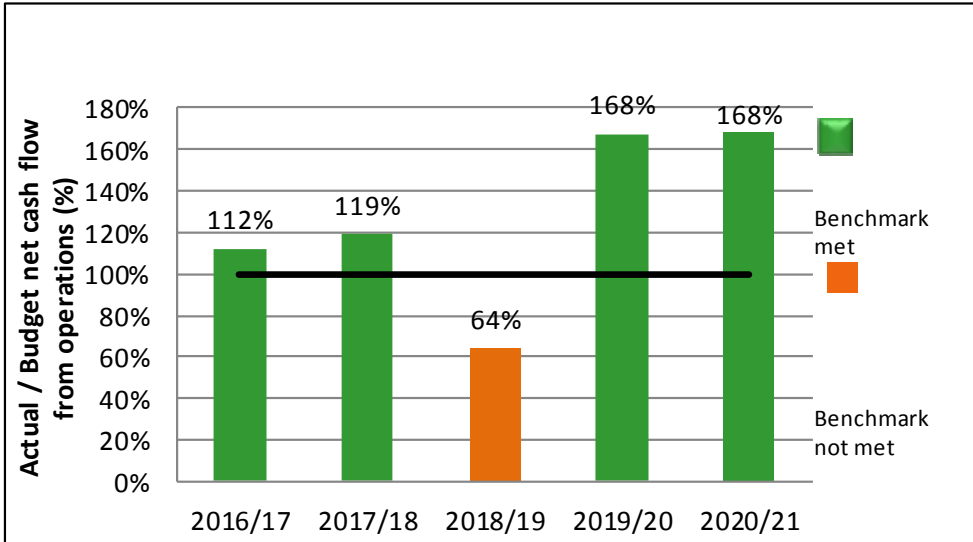


Prior years have been updated to reflect correct values.

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* as per the Statement of Cash Flows. 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*.

In 2019 the Council did not achieve the benchmark due to grants revenue of \$4m relating to a capital expenditure project not materialising. This contributed significantly to net cash from operating activities being \$8.4m for the year, instead of the \$5.0m planned.



Audit Report



Our reference
F19/13/03-D21/40748

Karakia

Kia uruuru mai
Ā hauora
Ā haukaha
Ā haumāia
Ki runga, Ki raro
Ki roto, Ki waho
Rire rire hau Paimārire

I draw in (to my being)
The reviving essence
The strengthening essence
The essence of courage
Above, Below
Within, Around
Let there be peace.