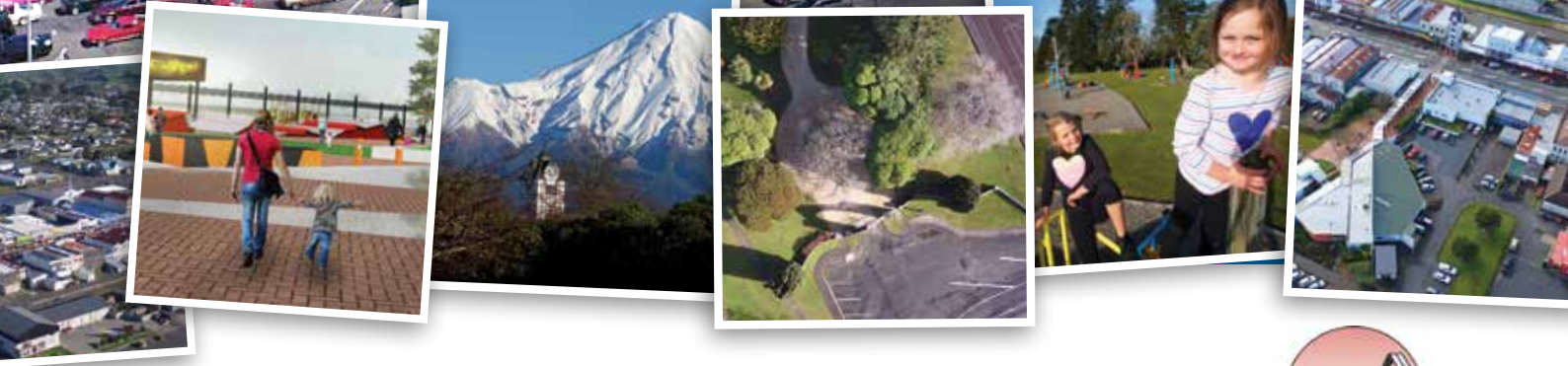


STRATFORD DISTRICT COUNCIL
LONG TERM PLAN
2018 - 2028



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OVERVIEW

Summary of Information

Results of the Submission Process

From the Mayor and Chief Executive

Financial Strategy

Audit Opinion

Community Outcomes

Opportunities for Maori Contribution to Decision-Making Processes



SUMMARY OF INFORMATION

The major matters contained within the Long Term Plan are:

- The significant policies and objectives of the Stratford District Council;
- The community priorities of the Stratford District;
- The nature and scope of the significant activities to be undertaken;
- The performance targets and other measures by which performance may be judged;
- An outline of the indicative costs and sources of funds in total, and for each significant activity in particular terms for the financial years 2018/2019, 2019/2020 and 2020/2021 and in general terms for the following seven financial years:
- Revenue and Financing Policy;
- Development and Financial Contributions Policy;
- Significance and Engagement Policy;
- Funding Impact Statement;
- Summaries of assessments of water and sanitary services and solid waste plans;
- Details on Council Controlled Organisations;
- Steps to foster the development of Māori capacity to the decision making processes;
- Significant forecasting assumptions used in the preparation of the Long Term Plan;
- An Audit opinion;
- Local Government (Financial Reporting and Prudence) Regulations 2014 Disclosure Statement;
- Infrastructure Strategy.

Public Consultation

Below is a list of dates and venues of public meetings that were held to consult the community on the Consultation Document.

Date/Time

Venue

Tuesday 10 April 2018 – 4.00pm

Whangamomona Hall

Wednesday 11 April 2018 – 7.00pm

War Memorial Centre

Monday 16 April 2018 – 7.00pm

Whakaahurangi Marae

RESULTS OF THE SUBMISSION PROCESS

Council received 199 submissions and a hearing was held on Tuesday 8 May with deliberations being undertaken on Wednesday 9 May 2018.

Key decisions that were made as a result of the submission process included:

- Changes to the way the Uniform Annual General Charge is assessed as per Council's initial proposal;
- Elected Members increased the proposal for the redevelopment of the swimming pool to a \$15 million project (with a view of obtaining \$3 million in external funding), with the full scope of the project to be developed in year 1 of the Long Term Plan, and the physical work to still be undertaken in 2020/21;
- The proposed viewing platform in King Edward Park was removed, but the children's bike park in Victoria Park was retained; and
- \$4 million of roading upgrades were added for roads instrumental in facilitating increases in tourism, with \$3.4 million of this being sourced from the Government's Tourism Infrastructure Fund and then remaining \$600,000 being funded by Council.

FROM THE MAYOR AND CHIEF EXECUTIVE

Welcome to the Stratford District Council's 2018 - 2028 Long Term Plan.

This document is the result of the balancing act that we have gone through to ensure the right mix of "needs" and "wants" is in the budget, trying to keep rates affordable while at the same time maintaining and growing community facilities to ensure the Stratford District remains a desirable place to live, work and play.

As the Mayor and the Chief Executive of the District, we share the view that Stratford's fortunes are looking good. While there have been plenty of challenges in recent years, including severe weather events, the reduction in oil and gas activity, and a downturn in dairy pay out, the district's overall economy is strong, and increasing diversification is adding resilience.

Demand for housing, no matter whether to rent, buy, or build has been very strong and Council has had a huge interest in the residential subdivision it is in the process of developing. To recognise the benefits that economic and population growth brings to our district, Council has added a dedicated community outcome of "Growth" to the existing six Community Outcomes. A full list and description of all community outcomes is included in this plan.

The key matters covered by the consultation process leading up to the adoption of this plan were the future of our swimming pool, ongoing upgrades of essential services, such as water supply and wastewater, as well as improvements to Victoria Park and King Edward Park. In addition to these activities, Council proposed a change to its rating system.

Council received a total of 199 submissions on its plan, with ratepayers showing strong support for most of the proposed items.

Infrastructure upgrades as well as the change to the way Council charges the Uniform Annual General Charge, have been strongly supported by the community and are included in the plan as per the original proposal.

The proposed upgrade of the swimming pool also received strong support. So much in fact that Elected Members decided to go beyond their original proposal, with the full scope of the new facility to be developed in year one of this Long Term Plan.

Feedback on the proposed improvements to the parks met a mixed response and resulted in the removal of the proposed viewing platform in King Edward Park while the kid's bike park in Victoria Park was retained.

Given all of the above, the subdivision, and a number of other, smaller projects going on, it is shaping up to be an exciting time in the Stratford District.



Neil Volzke, JP
District Mayor

A handwritten signature in black ink, appearing to read "N Volzke".



Sven Hanne
Chief Executive

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

FINANCIAL STRATEGY

Council is required to adopt a financial strategy as part of its long-term planning. The purpose of the financial strategy is to:

- Facilitate prudent financial management by Council, by providing a guide against which to consider proposals for funding and expenditure.
- Provide a context for consulting on Council's proposals for funding and expenditure, by making their overall effects on services, rates, debt and investments transparent.

One of the purposes of the long-term planning and financial policy development is to provide “predictability and certainty about funding sources and levels of funding”.

Council is required to set its operating revenues to cover its projected operating costs unless it is prudent to do otherwise. The test of whether operating revenues are set to cover operating costs is whether the Statement of Comprehensive Revenue and Expense has a balance before Asset Revaluations of greater than zero. The financial projections show that Council has met this requirement.

Council is also required to manage its revenues, expenses, assets, liabilities, investments and general dealings prudently and in a manner that promotes the current and future interests of our community. This requires a wider view, and a longer term view of the costs and services Council provides.

In developing this plan, Council has considered the following;

- The estimated expenses of maintaining levels of service contained within the 10-year plan, including the estimated expenses associated with service capacity and the integrity of assets throughout the useful life.
- The estimated revenue available to fund the expenses outlined above.
- A fair allocation of responsibility for funding the maintenance of assets throughout the useful life.

The objective of the financial strategy is to ensure that debt, revenue and expenditure (Operating and Capital) are managed in a way that ensures service levels are able to be maintained in a financially sustainable way.

Significant factors impacting on the Financial Strategy

Population

Population change and the number of rateable properties are not significant factors for the financial strategy. Population and the number of properties is expected to have a low level of increase at 0.3% per annum. Council has noticed the upturn in Taranaki's regional growth which appears to be flowing through most of the provincial areas.

Current assets have the capacity to cope with the moderate growth being experienced. It would take consistent growth of 2-3% for a considerable number of years before this would change. If it were to change the Council and the community would have enough time to develop policies and a new financial strategy to cope with that growth.

Financial Overview

- Council manages an asset base of \$334 million; these assets are mainly essential network assets of Roads, Water supplies, Sewage disposal systems and Stormwater networks. The holding value of those assets is \$288.8 million. These assets have very long lives of up to 120 years, and the replacement value of the infrastructure assets is \$346.1 million.
- Council does not face major challenges with infrastructure maintenance as the major services are less than half way through their lives. However, a number of transport bridges are nearing the end of their useful lives and will require replacement over the next 30 years. As an NZTA subsidised activity this will reduce the impact of the cost of renewal.
- Debt levels are moderate for a Council of our size.
- Rates levels are comparable to similar sized districts with comparable services.
- The major challenge for financial sustainability is the level of rates increases required over the 10 years of the plan and the variability of the increases between activities. This variability means that for many years of the plan the different ratepaying groups will see rates rises which vary significantly from the level of the total rates rise.
- Capital expenditure over the period of the plan is \$87.1 million. This expenditure includes a major item for the pool complex. At \$15m this is a major component of the 2020/21 financial year spike in capital expenditure.
- To fund the capital expenditure Council's net debt will rise by \$19 million from the opening year, peaking in Year 7 (2024/25) of the plan, with the debt reducing in the last 3 years.
- Total rates need to increase by 4.75% in 2018/19, 4.69% in 2019/20, by 5.72% in 2020/21 and by between 1.79% and 7.62% in the remaining years of the plan.

The costs of providing for growth

As stated previously growth is not a significant factor for Stratford District. Growth is projected to be 0.3% per annum and existing infrastructure has the capacity to deal with this level of increase within the planning horizon of the Council. The Long Term Plan contains only one item to cope with Growth. This item is the residential subdivision Council is planning to complete in 2018/19.

Council does have provisions in the District Plan if there is any infrastructure required to deal with a new sub-division. Those provisions allow Council to obtain a financial contribution from the developer to contribute to the costs of any new assets required by Council. In the meantime, there is sufficient headroom in council's borrowing capacity to bridge the gap in timing between infrastructure costs being incurred and financial contributions being collected.

Looking after existing Infrastructure

A priority for Council is to maintain the existing levels of service. These levels of service are outlined in the Long Term Plan activity statements and in the Asset Management Plans of Council. Many of the levels of service are dependent on the on-going maintenance and renewal of network assets. To manage these assets Council maintains Asset Management Plans and also a 30 Year Infrastructure Strategy. These documents are continually reviewed and are updated every three years.

To continue to deliver the levels of service for an Activity council must ensure that it has sufficient funding to do the maintenance and asset replacement outlined with in the plans. The 10-year plan includes provision for renewal capital works of \$4,733,000 in 2018/19 and the range over the remaining 9 years is between \$4,310,000 to \$4,929,000.

The renewal requirement is taken from the Asset Management Plans of the activities and indicates when an asset reaches the end of an average economic useful life for that type of asset. With the average life of the assets being around 80 years, it is likely that each asset will not exactly match the expected average life. Some assets will last longer and some will not last as long. The replacement requirement is relatively even and variations in timing for different assets should be able to be managed to closely match the funding provisions made for renewals. However, if that is not the case, Council is maintaining a low level of debt relative to many Councils. This will enable short to medium term debt to be drawn down if unexpected urgent replacements are necessary. Before drawing down debt Council will seek to prioritise other Capital work, renewal or level of service, to keep costs and debt down.

Other significant factors affecting Council’s ability to maintain levels of service and meet additional demands

Council has made a number of forecasting assumptions in preparing the 10 year plan. These are contained in the Financial Statements section of the plan.

These assumptions range from global issues such as the worldwide economic position and climate change; to assumptions about natural disasters; the level of funding grants from the New Zealand Transport Agency; from inflation and interest rates to the conditions for resource consents on Council services (stormwater and sewage discharges and water take).

Although Council believes it has made prudent assumptions in each case, there is a high level of uncertainty in some assumptions. In most cases Council has some flexibility to cope with changing circumstances. Depending on the issue, Council’s response could involve reducing maintenance for a short period, postponing scheduled capital renewals or levels of service capital items, or using “headroom” in the Council’s borrowing capacity.

Equity Between Generations

Council will manage its finances in a way that promotes the interests of current and future residents and ratepayers of the community. This means trying to ensure that the current ratepayers pay a fair share of the costs of district services and assets, and that future ratepayers are given a sound foundation to be able to address future challenges and grasp opportunities.

Intergenerational equity is promoted through a number of mechanisms. The charge for depreciation means that existing users are meeting the cost of the value of the asset that is being consumed by them. Borrowing for part of the capital work programme for growth and improved levels of service means that future beneficiaries are contributing to the cost of acquiring the new assets.

Primarily intergenerational equity is served by maintaining consistency in the funding levels for rates, ensuring debt does not increase to a level which may place a greater financial burden on future ratepayers and ensuring that assets and levels of service are appropriately maintained.

Levels of Service, priorities and funding levels

As part of each Long Term Plan (LTP) Council considers the levels of service for its activities. If there is a change in the level of service Council raises that in the long term plan. As an example this Long Term Plan contains a project for the rebuilding/ redevelopment of the pool complex plus a range of other issues. When considering the levels of service, Council reflects on the level of asset needed to continue to deliver that service standard.

Asset Management Plans are maintained for all major asset intensive services. These plans contain information on the life and age of the asset, and on the condition of the assets. To keep costs contained Council does not maintain detailed information on each asset's condition. Rather it takes a risk based approach to monitoring the condition of assets. Where assets have low risk because they are in the first half of their life, condition monitoring is low. If the consequences of running an asset through to failure are high, asset management plans and systems hold more information on condition.

In deciding what level of capital expenditure is sustainable Council considers the following:

- What are the consequences of not doing certain projects.
- What other options are available to deliver the service.
- What is a reasonable level of public debt.
- What are the rates and revenue impacts of the capital work.

Where the need for capital spend is high Council must trade off the level of borrowing and the level of increases that can be afforded by the community. In some cases the impact of not undertaking certain work is such that Council will have rates increases higher than it would like. In past years Council has had a very clear message from the ratepayers that vital services like water, wastewater, roads and stormwater need to be well maintained.

In other periods the capital spend may be lower and in those times Council may be able reduce debt to a lower level or reduce the level of its rates increases. The choice between those will be impacted by the level of debt, and also the consideration of the future capital spending requirements. The goal for Council in its financial strategy is to keep rates rises predictable and sustainable, to ensure there are sufficient funds available now and in the future to keep debt at reasonable levels and to maintain the levels of service to the community. Current generations pay a fair share and don't burden future ratepayers but also that future ratepayers are not subsidised by the current generation.

Council will set fees, charges and rates at levels that balance Council's budget. Rates are set each year at a level sufficient to fund all operating expenses including funded depreciation. Council receives revenue from NZTA for subsidy of roading maintenance. The renewal of assets is funded from the combination of rates revenue and NZTA subsidy. Council does not smooth the capital work programme in its plans but expects that the level of work is reasonably consistent. Funding of the highs and lows in the programme will be through debt. Rates are set to ensure that in the medium term debt is maintained at less than total annual revenue. This provides the capacity to level revenue requirements and have a "buffer" to provide options in unexpected events.

Funding and Financial Policies

Grants, subsidies and capital contributions will be actively sought to help fund the capital work programme of the district.

Growth expenditure is not a major feature of the Council's capital work programme however the Council has invested in a subdivision to facilitate the growth that is occurring. That subdivision has some cost in the first year of the plan and is funded from short term borrowing, which will be repaid from the proceeds from the sale of sections in the subdivision.

Council will borrow for capital work in the Long Term Plan period. That borrowing is to fund the cost of levels of service improvement. Council may borrow for renewals work in individual years due to the variations in the level of that expenditure. Council's revenue requirements are set to ensure that over the period of the plan, revenue funds renewals as well as new levels of service capital spending via debt servicing.

Council's treasury function allocates debt and the costs of servicing debt to the activities funded from borrowing. Where a targeted rate is set for a service, the funds from that targeted rate will only be used for that purpose. Surplus funds in any year will be used to repay loans, if possible, or be separately invested.

Rates are set so that as much as possible the beneficiary pays. Council sets a number of targeted rates for particular services. If a property is not able to use a Council service which has a targeted rate that property does not pay the rate. Examples are water supply, wastewater and refuse collection. Those rates are only paid by properties that are serviced by those activities.

What this means for 2018 to 2028

Levels of Service

Council is planning to maintain the current levels of service and to improve them in some instances, such as the pool complex, improved environmental standards for sewage disposal and improving storm water drainage. Council believes that subject to the significant forecasting assumptions, there will be sufficient revenue to fund the levels of service outlined, including debt servicing costs required to fund any level of service improvements. The Long Term Plan contains more information on levels of service for each activity.

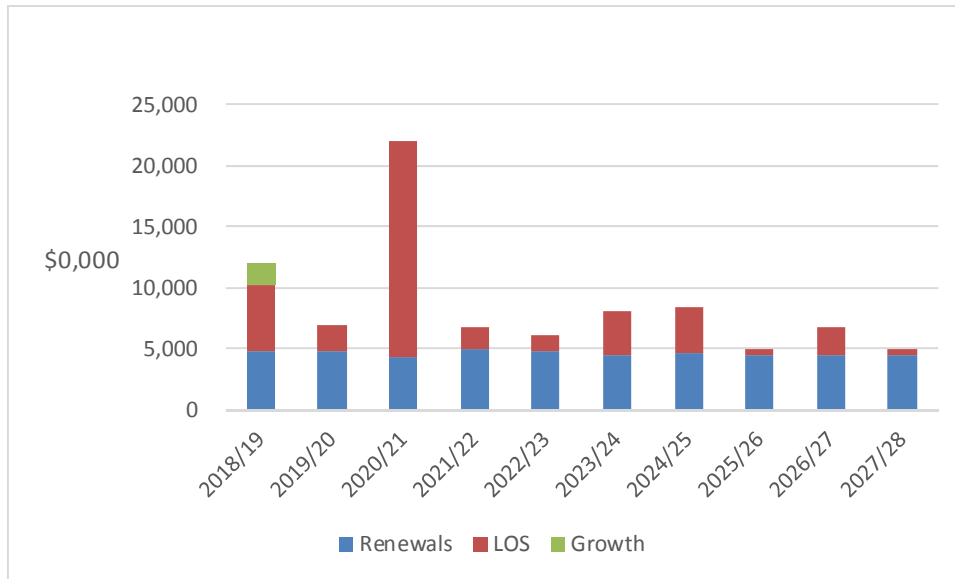
Asset Condition

Council manages an asset base of \$334 million; these assets are mainly essential network assets of roads, water supplies, sewage disposal systems and storm water networks. The holding value of these assets is \$288.8 million. These assets have very long lives of up to 120 years, and have an estimated replacement value of \$346.1 million. While this assessment of value indicates that the assets are on average only 17% through their expected economic life, a number of high value critical infrastructure assets, such as a large number of bridges are nearing the end of their life.

The balance of assets are in reasonable condition and council has an ongoing renewal programme to address asset replacements.

Level of capital

Council has moderate growth and with the exception of 2018/19 does not have any expenditure classified as being to meet increased demand for services. The graph below shows the profile of planned capital work for the period of the plan.



The major point that stands out is 2020/21 which is the year the pool complex is expected to be improved.

The capital work programme is determined as explained above. The Infrastructure Strategy is based on the estimated useful life of assets and helps to predict when the asset will need to be replaced. Those predictions are based on assumed average lives. Some assets will not last as long, and some will last longer. Council staff only replace the asset when it is at the end of its life based on the condition of the asset rather than the assumed life.

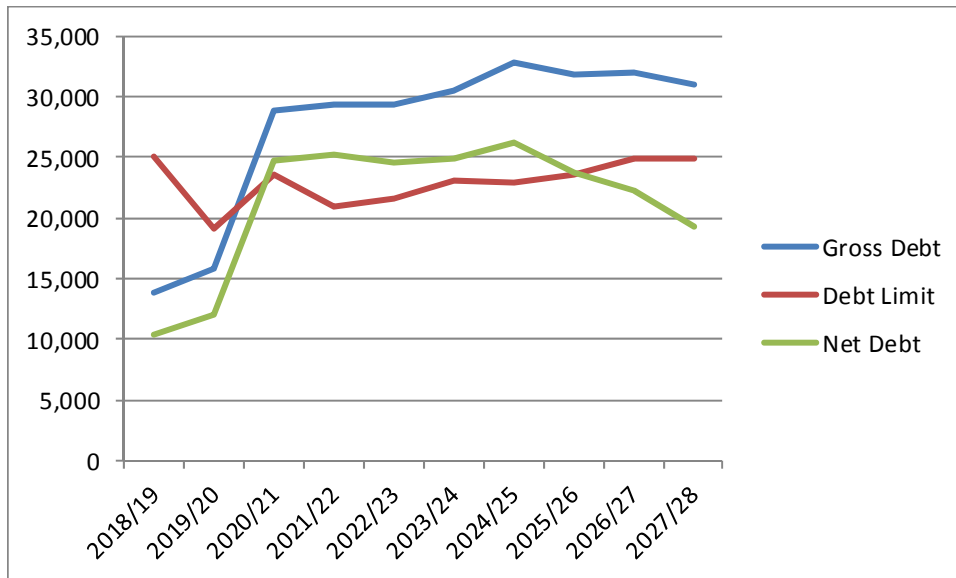
If the capital work programme is reduced, then levels of service will reduce over time, and the costs to catch up will increase with higher risk of asset failure. The capital work programmes are set at the level Council believes is prudent to maintain levels of service and to be affordable to the community for rates increases while keeping debt at sustainable levels.

Borrowing

The level of borrowing is directly related to the capital programme and the level of rates. A higher capital programme will either require more borrowing or higher rates.

Borrowing flows directly through to rates requirements by increasing the level of debt, which increases the cost of interest. An increase in debt of about \$250,000 per annum aligns with expected inflation, and so should not add to the affordability of services. Increases above this level add to rates directly in the ratio that every \$1 million of increased borrowing adds around 0.4% to the rates required.

Borrowing is a method of achieving fairness between generations but it also adds to the rates rises of the current generation within a few years. The future holds uncertainty, and assumptions made in the Long Term Plan mean that potential major events, which cannot be predicted, are not included in the costs. Maintaining “headroom” in the level of debt means Council is able to respond if these things occur, and take time to address the on-going costs if the capital spending requirements are higher.



The graph above shows the planned levels for total debt and net debt for the period of the Long Term Plan. Both net debt (\$10 million) and gross debt (\$13 million) are proposed to increase at the start of Long Term Plan, with net as well as gross debt peaking in year 7 (2024/25) - net debt at \$26 million and gross debt at \$33 million. By year 10 (2027/28) net debt reduces to \$19 million due to increased cash holdings while gross debt remains reasonably stable for the remainder of the Long Term Plan.

The graph shows Council’s debt limit as outlined below. From year 2020/21 onwards the gross debt is over the limit set in this strategy. Net debt is also over the limit from years 2020/21 to 2025/26 (years 3-8 of the Long Term Plan). This breach from 2020/21 is as a result of the swimming pool development being upgraded from a \$6.0 million project, as per the Consultation Document, to a \$15.0 million project following deliberations by Council as a result of public submissions. Council has chosen net debt as the suitable measure rather than total debt, as it better reflects the true Council position in regards to borrowing and cash holdings.

Council’s limit for debt is:

Net debt levels will be below annual total revenue. Net debt is total borrowings minus cash holdings.

This measure is consistent with the 2015-25 Long Term Plan. The other measures in that plan have not been carried forward into this plan as we believe they do not add any substance to the prudence of the financial strategy. They make the management of debt more complex, and that is not required for an organisation the size of Council.

Rates

Rates cover the net operating costs of Council, after deducting other revenue, and part of the cost of replacing and building new assets. The portion of capital not recovered from rates flows to debt or must be funded from assets sales. Council has budgeted for some asset sales, but on-going asset sales is not a realistic option to reduce rates or debt, as it would reduce the levels of service.

The rates level is also influenced by the level of user charges and other revenue. A large part of the other revenue is a subsidy from New Zealand Transport Agency. The council does what it can to maximise the level of subsidy received but NZTA does have maximum allowances for a Local Authority, and it needs to do this to be fair to all local authorities. Then there are user charges; Council tries to maximise the level of user charges it can recover. However, the services provided by Council are services which in many cases are provided because it is not possible for a private provider to supply them as user charges do not recover the cost, or there is no practical way to charge effectively.

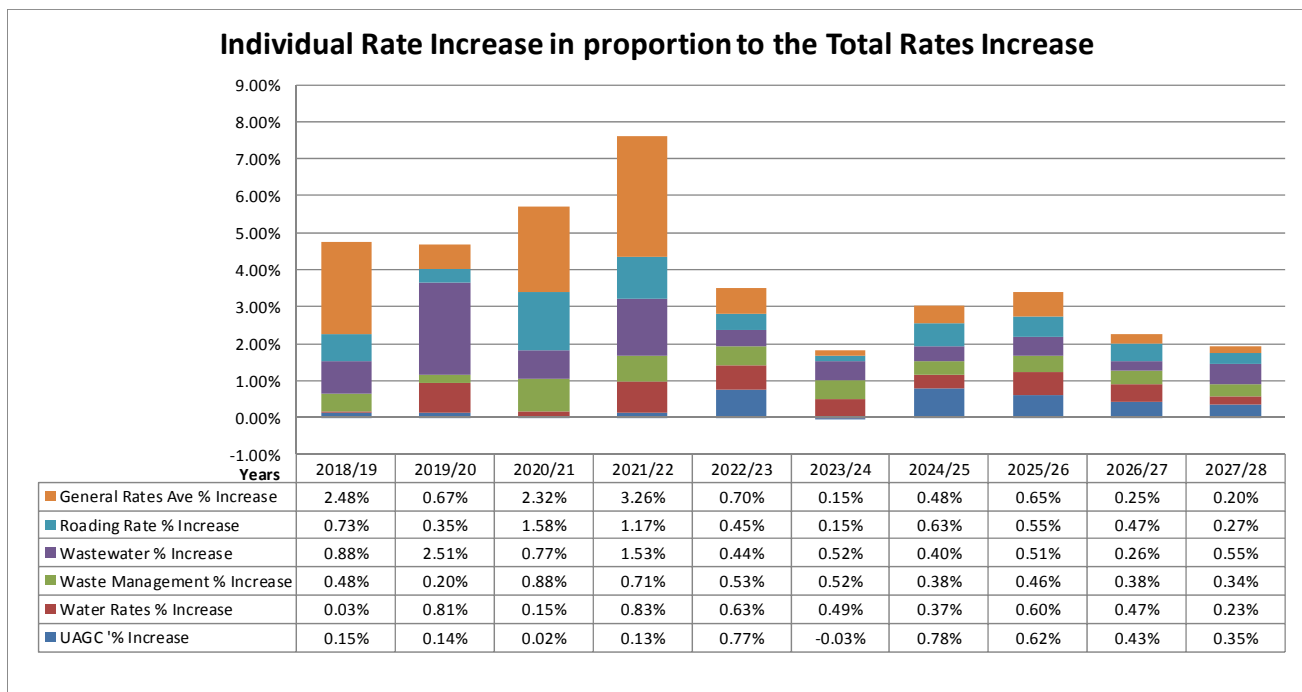
Council sets rates on the following basis:

- District wide rates on all properties:
 - General Rates (including a Uniform Annual General Charge)
 - Roothing Rates (for the costs of the rooding activity)
- Targeted rate on serviced or serviceable properties
 - Wastewater Disposal Rates (for sewage disposal to serviced properties)
 - Solid Waste Collection Rates (for refuse collection from serviced properties)
 - Water Supply Rates (for the supply of water to serviced properties)

Targeted rates are not paid by all properties. If a property is not able to be delivered that service then the rate is not charged for that service.

The general rate covers all services that are not recovered by a targeted rate, and targeted rates are set to recover the on-going sustainable delivery of the service.

The table below identifies the expected rates increases over the 10 years of the Long Term Plan. It shows projected rates rises over the period of the plan. As can be seen the level of rates increase required for the next 3 years is between 4-5%.



The individual rates rises for a property will depend on the mix of Council services they are rated for. The table below shows the expected rates rise for individual rates within the plan.

Rates Increases	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Average % Total Rate Increase	4.75%	4.69%	5.72%	7.62%	3.52%	1.79%	3.04%	3.40%	2.25%	1.94%
UAGC % Increase	0.73%	1.18%	0.07%	0.63%	4.42%	-0.30%	4.35%	3.56%	2.60%	2.40%
Water Rates % Increase	0.15%	6.56%	0.73%	4.06%	3.61%	4.43%	2.04%	3.41%	2.87%	1.56%
Solid Waste % Increase	2.34%	1.61%	4.26%	3.47%	3.03%	4.68%	2.09%	2.63%	2.29%	2.37%
Wastewater % Increase	4.29%	20.39%	3.72%	7.46%	2.51%	4.67%	2.24%	2.92%	1.58%	3.81%
Roading Rate % Increase	3.54%	2.84%	7.61%	5.70%	2.55%	1.31%	3.48%	3.13%	2.86%	1.86%
General Rates Average % Increase	12.08%	5.45%	11.17%	15.92%	3.99%	1.36%	2.68%	3.73%	1.52%	1.41%

As can be seen, the increases in rates are both different for each rates type and also different for each year. In addition to the changes in individual rates the next rates bill will be affected by the latest revaluations for properties.

The revaluation doesn't increase the amount of money Council gets from rates as the rate charged is set by Council revenue requirements rather than the increase in the rating base. However, the changes to the rating base affect who pays what amount.

The financial strategy does not address changes in the Rates Valuations. It addresses changes in revenue requirements for services. However outside a rates revaluation year Council will be seeking ways to keep the level of rates a particular ratepayer pays as close to the average as possible. This is to address the issue of rates certainty and predictability.

Council currently sets rates based on a formula which sets an annual rates requirement for each service. Council is able to set rates on a basis which is more even across the next three years. This will mean Council could have a predictable level of rates rise for the next three years.

Council has a preference for having predictable increases in rates as the variability means that it is hard for people to budget and also makes it difficult for people to understand what is happening to Councils costs. This is because they, obviously, consider that there is a direct relationship between the level of their rates and the costs of Council.

Council has exceeded the rates increase limit in years 1 – 4 of the Long Term Plan. In 2018/19 Council is borrowing \$600,000 towards tourism infrastructure and \$200,000 for sports field drainage. These two items are included in the Long Term Plan as a result of public submissions. Also in year 3 (2020/21) as a result of submissions, the swimming pool upgrade was increased from a \$6 million project to a \$15 million project. This also affected the 2021/22 year.

Why do rates rise by more than inflation

- Revenue from NZTA is not increasing at the rate of Inflation being 13% higher in year 10 than in year 1.
- Revenue from user charges is not rising at the rate of inflation being 15% higher in year 10 compared to year 1.
- Depreciation on assets is rising faster than inflation. The calculated increase in depreciation is 48% higher in year 10 than in year 1.

Most of these factors are outside the control of Council, However user fees could be increased to keep pace with inflation. Council has spent considerable time considering user charges. This will continue to be a focus for future years.

Financial Strategy measures for rates:

- To keep the increase in the total rates collected below 4.15% plus growth in the rating base in any year. (Growth in the rating base is assumed to be 0.3% per annum).
- To keep the total amount of rates collected in any year to be no higher than the previous year plus 4.15% plus growth.

These measures are slightly different to the previous measures, but have the same intention. They have been reworded to make it easier for a reader to understand the intention. The measure in relation to the ratio of rates to the Capital value of the district has been removed as it adds no substantial value to the strategy.

Council is also aiming to keep the annual rates rise at a predictable level for each year so that a ratepayer has certainty, that in any year outside a revaluation year that their rates will not rise by more than 4.15%, unless that ratepayer has done something to their property that increases the rateable value of the property. Council is investigating methods to achieve this.

Charging for the Uniform Annual General Charge

Currently Council sets the Uniform Annual General Charge (UAGC) to cover the maximum amount that legislation allows, that is 30% of rates. The charge will now be set on the basis of the number of separately used or inhabited parts of a property (SUIPS – refer to the Funding Impact Statement for definition page 106), rather than on the basis of the number of properties.

The difference this makes is there are more separately used or inhabited parts of property than there are properties. That means the UAGC on each SUIP is lower than the method of UAGC per property. However it does mean that some properties may pay more than one charge. This occurs if the property has two or more “used or inhabited parts”. This applies to all types of property whether they are commercial, residential or rural.

It is expected that the Uniform Annual General Charge will reduce by about 5 - 10% and the number of charges would increase by 5- 10%.

A change to “separately used or inhabited parts” of a property does not affect the amount of money Council collects from the UAGC as the UAGC is set as follows:

Amount of rates required / Number of charges assessed.

So if there are more charges assessed the value per charge is reduced.

Policy on giving security for borrowing

Council’s ability to borrow is directly related to rates. Council has granted security over its rates and rates revenue under the Debenture Trust Deed.

Council also has the ability to borrow from the Local Government Funding Agency (LGFA). The accession to LGFA was completed in May 2018.

Borrowings from the Local Government Funding Agency will be under Debenture Trust Deed security documents and a professional trustee will be appointed. The security for the loans will be a charge over rates.

Council may also choose to secure certain borrowings by a charge over assets. This will only occur when;

- there is a direct relationship between the debt and the asset purchase/construction and
- Council considers a pledge of the physical assets to be a more appropriate mechanism than the general charge over rates.

Any pledging of physical assets must meet the terms and conditions of the debenture trust deed and the Local Government Act 2002 (which prevents water service assets from being used as security for any purpose).

Financial Investments and Equity Securities

The Council has no plans to undertake new investments in long-term financial instruments or equity securities. However Council does have investments in property including a farm and has cash available for investment from time to time.

Council maintains financial investments primarily to allow:

- investment of surplus cash, and
- investment of amounts allocated to special funds and trust funds.

Council also holds shares in cooperative companies for the farm operation to support the activity which requires the holding of those shares.

Council's objective in holding investment is to achieve the strategic objectives and levels of service identified in the long term plans.

It is not the role of Council to be an investor. When it does invest for the above purposes its policy is that those investments do not have a long-term impact on the rates required from the community.

Investment and financial instruments will be with entities that have strong credit ratings being equivalent to Standard and Poor's "A1" for short-term and "A" for long term. An exception to this would be for investments in local government or government bonds.

AUDIT OPINION

To the reader:

Independent auditor's report on Stratford District Council's 2018–28 Long-Term Plan

I am the Auditor-General's appointed auditor for Stratford District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long-term plan (the plan). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 12 June 2018.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community; and
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 150 to 153 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;

- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

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

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than our work in carrying out all legally required external audits, and an assurance review of the Council's roading asset management plan which is compatible with those independence requirements, we have no relationship with or interests in the Council or its subsidiary.

Andrew Clark

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

COMMUNITY OUTCOMES

Overall Vision

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

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

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

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

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

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

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

The group of activities contribute predominantly to the following outcomes:

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

OPPORTUNITIES FOR MĀORI CONTRIBUTION TO DECISION-MAKING PROCESSES

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

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

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

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

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

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

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

COUNCIL ACTIVITIES

Groups of Activities

Community Services

Aerodrome
Civic Amenities
Community Development
Library
Parks, Reserves and Cemeteries
TSB Pool Complex

Democracy

Economy

Economic Development
Information Centre
Rental and Investment Properties

Environmental Services

Building Services
Planning and Bylaws
Community Health and Safety

Civil Defence & Emergency Management

Roading

Stormwater

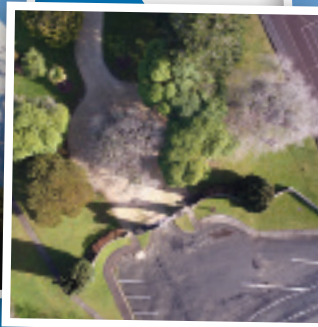
Wastewater (Sewerage)

Solid Waste

Water Supply

Council Controlled Organisations

Percy Thomson Trust



COUNCIL ACTIVITIES

GROUPS OF ACTIVITIES

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

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



COMMUNITY SERVICES

AERODROME

1.1 What We Do

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

1.2 Why We Do It

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

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

1.4 Statement of Service Provision

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2021-2028	
The aerodrome meets the needs of users	A high level of satisfaction amongst the users with the condition and maintenance of the aerodrome.	Achieved – 75%	>70%	>70%	>70%	>70%	Annual Aerodrome user survey

1.5 Key Future Projects

There are no future projects associated with the Aerodrome activity.

1.6 Statement of Prospective Financial Performance

The ten year detailed financial summary including inflation is shown below:

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
85	Operating Expenditure	93	95	97	94	96	98	100	102	105	107
22	Revenue	22	22	22	22	22	22	22	22	22	22
63	<u>Net Cost of Service</u>	<u>71</u>	<u>73</u>	<u>75</u>	<u>72</u>	<u>74</u>	<u>76</u>	<u>79</u>	<u>81</u>	<u>83</u>	<u>86</u>
EXPENDITURE											
53	Operating Costs	64	66	67	63	65	66	68	70	72	74
0	Interest	0	0	0	0	0	0	0	0	0	0
5	Depreciation	6	6	6	6	6	6	6	6	6	6
27	Allocated Overheads	23	23	24	24	25	25	26	27	27	28
85	Total Operating Expenditure	93	95	97	94	96	98	100	102	105	107
0	Principal Loan Repayments	0	0	0	0	0	0	0	0	0	0
18	Capital Expenditure	0	0	0	0	0	0	0	0	0	0
102	Total Expenditure	93	95	97	94	96	98	100	102	105	107
FUNDED BY:											
22	Charges for Services	22	22	22	22	22	22	22	22	22	22
22	Revenue	22	22	22	22	22	22	22	22	22	22
63	General Rates	71	73	75	72	74	76	78	81	83	86
0	UAGC	0	0	0	0	0	0	0	0	0	0
0	Transfers (to) from Reserves	0	0	0	0	0	0	0	0	0	0
18	Transfer from Reserves	0	0	0	0	0	0	0	0	0	0
0	Loan Funding - Capital	0	0	0	0	0	0	0	0	0	0
0	Other Funding	0	0	0	0	0	0	0	0	0	0
102	Total Funding	93	95	97	94	96	98	100	102	105	107

CIVIC AMENITIES

1.1 What We Do

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

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

1.2 Why We Do It

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

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

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

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

1.4 Statement of Service Provision

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years4-10 2021-2028	
To provide facilities that are well maintained and utilised.	Buildings legally requiring a Building WoF have a current Building WoF at all times.	Achieved – 100%	100%	100%	100%	100%	Building WoF records
	Annual booking of War Memorial Centre.	Not Achieved - 494	>500	>500	>500	>500	Booking records
	Annual booking of Centennial Restrooms.	Achieved - 225	>200	>200	>200	>200	Booking records
To provide suitable housing for the elderly.	Percentage of Customer satisfaction.	Not Achieved – 89% (9 out of 10 survey forms returned)	>89%	>89%	>89%	>89%	Annual User Survey
	Annual Occupancy rate.	Achieved – 99%	>95%	>95%	>95%	>95%	Tenancy records.
To provide clean, well maintained toilet facilities.	Percentage of Stratford District residents satisfied with overall level of service of toilets.	Achieved – 88.1%	>75%	>75%	>75%	>75%	Annual Residents Survey

1.5 Key Future Projects

Project	Category	2018/19	2019/20	2020/21	2021-28
Broadway Prospero Place Upgrade	Level of Service	\$0	\$112,300	\$0	\$0
Building demolitions	Level of Service	\$20,000	\$76,600	\$0	\$0
War Memorial Centre – floor coverings	Replacements	\$0	\$0	\$80,000	\$0
War Memorial Centre	Replacements	\$5,500	\$2,600	\$2,600	\$20,000
Centennial Restrooms	Replacements	\$0	\$0	\$8,700	\$7,600
Pensioner Housing					
Conservatories	Level of Service	\$0	\$12,000	\$0	\$0
Tenants Car Park	Level of Service	\$16,000	\$0	\$0	\$0
Various Renewals	Replacements	\$2,300	\$22,700	\$0	\$31,500

1.6 Statement of Prospective Financial Performance

The ten year detailed financial summary including inflation is shown below:

Civic Amenities

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
717	Operating Expenditure	738	825	869	835	923	890	902	952	966	980
49	Revenue	49	50	51	52	53	55	56	57	58	60
668	Net Cost of Service	689	775	818	783	870	836	846	895	907	920
	EXPENDITURE										
303	Operating Costs	327	377	395	349	358	366	375	385	395	406
12	Interest	11	15	18	18	17	16	16	15	14	14
271	Depreciation	280	310	329	338	372	373	373	411	412	412
130	Allocated Overheads	120	123	126	130	176	135	138	142	145	148
717	Total Operating Expenditure	738	825	869	835	923	890	902	952	966	980
9	Principal Loan Repayments	10	14	17	16	16	15	14	14	13	13
65	Capital Expenditure	26	191	92	3	3	3	3	10	3	3
791	Total Expenditure	773	1,031	978	854	942	908	919	976	982	996
	FUNDED BY:										
49	Charges for Services	49	50	51	52	53	55	56	57	58	60
49	Revenue	49	50	51	52	53	55	56	57	58	60
608	General Rates	628	709	752	716	798	764	774	818	830	843
0	UAGC	0	0	0	0	0	0	0	0	0	0
14	Targeted Rates	14	14	14	14	14	14	14	14	14	14
0	Grants and Donations	0	0	0	0	0	0	0	0	0	0
46	Depreciation funded from Reserves	47	51	51	51	57	57	57	62	62	62
50	Loan Funding - Capital	20	189	0	0	0	0	0	0	0	0
24	Transfer from Reserves	16	16	109	19	18	18	17	24	16	16
0	Other Funding	0	1	1	1	1	1	1	1	1	1
791	Total Funding	773	1,031	978	854	942	908	919	976	982	996

Pensioner Housing

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
122	Operating Expenditure	105	116	157	124	137	137	128	133	136	139
62	Revenue	62	64	65	66	68	69	71	73	74	76
60	Net Cost of Service	42	53	93	57	69	68	57	60	62	63
	EXPENDITURE										
50	Operating Costs	29	36	75	40	49	47	37	38	39	41
0	Interest	0	2	2	2	2	3	3	3	3	3
28	Depreciation	26	28	28	28	31	31	31	34	34	34
44	Allocated Overheads	50	51	52	54	55	56	57	58	60	61
122	Total Operating Expenditure	105	116	157	124	137	137	128	133	136	139
0	Principal Loan Repayments	0	1	2	2	2	2	3	3	3	3
19	Capital Expenditure	18	35	0	7	6	9	0	10	0	0
141	Total Expenditure	123	152	160	132	145	149	131	145	139	142
	FUNDED BY:										
62	Charges for Services	62	64	65	66	68	69	71	73	74	76
62	Revenue	62	64	65	66	68	69	71	73	74	76
24	General Rates	21	25	48	35	29	43	32	33	33	34
0	UAGC	0	0	0	0	0	0	0	0	0	0
36	Operational Balance from Reserves	21	29	46	24	42	27	27	30	31	31
0	Building Maintenance (to) from Reserves	0	0	0	0	0	0	0	0	0	0
0	Transfers (to) from Reserves	0	0	0	0	0	0	0	0	0	0
0	Depreciation funded from Reserves	0	0	0	0	0	0	0	0	0	0
19	Transfer from Reserves	0	0	0	0	0	0	0	0	0	0
0	Loan Funding - Capital	18	35	0	7	6	9	0	10	0	0
0	Other Funding	0	0	0	0	0	0	0	0	0	0
141	Total Funding	123	152	160	132	145	149	131	145	139	142

COMMUNITY DEVELOPMENT

1.1 What We Do

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

Examples of current community development activities include:

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

1.2 Why We Do It

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

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

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

1.4 Statement of Service Provision

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2021-2028	
To provide a number of community events and provide support that encourages involvement of the community	Number of Community events organised.	Achieved - 7	4	2	2	2	Number of events held are recorded
	Percentage of residents feeling a sense of community.	Achieved - 96.3%	>75%	>75%	>75%	>75%	Annual Residents Survey
Youth are supported to participate in their community through developing and implementing their own projects	Number of projects successfully developed and implemented by youth with support from community development	Achieved - 5	4	4	4	4	Number of projects developed are recorded
Council will provide, encourage and/or support events within the district	Events Council has provided or supported are measured	Achieved - 6	2	2	2	2	Number of supported events are recorded

1.5 Key Future Projects

There are no future projects associated with the Community Development activity.

1.6 Statement of Prospective Financial Performance

The ten year detailed financial summary including inflation is shown below.

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
320	Operating Expenditure	325	330	334	339	343	347	352	357	361	367
21	Revenue	21	21	21	21	21	21	21	21	21	21
300	Net Cost of Service	305	309	313	319	322	327	331	336	341	346
	EXPENDITURE										
241	Operating Costs	243	245	247	249	252	254	256	259	262	265
80	Allocated Overheads	82	84	87	90	91	93	95	98	100	102
320	Total Operating Expenditure	325	330	334	339	343	347	352	357	361	367
	FUNDED BY:										
21	Charges for Services	21	21	21	21	21	21	21	21	21	21
21	Revenue	21	21	21	21	21	21	21	21	21	21
0	General Rates	304	308	312	317	321	325	330	335	340	345
299	UAGC	0	0	0	0	0	0	0	0	0	0
1	Other Funding	1	1	1	1	1	1	1	1	1	1
320	Total Funding	325	330	334	339	343	347	352	357	361	367

LIBRARY

1.1 What We Do

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

1.2 Why We Do It

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

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

There are no negative effects associated with the Library activity.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2021-2028	
To provide a library service which meets the needs of and is being used by Stratford District residents	Number of people visiting the library is measured.	Not Achieved – 67,394	>90,000	>90,000	>90,000	>90,000	Door count
	% of library users satisfied with library services.	Achieved – 99.079%	>80%	>80%	>80%	>80%	Annual Survey
Library services will be accessible to the community	The number of visitors accessing the Wi-Fi service is measured.	Achieved – 26,926	>15,000	>15,000	>15,000	>15,000	Internal records
	The number of sessions accessing the People’s Network is measured.	Achieved – 10,968	>10,000	>10,000	>10,000	>10,000	Internal records

1.5 Key Future Projects

Project	Category	2018/19	2019/20	2020/21	2021-28
Replace hot water cylinder	Replacements	\$2,500	\$0	\$0	\$0

1.6 Statement of Prospective Financial Performance

The ten year detailed financial summary including inflation is shown below.

Budget 2017/18 \$000		Forecast	Projection								
		2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
712	Operating Expenditure	675	695	711	724	745	758	771	792	806	824
18	Revenue	18	18	19	19	20	20	20	21	21	22
694	Net Cost of Service	657	677	692	705	725	738	751	771	785	802
	EXPENDITURE										
337	Operating Costs	338	347	357	365	374	382	391	400	410	421
49	Interest	37	35	34	33	31	30	29	28	27	26
139	Depreciation	101	107	108	109	116	117	119	126	128	129
187	Allocated Overheads	199	205	212	217	223	229	233	238	242	248
712	Total Operating Expenditure	675	695	711	724	745	758	771	792	806	824
36	Principal Loan Repayments	34	33	32	30	29	28	27	26	25	24
0	Capital Expenditure	3	0	0	0	0	0	0	0	0	0
748	Total Expenditure	712	728	743	755	774	786	798	818	831	847
	FUNDED BY:										
18	Charges for Services	18	18	19	19	20	20	20	21	21	22
18	Revenue	18	18	19	19	20	20	20	21	21	22
632	General Rates	605	622	637	649	667	679	691	710	722	737
0	UAGC	0	0	0	0	0	0	0	0	0	0
0	Targeted Rates	0	0	0	0	0	0	0	0	0	0
0	Transfer (to) from Reserves	0	0	0	0	0	0	0	0	0	0
61	Depreciation funded from Reserves	50	51	52	53	54	56	57	58	60	61
0	Loan Funding - Capital	0	0	0	0	0	0	0	0	0	0
0	Grants and Donations	0	0	0	0	0	0	0	0	0	0
36	Transfer from Reserves	37	33	32	30	29	28	27	26	25	24
1	Other Funding	2	3	3	3	3	3	3	3	3	3
748	Total Funding	712	728	743	755	774	786	798	818	831	847

PARKS, RESERVES AND CEMETERIES

1.1 What We Do

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

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

1.2 Why We Do It

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

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

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

There are no significant negative effects associated with the Parks, Reserves and Cemeteries activities.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years4-10 2021-2028	
To provide parks, sportsfields and other open spaces that meet community demand	Number of complaints and requests for service.	Achieved - 18	<40	<40	<40	<40	Reporting against corporate CRM system.
	Percentage of Stratford residents satisfied with:						Annual Residents Survey
	• Parks;	Achieved – 95.9%	>80%	>80%	>80%	>80%	
	• Sportsfields; and	Achieved – 87.7%	>80%	>80%	>80%	>80%	
• Cemeteries.	Achieved – 87.9%	>80%	>80%	>80%	>80%		
Safe playgrounds are provided	All playgrounds meet NZ Safety Standards.	Achieved – 100%	100%	100%	100%	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.	Achieved – 100%	100%	100%	100%	100%	Biennial bridge inspection Report

1.5 Key Future Projects

Project	Category	2018/19	2019/20	2020/21	2021-28
Sports Field Drainage	Level of Service	\$200,000	\$0	\$0	\$0
Children’s Bike Park	Level of Service	\$25,000	\$0	\$521,200	\$0
Walkway Signage Upgrade	Level of Service	\$10,000	\$10,200	\$10,300	\$0
Trail Development and Art Work	Level of Service	\$50,000	\$102,000	\$103,000	\$0
Park Development	Level of Service	\$15,000	\$15,400	\$15,800	\$105,000
Resurface Tennis Courts	Level of Service	\$20,000	\$0	\$0	\$0
Walkway Development	Level of Service	\$15,000	\$15,400	\$15,800	\$105,000
King Edward Park Access Path	Level of Service	\$0	\$46,500	\$0	\$0
King Edward Park – Up light Malone Gates	Level of Service	\$0	\$0	\$0	\$16,400
Parks and Reserves Replacements	Replacements	\$12,000	\$12,300	\$12,500	\$95,800

1.6 Statement of Prospective Financial Performance

The ten year detailed financial summary including inflation is shown below:

Parks & Reserves

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
714	Operating Expenditure	649	717	752	835	851	896	917	966	989	1,013
8	Revenue	9	9	9	9	9	10	10	10	10	11
706	Net Cost of Service	640	708	743	826	842	886	907	956	979	1,003
EXPENDITURE											
413	Operating Costs	420	435	444	455	466	477	489	502	516	530
3	Interest	11	18	20	21	22	22	23	24	25	26
76	Depreciation	81	124	144	212	238	242	247	279	284	289
223	Allocated Overheads	137	140	143	147	126	154	157	161	165	169
715	Total Operating Expenditure	649	717	752	835	851	896	917	966	989	1,013
2	Principal Loan Repayments	10	17	19	20	20	21	22	23	23	24
196	Capital Expenditure	347	201	680	45	49	47	71	49	50	51
913	Total Expenditure	1,006	935	1,451	899	920	963	1,009	1,038	1,062	1,088
FUNDED BY:											
8	Charges for Services	9	9	9	9	9	10	10	10	10	11
8	Revenue	9	9	9	9	9	10	10	10	10	11
705	General Rates	649	717	752	835	850	895	915	965	987	1,011
0	UAGC	0	0	0	0	0	0	0	0	0	0
0	Targeted Rates	0	0	0	0	0	0	0	0	0	0
0	Grants and Donations	50	102	625	0	0	0	0	0	0	0
0	Transfer (to) from Reserves	0	0	0	0	0	0	0	0	0	0
0	Transfer (to) Turf Replacement Reserve	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)
0	Depreciation funded from Reserves	0	0	0	0	0	0	0	0	0	0
109	Loan Funding - Capital	285	87	42	32	36	33	57	35	36	37
90	Transfer from Reserves	22	29	31	32	33	34	35	37	38	38
1	Other Funding	1	1	1	1	1	1	1	1	1	1
913	Total Funding	1,006	935	1,451	899	920	963	1,009	1,038	1,062	1,088

Cemeteries

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
226	Operating Expenditure	209	225	219	224	230	230	235	241	247	253
119	Revenue	120	122	125	127	130	133	136	139	142	146
107	Net Cost of Service	89	102	95	97	100	97	99	102	105	107
EXPENDITURE											
131	Operating Costs	117	129	122	124	127	125	128	131	135	139
7	Depreciation	6	7	7	7	8	8	8	9	9	9
87	Allocated Overheads	86	88	90	93	95	97	99	101	104	106
226	Total Operating Expenditure	209	225	219	224	230	230	235	241	247	253
0	Capital Expenditure	0	0	0	0	0	0	0	0	0	0
226	Total Expenditure	209	225	219	224	230	230	235	241	247	253
FUNDED BY:											
119	Charges for Services	120	122	125	127	130	133	136	139	142	146
119	Revenue	120	122	125	127	130	133	136	139	142	146
106	General Rates	89	101	93	96	98	95	97	101	103	106
0	UAGC	0	0	0	0	0	0	0	0	0	0
0	Transfers (to) from Reserves	0	0	0	0	0	0	0	0	0	0
0	Transfer from Reserves	0	0	0	0	0	0	0	0	0	0
1	Other Funding	1	1	2	2	2	1	1	1	1	1
226	Total Funding	209	225	219	224	230	230	235	241	247	253

TSB POOL COMPLEX

1.1 What We Do

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

1.2 Why We Do It

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

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

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

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

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

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

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

1.4 Statement of Service Provision

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2021-2028	
The pool complex will be a safe place to swim.	Number of reported accidents, possible accidents and similar incidents pa.	Not Achieved - 82	<80	<80	<80	<80	Accident register – also reported monthly to Council.
	Compliance with NZS5826:2010 NZ Pool Water Quality Standards.	Achieved – 100%	100%	100%	100%	100%	Water quality register.
That the pool facilities meet demand.	Percentage of pool users are satisfied with the pool.	Achieved – 96.4%	>80%	>80%	>80%	>80%	Annual customer survey.
	Number of pool admissions per annum.	Achieved – 56,721	>55,000	>55,000	<i>Target suspended due to expected closures for upgrade</i>	>60,000	Ticketing system – also reported monthly to council.

1.5 Key Future Projects

Project	Category	2018/19	2019/20	2020/21	2021-28
Various Items of Equipment	Level of Service	\$44,700	\$44,000	\$37,200	\$247,600
Pool Complex Upgrade	Level of Service	\$0	\$0	\$15,636,000	\$4,572,400

1.6 Statement of Prospective Financial Performance

The ten year detailed financial summary including inflation is shown below:

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
864	Operating Expenditure	859	891	1,179	1,770	1,812	1,853	1,950	2,005	2,032	2,094
212	Revenue	222	222	222	222	222	222	222	222	222	222
652	Net Cost of Service	637	669	957	1,548	1,590	1,631	1,728	1,783	1,810	1,872
EXPENDITURE											
583	Operating Costs	603	620	633	648	664	679	697	716	734	752
0	Interest	0	0	269	527	506	526	546	524	529	533
96	Depreciation	92	102	103	416	459	460	516	568	569	605
185	Allocated Overheads	165	169	174	179	183	188	191	196	199	204
864	Total Operating Expenditure	859	891	1,179	1,770	1,812	1,853	1,950	2,005	2,032	2,094
0	Principal Loan Repayments	0	0	250	490	471	490	508	488	492	496
0	Capital Expenditure	45	44	15,674	41	34	2,813	48	25	1,820	39
864	Total Expenditure	904	935	17,103	2,302	2,316	5,156	2,506	2,517	4,344	2,630
FUNDED BY:											
212	Charges for Services	222	222	222	222	222	222	222	222	222	222
212	Revenue	222	222	222	222	222	222	222	222	222	222
651	General Rates	636	666	955	1,545	1,587	1,629	1,725	1,780	1,807	1,870
0	UAGC	0	0	0	0	0	0	0	0	0	0
0	Targeted Rates	0	0	0	0	0	0	0	0	0	0
0	Transfer (to) from Reserves	0	0	0	0	0	0	0	0	0	0
0	Depreciation funded from Reserves	0	0	0	0	0	0	0	0	0	0
0	Loan Funding - Capital	0	0	12,509	0	0	1,892	0	0	1,194	0
0	Grants - Capital	22	22	3,146	20	17	906	24	12	612	20
0	Transfer from Reserves	22	22	269	511	488	505	532	500	507	516
1	Other Funding	1	3	3	3	3	3	3	3	3	3
864	Total Funding	904	935	17,103	2,302	2,316	5,156	2,506	2,517	4,344	2,630



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.

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

Corporate Support

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

1.2 Why We Do It

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

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

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

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

There are no significant negative effects associated with the Democracy activities.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2021-2028	
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.	Achieved – 100%	100%	100%	100%	100%	Meeting Register.
	All Council meetings are publicly notified in accordance with statutory timeframes.	Achieved – 100%	100%	100%	100%	100%	Meeting Register.
To ensure that the Health and Safety manual is reviewed.	Complete an annual review of the Health and Safety Manual.	Achieved – June 2017	Achieved	Achieved	Achieved	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	Achieved	Achieved	Achieved	Audit Opinion.

1.5 Key Future Projects

Project	Category	2018/19	2019/20	2020/21	2021-28
Computers and Peripherals	Replacements	\$135,000	\$140,000	\$80,000	\$805,000
Photocopiers	Replacements	\$0	\$50,000	\$0	\$100,000
Telephone System	Replacements	\$50,000	\$50,000	\$0	\$100,000
Vehicle Replacements	Replacements	\$32,000	\$24,500	\$12,500	\$101,000
Miscellaneous Equipment	Replacements	\$20,000	\$20,000	\$20,000	\$140,000
Miranda Street Office					
Furniture Replacement	Replacements	\$3,000	\$3,100	\$3,100	\$24,000
Floor Coverings Replacement	Replacements	\$0	\$0	\$42,700	\$39,800
Install Access Control	Level of Service	\$30,500	\$0	\$0	\$0
Replace Dishwasher	Replacements	\$0	\$0	\$2,100	\$0
Replace Heat Pump	Replacements	\$0	\$0	\$0	\$159,500

1.6 Statement of Prospective Financial Performance

The ten year detailed financial summary including inflation is shown below.

Democracy

Budget 2017/18 \$000		Forecast		Projection							2017/28 \$000
		2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	
887	Operating Expenditure	1,022	1,074	1,074	1,099	1,166	1,142	1,166	1,226	1,223	1,277
0	Revenue	0	0	0	0	0	0	0	0	0	0
887	Net Cost of Service	1,022	1,074	1,074	1,099	1,166	1,142	1,166	1,226	1,223	1,277
	EXPENDITURE										
390	Operating Costs	407	441	424	422	481	442	452	492	474	510
497	Allocated Overheads	615	633	650	677	685	700	714	734	749	767
887	Total Operating Expenditure	1,022	1,074	1,074	1,099	1,166	1,142	1,166	1,226	1,223	1,277
0	Contingency Reserve Replenishment	0	0	0	0	0	0	0	0	0	0
887	Total Expenditure	1,022	1,074	1,074	1,099	1,166	1,142	1,166	1,226	1,223	1,277
	FUNDED BY:										
0	Charges for Services	0	0	0	0	0	0	0	0	0	0
0	Revenue	0	0	0	0	0	0	0	0	0	0
0	General Rates	(0)	0	0	0	0	0	0	(0)	(0)	(0)
884	UAGC	1,017	1,063	1,063	1,088	1,155	1,131	1,155	1,215	1,212	1,266
3	Other Funding	5	11	11	11	11	11	11	11	11	11
887	Total Funding	1,022	1,074	1,074	1,099	1,166	1,142	1,166	1,226	1,223	1,277

Corporate Support

Budget 2017/18 \$000		Forecast		Projection							2017/28 \$000
		2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	
0	Operating Expenditure	0	0	0	0	0	0	0	0	0	0
60	Revenue	60	60	60	60	60	60	60	60	60	60
(60)	Net Cost of Service	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)
	EXPENDITURE										
	Operating Costs										
361	- Chief Executive's Department	366	374	381	389	398	407	417	427	437	448
912	- Finance Department	950	969	994	1,010	1,031	1,060	1,079	1,104	1,136	1,158
(1,273)	Allocated Overheads Recovered	(1,316)	(1,343)	(1,376)	(1,399)	(1,430)	(1,468)	(1,495)	(1,531)	(1,573)	(1,606)
0	Total Operating Expenditure	0	0	0	0	0	0	0	0	0	0
211	Capital Expenditure	271	288	160	209	210	235	347	190	150	129
211	Total Expenditure	271	288	160	209	210	235	347	190	150	129
	FUNDED BY:										
60	Charges for Services	60	60	60	60	60	60	60	60	60	60
60	Revenue	60	60	60	60	60	60	60	60	60	60
(0)	General Rates	0	0	0	0	0	0	0	0	0	0
(60)	UAGC	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)
211	Transfer from Reserves	271	288	160	209	210	235	347	190	150	129
211	Total Funding	271	288	160	209	210	235	347	190	150	129



ECONOMY

ECONOMIC DEVELOPMENT

1.1 What We Do

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

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

1.2 Why We Do It

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

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

There are no significant negative effects associated with the Economy activities.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2021-2028	
To support and promote the economic growth of the district.	Business mentoring and economic development support is available.	Achieved	Report received	Report received	Report received	Report received	Venture Taranaki Quarterly reports
To support the business community.	Provide administration support to the Stratford Business Association meetings	Achieved - 11	11	11	11	11	Minutes and agendas completed
The website is a valuable resource for the community to access Council information	The number of visitors accessing Council information and services via the internet is measured.	Achieved – 44,354	Not less than previous year	Not less than previous year	Not less than previous year	Not less than previous year	Website statistics
Opportunities for the community to participate in decision making is widely publicised	The community is satisfied with how Council keeps them informed.	Achieved – 88.0%	>85%	>85%	>85%	>85%	Annual Residents Survey

1.5 Key Future Projects

Project	Category	2018/19	2019/20	2020/21	2021-28
Purchase of Land and Development	Level of Service	\$1,710,000	\$0	\$0	\$0

1.6 Statement of Prospective Financial Performance

The ten year detailed financial summary including inflation is shown below.

Economic Development

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								2017/28 \$000
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	
279	Operating Expenditure	416	364	372	381	389	398	406	416	426	436
0	Revenue	0	0	0	0	0	0	0	0	0	0
279	Net Cost of Service	416	364	372	381	389	398	406	416	426	436
	EXPENDITURE										
183	Operating Costs	316	261	266	272	278	284	291	298	305	312
96	Allocated Overheads	100	103	105	109	111	113	116	119	121	124
279	Total Operating Expenditure	416	364	372	381	389	398	406	416	426	436
	FUNDED BY:										
0	Revenue	0	0	0	0	0	0	0	0	0	0
0	Targeted Rates	0	0	0	0	0	0	0	0	0	0
139	General Rates	208	181	185	190	193	198	202	207	212	217
139	UAGC	208	181	185	190	193	198	202	207	212	217
1	Other Funding	1	2	2	2	2	2	2	2	2	2
279	Total Funding	416	364	372	381	389	398	406	416	426	436

Council Projects

Budget 2017/18 \$000		Forecast	Projection								
		2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
0	Operating Expenditure	65	0	0	0	0	0	0	0	0	0
0	Revenue	0	0	0	0	0	0	0	0	0	0
0	<u>Net Cost of Service</u>	<u>65</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURE											
0	Operating Costs	0	0	0	0	0	0	0	0	0	0
0	Interest	65	0	0	0	0	0	0	0	0	0
0	Allocated Overheads	0	0	0	0	0	0	0	0	0	0
0	Total Operating Expenditure	65	0	0	0	0	0	0	0	0	0
0	Principal Loan Repayments	3,210	0	0	0	0	0	0	0	0	0
1,500	Capital Expenditure	1,710	0	0	0	0	0	0	0	0	0
1,500	Total Expenditure	4,985	0	0	0	0	0	0	0	0	0
FUNDED BY:											
0	Charges for Services	0	0	0	0	0	0	0	0	0	0
0	Revenue	0	0	0	0	0	0	0	0	0	0
0	General Rates	41	0	0	0	0	0	0	0	0	0
0	Sales of Sections - Capital	3,234	0	0	0	0	0	0	0	0	0
1,500	Loan Funding	1,710	0	0	0	0	0	0	0	0	0
0	Transfer (to) Reserves	0	0	0	0	0	0	0	0	0	0
0	Transfer from Reserves - Capital	0	0	0	0	0	0	0	0	0	0
1,500	Total Funding	4,985	0	0	0	0	0	0	0	0	0

INFORMATION CENTRE

1.1 What We Do

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

1.2 Why We Do It

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

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

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

1.4 Statement of Service Provision

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2021-2028	
To provide an Information Centre for visitors, incorporating Automobile Association Agency services that meets the needs of and is being used by the community.	Number of people to the Information Centre service is measured.	Achieved – 42,684	>40,000	>40,000	>40,000	>40,000	Door Count
	Number of users of AA Agency Service is measured.	Achieved – 12,860	>10,000	>10,000	>10,000	>10,000	AA customer count records
	Percentage customers are satisfied.	Achieved – 97.68%	>80%	>80%	>80%	>80%	Annual Survey

1.5 Key Future Projects

There are no future projects associated with the Information Centre activity.

1.6 Statement of Prospective Financial Performance

The ten year detailed financial summary including inflation is shown below.

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
353	Operating Expenditure	300	306	313	319	326	333	339	347	354	362
109	Revenue	112	112	112	112	112	112	112	112	112	112
244	Net Cost of Service	188	194	201	207	214	221	227	235	242	250
	EXPENDITURE										
260	Operating Costs	201	205	208	212	216	220	225	230	234	239
4	Depreciation	1	1	1	1	1	1	1	1	1	1
90	Allocated Overheads	98	101	103	106	108	111	113	116	118	121
353	Total Operating Expenditure	300	306	313	319	326	333	339	347	354	362
	FUNDED BY:										
109	Charges for Services	112	112	112	112	112	112	112	112	112	112
109	Revenue	112	112	112	112	112	112	112	112	112	112
244	General Rates	187	193	199	205	212	219	226	233	240	248
0	UAGC	0	0	0	0	0	0	0	0	0	0
1	Other Funding	1	2	2	2	2	2	2	2	2	2
353	Total Funding	300	306	313	319	326	333	339	347	354	362

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

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:

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

1.3 Significant Negative Effects

There are no significant effects from any of these activities.

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

1.4 Statement of Service Provision

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2021-2028	
Maximum profits from the farm are returned to Council.	Milk production is maximised	Achieved – 152,922kg	>150,000 kg	>150,000 kg	>150,000 kg	>150,000 kg	Milk Supplier's Statements issued by milk collector (currently Fonterra).
Leased property is safe and fit for purpose.	Number of complaints from tenants.	Achieved - 1	<5	<5	<5	<5	Reporting against corporate CRM system.

1.5 Key Future Projects

Project	Category	2018/19	2019/20	2020/21	2021-28
Farm					
Cow Yard Replacement	Replacements	\$0	\$0	\$0	\$42,600
House Components	Replacements	\$9,300	\$0	\$3,500	\$30,700
Landscaping and Riparian Planting	Level of Service	\$25,000	\$15,300	\$10,400	\$0
Install In-shed Feed System	Level of Service	\$0	\$0	\$55,900	\$0
Install Automatic Cup Removers	Level of Service	\$36,200	\$0	\$0	\$0
River Bridge	Level of Service	\$100,000	\$0	\$0	\$0

1.6 Statement of Prospective Financial Performance

The ten year detailed financial summary including inflation is shown below.

Farm

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								2017/28 \$000
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	
409	Operating Expenditure	361	371	375	373	396	383	382	388	387	386
513	Revenue	504	514	524	534	544	556	567	580	593	654
(103)	Net Cost of Service	(143)	(142)	(148)	(161)	(148)	(172)	(185)	(191)	(206)	(268)
EXPENDITURE											
172	Operating Costs	158	158	165	160	177	167	171	175	179	183
145	Interest	111	108	104	100	96	92	88	85	81	78
52	Depreciation	54	65	66	72	81	81	79	84	80	78
41	Allocated Overheads	38	39	40	41	42	43	44	45	46	47
409	Total Operating Expenditure	361	371	375	373	396	383	382	388	387	386
105	Principal Loan Repayments	103	101	97	93	89	86	82	79	76	73
33	Capital Expenditure	171	15	70	43	22	3	0	0	6	0
547	Total Expenditure	635	488	542	508	508	472	464	467	468	459
FUNDED BY:											
512	Charges for Services	504	514	524	534	544	556	567	580	593	654
512	Revenue	504	514	524	534	544	556	567	580	593	654
(149)	General Rates	(40)	(42)	(52)	(69)	(59)	(87)	(104)	(113)	(131)	(196)
0	UAGC	0	0	0	0	0	0	0	0	0	0
151	Transfer (to) from Reserves	0	0	0	0	0	0	0	0	0	0
33	Transfer from Reserves	71	15	70	43	22	3	0	0	6	0
0	Sale of Land	0	0	0	0	0	0	0	0	0	0
0	Loan Funding - Capital	100	0	0	0	0	0	0	0	0	0
0	Other Funding	0	1	1	1	1	1	1	1	1	1
547	Total Funding	635	488	542	508	508	472	464	467	468	459

Holiday Park

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
33	Operating Expenditure	18	18	19	19	19	20	20	21	21	22
3	Revenue	3	3	3	4	4	4	4	4	4	4
30	Net Cost of Service	15	15	16	15	16	16	17	17	17	18
EXPENDITURE											
6	Operating Costs	1	1	1	1	1	1	1	1	1	1
0	Interest	0	0	0	0	0	0	0	0	0	0
0	Depreciation	0	0	0	0	0	0	0	0	0	0
27	Allocated Overheads	17	17	18	18	18	19	19	20	20	20
33	Total Operating Expenditure	18	18	19	19	19	20	20	21	21	22
0	Principal Loan Repayments	0	0	0	0	0	0	0	0	0	0
0	Capital Expenditure	0	0	0	0	0	0	0	0	0	0
33	Total Expenditure	18	18	19	19	19	20	20	21	21	22
FUNDED BY:											
3	Charges for Services	3	3	3	4	4	4	4	4	4	4
3	Revenue	3	3	3	4	4	4	4	4	4	4
30	General Rates	15	15	15	15	16	16	16	17	17	17
0	UAGC	0	0	0	0	0	0	0	0	0	0
0	Transfer (to) from Reserves	0	0	0	0	0	0	0	0	0	0
0	Depreciation funded from Reserves	0	0	0	0	0	0	0	0	0	0
0	Transfer from Reserves	0	0	0	0	0	0	0	0	0	0
0	Loan Funding - Capital	0	0	0	0	0	0	0	0	0	0
0	Other Funding	0	0	0	0	0	0	0	0	0	0
33	Total Funding	18	18	19	19	19	20	20	21	21	22

Rental Properties

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
79	Operating Expenditure	88	93	95	97	102	104	106	112	114	117
71	Revenue	62	34	35	36	37	38	39	40	41	42
8	Net Cost of Service	26	59	59	60	65	66	67	73	74	75
EXPENDITURE											
11	Operating Costs	10	11	12	12	13	14	15	16	17	18
35	Depreciation	35	39	39	39	43	43	43	47	47	47
33	Allocated Overheads	42	43	45	46	47	48	49	50	51	52
79	Total Operating Expenditure	88	93	95	97	102	104	106	112	114	117
0	Capital Expenditure	0	0	0	0	0	0	0	0	0	0
79	Total Expenditure	88	93	95	97	102	104	106	112	114	117
FUNDED BY:											
71	Charges for Services	62	34	35	36	37	38	39	40	41	42
71	Revenue	62	34	35	36	37	38	39	40	41	42
8	General Rates	26	58	59	60	64	65	66	72	73	74
0	UAGC	0	0	0	0	0	0	0	0	0	0
0	Depreciation funded from Reserves	0	0	0	0	0	0	0	0	0	0
0	Transfer from Reserves	0	0	0	0	0	0	0	0	0	0
0	Other Funding	0	1	1	1	1	1	1	1	1	1
79	Total Funding	88	93	95	97	102	104	106	112	114	117



ENVIRONMENTAL SERVICES

BUILDING SERVICES

1.1 What We Do

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

1.2 Why We Do It

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

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

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

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

1.4 Statement of Service Provision

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

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2021-2028	
To process applications within statutory timeframes.	Percentage of building consent applications processed within 20 days.	Achieved – 100%, 249 building consents	100%	100%	100%	100%	Council Records
	Percentage of inspection requests completed within 24 hours of request	Achieved – 100%	100%	100%	100%	100%	Council Records
	Percentage of code compliance certificate applications determined within 20 working days	Achieved – 100%	100%	100%	100%	100%	Council Records
To retain registration as a Building Consent Authority.	Current registration.	Achieved – certification was obtained on 3 April 2017 and expires on 3 April 2019	Confirmed	Confirmed	Confirmed	Confirmed	Current IANZ Certification
To process LIMs within statutory timeframes	% of LIMs processed within timeframes.	Achieved – 100% - 65 LIMs	100%	100%	100%	100%	Council records
Service meets customer expectations.	Percentage of customers using building consent processes are satisfied with the service provided	Achieved – 89.9%	>80%	>80%	>80%	>80%	Council Records

1.5 Key Future Projects

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

1.6 Statement of Prospective Financial Performance

The ten year detailed financial summary including inflation is shown below.

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
360	Operating Expenditure	488	471	448	433	469	452	490	473	513	495
145	Revenue	213	218	222	227	232	237	243	249	254	261
215	<u>Net Cost of Service</u>	<u>275</u>	<u>253</u>	<u>225</u>	<u>206</u>	<u>237</u>	<u>215</u>	<u>247</u>	<u>224</u>	<u>258</u>	<u>234</u>
	EXPENDITURE										
253	Operating Costs	320	298	270	249	282	260	295	273	309	286
107	Allocated Overheads	168	173	178	183	187	192	195	200	204	209
360	<u>Total Operating Expenditure</u>	<u>488</u>	<u>471</u>	<u>448</u>	<u>433</u>	<u>469</u>	<u>452</u>	<u>490</u>	<u>473</u>	<u>513</u>	<u>495</u>
	FUNDED BY:										
145	Charges for Services	213	218	222	227	232	237	243	249	254	261
145	Revenue	213	218	222	227	232	237	243	249	254	261
0	General Rates	0	0	0	0	0	0	0	0	0	0
214	UAGC	274	251	223	203	234	212	244	221	255	231
1	Other Funding	1	3	3	3	3	3	3	3	3	3
360	<u>Total Funding</u>	<u>488</u>	<u>471</u>	<u>448</u>	<u>433</u>	<u>469</u>	<u>452</u>	<u>490</u>	<u>473</u>	<u>513</u>	<u>495</u>

PLANNING AND BYLAWS

1.1 What We Do

This activity covers:

- The development and administration of the Stratford District Plan
- Maintaining a set of bylaws that integrate with the District Plan provisions
- The processing of resource consents required under the District Plan.
- Monitoring of the district to ensure that the District Plan and bylaws are relevant and complied with.

1.2 Why We Do It

All of the above functions are required by legislation.

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

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

There is greater significant risk if the district plan review is not completed and the district plan not updated to reflect best practice and community expectations. The same also applies to the suite of bylaws that sit alongside the district plan. There is only a significant negative effect if Council gets it wrong.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2021-2028	
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	Achieved	Feedback on draft	Notification hearings and settlement of appeals	N/A	N/A	Reports to Council
	To undertake a systematic review of bylaws and related policies as they reach their statutory review dates.	Achieved –	Drafting notification / hearings	Drafting notification / hearings	N/A	N/A	Reports to Council
To process resource consents within statutory timeframes.	% of non notified applications processed within 20 working days.	Achieved – 100% - 35 of 35 applications	100%	100%	100%	100%	Council records
	% of notified applications processed within legislated timeframes for notification, hearings and decisions.	Achieved – 100% - no notified consents	100%	100%	100%	100%	Council records
	% of s223 and s224 applications processed within 10 working days.	Achieved – 100%	100%	100%	100%	100%	Council records
Service meets customer expectations.	Percentage of customers using resource consent processes are satisfied with the service provided	Achieved – 94.1%	>80%	>80%	>80%	>80%	Council Records

1.5 Key Future Projects

There are no future projects associated with the Planning & Bylaws activity.

1.6 Statement of Prospective Financial Performance

The ten year detailed financial summary including inflation for this activity is shown below.

District Plan and Bylaws

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
184	Operating Expenditure	163	167	170	153	146	149	152	156	159	163
0	Revenue	0	0	0	0	0	0	0	0	0	0
184	Net Cost of Service	163	167	170	153	146	149	152	156	159	163
EXPENDITURE											
118	Operating Costs	98	101	103	83	74	76	78	80	82	84
66	Allocated Overheads	64	66	68	70	71	73	74	76	78	79
184	Total Operating Expenditure	163	167	170	153	146	149	152	156	159	163
FUNDED BY:											
0	Revenue	0	0	0	0	0	0	0	0	0	0
0	General Rates	0	0	0	0	0	0	0	0	0	0
184	UAGC	162	165	169	152	145	148	151	155	158	162
1	Other Funding	1	1	1	1	1	1	1	1	1	1
184	Total Funding	163	167	170	153	146	149	152	156	159	163

Resource Consents

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
139	Operating Expenditure	160	163	167	172	175	179	183	187	192	197
40	Revenue	26	26	27	33	33	34	35	36	37	37
99	Net Cost of Service	134	137	140	139	142	145	148	152	155	159
EXPENDITURE											
81	Operating Costs	79	81	83	84	86	88	90	92	95	97
58	Allocated Overheads	81	83	85	87	89	91	93	95	97	100
139	Total Operating Expenditure	160	163	167	172	175	179	183	187	192	197
FUNDED BY:											
40	Charges for Services	26	26	27	33	33	34	35	36	37	37
40	Revenue	26	26	27	33	33	34	35	36	37	37
0	General Rates	0	0	0	0	0	0	0	0	0	0
98	UAGC	134	136	139	138	140	143	147	150	154	158
0	Other Funding	1	1	1	1	1	1	1	1	1	1
139	Total Funding	160	163	167	172	175	179	183	187	192	197

COMMUNITY HEALTH AND SAFETY

1.1 What We Do

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

Health Act and Food Act

Council:

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

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

Sale and Supply of Alcohol Act

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

Parking and other Bylaw compliance

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

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

Animal Control

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

This covers:

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

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

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

1.2 Why We Do It

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

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

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

1.4 Statement of Service Provision

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2021-2028	
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.	Achieved – 100%	100%	100%	100%	100%	Council Records
	Health nuisance and premise complaints are responded to within 1 working day.	Achieved – 100% - 16 complaints	100%	100%	100%	100%	Council Records
To fulfil obligations as a District Licensing Committee.	Percentage of licensed premises inspected.	Not Achieved – 89% - 24 of 27 premises inspected	100%	100%	100%	100%	Council Records
	Percentage of alcohol applications processed within 25 working days (excluding hearings).	Achieved – 100%	100%	100%	100%	100%	Council Records
To monitor and enforce bylaws.	Percentage of complaints responded to within 2 hours.	Achieved – 100% - 296 complaints	100%	100%	100%	100%	Council Records
To ensure dogs are controlled.	Percentage of known dogs registered.	Not Achieved – 98.2% - 2088 of 2126 dogs	98%	98%	98%	98%	Council Records
	Percentage of dog attack/wandering dog complaints responded to within an hour.	Achieved – 100% - 276 complaints	100%	100%	100%	100%	Council Records

1.5 Key Future Projects

Project	Category	2018/19	2019/20	2020/21	2021-28
Construct new dog pound	Replacements	\$0	\$61,300	\$0	\$0

1.6 Statement of Prospective Financial Performance

The ten year detailed financial summary including inflation for this activity is shown below.

Food and Health

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								2017/28 \$000
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	
130	Operating Expenditure	88	90	92	94	96	99	101	103	105	108
30	Revenue	14	14	15	15	15	16	16	17	17	17
100	Net Cost of Service	74	76	77	79	81	83	85	87	88	91
EXPENDITURE											
64	Operating Costs	51	52	54	55	56	57	59	60	61	63
66	Allocated Overheads	37	38	39	40	40	41	42	43	44	45
130	Total Operating Expenditure	88	90	92	94	96	99	101	103	105	108
FUNDED BY:											
30	Charges for Services	14	14	15	15	15	16	16	17	17	17
30	Revenue	14	14	15	15	15	16	16	17	17	17
0	General Rates	0	0	0	0	0	0	0	0	0	0
99	UAGC	73	75	77	78	80	82	84	86	88	90
0	Other Funding	0	1	1	1	1	1	1	1	1	1
130	Total Funding	88	90	92	94	96	99	101	103	105	108

Alcohol Licensing

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								2017/28 \$000
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	
144	Operating Expenditure	155	159	162	167	170	174	177	182	186	190
34	Revenue	34	35	35	36	37	37	38	39	40	41
110	Net Cost of Service	121	124	127	131	133	136	139	143	146	149
EXPENDITURE											
61	Operating Costs	70	72	73	75	76	78	79	81	83	85
83	Allocated Overheads	85	87	89	92	94	96	98	100	102	105
144	Total Operating Expenditure	155	159	162	167	170	174	177	182	186	190
FUNDED BY:											
34	Charges for Services	34	35	35	36	37	37	38	39	40	41
34	Revenue	34	35	35	36	37	37	38	39	40	41
0	General Rates	0	0	0	0	0	0	0	0	0	0
109	UAGC	120	122	126	129	132	135	138	141	144	148
1	Other Funding	1	1	1	1	1	1	1	1	1	1
144	Total Funding	155	159	162	167	170	174	177	182	186	190

Parking and other Bylaws

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								2017/28 \$000
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	
151	Operating Expenditure	182	186	175	179	183	187	191	196	200	205
44	Revenue	26	27	27	28	28	29	30	30	31	32
107	Net Cost of Service	156	159	148	151	154	158	161	165	169	173
EXPENDITURE											
59	Operating Costs	80	81	68	69	70	72	74	75	77	79
91	Allocated Overheads	102	104	107	110	112	115	117	120	123	126
151	Total Operating Expenditure	182	186	175	179	183	187	191	196	200	205
FUNDED BY:											
44	Charges for Services	26	27	27	28	28	29	30	30	31	32
44	Revenue	26	27	27	28	28	29	30	30	31	32
0	General Rates	0	0	0	0	0	0	0	0	0	0
106	UAGC	155	158	146	150	153	156	160	164	167	171
1	Other Funding	1	2	2	2	2	2	2	2	2	2
151	Total Funding	182	186	175	179	183	187	191	196	200	205

Animal Control

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								2017/28 \$000
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	
195	Operating Expenditure	201	196	202	207	211	215	219	225	229	235
141	Revenue	142	145	148	151	154	158	162	166	169	174
54	Net Cost of Service	59	51	54	55	56	57	58	59	60	61
EXPENDITURE											
98	Operating Costs	125	117	120	122	125	128	131	134	137	140
0	Interest	0	1	3	2	2	2	2	2	2	2
7	Depreciation	7	7	7	7	7	7	7	7	7	7
89	Allocated Overheads	69	71	73	75	76	78	80	82	83	85
195	Total Operating Expenditure	201	196	202	207	211	215	219	225	229	235
0	Principal Loan Repayments	0	1	2	2	2	2	2	2	2	2
0	Capital Expenditure	0	61	0	0	0	0	0	0	0	0
195	Total Expenditure	201	259	204	209	213	217	222	226	231	236
FUNDED BY:											
141	Charges for Services	142	145	148	151	154	158	162	166	169	174
141	Revenue	142	145	148	151	154	158	162	166	169	174
0	General Rates	0	0	0	0	0	0	0	0	0	0
53	UAGC	58	51	55	56	57	58	59	60	61	62
0	Loan Funding - Capital	0	61	0	0	0	0	0	0	0	0
0	Transfer from Reserves - Capital	0	0	0	0	0	0	0	0	0	0
1	Other Funding	1	1	1	1	1	1	1	1	1	1
195	Total Funding	201	259	204	209	213	217	222	226	231	236

CIVIL DEFENCE & EMERGENCY MANAGEMENT

1.1 What We Do

Council is involved in Civil Defence and Emergency Management to contribute to the social, economic, cultural, and environmental wellbeing of the District and to provide for the safety of the public and also the protection of property in Stratford.

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.

To achieve this, the Council has established an Emergency Operations Centre and is responsible for local emergency management delivery during response, readiness activities to increase the resilience of the community, long term recovery and risk reduction to reduce exposure to hazards.”

1.2 Why We Do It

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

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

There are no significant negative effects associated with the Civil Defence and Emergency Management activities.

1.4 Statement of Service Provision

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2021-2028	
To maintain effective emergency capability.	Operative Taranaki Civil Defence Emergency Management Plan.	Achieved – 100%	Achieved	Achieved	Achieved	Achieved	Annual CDEMG Report

1.5 Key Future Projects

There are no future projects associated with the Civil Defence & Emergency Management activity.

1.6 Statement of Prospective Financial Performance

The ten year detailed financial summary including inflation for this activity is shown below.

Civil Defence and Emergency Management

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
132	Operating Expenditure	123	124	131	128	132	125	140	144	152	154
0	Revenue	0	0	0	0	0	0	0	0	0	0
132	<u>Net Cost of Service</u>	<u>123</u>	<u>124</u>	<u>131</u>	<u>128</u>	<u>132</u>	<u>125</u>	<u>140</u>	<u>144</u>	<u>152</u>	<u>154</u>
	<u>EXPENDITURE</u>										
82	Operating Costs	88	89	94	91	94	100	100	104	111	111
50	Allocated Overheads	35	36	37	37	38	25	40	41	42	43
132	<u>Total Operating Expenditure</u>	<u>123</u>	<u>124</u>	<u>131</u>	<u>128</u>	<u>132</u>	<u>125</u>	<u>140</u>	<u>144</u>	<u>152</u>	<u>154</u>
	<u>FUNDED BY:</u>										
0	Subsidies	0	0	0	0	0	0	0	0	0	0
0	Revenue	0	0	0	0	0	0	0	0	0	0
0	General Rates	0	0	0	0	0	0	0	0	0	0
132	UAGC	123	124	130	128	131	124	139	144	152	153
0	Other Funding	0	1	1	1	1	1	1	1	1	1
132	<u>Total Funding</u>	<u>123</u>	<u>124</u>	<u>131</u>	<u>128</u>	<u>132</u>	<u>125</u>	<u>140</u>	<u>144</u>	<u>152</u>	<u>154</u>



ROADING

1.1 What We Do

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

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

	Rural	Urban	Total
Sealed km	349.4	41.6	391.1
Unsealed km	<u>206.7</u>	<u>0.01</u>	<u>206.7</u>
	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 Roding Facilities Management Contract.

1.2 Why We Do It

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

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

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

Negative Effects

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

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

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

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

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

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

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

1.4 Statement of Service Provision

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2021-2028	
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.	Achieved – Decrease from 7 in 2015/16 to 6 in 2016/17, which is a change of -1.	1	1	1	1	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.	Achieved – Urban – 91%, Rural – 95%. Council complete this survey every second year so the results are the same as the previous year. (Was tested in March 2016).	Urban – ≥83% Rural – ≥91%	Urban – ≥83% Rural – ≥91%	Urban – ≥83% Rural – ≥91%	Urban – ≥83% Rural – ≥91%	RAMM Rating Report

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2021-2028	
	Road maintenance – The percentage of the sealed road network that is resurfaced.	Not Achieved – 5% - this was not achieved due to the poor weather conditions during the year.	≥5%	≥5%	≥5%	≥5%	RAMM Rating Report
	Road maintenance – The percentage of the unsealed road network that has been metal dressed.	Achieved – 6%	≥7%	≥7%	≥7%	≥7%	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)	Not Achieved – 81.5%	>82%	>83%	>84%	>85%	RAMM Report
	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).	Achieved – 86% - new Contract commenced in October 2016 contains time frames and measures.	>86%	>87%	>88%	>89%	RAMM Report. Spreadsheet until connectivity is established between RAMM and Customer Service Requests
	Percentage of residents who are satisfied with:						Annual Customer Survey
	• Roading Networks	Achieved – 76.07%	>76%	>77%	>78%	>79%	
	• Footpaths	Achieved – 77.71%	>77%	>78%	>79%	>80%	

1.5 Key Future Projects

Project	Category	2018/19	2019/20	2020/21	2021-28
Unsealed Road Metalling	Replacements	\$844,602	\$844,942	\$845,290	\$6,074,817
Sealed Road Resurfacing	Replacements	\$800,000	\$800,898	\$801,814	\$5,776,185
Drainage Renewals	Replacements	\$568,315	\$568,400	\$568,487	\$4,082,083
Pavement Rehabilitation	Replacements	\$762,123	\$762,275	\$762,429	\$5,475,596
Structure Component Replacement	Replacements	\$96,120	\$96,182	\$96,245	\$692,235
Bridge Replacement	Replacements	\$283,000	\$224,840	\$326,923	\$1,716,818
Traffic Services	Replacements	\$63,100	\$63,134	\$63,169	\$454,188
Sealed Road Resurfacing – Special Purpose Roads	Replacements	\$51,980	\$52,025	\$52,072	\$374,807
Tourism Infrastructure	Level of Service	\$4,000,000	\$0	\$0	\$0
Footpath Renewal	Replacements	\$150,000	\$153,300	\$156,673	\$1,209,576
Underverandah Lighting	Replacements	\$12,000	\$12,264	\$12,534	\$96,766

1.6 Statement of Prospective Financial Performance

The ten year detailed financial summary including inflation for the Roothing activity is shown below.

Roothing

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
5,564	Operating Expenditure	6,325	6,462	6,584	6,613	6,831	7,046	7,173	7,448	7,723	7,682
3,036	Revenue	3,792	3,768	3,833	3,887	3,916	4,033	4,104	4,158	4,312	4,286
2,528	Net Cost of Service	2,532	2,693	2,751	2,726	2,916	3,012	3,069	3,291	3,411	3,397
EXPENDITURE											
2,705	Operating Costs	3,422	3,382	3,498	3,519	3,566	3,774	3,897	3,989	4,258	4,210
4	Interest	19	32	30	29	28	27	26	25	24	23
2,617	Depreciation	2,617	2,774	2,774	2,774	2,941	2,941	2,941	3,117	3,117	3,117
238	Allocated Overheads	267	274	282	291	296	304	310	318	325	333
5,564	Total Operating Expenditure	6,325	6,462	6,584	6,613	6,831	7,046	7,173	7,448	7,723	7,682
3	Principal Loan Repayments	18	29	28	27	26	25	24	23	22	21
3,090	Capital Expenditure	7,348	3,353	3,359	3,436	3,445	3,451	3,461	3,471	3,481	3,492
8,657	Total Expenditure	13,691	9,844	9,971	10,076	10,302	10,522	10,658	10,942	11,227	11,195
FUNDED BY:											
130	Charges for Services	132	134	135	137	138	140	142	144	146	148
2,906	NZTA Financial Assistance	3,660	3,634	3,698	3,750	3,777	3,893	3,963	4,014	4,167	4,138
3,036	Revenue	3,792	3,768	3,833	3,887	3,916	4,033	4,104	4,158	4,312	4,286
2,808	Targeted Rates	2,907	2,990	3,217	3,401	3,488	3,533	3,656	3,771	3,879	3,951
0	UAGC	0	0	0	0	0	0	0	0	0	0
0	General Rates	0	(0)	(0)	0	0	0	0	0	0	0
1,342	Depreciation funded from Reserves	1,342	1,422	1,422	1,422	1,507	1,507	1,507	1,598	1,598	1,598
1,369	Transfer from Reserves - Capital	1,528	1,543	1,547	1,580	1,585	1,589	1,595	1,601	1,608	1,614
(56)	Transfer (to) from Reserves	120	116	(52)	(219)	(198)	(147)	(210)	(190)	(175)	(258)
156	Loan Funding - Capital	600	0	0	0	0	0	0	0	0	0
0	Grants/Donations - Capital	3,400	0	0	0	0	0	0	0	0	0
2	Other Funding	2	5	5	5	5	5	5	5	5	5
8,657	Total Funding	13,691	9,844	9,971	10,076	10,302	10,522	10,658	10,942	11,227	11,195

Business Unit

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
164	Operating Expenditure	144	148	151	156	159	162	166	171	174	178
171	Revenue	151	154	157	161	164	168	172	176	180	185
(7)	Net Cost of Service	(7)	(6)	(6)	(5)	(5)	(6)	(6)	(5)	(6)	(7)
EXPENDITURE											
101	Operating Costs	100	102	104	106	108	111	113	116	119	122
8	Depreciation	8	9	9	9	10	10	10	11	11	11
55	Allocated Overheads	36	37	38	41	41	42	43	44	45	46
164	Total Operating Expenditure	144	148	151	156	159	162	166	171	174	178
FUNDED BY:											
171	Inhouse services - NZTA Financial Assistance	151	154	157	161	164	168	172	176	180	185
171	Revenue	151	154	157	161	164	168	172	176	180	185
(7)	General Rates	(8)	(7)	(7)	(6)	(6)	(6)	(7)	(6)	(7)	(7)
0	UAGC	0	0	0	0	0	0	0	0	0	0
0	Other Funding	0	1	1	1	1	1	1	1	1	1
164	Total Funding	144	148	151	156	159	162	166	171	174	178



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.

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

1.2 Why We Do It

Stormwater assets are critical for the protection of properties and infrastructure.

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

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

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

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

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

1.4 Statement of Service Provision

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2021-2028	
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).
	<ul style="list-style-type: none"> The number of flooding events that occur in a territorial authority district. <i>“Flooding” in this context means stormwater entering a habitable floor</i> 	Achieved – 0 - no flooding events meeting the measure criteria	0	0	0	0	
	<ul style="list-style-type: none"> For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority’s stormwater system.) 	Achieved – 0 - No flooding events meeting the measure criteria	0	0	0	0	
	<ul style="list-style-type: none"> For each flooding event, the number of buildings in the central business zone affected by flooding. 	Achieved – 0 - No flooding events meeting the measure criteria	0	0	0	0	
Discharge Compliance	Compliance with the territorial authority’s resource consents for discharge from its stormwater system, measured by the number of: <ul style="list-style-type: none"> Abatement notices Infringement notices Enforcement orders, and Convictions received by the territorial authority in relation to those resource consents.	Achieved - 0	N/A	N/A	N/A	N/A	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.	Achieved – 0 – No flooding events meeting the measure criteria	1 hour	1 hour	1 hour	1 hour	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.	Achieved – 100% – Overall only 2 complaints were received, however unable to express per 1000 connections as Council holds no records of private stormwater connections and does not rate for stormwater as a separate service/targeted rate).	<8	<8	<8	<8	Reporting against corporate CRM system.

1.5 Key Future Projects

Project	Category	2018/19	2019/20	2020/21	2021-28
Pipework Capacity Increase	Level of Service	\$105,000	\$108,000	\$110,000	\$852,000
Safety Improvements	Level of Service	\$117,000	\$120,000	\$123,000	\$949,000

1.6 Statement of Prospective Financial Performance

The ten year detailed financial summary including inflation for the Stormwater activity is shown below.

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
315	Operating Expenditure	328	357	373	390	399	422	453	491	508	527
0	Revenue	0	0	0	0	0	0	0	0	0	0
315	Net Cost of Service	328	357	373	390	399	422	453	491	508	527
	EXPENDITURE										
93	Operating Costs	113	115	118	120	102	104	106	109	112	115
20	Interest	20	28	33	39	45	58	71	78	84	90
103	Depreciation	103	119	125	130	150	156	168	194	201	207
99	Allocated Overheads	92	95	97	100	102	104	107	109	112	115
315	Total Operating Expenditure	328	357	373	390	399	422	453	491	508	527
15	Principal Loan Repayments	19	26	31	36	42	54	66	73	78	84
198	Capital Expenditure	278	285	292	342	306	596	438	330	339	399
528	Total Expenditure	625	668	696	768	747	1,072	956	894	926	1,009
	FUNDED BY:										
0	Revenue	0	0	0	0	0	0	0	0	0	0
0	General Rates	0	(0)	0	(0)	0	0	0	0	0	0
315	UAGC	327	355	371	388	397	421	451	489	507	525
0	Targeted Rates	0	0	0	0	0	0	0	0	0	0
213	Transfer from Reserves	74	134	194	192	158	173	246	198	207	266
0	Depreciation funded from Reserves	0	0	0	0	0	0	0	0	0	0
0	Loan Funding - Capital	223	177	129	186	190	477	258	205	211	217
0	Grants/Other Funding - Capital	0	0	0	0	0	0	0	0	0	0
1	Other Funding	1	2	2	2	2	2	2	2	2	2
528	Total Funding	625	668	696	768	747	1,072	956	894	926	1,009



WASTEWATER (Sewerage)

1.1 What We Do

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

1.2 Why We Do It

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

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

Impact on Water Quality:

Negative Effects

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

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

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

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

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

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

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

Climate Change

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

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

1.4 Statement of Service Provision

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4- 10 2021- 2028	
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.	Achieved - 0	<5	<5	<5	<5	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 <ul style="list-style-type: none"> • Abatement notices • Infringement notices • Enforcement orders; and • Convictions, Received by the territorial authority in relation to those resource consents.	Achieved - 0	0	0	0	0	Consent & compliance documentation.

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4- 10 2021- 2028	
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.
	<ul style="list-style-type: none"> Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site; and 	Achieved – 48 minutes	1 hour	1 hour	1 hour	1 hour	
	<ul style="list-style-type: none"> 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. 	Achieved – 1 hour, 55 minutes	8 hours	8 hours	8 hours	8 hours	
Customer satisfaction	<p>The total number of complaints received by the territorial authority about any of the following:</p> <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, <p>Expressed per 1000 connections to the territorial authority's sewerage system.</p>	Not Achieved – 6.1 – due to more than expected blockages and minor maintenance calls being recorded.	<5	<5	<5	<5	Reporting against corporate CRM system.

1.5 Key Future Projects

Project	Category	2018/19	2019/20	2020/21	2021-28
Resource Consents	Level of Service	\$250,000	\$769,000	\$262,000	\$503,000
Safety Improvements	Level of Service	\$32,000	\$33,000	\$34,000	\$69,000
Pipework Capacity Increase	Level of Service	\$100,000	\$103,000	\$105,000	\$811,000

1.6 Statement of Prospective Financial Performance

The ten year detailed financial summary including inflation for this activity is shown below.

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
756	Operating Expenditure	831	983	981	1,050	1,076	1,155	1,140	1,183	1,202	1,247
60	Revenue	70	71	73	75	76	78	80	82	84	86
696	Net Cost of Service	761	912	908	976	1,000	1,077	1,060	1,101	1,119	1,161
	EXPENDITURE										
318	Operating Costs	365	442	368	398	353	417	393	381	390	424
41	Interest	41	70	100	117	123	118	113	109	105	100
277	Depreciation	277	319	357	374	437	452	462	518	528	538
120	Allocated Overheads	148	152	156	161	164	167	171	175	179	184
756	Total Operating Expenditure	831	983	981	1,050	1,076	1,155	1,140	1,183	1,202	1,247
30	Principal Loan Repayments	38	65	93	109	114	110	106	101	97	93
263	Capital Expenditure	570	1,530	687	994	622	406	385	407	406	354
1,048	Total Expenditure	1,440	2,578	1,761	2,153	1,812	1,671	1,630	1,691	1,705	1,695
	FUNDED BY:										
60	Charges for Services	70	71	73	75	76	78	80	82	84	86
60	Revenue	70	71	73	75	76	78	80	82	84	86
695	Targeted Rates	725	873	906	973	998	1,044	1,067	1,099	1,116	1,159
0	Transfers (to) from Reserves	35	36	0	0	0	30	(10)	0	0	0
192	Transfer from Reserves	221	557	295	606	736	516	491	508	503	448
0	Depreciation funded from Reserves	0	0	0	0	0	0	0	0	0	0
0	Cash From Investments	0	0	0	0	0	0	0	0	0	0
100	Loan Funding - Capital	387	1,038	485	496	0	0	0	0	0	0
1	Other Funding	1	3	3	3	3	3	3	3	3	3
1,048	Total Funding	1,440	2,578	1,761	2,153	1,812	1,671	1,630	1,691	1,705	1,695

SOLID WASTE

1.1 What We Do

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

1.2 Why We Do It

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

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

1.4 Statement of Service Provision

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2021-2028	
The levels of waste generated are reducing.	Waste to landfill per household (municipal kerbside collection only)	Achieved – 627kg	<700kg	<700kg	<700kg	<700kg	Landfill invoices & transactions.
	Percentage (by weight) of council controlled waste stream that is recycled (municipal kerbside collection only).	Not Achieved – 24%	>25%	>25%	>25%	>25%	Recycling facility invoices & transactions.
The waste collection service meets the needs of the community.	Percentage of customers satisfied with the service provided.	Achieved – 96.7%	>90%	>90%	>90%	>90%	Annual Residents Survey

1.5 Key Future Projects

Project	Category	2018/19	2019/20	2020/21	2021-28
Transfer Station Building Upgrades	Replacements	\$0	\$40,800	\$20,800	\$34,200

1.6 Statement of Prospective Financial Performance

The ten year detailed financial summary including inflation for the Solid waste activity is shown below.

Budget 2017/18 \$000		Forecast	Projection								
		2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
770	Operating Expenditure	856	850	865	882	902	932	950	974	996	1,019
80	Revenue	80	81	83	84	85	87	88	90	92	93
690	Net Cost of Service	776	768	783	798	816	845	862	884	904	925
EXPENDITURE											
616	Operating Costs	641	630	644	659	674	702	720	738	757	777
32	Interest	48	47	45	43	41	40	38	36	35	34
28	Depreciation	28	31	31	31	34	34	34	37	37	37
94	Allocated Overheads	139	142	145	149	152	156	159	163	167	171
770	Total Operating Expenditure	856	850	865	882	902	932	950	974	996	1,019
12	Landfill Aftercare Expenditure	12	12	12	12	12	0	0	0	0	0
23	Principal Loan Repayments	45	43	42	40	38	37	35	34	33	31
1,160	Capital Expenditure	0	41	21	0	11	0	11	0	12	0
1,964	Total Expenditure	912	945	939	934	962	968	997	1,008	1,040	1,050
FUNDED BY:											
80	Charges for Services	80	81	83	84	85	87	88	90	92	93
80	Revenue	80	81	83	84	85	87	88	90	92	93
682	Targeted Rates	698	709	740	765	789	825	843	865	885	906
19	UAGC	19	19	19	19	19	19	19	19	19	19
1,150	Loan Funding - Capital	0	0	0	0	0	0	0	0	0	0
33	Transfer from Reserves	115	135	97	65	69	37	47	34	44	31
0	Other Funding	0	1	1	1	1	1	1	1	1	1
1,964	Total Funding	912	945	939	934	962	968	997	1,008	1,040	1,050



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.

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

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

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

1.4 Statement of Service Provision

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2021-2028	
Water is safe to drink.	The extent to which the local authority's drinking water supply complies with:						Plant & reticulation performance records in water outlook. Includes water quality sampling programme records as well as any plant non-performances.
	<ul style="list-style-type: none"> Part 4 of the drinking water standards (bacterial compliance criteria), and 	Provisional results show the following: Stratford – Achieved Midhirst – Achieved Toko – Achieved	100% for all plants	100% for all plants	100% for all plants	100% for all plants	
	<ul style="list-style-type: none"> Part 5 of the drinking water standards (protozoal compliance criteria). 	Provisional results show the following: Stratford – Not Achieved Midhirst – Achieved Toko – Not Achieved	100%	100%	100%	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).	Achieved – Stratford – 16.3% Midhirst – 21.2% Toko – 20.9%	<25%	<25%	<25%	<25%	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:						
	<ul style="list-style-type: none"> Attendance for urgent call-outs: from the time that council receives notification to the time that service personnel reach the site 	Achieved – 31 minutes	1 hour	1 hour	1 hour	1 hour	Work order tracking/reporting through Council's Infrastructure asset management system.
	<ul style="list-style-type: none"> 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 	Achieved – 3 hours, 49 minutes	8 hours	8 hours	8 hours	8 hours	

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2021-2028	
A reliable water supply is provided.	<ul style="list-style-type: none"> 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 	Achieved – 4 hours	2 working days	2 working days	2 working days	2 working days	Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System
	<ul style="list-style-type: none"> 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 	Achieved – 7 hours 57 minutes	5 working days	5 working days	5 working days	5 working days	
	Number of unplanned disruptions:						
	<ul style="list-style-type: none"> Minor (between 5 and 50 connections affected) Major (more than 50 connections affected) 	Achieved - 1 Not Achieved - 2	<5 <2	<5 <2	<5 <2	<5 <2	
Water has a pleasant taste and odour.	Customer Satisfaction - Total number of complaints received for: <ul style="list-style-type: none"> 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.	Achieved – 6	<32	<32	<32	<32	Reporting against corporate CRM system.
<i>Note: This is understood to be limited to supplied properties within the water supply zones.</i>							

Level of Service	Performance Measure	Actual 2016/17	Target				How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Years 4-10 2021-2028	
Water has a pleasant taste and odour.	Demand management - The average consumption of drinking water per day per resident within the district (in litres).	Not Achieved – Stratford – 331 litres per day per resident Midhirst – 179 litres per day per resident Toko – 225 litres per day per resident	<275	<275	<275	<275	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 benchloss), 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)	Achieved – 100% - 51 properties tested	100%	100%	100%	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. Customer is advised if problem with internal plumbing.
Water supply meets fire fighting requirements.	Fire hydrants meet NZFS Code of Practice conditions regarding supply.	Achieved – 100% - 30 hydrants were tested and all 30 passed the test	100%	100%	100%	100%	Flow & pressure testing carried out by council contractor and or NZ Fire Service to NZ Fire Fighting Code of Practice standards.

1.5 Key Future Projects

Project	Category	2018/19	2019/20	2020/21	2021-28
Reticulation Riders	Level of Service	\$0	\$31,000	\$31,000	\$139,000
Water Metering	Level of Service	\$130,000	\$133,000	\$346,000	\$1,152,000
Pressure Reducing and Zone Valves	Level of Service	\$200,000	\$205,000	\$210,000	\$0
Second Water Trunk Main	Level of Service	\$0	\$0	\$0	\$2,891,000

1.6 Statement of Prospective Financial Performance

The ten year detailed financial summary including inflation for the Water Supply activity is shown below.

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2017/28 \$000
1,881	Operating Expenditure	1,919	2,068	2,104	2,194	2,319	2,371	2,466	2,694	2,808	2,748
451	Revenue	486	540	564	601	649	677	728	815	858	858
1,430	Net Cost of Service	1,433	1,529	1,540	1,593	1,669	1,694	1,738	1,879	1,950	1,890
	EXPENDITURE										
892	Operating Costs	985	1,032	1,019	1,058	1,076	1,090	1,118	1,156	1,275	1,218
359	Interest	303	337	361	383	406	409	461	510	488	467
364	Depreciation	364	425	444	464	542	571	581	712	722	734
266	Allocated Overheads	267	274	280	289	294	301	307	315	322	330
1,881	Total Operating Expenditure	1,919	2,068	2,104	2,194	2,319	2,371	2,466	2,694	2,808	2,748
261	Principal Loan Repayments	299	333	358	382	407	413	464	513	496	479
550	Capital Expenditure	1,219	958	1,001	1,584	1,451	462	3,677	504	559	476
2,692	Total Expenditure	3,437	3,360	3,463	4,159	4,177	3,246	6,607	3,711	3,863	3,703
	FUNDED BY:										
451	Charges for Services	486	540	564	601	649	677	728	815	858	858
451	Revenue	486	540	564	601	649	677	728	815	858	858
1,428	Targeted Rates	1,430	1,524	1,535	1,598	1,655	1,729	1,764	1,824	1,877	1,906
0	Transfer (to) from Reserves	0	0	0	(10)	9	(39)	(31)	50	68	(20)
416	Transfer from Reserves	299	333	568	1,021	935	874	903	1,017	1,055	955
0	Depreciation funded from Reserves	0	0	0	0	0	0	0	0	0	0
0	Cash From Investments	0	0	0	0	0	0	0	0	0	0
395	Loan Funding - Capital	1,219	958	792	945	924	0	3,238	0	0	0
2	Other Funding	2	5	5	5	5	5	5	5	5	5
2,692	Total Funding	3,437	3,360	3,463	4,159	4,177	3,246	6,607	3,711	3,863	3,703



COUNCIL CONTROLLED ORGANISATIONS

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 and leases the Information Centre area from the Trust.

1.3 Why We Do It

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

1.3 Performance Measures

Level of Service	Performance Measure	Actual 2016/17	Target			How Measured
			Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	
Delivery of art exhibitions	Deliver proposed art exhibitions which will include local, regional and at least 1 National:	<p>Achieved: Art exhibitions were delivered throughout the year, which included the following:</p> <p>National</p> <ol style="list-style-type: none"> 1. Toss Woollaston 2. Arrival – BNZ Art Collection 3. Adam Portraiture Awards <p>Regional</p> <ol style="list-style-type: none"> 1. Aotearoa Quilters 2. Gabrielle Belz & Wharehoka Smith 3. Margaret Scott 4. Creative Fibre Taranaki <p>Local</p> <ol style="list-style-type: none"> 1. Youth Exhibition 2. Stratford Art Society 	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.	Deliver proposed art exhibitions which will include local, regional and at least 1 National.	Art Gallery Records
	Number of visitors to the Gallery to be not less than 20,000 per year	Achieved: 29,941	>20,000	>20,000	>20,000	Door Count
	To operate to a “break-even” balance	Achieved: The Trust deficit was slightly less than the budgeted deficit for the year.	Operate within “break-even” budget	Operate within “break-even” budget	Operate within “break-even” budget	Annual Report
Development and maintenance of arboretum	Develop and maintain the arboretum to the standards in the Facilities Management Contract.	Achieved: The arboretum has been maintained by Stratford District Council on behalf of the Trust, and meets the standards as set out in the Facilities Management Contract.	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.	Develop and maintain the arboretum to the standards in the Facilities Management Contract.	Council Records
Delivery of Herbarium	Deliver the herbarium via the internet.	Achieved: The herbarium, via the website in conjunction with the Taranaki Regional Council, continues to be viewed, particularly by educational institutions.	Deliver the herbarium via the internet.	Deliver the herbarium via the internet.	Deliver the herbarium via the internet.	Internet Detail Available

FINANCIAL STATEMENTS

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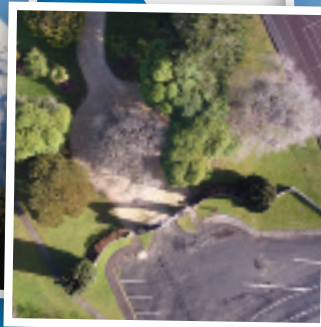
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PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Budget 2017/18 \$000		Forecast		Projection							
		2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000
	REVENUE										
11,708	Rates Revenue (Note 1)	12,279	12,885	13,615	14,647	15,190	15,478	15,979	16,585	16,983	17,296
2,156	User Charges for Services	2,165	2,169	2,203	2,242	2,279	2,317	2,357	2,400	2,443	2,538
2,906	Subsidies and Grants	7,132	3,758	7,469	3,771	3,794	4,799	3,987	4,026	4,778	4,157
145	Finance Revenue	192	223	282	326	373	437	517	602	710	819
0	Development & Financial Contributions	0	0	0	0	0	0	0	0	0	0
0	Other Revenue - sale of land	3,234	0	0	0	0	0	0	0	0	0
34	Sundry Revenue	34	34	34	34	34	34	34	34	34	34
16,949	TOTAL REVENUE	25,036	19,069	23,603	21,021	21,670	23,065	22,875	23,647	24,948	24,844
	EXPENSE										
3,319	Employee Benefit Expenses	3,494	3,568	3,582	3,657	3,738	3,824	3,912	4,006	4,102	4,204
8,224	Other Direct Operating Costs	9,396	9,544	9,707	9,762	9,941	10,215	10,478	10,718	11,252	11,298
634	Finance Costs	617	644	970	1,266	1,274	1,299	1,373	1,398	1,377	1,356
4,508	Depreciation and Amortisation	4,376	4,789	4,912	5,364	5,848	5,920	6,012	6,563	6,584	6,665
16,686	TOTAL OPERATING EXPENSE	17,883	18,544	19,172	20,050	20,801	21,257	21,774	22,684	23,315	23,524
263	NET SURPLUS/(DEFICIT) BEFORE TAX	7,152	524	4,432	971	869	1,809	1,100	962	1,633	1,320
0	Income Tax Expense	0	0	0	0	0	0	0	0	0	0
263	SURPLUS/(DEFICIT) AFTER TAX	7,152	524	4,432	971	869	1,809	1,100	962	1,633	1,320
263	Surplus/Deficit attributable to: Stratford District Council	7,152	524	4,432	971	869	1,809	1,100	962	1,633	1,320
	OTHER COMPREHENSIVE REVENUE AND EXPENSE										
0	Loss on sale of financial assets at fair value through other comprehensive revenue and expense	0	0	0	0	0	0	0	0	0	0
0	Revaluation of financial assets at fair value through other comprehensive revenue and expense	0	0	0	0	0	0	0	0	0	0
0	Staff Gratuities Expenditure	0	0	(49)	0	0	0	0	0	0	0
0	Gains/(Loss) on property revaluation	0	20,297	0	0	24,642	0	0	28,001	0	0
0	Total Other Comprehensive Revenue and Expense	0	20,297	(49)	0	24,642	0	0	28,001	0	0
263	TOTAL COMPREHENSIVE REVENUE AND EXPENSE	7,152	20,821	4,383	971	25,511	1,809	1,100	28,964	1,633	1,320
263	Total Comprehensive Revenue and Expense attributable to: Stratford District Council	7,152	20,821	4,383	971	25,511	1,809	1,100	28,964	1,633	1,320

Budget 2017/18 \$000		Forecast		Projection							
		2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000
	Depreciation Allocated to each Group of Activities										
617	Community Services	592	684	726	1,117	1,230	1,237	1,299	1,433	1,440	1,484
331	Democracy	290	316	335	346	373	387	387	402	392	404
91	Economy	90	105	106	111	125	125	123	132	128	126
7	Environmental Services	7	7	7	7	7	7	7	7	7	7
2,625	Roading	2,625	2,783	2,783	2,783	2,950	2,950	2,950	3,128	3,128	3,128
103	Stormwater Drainage	103	119	125	130	150	156	168	194	201	207
277	Wastewater (Sewerage)	277	319	357	374	437	452	462	518	528	538
28	Solid Waste	28	31	31	31	34	34	34	37	37	37
364	Water Supply	364	425	444	464	542	571	581	712	722	734
4,443	TOTAL DEPRECIATION ALLOCATED TO EACH GROUP OF ACTIVITIES	4,376	4,789	4,912	5,364	5,848	5,920	6,012	6,563	6,584	6,665

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

Budget 2017/18 \$000		Forecast		Projection								
		2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000	
	Current Assets											
3,305	Cash and Cash Equivalents	3,475	3,755	4,088	4,208	4,734	5,648	6,599	8,079	9,630	11,663	
3,458	Debtors and Other Receivables	1,132	1,112	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	
6,763	Total Current Assets	4,607	4,867	5,180	5,300	5,826	6,740	7,691	9,171	10,722	12,755	
	Non-Current Assets											
2,199	Investment in Other Financial Assets	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333	
0	Investment in CCO's and other Entities (Note 3)	0	0	0	0	0	0	0	0	0	0	
333,804	Property, Plant & Equipment	334,036	356,547	373,669	375,007	399,959	402,063	404,492	430,926	431,168	429,447	
336,003	Total Non-Current Assets	336,369	358,880	376,002	377,340	402,292	404,396	406,825	433,260	433,502	431,780	
342,766	TOTAL ASSETS	340,976	363,746	381,183	382,640	408,118	411,136	414,515	442,431	444,224	444,535	
	Current Liabilities											
2,862	Creditors and Other Payables	1,708	1,708	1,708	1,708	1,708	1,708	1,708	1,708	1,708	1,708	
16	Provisions	11	12	12	12	12	0	0	0	0	0	
132	Employee Benefit Liabilities	155	155	155	155	155	155	155	155	155	155	
0	Borrowings	0	584	891	1,168	1,177	1,202	1,273	1,298	1,280	1,263	
3,010	Total Current Liabilities	1,874	2,459	2,765	3,042	3,052	3,065	3,136	3,161	3,143	3,126	
	Non-Current Liabilities											
14,978	Borrowings	13,877	15,253	28,011	28,232	28,201	29,386	31,594	30,520	30,699	29,707	
53	Provisions	47	35	23	12	0	12	12	12	12	12	
43	Employee Benefit Liabilities	45	45	45	45	45	45	45	45	45	45	
15,074	Total Non-Current Liabilities	13,968	15,332	28,079	28,289	28,246	29,442	31,650	30,577	30,755	29,763	
	Public Equity											
174,681	Accumulated comprehensive revenue and expense	181,426	180,466	183,744	183,542	182,818	182,616	181,593	179,874	178,768	176,882	
4,111	Reserves / Special Funds	5,567	7,051	8,157	9,330	10,923	12,933	15,056	17,738	20,477	23,683	
145,891	Asset Revaluation Reserves	138,141	158,438	158,438	158,438	183,080	183,080	183,080	211,081	211,081	211,081	
324,682	Total Equity	325,134	345,955	350,337	351,309	376,820	378,629	379,729	408,692	410,326	411,646	
342,766	TOTAL LIABILITIES & EQUITY	340,976	363,747	381,183	382,640	408,118	411,136	414,515	442,431	444,226	444,535	

NOTES TO THE ABOVE STATEMENTS

Budget 2017/18 \$000		Forecast		Projection								
		2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000	
	Note 1											
	Rates Revenue consists of:											
11,257	- Rates	11,792	12,345	13,052	14,046	14,541	14,801	15,251	15,770	16,125	16,438	
451	- Targeted rates for metered water supply	486	540	564	601	649	677	728	815	858	858	
11,709	Total Rates Revenue	12,279	12,885	13,615	14,647	15,190	15,478	15,979	16,585	16,983	17,296	
	Note 2											
	Subsidies and Grants consists of:											
2,906	- Subsidies from NZTA for financial assistance	3,660	3,634	3,698	3,750	3,777	3,893	3,963	4,014	4,167	4,138	
-	- Grants	3472	124	3771	20	17	906	24	12	612	20	
2,906	Total Subsidies and Grants Revenue	7,132	3,758	7,469	3,771	3,794	4,799	3,987	4,026	4,778	4,157	
	Note 3											
	Investment in CCO's and other Entities											
\$100	- Percy Thomson Trust	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	
\$10	- Stratford Health Trust	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	
\$10	- Stratford Community House Trust	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	
\$120	Total Investment in CCO's and other	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	

PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS/EQUITY

Budget 2017/18 \$000		Forecast	Projection									
		2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000	
		NET ASSETS/EQUITY - OPENING BALANCES										
175,315	Accumulated comprehensive revenue and expense	175,046	181,426	180,466	183,744	183,542	182,818	182,616	181,593	179,873	178,768	
3,213	Reserves / Special Funds	4,795	5,567	7,051	8,157	9,330	10,923	12,933	15,056	17,738	20,477	
145,891	Asset Revaluation Reserves	138,141	138,141	158,438	158,438	158,438	183,080	183,080	183,080	211,081	211,081	
324,419	TOTAL NET ASSETS/ EQUITY - Opening Balance	317,982	325,134	345,955	350,338	351,309	376,820	378,629	379,729	408,693	410,326	
		CHANGES IN NET ASSETS/EQUITY										
(635)	Accumulated comprehensive revenue and expense	6,380	(960)	3,278	(202)	(724)	(202)	(1,023)	(1,720)	(1,105)	(1,886)	
898	Reserves / Special Funds	772	1,484	1,105	1,173	1,593	2,010	2,123	2,682	2,739	3,206	
0	Asset Revaluation Reserves	0	20,297	0	0	24,642	0	0	28,001	0	0	
263	TOTAL COMPREHENSIVE REVENUE AND EXPENSE	7,152	20,821	4,383	971	25,511	1,809	1,100	28,964	1,633	1,320	
		NET ASSETS/EQUITY - CLOSING BALANCES										
174,680	Accumulated comprehensive revenue and expense	181,426	180,466	183,744	183,542	182,818	182,616	181,593	179,873	178,768	176,882	
4,111	Reserves / Special Funds	5,567	7,051	8,157	9,330	10,923	12,933	15,056	17,738	20,477	23,683	
145,891	Asset Revaluation Reserves	138,141	158,438	158,438	158,438	183,080	183,080	183,080	211,081	211,081	211,081	
324,682	TOTAL NET ASSETS/EQUITY - Closing Balance	325,134	345,955	350,337	351,309	376,820	378,629	379,729	408,693	410,326	411,646	

PROSPECTIVE CASH FLOW STATEMENT

Budget 2017/18 \$000	Forecast 2018/19 \$000	Projection									
		2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000	
CASH FLOWS FROM OPERATING ACTIVITIES											
Cash was Provided From:											
11,257	Rates	11,792	12,345	13,052	14,046	14,541	14,801	15,251	15,770	16,125	16,438
451	Water Supply Targeted Rate	486	540	564	601	649	677	728	815	858	858
2,906	NZTA Financial Assistance	3,660	3,634	3,698	3,750	3,777	3,893	3,963	4,014	4,167	4,138
145	Interest Revenue	192	223	282	326	373	437	517	602	710	819
34	Sundry Revenue	34	34	34	34	34	34	34	34	34	34
0	Grants and Donations	3,472	124	3,771	20	17	906	24	12	612	20
2,156	Other Revenue	2,165	2,169	2,203	2,242	2,279	2,317	2,357	2,400	2,443	2,538
16,949		21,802	19,069	23,603	21,021	21,670	23,065	22,875	23,647	24,948	24,844
Cash was Applied To:											
8,299	Supply of Goods and Services	9,407	9,555	9,768	9,774	9,952	10,215	10,478	10,718	11,252	11,298
3,316	Payments to Employees	3,494	3,568	3,582	3,657	3,738	3,824	3,912	4,006	4,102	4,204
633	Interest Paid on Public Debt	617	644	970	1,266	1,274	1,299	1,373	1,398	1,377	1,356
12,249		13,519	13,767	14,320	14,697	14,965	15,337	15,763	16,122	16,731	16,859
4,700	NET CASH FROM OPERATING ACTIVITIES	8,283	5,302	9,284	6,324	6,705	7,728	7,112	7,525	8,217	7,985
CASH FLOWS FROM INVESTING ACTIVITIES											
Cash was Provided From:											
1,520	Sale of Investments	3,254	20	20	0	0	0	0	0	0	0
1,520		3,254	20	20	0	0	0	0	0	0	0
Cash was Applied To:											
7,301	Purchase of Fixed Assets	12,005	7,003	22,035	6,702	6,158	8,024	8,440	4,996	6,826	4,944
1,500	Purchase of Investments	0	0	0	0	0	0	0	0	0	0
8,801		12,005	7,003	22,035	6,702	6,158	8,024	8,440	4,996	6,826	4,944
(7,281)	NET CASH FROM INVESTING ACTIVITIES	(8,751)	(6,983)	(22,015)	(6,702)	(6,158)	(8,024)	(8,440)	(4,996)	(6,826)	(4,944)
CASH FLOWS FROM FINANCING ACTIVITIES											
Cash was Provided From:											
3,460	Loans Received	4,563	2,545	13,956	1,665	1,156	2,411	3,552	250	1,440	253
3,460		4,563	2,545	13,956	1,665	1,156	2,411	3,552	250	1,440	253
Cash was Applied To:											
0	Repayment of Public Debt	3,706	584	891	1,168	1,177	1,202	1,273	1,298	1,280	1,263
0		3,706	584	891	1,168	1,177	1,202	1,273	1,298	1,280	1,263
3,460	NET CASH FROM FINANCING ACTIVITIES	857	1,960	13,065	498	(22)	1,209	2,279	(1,048)	160	(1,009)
879	NET INCREASE (DECREASE) IN CASH HELD	388	280	334	120	525	914	951	1,481	1,551	2,032
2,426	TOTAL CASH RESOURCES AT 1 JULY	3,087	3,475	3,755	4,088	4,208	4,734	5,648	6,599	8,079	9,630
3,305	TOTAL CASH RESOURCES AT 30 JUNE	3,475	3,755	4,088	4,208	4,734	5,648	6,599	8,079	9,630	11,663

PROSPECTIVE STATEMENT OF NET PUBLIC DEBT

Budget 2017/18 \$000		Forecast					Projection				
		2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000
	<u>PUBLIC DEBT</u>										
9,560	Opening Balance	13,020	13,877	15,837	28,902	29,400	29,378	30,587	32,867	31,818	31,979
3,460	New Loans Raised	4,563	2,545	13,956	1,665	1,156	2,411	3,552	250	1,440	253
0	Annual Repayment	(3,706)	(584)	(891)	(1,168)	(1,177)	(1,202)	(1,273)	(1,298)	(1,280)	(1,263)
13,020	<u>Closing Balance</u>	13,877	15,837	28,902	29,400	29,378	30,587	32,867	31,818	31,979	30,969
	<u>BORROWING HIGHLIGHTS</u>										
5.43%	Debt Servicing as a Percentage of Rates Revenue	5.03%	5.00%	7.12%	8.64%	8.39%	8.39%	8.59%	8.43%	8.11%	7.84%
4.49%	Debt/Equity Ratio	4.27%	4.58%	8.25%	8.37%	7.80%	8.08%	8.66%	7.79%	7.79%	7.52%

PROSPECTIVE STATEMENT OF MOVEMENTS IN RESERVES

Budget 2017/18 \$000		Forecast 2018/19 \$000	Projection								
			2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000
	GENERAL RENEWAL RESERVE										
1,307	Opening Balance	2,112	2,687	3,455	4,300	5,652	7,226	8,880	10,540	12,576	14,726
59	Interest Credited	84	107	138	172	226	289	355	422	503	589
1,192	Transfers In	970	1,103	1,163	1,572	1,724	1,745	1,806	1,962	1,957	2,009
(620)	Transfers Out	(480)	(442)	(456)	(392)	(375)	(381)	(501)	(348)	(310)	(289)
1,938	Closing Balance	2,687	3,455	4,300	5,652	7,226	8,880	10,540	12,576	14,726	17,034
	ROADING RENEWAL RESERVE										
827	Opening Balance	1,233	910	639	522	534	602	616	689	825	944
37	Interest Credited	49	36	26	21	21	24	25	28	33	38
2,695	Transfers In	2,497	2,658	2,827	2,993	3,139	3,087	3,151	3,307	3,292	3,375
(2,733)	Transfers Out	(2,869)	(2,965)	(2,969)	(3,002)	(3,093)	(3,097)	(3,103)	(3,199)	(3,205)	(3,212)
826	Closing Balance	910	639	522	534	602	616	689	825	944	1,144
	CONTINGENCY RESERVE										
505	Opening Balance	505	505	505	505	505	505	505	505	505	505
25	Interest Credited	20	20	20	20	20	20	20	20	20	20
0	Transfers In	0	0	0	0	0	0	0	0	0	0
(25)	Transfers Out	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)
505	Closing Balance	505	505	505	505	505	505	505	505	505	505
	LOAN FINANCING RESERVE										
0	Opening Balance	0	0	0	0	0	0	0	0	0	0
0	Interest Credited	0	0	0	0	0	0	0	0	0	0
0	Transfers In	3,706	584	891	1,168	1,177	1,202	1,273	1,298	1,280	1,263
0	Transfers Out	(3,706)	(584)	(891)	(1,168)	(1,177)	(1,202)	(1,273)	(1,298)	(1,280)	(1,263)
0	Closing Balance	0	0	0	0	0	0	0	0	0	0
	ASSET SALE PROCEEDS RESERVE										
516	Opening Balance	536	577	1,323	1,395	1,451	1,509	1,570	1,632	1,698	1,766
23	Interest Credited	21	23	53	56	58	60	63	65	68	71
20	Transfers In	20	722	20	0	0	0	0	0	0	0
0	Transfers Out	0	0	0	0	0	0	0	0	0	0
559	Closing Balance	577	1,323	1,395	1,451	1,509	1,570	1,632	1,698	1,766	1,836
	TURF REPLACEMENT RESERVE										
0	Opening Balance	0	10	20	31	43	54	67	80	93	107
0	Interest Credited	0	0	1	1	2	2	3	3	4	5
0	Transfers In	10	10	10	10	10	10	10	10	10	10
0	Transfers Out	0	0	0	0	0	0	0	0	0	0
0	Closing Balance	10	20	31	43	54	67	80	93	107	122
	STAFF GRATUITIES RESERVE										
149	Opening Balance	151	157	163	121	126	131	136	141	147	153
7	Interest Credited	6	6	7	5	5	5	5	6	6	6
0	Transfers In	0	0	0	0	0	0	0	0	0	0
0	Transfers Out	0	0	(49)	0	0	0	0	0	0	0
156	Closing Balance	157	163	121	126	131	136	141	147	153	159
	MAYOR'S RELIEF FUND RESERVE										
6	Opening Balance	6	6	6	6	6	6	6	6	6	6
0	Interest Credited	0	0	0	0	0	0	0	0	0	0
0	Transfers In	0	0	0	0	0	0	0	0	0	0
0	Transfers Out	0	0	0	0	0	0	0	0	0	0
6	Closing Balance	6	6	6	6	6	6	6	6	6	6
	ELSIE FRASER BEQUEST RESERVE										
72	Opening Balance	27	23	14	(14)	(20)	(43)	(52)	(61)	(72)	(83)
3	Interest Credited	1	1	1	(1)	(1)	(2)	(2)	(2)	(3)	(3)
17	Transfers In	17	18	18	18	20	20	20	22	22	22
(55)	Transfers Out	(21)	(29)	(46)	(24)	(42)	(27)	(27)	(30)	(31)	(31)
37	Closing Balance	23	14	(14)	(20)	(43)	(52)	(61)	(72)	(83)	(96)
	RMA FINANCIAL CONTRIBUTIONS RESERVE										
411	Opening Balance	446	464	483	502	522	543	564	587	611	635
18	Interest Credited	18	19	19	20	21	22	23	23	24	25
0	Transfers In	0	0	0	0	0	0	0	0	0	0
0	Transfers Out	0	0	0	0	0	0	0	0	0	0
429	Closing Balance	464	483	502	522	543	564	587	611	635	660
	STORMWATER RESERVE										
79	Opening Balance	91	142	159	126	106	144	187	183	260	342
4	Interest Credited	4	6	6	5	4	6	7	7	10	14
118	Transfers In	103	119	125	130	150	156	168	194	201	207
(213)	Transfers Out	(56)	(108)	(163)	(156)	(116)	(119)	(180)	(125)	(129)	(182)
(12)	Closing Balance	142	159	126	106	144	187	183	260	342	381

WATER SUPPLY RESERVE											
(801)	Opening Balance	(735)	(371)	40	276	122	132	287	470	647	768
0	Interest Credited	0	(15)	2	11	5	5	11	19	26	31
626	Transfers In	364	425	444	474	533	611	611	662	654	754
(416)	Transfers Out	0	0	(210)	(639)	(528)	(462)	(439)	(504)	(559)	(476)
(591)	Closing Balance	(371)	40	276	122	132	287	470	647	768	1,077
SOLID WASTE RESERVE											
116	Opening Balance	149	113	97	76	85	92	129	157	200	234
5	Interest Credited	6	5	4	3	3	4	5	6	8	9
28	Transfers In	28	31	31	31	34	34	34	37	37	37
(33)	Transfers Out	(70)	(51)	(56)	(25)	(31)	0	(11)	0	(12)	0
116	Closing Balance	113	97	76	85	92	129	157	200	234	280
WASTEWATER RESERVE											
27	Opening Balance	274	344	148	309	199	22	38	127	243	375
1	Interest Credited	11	14	6	12	8	1	2	5	10	15
307	Transfers In	277	319	357	374	437	452	462	518	528	538
(192)	Transfers Out	(218)	(528)	(202)	(497)	(622)	(436)	(375)	(407)	(406)	(354)
143	Closing Balance	344	148	309	199	22	38	127	243	375	574
4,112	TOTAL PROJECTED RESERVES (excluding Asset Revaluation Reserves)	5,567	7,051	8,157	9,330	10,923	12,933	15,056	17,738	20,477	23,683
ASSET REVALUATION RESERVES											
138,141	Opening Balance	138,141	138,141	158,438	158,438	158,438	183,080	183,080	183,080	211,081	211,081
0	Transfers In	0	20,297	0	0	24,642	0	0	28,001	0	0
0	Transfers Out	0	0	0	0	0	0	0	0	0	0
138,141	Closing Balance	138,141	158,438	158,438	158,438	183,080	183,080	183,080	211,081	211,081	211,081
142,253	TOTAL PROJECTED RESERVES	143,708	165,489	166,594	167,767	194,003	196,013	198,136	228,819	231,558	234,764

The purpose of each Reserve Fund and the activities to which the fund relates to are disclosed below:

PURPOSE OF EACH RESERVE FUND

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

- Council Created Reserves
- Restricted Reserves
- General Renewals Reserve

The purpose of the reserves are as follows:

General Renewals Reserve *(All activities)*

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 *(Roading)*

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 *(All activities)*

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 (*All activities*)

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 (*All activities*)

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 (*Community*)

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

Restricted Reserves

Elsie Fraser Bequest Reserve (*Pensioner Housing*)

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 (*All activities*)

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 (*Water Supply, Solid Waste and Waste Water activities*)

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.

CAPITAL EXPENDITURE PROGRAMME

	Forecast		Projection							
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
<u>Roading</u>										
Level of Service Improvement	4,000	0	0	0	0	0	0	0	0	0
Replacements	3,348	3,353	3,359	3,436	3,445	3,451	3,461	3,471	3,481	3,492
<u>Stormwater</u>										
Level of Service Improvement	223	228	234	239	245	533	258	264	272	279
Replacements	56	57	58	103	61	63	180	66	68	120
<u>Water Supply</u>										
Level of Service Improvement	330	420	587	945	924	34	3,238	36	37	0
Replacements	889	538	414	639	528	428	439	468	523	476
<u>Solid Waste</u>										
Replacements	0	41	21	0	11	0	11	0	12	0
<u>Wastewater (Sewerage)</u>										
Level of Service Improvement	387	1,038	485	496	145	178	173	178	183	125
Replacements	183	492	202	497	476	229	212	229	223	229
<u>Parks & Reserves</u>										
Level of Service Improvement	347	201	680	45	49	47	71	49	50	51
Replacements	0	0	0	0	0	0	0	0	0	0
<u>Property</u>										
Meet Additional Demand	1,710	0	0	0	0	0	0	0	0	0
Level of Service Improvement	275	344	15,740	47	40	2,822	48	35	1,820	39
Replacements	20	6	143	82	49	31	75	43	36	7
<u>Administration</u>										
Replacements	237	285	113	172	185	209	275	158	123	125
<u>TOTAL PROJECTS (excl GST)</u>	<u>12,005</u>	<u>7,003</u>	<u>22,035</u>	<u>6,702</u>	<u>6,158</u>	<u>8,024</u>	<u>8,440</u>	<u>4,996</u>	<u>6,826</u>	<u>4,944</u>
<u>FUNDING</u>										
Loans	4,563	2,545	13,956	1,665	1,156	2,411	3,552	250	1,440	253
Reserves	3,970	4,334	4,308	5,016	4,985	4,707	4,864	4,734	4,775	4,671
Grants/Donations	3,472	124	3,771	20	17	906	24	12	612	20
Rates	0	0	0	0	0	0	0	0	0	0
Subsidies	0	0	0	0	0	0	0	0	0	0
<u>TOTAL (excl GST)</u>	<u>12,005</u>	<u>7,003</u>	<u>22,035</u>	<u>6,702</u>	<u>6,158</u>	<u>8,024</u>	<u>8,440</u>	<u>4,996</u>	<u>6,826</u>	<u>4,944</u>

PROSPECTIVE ACCOUNTING POLICIES

Reporting Entity

The prospective financial statements of the Stratford District Council are for the year ended 30 June 2019.

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 financial statements in the ten year plan are those of the Council as a separate legal entity and not of the Council group.

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 Public Benefit Entity Internal Public Sector Accounting Standards (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 financial information contained within this document is in terms of FRS 42: Prospective Financial Information. It has been prepared to enable the public to participate in the decision making processes regarding the services to be provided by Council over the financial year 2018/19 and to provide a broad accountability mechanism of Council to the community.

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

- Community Services.
- Democracy.
- Economy.
- Environmental Management.
- Civil Defence and Emergency Management
- Roading.
- Stormwater.
- Wastewater (Sewerage)
- Solid waste.
- Water Supply.

Council also advise caution that the information in these statements may not be appropriate for purposes other than those described.

The prospective financial statements were authorised for issue by Council on 12 June 2018. The Mayor and Chief Executive that authorise the issue of the prospective financial statements by Council are responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. No actual results have been incorporated in these prospective financial statements. It is not intended to update the prospective financial statements subsequent to presentation.

Measurement Base

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

Accounting Policies

The following accounting policies which materially affect the measurement of results and financial position have been applied consistently to all years presented from 1 July 2018 unless otherwise stated.

1.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 93 and Part 1 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 NZ PBE IPSAS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. 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.

Basis of Consolidation

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

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$,000). The functional currency of Council is New Zealand dollars.

1.2 BUDGET FIGURES

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

Council has not presented group prospective financial statements because it believes that the parent prospective financial statements are more relevant to users. The main purpose of prospective financial statements is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and as a consequence how much Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries except to the extent that Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements of Council.

1.3 REVENUE

Revenue is measured at fair value:

The specific accounting policies for significant revenue

Rates Revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of the Taranaki Regional Council (TRC) are not recognised in the financial statements, as the Council is acting as an agent for the TRC.

Development and Financial Contributions

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

New Zealand Transport Agency roading subsidies

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

Other grants received

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

Building and Resource Consent revenue

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

Entrance Fees

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

Landfill Fees

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

Sales of Goods

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

Infringement Fees and Fines

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

Vested or Donated Physical Assets

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

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

Interest and Dividends

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

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

1.4 **BORROWING COSTS**

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

1.5 GRANT EXPENDITURE

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

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

1.6 INCOME TAX

Income tax expense includes current tax and deferred tax.

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

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

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

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

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

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

1.7 LEASES

Finance Leases

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

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

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

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

Operating Leases

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

1.8 CASH AND CASH EQUIVALENTS

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

1.9 DEBTORS AND OTHER RECEIVABLES

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

1.10 NON-CURRENT ASSETS HELD FOR SALE

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

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

1.11 PROPERTY, PLANT AND EQUIPMENT

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

Unrestricted Council is able to sell these assets without restrictions.

Restricted The disposal of these assets is limited by legislation, or in the manner in which they were vested, or cannot be physically uplifted and sold.

In most instances, an item of property, plant or equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

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

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

Property, plant and equipment are valued as follows:

Class	Method of Valuation
Land	Fair Value
Buildings	Optimised Depreciated Replacement Cost
Roads, Bridges and Footpaths	Depreciated Replacement Cost
Water Supply Reticulation	Depreciated Replacement Cost
Water Supply Treatment	Depreciated Replacement Cost
Wastewater Reticulation	Depreciated Replacement Cost
Wastewater Treatment	Depreciated Replacement Cost
Stormwater system	Depreciated Replacement Cost

Valuation

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

Council's land and building assets have been revalued by Telfer Young (Taranaki) Limited, independent valuers as at 1 July 2016 at fair value as determined from market-based evidence. As part of the valuation exercise, Infrastructure Associates Ltd has revalued the stormwater, waste water and water supply infrastructure reticulation networks and confirmed that the processes followed the requirements of PBE IPSAS 17 as at 1 July 2016.

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

Public Benefit Entity Revaluation

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

Impairment

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

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

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

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

Disposals

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

Subsequent Costs

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

Security

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

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

1.12 INTANGIBLE ASSETS

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

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

- Software 3-10 years.

1.13 DEPRECIATION

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

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

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

1.14 BUSINESS UNIT

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

1.15 GOODS AND SERVICES TAX (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

1.16 COST OF SERVICE STATEMENTS

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

Cost Allocation

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

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

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

1.17 FINANCIAL INSTRUMENTS

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

1.18 OTHER FINANCIAL ASSETS

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

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council and group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council and group has 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 derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

1.19 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.

1.20 **PAYABLES**

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

Borrowings

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

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

Employee entitlements

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

Presentation of employee entitlements

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

1.21 PROVISIONS

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

1.22 EQUITY

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

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

Restricted reserves

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

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

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

Property revaluation reserve

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

Fair value through other comprehensive revenue and expense reserve

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

1.23 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.

1.24 **ROUNDING ERRORS**

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

1.25 **CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2019:

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.

1.26 **CHANGES IN ACCOUNTING POLICIES**

There have been no changes in accounting policies.

SIGNIFICANT FORECASTING ASSUMPTIONS, UNCERTAINTIES AND RISKS

INTRODUCTION

In order to plan over the long-term, the Council must collect and analyse data showing those trends and likelihoods that will have a significant effect on life in the community, as well as demand for the Council's activities. Such analysis typically involves population, age profile and location movements and the likely state of the economy and environment. These are then fed into the Council long-term decision making process so that the Council can make informed investment decisions for the services it provides to the community.

Risk comes with any forecast because there are always multiple forces shaping our lives. To ensure that the Council's planning is robust, an assessment of risks is also made to identify the degree of uncertainty around any of the Council's assumptions.

Schedule 10 of the Local Government Act 2002 requires that the Council identifies the significant forecasting assumptions and risks underlying the information set out in the ten year Long Term Plan (LTP). Where there is a high level of uncertainty the Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions. The level of uncertainty is determined by reference to both the likelihood of occurrence and the financial materiality.

STATEMENT OF FINANCIAL INFORMATION

The financial information contained within this document is prospective financial information in terms of Financial Reporting Standard (FRS) 42 and may not be appropriate for purposes other than described.

The financial information in this Plan is a forecast and has been prepared based on assumptions as to future events that Council reasonably expects to occur. The actual results achieved for each of the financial years are likely to vary from the information presented and such variations may be material.

The information has been prepared so that the public can participate in the decision making process as to the services Council provides for its community.

No actual results have been incorporated in this prospective financial information.

SIGNIFICANT FORECASTING ASSUMPTIONS

In preparing the Long Term Plan it has been necessary to make a number of general assumptions for forecasting purposes. Forecasts are based on future events Council reasonably expects to occur and the responses Council reasonably expects to take. These are outlined below, along with some statements of fact that assist in helping understand how the forecasts are constructed.

The forecast financial information in this document has been prepared in accordance with the Council's current accounting policies.

RISK MANAGEMENT STRATEGY

Risk Management is not limited to the management of financial uncertainty; it includes all sources of uncertainty that may impact upon Stratford District Council's ability to meet objectives, obligations and stakeholder expectations in relation to the community priorities. These anticipated outcomes are captured in relevant statutory obligations and further developed in the Long Term Plan.

Council's Risk Management strategy is to complete, implement and maintain risk plans for the principal asset systems, to:

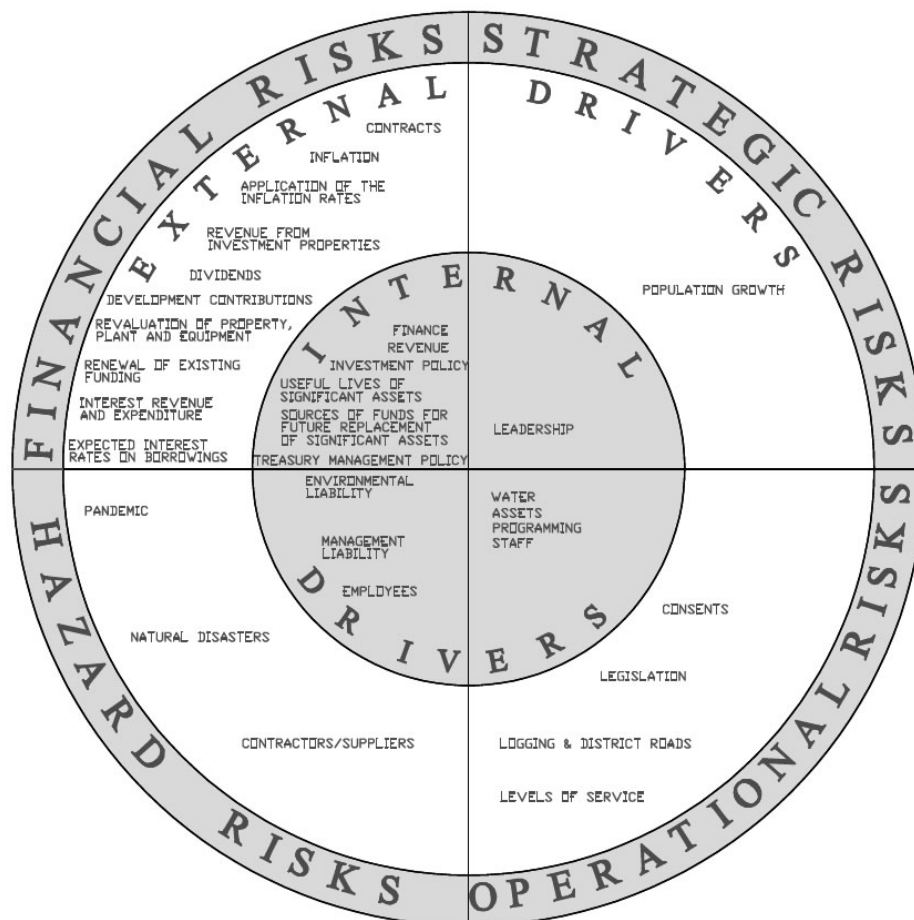
- Minimise the likelihood of non-achievement of critical business objectives and
- Ensure that the impact of system failure is minimised.

The risk management process identifies risk management strategies to minimise risks associated with the provision of Council services.

The risk management process is also designed to ensure that:

- All significant operational and organisational risks are understood and identified.
- The highest risks that should be addressed within a ten year planning horizon are identified.
- Risk reduction treatments which best meet business needs are applied.
- Responsibilities for managing risks are allocated to specific staff and reporting regimes are specified.

The risks facing Council and its operations can result from factors both external and internal to the organisation. The diagram below summarises the key risk areas and shows that some specific risks can have both external and internal drivers and therefore overlap the two areas. They can be categorised further into types of risk such as strategic, financial, operational and hazard.



Key Risk Areas

RISK ANALYSIS

Council has made a number of significant assumptions in the preparation of the financial forecasts in this Long Term Plan. These assumptions are necessary as the Long Term Plan covers a ten year period and to ensure that there is a consistent and justifiable basis for the preparation of the financial forecasts.

The significant forecasting assumptions, risks, levels of risk, and existing controls used in developing the financial forecasts in the Long Term Plan are structured and summarised in the table below.

Risk identification sets out to identify Council's exposure to uncertainty. This requires an intimate knowledge of the legal, social, political and cultural environment in which Council exists, as well as the development of sound understanding of its strategic and operational objectives, including factors critical to its success and the threats and opportunities related to the achievement of these objectives.

General Forecasting Assumptions	Risk	Level of Risk and Uncertainty	Commentary on potential financial effect and implications
<p>Population growth & Rating base changes There will be small population growth (population% pa) over the ten year term of the plan leading to a small growth in the rating base, incorporating the assumption that any section of the council subdivision will be sold within the year they it comes on the market.</p>	<p>That the population will decline or increase at a faster rate.</p>	<p>Low</p>	<p>The most recent census was undertaken in 2013, recording a population of 8,988. Council considers Statistics New Zealand's predictions as conservative given recent trends in the region.</p> <p>Updated 2016 population projections estimate the District population at 9,300, demonstrating a growth rate of just over 0.1% per annum.</p> <p>Demand for houses, land and rentals is strong. Council's forecast is taking into consideration growth rates from recent years and the predicted impact of the council lead subdivision.</p> <p>The expected level of moderate growth does not put pressure on the current infrastructure and services.</p>
<p>Societal changes, including ageing population That the district population is ageing at the rate predicted by Statistics NZ.</p>	<p>That the rate of ageing of the district exceeds the assumption, leading to:</p> <ul style="list-style-type: none"> • The number of ratepayers on fixed incomes increases, affecting their ability to pay and the council's ability to increase rates. • That residents needs with regards to Levels of Service change. 	<p>Low</p>	<p>Societal changes, including ageing, are a gradual process and will be picked up in future census and population studies. Adjustments can be made in line with future LTPs.</p>
<p>Levels of Service Demand for Council Services and customer expectations regarding levels of service will not change significantly and therefore there will be no significant effects on asset requirements or operating expenditure.</p>	<p>There are significant changes in customer expectations regarding demand for services or levels of service.</p>	<p>Low</p>	<p>Council has well defined service levels for its planned activities. Customer satisfaction surveys generally support this key assumption and therefore there are no areas of the Council's current service that require significant modification.</p>

<p>Legislation or Central Government Policy change While Council does not anticipate any material departure from current legislative requirements over the next 10 years, it also assumes that it will continually respond and adjust to changing legislation.</p>	<p>This may result in over expenditure in some areas where significant changes are not foreseen and able to be budgeted for.</p>	<p>Low</p>	<p>There will be limited impact as historically Central Government legislation changes give the Council time to plan and implement as required.</p>
<p>Revenue – NZTA subsidy NZTA requirements and specifications for the performance of subsidised work and subsidy rates will not alter to the extent that they impact significantly on operating costs.</p> <p>Currently the subsidy rates are:</p> <ul style="list-style-type: none"> • Maintenance, renewal & emergency works and Minor safety works: 57% • Special purpose roads (Mt Taranaki): 100% 	<p>Changes in the subsidy rate and variation in criteria for inclusion in the subsidised works programme.</p>	<p>Low</p>	<p>Variations in subsidy rates will increase/decrease Council's operational costs accordingly.</p>
<p>Currently the subsidy rates are:</p> <ul style="list-style-type: none"> • Maintenance, renewal & emergency works and Minor safety works: 57% • Special purpose roads (Mt Taranaki): 100% 	<p>Sudden and or significant decrease in NZTA funding.</p>	<p>Low</p>	<p>Any changes to NZTA funding have historically been communicated well in advance.</p>
<p>Resource Consents held by Council It is assumed that Resource Management Consent Conditions are understood and will be complied with and that there will be no significant tightening of our resource consent conditions over the life of this Plan and renewals of resource consents will be granted.</p>	<p>Failure to observe Resource Management Consent Conditions. Or Resource consent conditions tighten and costs increase to meet them.</p>	<p>Low</p>	<p>A register of consents is contained in each AMP and the respective Asset Managers are aware of the conditions and their responsibilities.</p> <p>The Taranaki Regional Council is situated in Stratford and provides a high level of compliance monitoring.</p> <p>Historically Council has been able to renew resource consents or find solutions that fit within the operational or capital project budgets.</p>
<p>Natural Disasters / Pandemic No allowance has been made for any significant natural disaster (e.g. flood, storm, earthquake, volcanic eruption) or pandemic. Council would be required to fund a proportion of the recovery costs from the event. Council has sufficient borrowing headroom as well as the ability to re-prioritise expenditure and delay other works to address the impacts.</p>	<p>Inability to recover or continue business following a disaster.</p> <p>Council staff and contractors will be affected in such high numbers that essential services will be impinged upon.</p>	<p>Low</p>	<p>Council has Incident Response Plans in place which would help to minimise the impact on service delivery.</p> <p>Council is a member of the Local Authority Protection Programme which provides partial cover for damage to major infrastructure assets in the event of a natural disaster.</p> <p>Council is part of the Regional Emergency Management Group which has emergency plans in place including a Pandemic Plan.</p> <p>Council has sufficient borrowing headroom as well as the ability to re-prioritise expenditure and delay other works to address the impacts.</p>
<p>Climate change Climate change may affect the District over the medium to long term in line with predicted national changes.</p>	<p>Legislation will be enforced earlier than projected and affect economic growth adversely</p>	<p>Low</p>	<p>Whilst the risk of legislation being enforced earlier than projected is low, the uncertainty of the effects of climate change is high. This is evidenced by the range of severity of effects predicted by various researchers.</p>
	<p>More frequent and severe weather events will affect our built environment risking the roading network, stormwater and water supplies.</p>	<p>Medium</p>	<p>Severe weather events are becoming more frequent; parts of the District are prone to rising rivers with associated flooding and strong wind events. Rivers rising fast risk bridges, water intakes and roading networks. Contingency planning is part of the asset management planning that is continually reviewed and updated.</p>

<p>Useful Lives of Significant Assets Plant, equipment and infrastructural assets lives range from 4 years to 120 years and were determined during the certified valuations using specifications from suppliers. Depreciation costs were calculated for various classes of assets using their respective lives. Unit cost assumptions used are the same as used during the Certified Valuation as at 1 July 2016 and were determined using latest contracts, construction projects and supplier information.</p>	<p>Those assets wear out earlier or later than estimated.</p>	<p>Low - Asset lives are based upon estimates made by engineers and registered valuers.</p>	<p>The financial effect of uncertainty is likely to be immaterial. Depreciation and interest costs would increase if capital expenditure was required earlier than anticipated. However, these impacts could be mitigated as capital projects could be reprioritised in the event of early expiration of assets.</p>
<p>It is assumed that there will be no reassessment of useful lives throughout the ten year period. It is also assumed that all assets will be replaced at the end of their useful life unless noted otherwise.</p>	<p>That Council activities change, resulting in decisions not to replace existing assets.</p>	<p>Low</p>	<p>Council has a comprehensive asset management planning process. Where a decision is made not to replace an asset, this will be factored into capital projections.</p>
<p>The useful asset life reflects the best estimate available as at forecast date and is based on current asset information held.</p>	<p>That the useful asset life information held is incomplete or inaccurate and subsequent depreciation calculations will result in incorrect revenue setting meaning rates are either too high or too low. Insufficient funds may not be available</p>	<p>Low</p>	<p>An updated identification, assessment and valuation of our infrastructural assets, park assets and operational buildings were completed as at 1 July 2016 and the results are incorporated within this Plan.</p>
<p>Depreciation rates on planned asset acquisitions Planned asset acquisitions (as per the capital expenditure programme) shall be depreciated on the same basis as existing assets.</p>	<p>That more detailed analysis of planned capital projects may alter the useful life and therefore the depreciation expense.</p>	<p>Low</p>	<p>Asset capacity and condition is monitored, with replacement works being planned accordingly. Depreciation is calculated in accordance with accounting and asset management requirements.</p>
<p>Revenue Council revenues will cover expenditure, providing for a balanced budget. The majority of revenue will be raised from rates, user charges for services, and central funding assistance for roading.</p>	<p>The predicted rate take will not be realised.</p>	<p>Low</p>	<p>These assumptions are informed by forecasts based on Council's projection modelling on population, dwellings and employment based on Statistics NZ census data.</p>
<p>Emissions Trading Scheme No significant increase in the cost of the Emissions Trading Scheme is anticipated.</p>	<p>Any Government review could result in more severe financial consequences.</p>	<p>Low</p>	<p>The full impact of the methane tax has been included in the budget for refuse disposal.</p>
<p>Sources of Funds for the Future Replacement of Significant Assets Sources of funds for operating and capital expenditure are as per the Revenue and Financing Policy.</p>	<p>That funding sources are not achieved.</p>	<p>Low</p>	<p>User charges have been set at previously achievable levels. Depreciation is funded through rates. Council is able to access borrowings at levels forecast within the LTP.</p>
<p>Grant Funding – Swimming Pool and kids bike park The Swimming Pool's proposal to replace the building will be undertaken at a cost of \$15 million with \$3 million to be grant funded. The kids bike park proposal to build a bike park is to be fully grant funded at \$0.5 million.</p>	<p>That the Council is unable to raise the external funding assumed.</p>	<p>Moderate</p>	<p>The Council's is confident we will be able to raise the external funding required to upgrade the swimming pool and building a new kids bike park.</p> <p>Should funding for the pool project not be achieved, Council will have the options to increase its own capital contribution via an Annual Plan or LTP, reduce the scope of the project or delay the project until the funding goal is achieved. Council can continue to operate the current facility until one of these conditions is met.</p> <p>The Council will review its assumptions when preparing future Annual and 10 Year Plan.</p>

<p>Future price changes (Inflation) Council has adjusted base financial projections to reflect the estimated impact of inflation. Inflation rates have been estimated using the BERL price level change forecasts to calculate an average inflation rate for each year of the LTP. The estimated inflation rate for Roading has been calculated using NZTA Historical Trends. These are shown in the table below</p>	<p>The actual inflation will be considerably different from the assumed inflation</p>	<p>Low - Moderate for Years (1-3)</p> <p>Moderate for Years (1-3)</p>	<p>Inflation is affected by external economic factors, most of which are outside of Council's control and influence.</p> <p>While individual indices will at times vary from what has been included in this LTP, Council has relied on the Reserve Bank's use of monetary controls to keep inflation within 1.5 to 3%.</p>																																																																																																														
<table border="1"> <thead> <tr> <th></th> <th>2019/20</th> <th>2020/21</th> <th>2021/22</th> <th>2022/23</th> <th>2023/24</th> <th>2024/25</th> <th>2025/26</th> <th>2026/27</th> <th>2027/28</th> </tr> </thead> <tbody> <tr> <td>Roads</td> <td>2.20%</td> <td>2.20%</td> <td>2.30%</td> <td>2.40%</td> <td>2.40%</td> <td>2.50%</td> <td>2.60%</td> <td>2.70%</td> <td>2.80%</td> </tr> <tr> <td>Property</td> <td>2.10%</td> <td>2.10%</td> <td>2.10%</td> <td>2.20%</td> <td>2.30%</td> <td>2.30%</td> <td>2.40%</td> <td>2.40%</td> <td>2.50%</td> </tr> <tr> <td>Water</td> <td>2.50%</td> <td>2.30%</td> <td>2.40%</td> <td>2.40%</td> <td>2.50%</td> <td>2.60%</td> <td>2.60%</td> <td>2.70%</td> <td>2.80%</td> </tr> <tr> <td>Energy</td> <td>2.50%</td> <td>2.30%</td> <td>2.40%</td> <td>2.40%</td> <td>2.50%</td> <td>2.60%</td> <td>2.60%</td> <td>2.70%</td> <td>2.80%</td> </tr> <tr> <td>Staff</td> <td>2.10%</td> <td>2.10%</td> <td>2.10%</td> <td>2.20%</td> <td>2.30%</td> <td>2.30%</td> <td>2.40%</td> <td>2.40%</td> <td>2.50%</td> </tr> <tr> <td>Other Expenses</td> <td>2.10%</td> <td>2.10%</td> <td>2.10%</td> <td>2.20%</td> <td>2.30%</td> <td>2.30%</td> <td>2.40%</td> <td>2.40%</td> <td>2.50%</td> </tr> <tr> <td>FMC Contract</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> </tr> <tr> <td>Swimming Pool Contract</td> <td>2.20%</td> <td>2.20%</td> <td>2.30%</td> <td>2.40%</td> <td>2.40%</td> <td>2.50%</td> <td>2.60%</td> <td>2.70%</td> <td>2.80%</td> </tr> <tr> <td>Sundry Revenue</td> <td>2.10%</td> <td>2.10%</td> <td>2.10%</td> <td>2.20%</td> <td>2.30%</td> <td>2.30%</td> <td>2.40%</td> <td>2.40%</td> <td>2.50%</td> </tr> <tr> <td>Waste Index</td> <td>2.50%</td> <td>2.30%</td> <td>2.40%</td> <td>2.40%</td> <td>2.50%</td> <td>2.60%</td> <td>2.60%</td> <td>2.70%</td> <td>2.80%</td> </tr> </tbody> </table>					2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Roads	2.20%	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.70%	2.80%	Property	2.10%	2.10%	2.10%	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	Water	2.50%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.80%	Energy	2.50%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.80%	Staff	2.10%	2.10%	2.10%	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	Other Expenses	2.10%	2.10%	2.10%	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	FMC Contract	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Swimming Pool Contract	2.20%	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.70%	2.80%	Sundry Revenue	2.10%	2.10%	2.10%	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	Waste Index	2.50%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.80%
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<p>Currency movements and related asset Values The inflation adjustors have sufficient provision to cater for currency movements.</p>	<p>That the exchange rate will decline adversely.</p>	<p>Low</p>	<p>A moderate portion of the infrastructural capital projects involve components sourced directly from overseas.</p>																																																																																																														
<p>Forecast return on investments <u>Interest Revenue</u> Interest rates do not increase annually in line with rates of inflation. Interest rates have been forecast to remain constant. Interest rates have been forecast to be 4.0% pa on investments over the ten year period.</p>	<p>That the revenue streams identified fluctuate annually as a result of external factors outside the control of Council.</p>	<p>Low</p>	<p>The size of investments is small, so changes to these assumptions are not significant.</p> <p>Although the revenue streams may vary annually due to factors outside the control of Council it is not considered that annual variances will have a material effect on the financial forecasts in the LTP.</p>																																																																																																														
<p><u>Dividends</u> Although rates of inflation will affect the revenues and expenditures of those entities distributing dividends to Council it is not anticipated that the level of dividend will be influenced by rates of inflation in the future.</p>		<p>Low - Moderate</p>																																																																																																															
<p><u>Revenue from Investment Properties</u> Not inflated as most ground leases are subject to contractual rentals across the period.</p>	<p>That the revenue streams identified are influenced by changes in prices or the rate of inflation.</p>	<p>Low - Moderate</p>	<p>The assumption is considered reasonable in these cases due to the specific circumstances noted.</p>																																																																																																														
<p>Revaluation of non-current assets These forecasts include a three yearly estimate to reflect the change in asset valuations for property, plant and equipment in accordance with Council's accounting policies.</p> <p>Revaluation movements shall equate to the inflation rates applied for all depreciable property, plant and equipment.</p> <p>The depreciation impact of inflation shall be in the year following revaluation.</p> <p>The value of non-depreciable assets (e.g. land) is forecast to remain constant.</p> <p>All other assets accounted for at fair market values will remain constant across the ten year plan.</p> <p>The most recent revaluation was undertaken as of 1 July 2016.</p>	<p>That actual revaluation movements will be significantly different from those factors</p>	<p>Moderate</p>	<p>The majority of Council's depreciable property, plant and equipment assets are valued on a depreciated replacement cost basis. Therefore, using the projected inflation rate as a proxy for revaluation movements is appropriate and consistent with the treatment of price changes generally within the LTP.</p> <p>For land assets valued at market value (based on sales evidence), values have been assumed to remain constant. This reflects the wide disparity in views on the sustainability of current residential market prices. This assumption has no impact on depreciation as these assets are not depreciated.</p>																																																																																																														

<p>Renewal of External Funding That the current funding from external sources continues at the same levels and that Council will be able to renew existing borrowings on equivalent terms.</p>	<p>That external funding levels will fall or cease and/or pledged funding will not be paid or be delayed, or that new borrowings cannot be accessed to fund future capital requirements.</p>	<p>Low</p>	<p>Council minimises its liquidity risk by maintaining a mix of current and non-current borrowings in accordance with its Investment and Liability Management Policy.</p>
<p>Expected Interest Rates on Borrowings The forecast interest rate of 4.3% has been used in the Plan.</p>	<p>That prevailing interest rates will differ significantly from those estimated.</p>	<p>Moderate</p>	<p>Interest rates are largely driven by factors external to the NZ economy.</p>
<p>Tourism Infrastructure Fund Two roading projects in areas impacted significantly by growth in tourism will be funded with a major capital contribution from the Government's Tourism Infrastructure Fund (TIF to contribute \$3.4 million, Council \$0.6 million of total project cost of \$4 million)</p>	<p>That less or none of the funding budgeted to be provided by the Tourism Infrastructure Fund will be made available for these projects.</p>	<p>Medium</p>	<p>There is a high level of uncertainty with regards to Council's ability to secure the external funding, however, the risk is low as these projects will not proceed if Council is unsuccessful in securing the external funding, resulting in an underspend in Council's budget allocation for the relevant years. This effectively fully mitigates the incumbent risk.</p>
<p>Milk Prices The LTP has an allowance of \$6.40 per kg of milk solids with a production target of 155,000 kg milk solids.. An analysis of the impact of price and production on income, based on a 50/50 Sharemilker Agreement is:</p>	<p>That the price of milk solids does not achieve \$6.40 per kg.</p>	<p>Moderate - High</p>	<p>Although the risk is low/moderate over the period of the LTP the short term risk is high.</p>

Price (\$)	Production & Payout			Effect on Council Revenue		
	145,000 (kg)	155,000 (kg)	165,000 (kg)	145,000 (kg)	155,000 (kg)	165,000 (kg)
4.90	\$355,250	\$379,750	\$404,250	-\$140,750	-\$116,250	-\$91,750
5.40	\$391,500	\$418,500	\$445,500	-\$104,500	-\$77,500	-\$50,500
5.90	\$427,750	\$457,250	\$486,750	-\$68,250	-\$38,750	-\$9,250
6.40	\$464,000	\$496,000	\$528,000	-\$32,000	\$0	\$32,000

CONCLUSION

The above analysis shows that the majority of risks associated with the Significant Forecasting Assumptions are low and can be accepted without any enhancement of treatment methodologies being required at this time.

There is, however, a number of Low to Medium risks. These levels are acceptable but will require active management of the treatment methodologies.

As can be seen in the Key Risk diagram, the greatest number of risks is clustered in the Financial Quadrant, the highest of which have external drivers.

Financial Risks (External)

There is a Low to Medium risk that the actual inflation will be considerably different from the assumed inflation in years 1 to 3. The risk level increases to Medium to High in years 4 to 10. This is because inflation is affected by external economic factors, most of which are outside of Council's control and influence. The income required to fund Council's costs would have to increase by the rate of inflation unless efficiency gains can be made.

There is a Low to Moderate risk that the identified revenue streams may fluctuate annually as a result of external factors outside the control of Council. However, Council does not consider that annual variances will have a material effect on the financial forecasts in the Long Term Plan.

There is a Moderate risk that market forces could affect the actual revaluation movements of plant and property. Given the wide disparity of views on this subject, the methodology for calculating depreciation and property values is currently considered to be appropriate.

There is a Moderate risk that prevailing interest rates will differ significantly from those estimated. Interest rates are largely driven by factors external to the NZ economy, however Council's balance of investments and borrowings is considered to be sufficiently balanced to minimise the risk potential.

There is a Moderate risk that major contracts will not be renewed at acceptable prices. Council contracts out the majority of its operations and services. If contract prices become too great a financial burden on the community then current levels of service would have to be reviewed to determine cost savings.

In addition to external financial risks there are a number of internal risks that will require active management. They are as follows:

Strategic Risks (Internal)

There is a Low to Moderate risk that the community's needs are not fully identified. While every effort is made to consult and gain feedback from the community during the Long Term Plan consultative process the views of the silent majority may not be fully understood.

Operational Risks (Internal)

There is a Low to Moderate risk that Asset Management Plans are incomplete. Assets are in a continuous state of decay therefore the development and maintenance of Asset Management Plans is an ongoing process of incremental improvement.

Hazard Risks (Internal)

There is a Low to Moderate risk that Council may fail to observe Resource Management Consent Conditions. A register of consents is contained in each AMP and the respective Asset Managers are aware of the conditions and their responsibilities. Audit procedures will actively monitor operations to ensure that all consent conditions are complied with.

FUNDING IMPACT STATEMENT 2018/19

INTRODUCTION

This Statement sets out the information required by Schedule 10 of the Local Government Act 2002 (LGA). It details the rating mechanisms to be used to cover the estimated expenses for the years of the plan.

The Funding Impact Statement should be read in conjunction with Council's Revenue and Financing Policy.

Council proposed that the following revenue and financing sources be used to cover the estimated expenses of Council for the period of the plan:

Important: All charges are GST inclusive, and funds raised are GST exclusive.

DEFINITION OF SEPARATELY USED OR INHABITED PARTS OF A RATING UNIT

A SUIP is a separately used or inhabited part of a rating unit and includes any part of a rating unit that is used or inhabited by any person. This definition applies to the application of the UAGC, the Solid Waste targeted rate and the Community Centre targeted rate.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental or other form of occupation on an occasional or long term. For the purpose of this definition, vacant land and vacant premises are separately used by the owner as a property available for separate sale, or provided by the owner for rental (or other form of occupation).

For a commercial rating unit (other than motels/hotels), this includes a building or part of a building that is, or is capable of being, separately tenanted, leased or subleased, and is not integral to the commercial operation. Motels/hotels are treated as one SUIP even if each accommodation unit may be capable of separate habitation.

For a residential rating unit, this includes a building or part of a building which is used, or is capable of being used, as an independent unit. An independent unit is any unit containing two of either (i) separate cooking and living facilities; (ii) separate entrance; and (iii) separate toilet or bathroom facilities.

Separate parts of buildings, after the first, that are uninhabitable and declared unsanitary under the Health Act 1956 or the Building Act 2004 are not SUIPs.

EXAMPLES	NO. OF SUIP'S per rating unit
Single Dwelling	1
Dwelling plus granny flat	2
Six flats	6
Corner dairy with integral dwelling attached	1
Dwelling with nail business within dwelling	1
Dwelling with hair salon in structure detached from main house	2
Three retail shops and one industrial building	4
Garden centre with separate café	2
Farm with 1 dwelling	1
Farm with 3 dwellings	3
Farm run-off	1
Farm with 1 dwelling plus a contracting business	2
Hotel/Motel with six rooms (one commercial business activity)	1
Hotel/Motel with attached restaurant	2
Caravan park with six cabins (one commercial business activity)	1
Rest home with 10 self-contained residential units	11

GENERAL RATE

Council set a general rate under section 13 of the Local Government (Rating) Act 2002 (LGRA) calculated on the capital value of each rateable rating unit within the district.

The general rate is set with no differential.

The rate (in cents per dollar of capital value) for 2018/19 is 0.12787 cents, raising \$3,421,700.

General rates will be used to fund all activities that are not covered by the uniform annual general charge, targeted rates or other funding mechanisms outlined in the Revenue and Financing Policy.

UNIFORM ANNUAL GENERAL CHARGE

Council set a UAGC under section 15 of the LGRA in respect of every separately used or inhabited part of a rateable rating unit within the district.

The UAGC for 2018/19 is \$632 per SUIP, raising \$2,609,500.

TARGETED RATE – ROADING

Council set a targeted rate under section 16 in respect of roading and street services based on the capital value of each rating unit within the District.

The roading rate (in cents per dollar of capital value) under section 16 for 2018/19 is 0.10864 cents, raising \$2,907,300.

The roading rate will be used to fund roading and street services activities within the District.

TARGETED RATE – SOLID WASTE

Council set a targeted rate under section 16 of the LGRA for refuse collection on the basis of an amount per each separately used or inhabited part of a rating unit from which Council is prepared to collect a container of refuse, as part of its normal refuse disposal service, in the Stratford and Midhirst domestic collection area.

The solid waste rate under section 16 for 2018/19 is \$315, raising \$698,200.

The solid waste rate will be used to fund the urban domestic refuse collection activity.

TARGETED RATE – WASTE WATER (SEWERAGE)

Council set a targeted rate under section 16 of the LGRA for sewerage as a fixed amount per separately used or inhabited part of a rating unit which is connected to a public sewerage drain.

For all non-commercial properties the differential factor is 1 (base) and the amount is \$312 per SUIP.

Commercial properties are differentiated by use as follows:

Commercial base category (all commercial rating units not included in any other commercial category) and the differential factor is also 1 (base) and the amount is \$312 per SUIP

- Commercial 2 (commercial rating units used for an activity requiring 2 toilets) differential factor 150% of base and the amount is \$468 per SUIP.
- Commercial 3 (commercial rating units used for an activity requiring 3 toilets) differential factor 200% of base and the amount is \$624 per SUIP.
- Commercial 4 (commercial rating units used for an activity requiring 4 toilets) differential factor 225% of base and the amount is \$702 per SUIP.
- Commercial 5 (commercial rating units used for an activity requiring 5 toilets) differential factor 250% of base and the amount is \$780 per SUIP.

- Commercial 6 (commercial rating units used for an activity requiring 6 toilets) differential factor 275% of base and the amount is \$858 per SUIP.
- Commercial 7 (commercial rating units used for an activity requiring 7 toilets) differential factor 300% of base and the amount is \$936 per SUIP.
- Commercial Large (commercial rating units used for an activity requiring 8 or more toilets) differential factor 325% of base and the amount is \$1,014 per SUIP.

The sewerage system rate for 2018/19 is to raise \$725,200 and will be used to fund the waste water activity.

TARGETED RATES - WATER SUPPLY

Council set a targeted rate under section 16 of the LGRA for water supply on the basis of an amount per rating unit to which water is supplied in the Stratford Water Supply Area, the Midhirst Water Supply area, and the Toko Water Supply Area.

The water supply rate under section 16 for 2018/19 is \$570 per rating unit, raising \$1,430,400.

In addition, Council set a targeted rate for extraordinary water supply under section 19 of the LGRA on the basis of an amount per unit of water supplied in the Stratford Water Supply Area, the Midhirst Water Supply area, and the Toko Water Supply Area to any rating unit which has been fitted with a water meter.

The Stratford water supply rate under section 19 for 2018/19 is \$1.91 per cubic metre of supply in excess of 250 cubic metres per annum, raising \$455,271.

The Midhirst water supply rate under section 19 for 2018/19 is \$1.91 per cubic metre of supply in excess of 250 cubic metres per annum, raising \$27,151.

The Toko water supply rate under section 19 for 2018/19 is \$1.91 per cubic metre of supply in excess of 250 cubic metres per annum, raising \$4,055.

The water supply rates will be used to fund the water supply activities in the Stratford, Midhirst and Toko areas.

TARGETED RATES - COMMUNITY CENTRES

Council sets targeted rates under section 16 of the LGRA for community centres on the basis of an amount per separately used or inhabited part of a rating unit in the listed community areas. This rate uses a fixed charge based on the location of the rating unit.

The community centre rates for 2018/19 are:

- A fixed charge of \$23.00 within the Wharehuia/Te Popo Community Centre area per SUIP collecting \$1,800.
- A fixed charge of \$13.80 within the Pembroke Road Community Centre area per SUIP collecting \$828.
- A fixed charge of \$34.50 within the Toko Community Centre area per SUIP collecting \$3,000.
- A fixed charge of \$17.25 within the Pukengahu Community Centre area per SUIP collecting \$645.
- A fixed charge of \$17.25 within the Midhirst Community Centre area per SUIP collecting \$3,750.
- A fixed charge of \$23.00 within the Ngaere Community Centre area per SUIP collecting \$1,960.
- A fixed charge of \$11.50 within the Makahu Community Centre area per SUIP collecting \$370.
- A fixed charge of \$30.00 within the Cardiff Community Centre area per SUIP collecting \$1,773.

The community centres rate will be used to fund the operating costs of the community centres and will raise \$14,127.

PAYMENT DUE DATES AND PENALTIES

All rates, except those for metered water supply, will be payable in four equal instalments due on:

1 st Instalment:	29 August 2018
2 nd Instalment:	28 November 2018
3 rd Instalment:	27 February 2019
4 th Instalment:	29 May 2019

Pursuant to Sections 57 and 58 of the LGRA the following penalties on unpaid rates (excluding metered water rates) will be added:

- A charge of 10% on so much of any instalment that has been assessed after 1 July 2018 and which remains unpaid after the due date for that instalment. The penalty will be added on the following dates:
 - 1st Instalment 5 September 2018
 - 2nd Instalment 5 December 2018
 - 3rd Instalment 6 March 2019
 - 4th Instalment 5 June 2019
- A charge of 10% on so much of any rates assessed before 1 July 2018 which remain unpaid on 1 July 2018. The penalty will be added on 10 July 2018.
- A continuing additional penalty of 10% on so much of any rates assessed before 1 July 2018, to which a penalty has been added under the immediately preceding bullet point, and which remain unpaid six months after the previous penalty was added. The penalty will be added on 10 January 2019.
- Penalties imposed are exempt from GST.

Payment Due Dates for Metered Water Supply

<u>Period</u>	<u>Due Date</u>
1 July to 30 September 2018	17 December 2018
1 October to 31 December 2018	15 March 2019
1 January to 31 March 2019	17 June 2019
1 April to 30 June 2019	16 September 2019

There are no penalties for metered water rates.

EARLY PAYMENT

Sections 55 and 56 of the Local Government (Rating) Act 2002 empowers Council to allow for the early payment of rates.

- Council proposes to accept early payment of all rates assessed for the 2018/19 year, but no discount will be applied for early payment. (Section 55).
- Council proposes to accept early payment of all rates assessed for the 2019/20 and subsequent years, but no discount will be applied for early payment. These payments will be applied to general rates or individual targeted rates if requested by the ratepayer, otherwise they will be applied against future general rates. (Section 56).

PAYMENT LOCATIONS – ALL RATES AND CHARGES

Rates shall be payable between the hours of 8.30 am to 4.30 pm, Monday to Friday, at the Council offices, Miranda Street, Stratford.

Payments can also be made online by going to <https://www.stratford.govt.nz> and clicking on “Pay Online”.

Mail and electronic payments shall be deemed to be received at the Council Office on day of receipt.

FUNDING IMPACT STATEMENT FOR THE FINANCIAL YEARS 2018 TO 2028

For the Whole of Council

	Annual Plan	Long Term Plan									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$000	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	5,643	6,031	6,248	6,653	7,309	7,612	7,669	7,921	8,211	8,369	8,517
Targeted rates	6,065	6,248	6,636	6,962	7,338	7,578	7,809	8,059	8,373	8,614	8,779
Subsidies and grants for operating purposes	1,361	1,821	1,795	1,857	1,868	1,892	2,007	2,073	2,121	2,271	2,239
Fees and Charges	2,156	2,165	2,169	2,203	2,242	2,279	2,317	2,357	2,400	2,443	2,538
Interest and dividends from investments	145	192	223	282	326	373	437	517	602	710	819
Local authorities fuel tax, fines, infringement fees, and other receipts	34	34	34	34	34	34	34	34	34	34	34
Total operating funding (A)	\$15,404	\$16,491	\$17,105	\$17,992	\$19,118	\$19,768	\$20,273	\$20,961	\$21,742	\$22,441	\$22,926
Applications of operating funding											
Payment to staff and suppliers	11,604	12,890	13,111	13,289	13,420	13,679	14,039	14,390	14,723	15,354	15,503
Finance costs	633	617	644	970	1,266	1,274	1,299	1,373	1,398	1,377	1,356
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	\$12,237	\$13,507	\$13,755	\$14,259	\$14,685	\$14,953	\$15,337	\$15,763	\$16,122	\$16,731	\$16,859
Surplus (deficit) of operating funding (A-B)	\$3,166	\$2,983	\$3,350	\$3,732	\$4,432	\$4,814	\$4,936	\$5,198	\$5,620	\$5,710	\$6,067
Sources of capital funding											
Subsidies and grants for capital expenditure	1,545	5,311	1,964	5,612	1,903	1,902	2,792	1,914	1,905	2,507	1,918
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	3,460	857	1,960	13,065	498	(22)	1,209	2,279	(1,048)	160	(1,009)
Gross proceeds from sale of assets	-	3,234	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	\$5,006	\$9,401	\$3,924	\$18,677	\$2,401	\$1,880	\$4,001	\$4,193	\$857	\$2,668	\$909
Applications of capital funding											
Capital expenditure to:											
- meet additional demand	-	1,710	-	-	-	-	-	-	-	-	-
- improve the level of service	2,205	5,562	2,232	17,725	1,773	1,403	3,613	3,788	562	2,361	495
- replace existing assets	5,096	4,733	4,771	4,310	4,929	4,755	4,411	4,652	4,435	4,465	4,448
Increase (decrease) in reserves	871	380	271	374	131	537	914	951	1,481	1,551	2,032
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	\$8,172	\$12,385	\$7,274	\$22,409	\$6,833	\$6,695	\$8,938	\$9,391	\$6,477	\$8,377	\$6,976
Surplus (deficit) of capital funding (C-D)	(\$3,167)	(\$2,984)	(\$3,350)	(\$3,732)	(\$4,432)	(\$4,814)	(\$4,936)	(\$5,198)	(\$5,620)	(\$5,710)	(\$6,066)
Funding balance ((A-B) + (C-D))	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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.

	Annual Plan	Long Term Plan									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$000	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Surplus of operating funding from Funding Impact Statement	3,167	2,983	3,350	3,732	4,432	4,814	4,936	5,198	5,620	5,710	6,067
Subsidies and grants for capital expenditure	1,545	5,311	1,964	5,612	1,903	1,902	2,792	1,914	1,905	2,507	1,918
Gross proceeds from sale of assets	-	3,234	-	-	-	-	-	-	-	-	-
Depreciation	(4,448)	(4,376)	(4,789)	(4,912)	(5,364)	(5,848)	(5,920)	(6,012)	(6,563)	(6,584)	(6,665)
Net Surplus before taxation in Prospective Statement of Revenue and Expense	\$263	\$7,151	\$524	\$4,432	\$971	\$869	\$1,809	\$1,100	\$962	\$1,633	\$1,320

FUNDING IMPACT STATEMENT FOR THE FINANCIAL YEARS 2018 TO 2028

For Community Services

	Annual Plan	Long Term Plan									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$000	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	3,088	3,003	3,221	3,622	4,264	4,425	4,506	4,642	4,820	4,905	5,030
Targeted rates	14	14	14	14	14	14	14	14	14	14	14
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and Charges	511	522	527	532	538	544	550	557	564	571	579
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	6	6	12	12	12	12	12	12	12	12	12
Total operating funding (A)	\$3,619	\$3,545	\$3,774	\$4,181	\$4,829	\$4,995	\$5,083	\$5,226	\$5,411	\$5,502	\$5,635
Applications of operating funding											
Payment to staff and suppliers	2,110	2,140	2,255	2,341	2,294	2,354	2,397	2,442	2,501	2,563	2,626
Finance costs	64	59	70	344	601	578	598	617	594	598	601
Internal charges & overheads applied	964	862	885	909	934	974	978	997	1,020	1,041	1,067
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	\$3,139	\$3,061	\$3,210	\$3,594	\$3,829	\$3,907	\$3,973	\$4,055	\$4,116	\$4,202	\$4,294
Surplus (deficit) of operating funding (A-B)	\$480	\$484	\$564	\$588	\$1,000	\$1,089	\$1,110	\$1,171	\$1,295	\$1,301	\$1,342
Sources of capital funding											
Subsidies and grants for capital expenditure	-	72	124	3,771	20	17	906	24	12	612	20
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	112	269	245	12,231	(520)	(496)	1,378	(517)	(508)	673	(523)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	\$112	\$341	\$369	\$16,002	(\$500)	(\$479)	\$2,284	(\$493)	(\$496)	\$1,285	(\$503)
Applications of capital funding											
Capital expenditure to:											
- meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- improve the level of service	300	430	469	16,353	92	89	2,869	119	84	1,870	91
- replace existing assets	47	8	3	92	3	3	3	3	10	3	3
Increase (decrease) in reserves	245	387	462	145	406	518	523	557	705	712	745
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	\$592	\$825	\$933	\$16,590	\$501	\$609	\$3,394	\$679	\$799	\$2,585	\$839
Surplus (deficit) of capital funding (C-D)	(\$480)	(\$484)	(\$564)	(\$588)	(\$1,001)	(\$1,089)	(\$1,111)	(\$1,171)	(\$1,295)	(\$1,300)	(\$1,342)
Funding balance ((A-B) + (C-D))	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

FUNDING IMPACT STATEMENT FOR THE FINANCIAL YEARS 2018 TO 2028

For Roading

	Annual Plan	Long Term Plan									
	2017/18 \$000	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	(7)	(8)	(7)	(7)	(6)	(6)	(6)	(7)	(6)	(7)	(7)
Targeted rates	2,808	2,907	2,990	3,217	3,401	3,488	3,533	3,656	3,771	3,879	3,951
Subsidies and grants for operating purposes	1,361	1,821	1,795	1,857	1,868	1,892	2,007	2,073	2,121	2,271	2,239
Fees and Charges	301	283	288	293	297	303	308	314	320	326	333
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	2	2	5	5	5	5	5	5	5	5	5
Total operating funding (A)	\$4,465	\$5,006	\$5,071	\$5,366	\$5,566	\$5,681	\$5,847	\$6,041	\$6,211	\$6,474	\$6,521
Applications of operating funding											
Payment to staff and suppliers	2,805	3,521	3,483	3,602	3,625	3,675	3,885	4,010	4,105	4,377	4,332
Finance costs	4	19	32	30	29	28	27	26	25	24	23
Internal charges & overheads applied	293	303	311	320	332	337	346	352	362	369	378
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	\$3,103	\$3,843	\$3,827	\$3,953	\$3,986	\$4,040	\$4,258	\$4,388	\$4,491	\$4,770	\$4,733
Surplus (deficit) of operating funding (A-B)	\$1,362	\$1,163	\$1,245	\$1,413	\$1,580	\$1,641	\$1,589	\$1,653	\$1,720	\$1,704	\$1,788
Sources of capital funding											
Subsidies and grants for capital expenditure	1,545	5,239	1,839	1,840	1,883	1,885	1,887	1,890	1,893	1,896	1,899
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	153	582	(29)	(28)	(27)	(26)	(25)	(24)	(23)	(22)	(21)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	\$1,699	\$5,820	\$1,810	\$1,812	\$1,856	\$1,859	\$1,862	\$1,866	\$1,870	\$1,874	\$1,878
Applications of capital funding											
Capital expenditure to:											
- meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- improve the level of service	156	4,000	-	-	-	-	-	-	-	-	-
- replace existing assets	2,933	3,348	3,353	3,359	3,436	3,445	3,451	3,461	3,471	3,481	3,492
Increase (decrease) in reserves	(29)	(364)	(299)	(133)	(0)	56	0	58	119	97	173
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	\$3,060	\$6,984	\$3,055	\$3,225	\$3,436	\$3,501	\$3,451	\$3,519	\$3,590	\$3,578	\$3,666
Surplus (deficit) of capital funding (C-D)	(\$1,362)	(\$1,164)	(\$1,245)	(\$1,413)	(\$1,580)	(\$1,641)	(\$1,589)	(\$1,653)	(\$1,720)	(\$1,704)	(\$1,788)
Funding balance ((A-B) + (C-D))	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

FUNDING IMPACT STATEMENT FOR THE FINANCIAL YEARS 2018 TO 2028

For Water Supply

	Annual Plan	Long Term Plan									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$000	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	1,880	1,917	2,064	2,099	2,199	2,305	2,406	2,492	2,639	2,735	2,764
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	5	5	5	5	5	5	5	5	5
Total operating funding (A)	\$1,881	\$1,919	\$2,068	\$2,104	\$2,204	\$2,309	\$2,411	\$2,497	\$2,644	\$2,739	\$2,768
Applications of operating funding											
Payment to staff and suppliers	892	985	1,032	1,019	1,058	1,076	1,090	1,118	1,156	1,275	1,218
Finance costs	359	303	337	361	383	406	409	461	510	488	467
Internal charges & overheads applied	266	267	274	280	289	294	301	307	315	322	330
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	\$1,517	\$1,555	\$1,643	\$1,660	\$1,730	\$1,776	\$1,800	\$1,885	\$1,981	\$2,085	\$2,015
Surplus (deficit) of operating funding (A-B)	\$364	\$364	\$425	\$444	\$474	\$533	\$611	\$611	\$662	\$654	\$754
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	134	921	625	433	563	516	(413)	2,774	(513)	(496)	(479)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	\$134	\$921	\$625	\$433	\$563	\$516	(\$413)	\$2,774	(\$513)	(\$496)	(\$479)
Applications of capital funding											
Capital expenditure to:											
- meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- improve the level of service	105	330	420	587	945	924	34	3,238	36	37	-
- replace existing assets	445	889	538	414	639	528	428	439	468	523	476
Increase (decrease) in reserves	(51)	66	92	(124)	(546)	(402)	(264)	(292)	(355)	(401)	(202)
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	\$498	\$1,285	\$1,050	\$878	\$1,037	\$1,050	\$198	\$3,385	\$149	\$158	\$274
Surplus (deficit) of capital funding (C-D)	(\$364)	(\$364)	(\$425)	(\$444)	(\$474)	(\$533)	(\$611)	(\$611)	(\$662)	(\$654)	(\$754)
Funding balance ((A-B) + (C-D))	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

FUNDING IMPACT STATEMENT FOR THE FINANCIAL YEARS 2018 TO 2028

For Wastewater (Sewerage)

	Annual Plan	Long Term Plan									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$000	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	695	725	873	906	973	998	1,044	1,067	1,099	1,116	1,159
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and Charges	60	70	71	73	75	76	78	80	82	84	86
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	1	3	3	3	3	3	3	3	3	3
Total operating funding (A)	\$756	\$796	\$947	\$981	\$1,050	\$1,076	\$1,125	\$1,150	\$1,183	\$1,202	\$1,247
Applications of operating funding											
Payment to staff and suppliers	318	365	442	368	398	353	417	393	381	390	424
Finance costs	41	41	70	100	117	123	118	113	109	105	100
Internal charges & overheads applied	120	148	152	156	161	164	167	171	175	179	184
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	\$479	\$555	\$664	\$624	\$676	\$640	\$702	\$677	\$665	\$674	\$708
Surplus (deficit) of operating funding (A-B)	\$277	\$242	\$283	\$357	\$374	\$437	\$422	\$472	\$518	\$528	\$538
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	70	349	972	392	387	(114)	(110)	(106)	(101)	(97)	(93)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	\$70	\$349	\$972	\$392	\$387	(\$114)	(\$110)	(\$106)	(\$101)	(\$97)	(\$93)
Applications of capital funding											
Capital expenditure to:											
- meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- improve the level of service	50	387	1,038	485	496	145	178	173	178	183	125
- replace existing assets	213	183	492	202	497	476	229	212	229	223	229
Increase (decrease) in reserves	85	21	(274)	62	(232)	(299)	(94)	(18)	10	25	91
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	\$347	\$591	\$1,255	\$749	\$762	\$322	\$312	\$367	\$417	\$431	\$445
Surplus (deficit) of capital funding (C-D)	(\$277)	(\$242)	(\$283)	(\$357)	(\$374)	(\$437)	(\$422)	(\$472)	(\$518)	(\$528)	(\$538)
Funding balance ((A-B) + (C-D))	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

FUNDING IMPACT STATEMENT FOR THE FINANCIAL YEARS 2018 TO 2028

For Stormwater

	Annual Plan	Long Term Plan									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$000	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	315	327	355	371	388	397	421	451	489	507	525
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	1	1	2	2	2	2	2	2	2	2	2
Total operating funding (A)	\$315	\$328	\$357	\$373	\$390	\$399	\$422	\$453	\$491	\$508	\$527
Applications of operating funding											
Payment to staff and suppliers	93	113	115	118	120	102	104	106	109	112	115
Finance costs	20	20	28	33	39	45	58	71	78	84	90
Internal charges & overheads applied	99	92	95	97	100	102	104	107	109	112	115
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	\$212	\$225	\$238	\$248	\$259	\$249	\$266	\$284	\$297	\$308	\$320
Surplus (deficit) of operating funding (A-B)	\$103	\$103	\$119	\$125	\$130	\$150	\$156	\$168	\$194	\$201	\$207
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(15)	204	151	98	150	148	423	192	132	132	133
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(\$15)	\$204	\$151	\$98	\$150	\$148	\$423	\$192	\$132	\$132	\$133
Applications of capital funding											
Capital expenditure to:											
- meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- improve the level of service	94	223	228	234	239	245	533	258	264	272	279
- replace existing assets	104	56	57	58	103	61	63	180	66	68	120
Increase (decrease) in reserves	(110)	29	(15)	(69)	(62)	(8)	(16)	(78)	(4)	(6)	(59)
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	\$88	\$307	\$270	\$223	\$280	\$298	\$579	\$360	\$326	\$333	\$340
Surplus (deficit) of capital funding (C-D)	(\$103)	(\$103)	(\$119)	(\$125)	(\$130)	(\$150)	(\$156)	(\$168)	(\$194)	(\$201)	(\$207)
Funding balance ((A-B) + (C-D))	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

FUNDING IMPACT STATEMENT FOR THE FINANCIAL YEARS 2018 TO 2028

For Solid Waste

	Annual Plan	Long Term Plan									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$000	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	19	19	19	19	19	19	19	19	19	19	19
Targeted rates	682	698	709	740	765	789	825	843	865	885	906
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and Charges	80	80	81	83	84	85	87	88	90	92	93
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	0	1	1	1	1	1	1	1	1	1
Total operating funding (A)	\$781	\$797	\$810	\$842	\$869	\$893	\$932	\$950	\$974	\$996	\$1,019
Applications of operating funding											
Payment to staff and suppliers	616	641	630	644	659	674	702	720	738	757	777
Finance costs	32	48	47	45	43	41	40	38	36	35	34
Internal charges & overheads applied	94	139	142	145	149	152	156	159	163	167	171
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	\$742	\$828	\$819	\$834	\$851	\$868	\$898	\$917	\$937	\$959	\$981
Surplus (deficit) of operating funding (A-B)	\$39	(\$31)	(\$9)	\$7	\$17	\$25	\$34	\$34	\$37	\$37	\$37
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,127	(45)	(43)	(42)	(40)	(38)	(37)	(35)	(34)	(33)	(31)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	\$1,127	(\$45)	(\$43)	(\$42)	(\$40)	(\$38)	(\$37)	(\$35)	(\$34)	(\$33)	(\$31)
Applications of capital funding											
Capital expenditure to:											
- meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- replace existing assets	1,172	12	52	32	12	22	-	11	-	12	-
Increase (decrease) in reserves	(5)	(87)	(104)	(67)	(34)	(35)	(3)	(13)	3	(7)	6
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	\$1,166	(\$76)	(\$52)	(\$34)	(\$23)	(\$13)	(\$3)	(\$1)	\$3	\$5	\$6
Surplus (deficit) of capital funding (C-D)	(\$39)	\$31	\$9	(\$7)	(\$17)	(\$25)	(\$34)	(\$34)	(\$37)	(\$37)	(\$37)
Funding balance ((A-B) + (C-D))	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

FUNDING IMPACT STATEMENT FOR THE FINANCIAL YEARS 2018 TO 2028

For Democracy

	Annual Plan	Long Term Plan									
	2017/18 \$000	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	824	957	1,003	1,003	1,028	1,095	1,071	1,095	1,155	1,152	1,206
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and Charges	60	60	60	60	60	60	60	60	60	60	60
Internal charges and overheads recovered	1,273	1,316	1,343	1,376	1,399	1,430	1,468	1,495	1,531	1,573	1,606
Local authorities fuel tax, fines, infringement fees, and other receipts	3	5	11	11	11	11	11	11	11	11	11
Total operating funding (A)	\$2,160	\$2,337	\$2,417	\$2,450	\$2,498	\$2,595	\$2,609	\$2,661	\$2,757	\$2,796	\$2,883
Applications of operating funding											
Payment to staff and suppliers	1,663	1,722	1,784	1,800	1,821	1,910	1,909	1,947	2,022	2,047	2,116
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges & overheads applied	497	615	633	650	677	685	700	714	734	749	767
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	\$2,160	\$2,337	\$2,417	\$2,450	\$2,498	\$2,595	\$2,609	\$2,661	\$2,757	\$2,796	\$2,883
Surplus (deficit) of operating funding (A-B)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Applications of capital funding											
Capital expenditure to:											
- meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- replace existing assets	207	271	288	160	209	210	235	347	190	150	129
Increase (decrease) in reserves	(207)	(271)	(288)	(160)	(209)	(210)	(235)	(347)	(190)	(150)	(129)
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Surplus (deficit) of capital funding (C-D)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Funding balance ((A-B) + (C-D))	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

FUNDING IMPACT STATEMENT FOR THE FINANCIAL YEARS 2018 TO 2028

For Economy

	Annual Plan	Long Term Plan									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$000	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	410	644	586	591	591	620	609	609	623	624	579
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and Charges	695	681	663	674	685	697	709	721	735	749	812
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	2	2	5	5	5	5	5	5	5	5	5
Total operating funding (A)	\$1,108	\$1,327	\$1,254	\$1,270	\$1,281	\$1,321	\$1,323	\$1,336	\$1,363	\$1,378	\$1,395
Applications of operating funding											
Payment to staff and suppliers	631	686	636	653	657	685	687	702	719	736	754
Finance costs	145	175	108	104	100	96	92	88	85	81	78
Internal charges & overheads applied	287	296	303	311	319	326	334	340	349	356	365
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	\$1,062	\$1,157	\$1,048	\$1,068	\$1,077	\$1,107	\$1,113	\$1,131	\$1,152	\$1,174	\$1,197
Surplus (deficit) of operating funding (A-B)	\$45	\$169	\$206	\$202	\$204	\$214	\$211	\$205	\$211	\$204	\$198
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,395	(1,503)	(101)	(97)	(93)	(89)	(86)	(82)	(79)	(76)	(73)
Gross proceeds from sale of assets	-	3,234	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	\$1,395	\$1,731	(\$101)	(\$97)	(\$93)	(\$89)	(\$86)	(\$82)	(\$79)	(\$76)	(\$73)
Applications of capital funding											
Capital expenditure to:											
- meet additional demand	-	1,710	-	-	-	-	-	-	-	-	-
- improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- replace existing assets	1,533	171	15	70	43	22	3	-	-	6	-
Increase (decrease) in reserves	(93)	20	90	36	69	103	122	123	132	122	126
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	\$1,440	\$1,900	\$105	\$106	\$111	\$125	\$125	\$123	\$132	\$128	\$126
Surplus (deficit) of capital funding (C-D)	(\$45)	(\$169)	(\$206)	(\$202)	(\$204)	(\$214)	(\$211)	(\$205)	(\$211)	(\$204)	(\$198)
Funding balance ((A-B) + (C-D))	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

FUNDING IMPACT STATEMENT FOR THE FINANCIAL YEARS 2018 TO 2028

For Environmental Services

	Annual Plan	Long Term Plan									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$000	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	995	1,099	1,082	1,064	1,034	1,072	1,059	1,121	1,121	1,179	1,175
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and Charges	435	455	464	474	489	500	511	523	536	548	562
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	4	5	11	11	11	11	11	11	11	11	11
Total operating funding (A)	\$1,434	\$1,559	\$1,558	\$1,550	\$1,535	\$1,583	\$1,582	\$1,656	\$1,667	\$1,739	\$1,748
Applications of operating funding											
Payment to staff and suppliers	817	912	891	863	828	863	859	905	899	955	946
Finance costs	-	-	1	3	2	2	2	2	2	2	2
Internal charges & overheads applied	610	640	657	674	695	708	711	739	757	773	791
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	\$1,427	\$1,552	\$1,549	\$1,540	\$1,525	\$1,574	\$1,573	\$1,647	\$1,658	\$1,730	\$1,739
Surplus (deficit) of operating funding (A-B)	\$7	\$7	\$8	\$9	\$9	\$9	\$9	\$9	\$9	\$9	\$9
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	60	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	\$0	\$0	\$60	(\$2)	(\$2)	(\$2)	(\$2)	(\$2)	(\$2)	(\$2)	(\$2)
Applications of capital funding											
Capital expenditure to:											
- meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- improve the level of service	-	-	61	-	-	-	-	-	-	-	-
- replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	7	7	7	7	7	7	7	7	7	7	7
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	\$7	\$7	\$68	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7
Surplus (deficit) of capital funding (C-D)	(\$7)	(\$7)	(\$8)	(\$9)	(\$9)	(\$9)	(\$9)	(\$9)	(\$9)	(\$9)	(\$9)
Funding balance ((A-B) + (C-D))	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

SAMPLE RATING COMPARISONS

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Annual Plan	Forecast	LTP Projection								
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Residential - Capital Value	\$130,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000
Uniform Annual General Charge	687.00	632.00	634.00	632.00	634.00	660.00	656.00	683.00	705.00	721.00	736.00
Solid Waste	311.00	315.00	314.00	326.00	335.00	343.00	357.00	363.00	370.00	377.00	383.00
Water Supply	574.00	570.00	598.00	599.00	620.00	639.00	664.00	674.00	694.00	710.00	718.00
Wastewater	302.00	312.00	369.00	381.00	407.00	415.00	432.00	439.00	450.00	454.00	469.00
Roading Rate	153.89	173.83	178.77	192.37	203.35	208.53	211.26	218.61	225.46	231.92	236.24
General Rate	167.31	204.59	215.74	239.85	278.03	289.12	293.06	300.91	312.13	316.88	321.35
Total Rates (excl TRC)	2,195.20	2,207.42	2,309.51	2,370.22	2,477.38	2,554.65	2,613.32	2,678.52	2,756.59	2,810.80	2,863.58
Movement \$		12.21	102.09	60.71	107.16	77.27	58.67	65.20	78.08	54.21	52.78
Movement %		0.56%	4.63%	2.63%	4.52%	3.12%	2.30%	2.49%	2.91%	1.97%	1.88%
Residential - Capital Value	\$210,000	\$255,000	\$255,000	\$255,000	\$255,000	\$255,000	\$255,000	\$255,000	\$255,000	\$255,000	\$255,000
Uniform Annual General Charge	687.00	632.00	634.00	632.00	634.00	660.00	656.00	683.00	705.00	721.00	736.00
Solid Waste	311.00	315.00	314.00	326.00	335.00	343.00	357.00	363.00	370.00	377.00	383.00
Water Supply	574.00	570.00	598.00	599.00	620.00	639.00	664.00	674.00	694.00	710.00	718.00
Wastewater	302.00	312.00	369.00	381.00	407.00	415.00	432.00	439.00	450.00	454.00	469.00
Roading Rate	248.60	277.04	284.91	306.60	324.09	332.34	336.69	348.41	359.33	369.63	376.50
General Rate	270.27	326.06	343.84	382.26	443.11	460.78	467.07	479.57	497.46	505.03	512.14
Total Rates (excl TRC)	2,392.87	2,432.10	2,543.75	2,626.86	2,763.20	2,850.13	2,912.76	2,986.98	3,075.79	3,136.66	3,194.65
Movement \$		39.23	111.65	83.10	136.34	86.93	62.63	74.22	88.81	60.86	57.99
Movement %		1.64%	4.59%	3.27%	5.19%	3.15%	2.20%	2.55%	2.97%	1.98%	1.85%
Rural - Capital Value	\$2,325,000	\$2,645,000	\$2,645,000	\$2,645,000	\$2,645,000	\$2,645,000	\$2,645,000	\$2,645,000	\$2,645,000	\$2,645,000	\$2,645,000
Uniform Annual General Charge	687.00	632.00	634.00	632.00	634.00	660.00	656.00	683.00	705.00	721.00	736.00
Roading Rate	2,752.34	2,873.63	2,955.29	3,180.18	3,361.59	3,447.25	3,492.38	3,613.93	3,727.21	3,833.96	3,905.30
General Rate	2,992.28	3,382.09	3,566.49	3,965.02	4,596.21	4,779.51	4,844.66	4,974.34	5,159.91	5,238.45	5,312.24
Total Rates (excl TRC)	6,431.61	6,887.71	7,155.78	7,777.20	8,591.80	8,886.76	8,993.04	9,271.27	9,592.12	9,793.41	9,953.53
Movement \$		456.10	268.07	621.42	814.59	294.96	106.28	278.22	320.85	201.30	160.12
Movement %		7.09%	3.89%	8.68%	10.47%	3.43%	1.20%	3.09%	3.46%	2.10%	1.63%
Rural - Capital Value	\$4,580,000	\$4,990,000	\$4,990,000	\$4,990,000	\$4,990,000	\$4,990,000	\$4,990,000	\$4,990,000	\$4,990,000	\$4,990,000	\$4,990,000
Uniform Annual General Charge	687.00	632.00	634.00	632.00	634.00	660.00	656.00	683.00	705.00	721.00	736.00
Roading Rate	5,421.80	5,421.32	5,575.39	5,999.67	6,341.90	6,503.50	6,588.65	6,817.95	7,031.67	7,233.07	7,367.65
General Rate	5,894.46	6,380.58	6,728.46	7,480.32	8,671.11	9,016.93	9,139.83	9,384.48	9,734.57	9,882.75	10,021.95
Total Rates (excl TRC)	12,003.26	12,433.90	12,937.86	14,111.99	15,647.01	16,180.43	16,384.49	16,885.44	17,471.24	17,836.82	18,125.60
Movement \$		430.63	503.96	1,174.13	1,535.02	533.42	204.06	500.95	585.80	365.58	288.78
Movement %		3.59%	4.05%	9.08%	10.88%	3.41%	1.26%	3.06%	3.47%	2.09%	1.62%
Commercial - Capital Value	\$175,000	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000
Uniform Annual General Charge	687.00	632.00	634.00	632.00	634.00	660.00	656.00	683.00	705.00	721.00	736.00
Water Supply	574.00	570.00	598.00	599.00	620.00	639.00	664.00	674.00	694.00	710.00	718.00
Wastewater	302.00	312.00	369.00	381.00	407.00	415.00	432.00	439.00	450.00	454.00	469.00
Roading Rate	207.17	239.02	245.81	264.51	279.60	286.73	290.48	300.59	310.01	318.89	324.83
General Rate	225.23	281.31	296.65	329.79	382.29	397.54	402.96	413.74	429.18	435.71	441.85
Total Rates (excl TRC)	1,995.39	2,034.32	2,143.45	2,206.31	2,322.90	2,398.27	2,445.44	2,510.34	2,588.19	2,639.61	2,689.68
Movement \$		38.93	109.13	62.85	116.59	75.37	47.17	64.90	77.86	51.41	50.07
Movement %		1.95%	5.36%	2.93%	5.28%	3.24%	1.97%	2.65%	3.10%	1.99%	1.90%

Number of Rating Units Per Year

Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Rating Unit	4,802	4,847	4,862	4,877	4,892	4,907	4,922	4,937	4,952	4,967

FEES AND CHARGES

ABANDONED VEHICLES

Towage	At Cost	
Inspection	\$230.00	fixed fee, includes inspection and administration
Storage of vehicle	At Cost	
Towage	At Cost	

AERODROME

Strip Hire Fee	\$6.50	per tonne
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BUILDING

Project Information Memorandum (When requested separate from a Building Consent)	\$280.00	
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Processing of a Building Consent
(Including a Project Information Memorandum through to a issue of a building consent)

- Fire
 - free standing or inbuilt \$350.00 Fixed fee, includes administration and inspection(s)
 - connected to wetback \$400.00 Fixed fee, includes administration and inspection(s)
- Accessory Buildings – residential (garages/carports) \$650.00 Base fee, as the Building Research Levy and MBIE levy will be an additional fee that is calculated for projects with a building value at or above \$20,000.
- House/townhouse/apartment \$1,650.00 Base fee, as the Building Research Levy and MBIE levy will be an additional fee that is calculated for projects with a building value at or above \$20,000.
- Residential or Commercial Additions/alterations under \$20,000 in value \$720.00 Fixed fee, as the Building research Levy and MBIE levy do not apply
- Residential or Commercial Additions/alterations at or above \$20,000 in value \$1300.00 Base fee, as the Building Research Levy and MBIE levy will be an additional fee that is calculated for projects with a building value at or above \$20,000.
- Cow/milking sheds \$1,650.00 Base fee, as the Building Research Levy and MBIE levy will be an additional fee that is calculated for projects with a building value at or above \$20,000.
- New buildings – commercial/retail \$1,650.00 Base fee, as the Building Research Levy and MBIE levy will be an additional fee that is calculated for projects with a building value at or above \$20,000.
- Pole sheds – commercial or residential \$650.00 Base fee, as the Building Research Levy and MBIE levy will be an additional fee that is calculated for projects with a building value at or above \$20,000.
- Relocated buildings \$720.00 Levy and MBIE levy will be an additional fee that is calculated for projects with a building value at or above \$20,000.
- Sewage and drainage \$350.00 Fixed Fee
- Certificate of Acceptance \$1,500.00 Base fee, as the Building Research Levy and MBIE levy will be an additional fee that is calculated for projects with a building value at or above \$20,000.
- Building consent amendment \$240.00 Fixed Fee
- Building consent minor variation \$85.00 Fixed Fee

The following building works are exempted from all consent application and inspection fees required for the installation/construction of those works:

- Power generation where the generated power is for use only on the same property
- Solar hot water heating (the exemption includes all plumbing inspections)
- Plumbing and drainage systems allowing for the use of recycled water (the exemption includes all plumbing and drainage inspections)

Building Inspections - standard	\$95.00	Per inspection
Building Inspections – final before issue of Code Compliance Certificate	\$245.00	
Building Research Levy		As required by statute
MBIE (Formally DBH Levy)		As required by statute
Certificate of Public Use		
• New buildings	\$145.00	Fixed Fee
Compliance Schedules		
• New buildings	\$265.00	Fixed Fee
• Form 11 Compliance Schedule Amendment	\$120.00	Fixed Fee
Certificate of Title	\$20.00	Fixed Fee
Notification to District Land Registrar (S73 of Act) (Building on land subject to erosion, etc.)	\$145.00	Fixed Fee
Section 77 Certification (Building over 2 or more lots) (includes LINZ fixed fee pursuant to S75 of \$176.00)	\$320.00	Fixed Fee
Dangerous Insanitary Notification/Notice to Fix	\$300.00	Fixed Fee
Inspection of Buildings Outside District or General Inspections		As per staff charge out rates
Miscellaneous Work		As per staff charge out rates

Building Consent Monthly Figures

- for one month \$30.00
- for one year \$120.00

Land Information Memorandum - Standard (Processed within 10 working days)

- residential \$350.00
- commercial \$500.00

Land Information Memorandum - Urgent (Residential/Rurual/Rural Residneital Processed within two working days, Commercial within 5 working days)

- residential \$600.00
- commercial \$800.00

Independently Qualified Persons (IQPs)

- Application \$265.00
- Renewal \$145.00

Swimming Pool Fences

- Initial Registration/Initial Inspection \$290.00
- Reinspection (3-yearly) \$130.00

Amusement Devices

Pursuant to the Amusement Devices Regulations 1978:

Inspection fee for:

- One device for first seven days or part thereof \$11.50 Per device
- Each additional device operated by the same owner for first seven days or part thereof \$2.30 Per device
- Each further period of seven days or part thereof \$1.20 Per device

Street Damage

Inspection	\$170.00	Per inspection
Deposit:		
• New Construction	\$2,500.00	
• Demolition/relocation of existing building	\$3,000.00	
Repairs of Street Damages		At cost

Vehicle Crossing

Refundable bond - new development on existing section with sub standard crossing	\$1,000.00
--	------------

Provisions to Schedule

Pursuant to Section 49(2) of the Building Act 2004, no application for any consent, certificate, schedule, or other function under the Act will be processed until the fee in the schedule is paid.

BYLAWS

All licences and certificates as required under Council bylaw*	\$230.00	
Call Out Fee (in breach of bylaw, charged to offender)	\$300.00	
Release of Impounded Skateboard or Cycle	\$50.00	
Permit for Stands and Stalls in a Public Place (Bylaw 314) **	\$20.00	Per stand or stall per day with a minimum fee of \$60.00

* Excludes licences under the Tattoo and Beauty Parlour Bylaw, see Health Licences.

** Excludes not for profit organisations and community groups.

CEMETERY

Purchase of Plots

• Burial	\$2,200.00
• Children (under 14 years)	\$1,500.00
• Ashes	\$1,000.00
• RSA	no charge
• Memorial Wall	\$180.00

Interments (includes grave digging)

• Adults	\$1,500.00
• Children (under 14 years)	\$1,100.00
• Stillborn	\$550.00
• Ashes	\$380.00

Miscellaneous Charges

• Conversion of Plot to Lawn Type	\$1,200.00	Maintenance and perpetuity Fee
• Bond for damage (Private Users)	\$300.00	Damage in excess of bond will be charged at cost

Notes (Cemetery)

- Weekends/Public Holidays Fees are included in above charges.
- Administration and Permit Fees are included in above charges.
- Disinterment and Reinterment are the same as interment charges above.
- Extra Depth is included in above charges.
- Services Cemetery fees are the same as the adult interment charge above.
- Services Cemetery Purchase of Plot is free as per Stratford Borough Council decision at meeting on 16 July 1917.
- Memorial Wall Plaque, porcelain material, size 290mm x 240mm

DOG AND ANIMAL CONTROL

	Prior to 1 August of Registration Period per dog	On or after 1 August of Registration Period per dog
Rural dog (for every dog up to and including first three dogs)	\$45.00	\$55.00
Rural dog (for every dog after first three dogs)	\$35.00	\$40.00
General Dog Owner	\$145.00	\$180.00
Good Dog Owner	\$115.00	\$145.00
Select Dog Owner	\$60.00	\$75.00
Urban Multiple Dog Licence		
• Application	\$60.00	
• Annual Renewal	\$30.00	
Micro chipping	at cost	
Replacement Tag	\$5.00	
Impounding Fees:		
Dogs:		
• Registered dog, 1 st Impounding	\$150.00	
• Registered dog, subsequent Impounding	\$250.00	
• Unregistered dog	\$300.00	Plus registration
• Unregistered dog under 3 months	\$150.00	Plus registration
• After hours pound release fee	\$60.00	Requires payment of all applicable fees (impounding, sustenance & after hours release) at iSite/pool/library during opening hours prior to release
• Sustenance fee	\$10.00	Per day
• Destruction	At cost	
• Re-housing fee	\$35.00	
Other animals:		
• Stock, excluding sheep and goats	\$50.00	
• Sheep and goats	\$15.00	
• Sustenance fee, all stock	\$10.00	
• Advertising	at cost	
• Droving		As per staff charge out rates or cost if provided by contractor
• Call Out Fee		As per staff charge out rates
• Transporting of Stock	at cost	

Notes

1. The criteria for these categories are given within the Stratford District Council Dog Control Policy
2. Any application to be a Select Dog Owner must be made before 30 April prior to the registration period

HEALTH LICENCES

Health Act 1956

- | | | |
|--|------------|------------------------------------|
| • Food Premises, Low Risk (A and B Grade) | \$500.00 | |
| • Food Premises, High Risk (D and E Grade) | \$1,000.00 | Up to a maximum of two inspections |
| • Hairdressers | \$230.00 | |
| • Offensive Trade | \$400.00 | |
| • Funeral Directors | \$230.00 | |
| • Camping Ground | \$230.00 | |
| • Saleyards | \$230.00 | |

Note: The above fees are to cover the annual inspections and administration required for each category of registration. There is no separate registration fee.

Food Act 2014

- | | | |
|--|----------|--|
| • Application for registration of a food control plan | \$460.00 | Fixed fee (includes up to 2 hours processing time) |
| • Renewal of registration | \$315.00 | Fixed fee (includes up to 1 hour processing time) |
| • Transfer of registration | \$400.00 | |
| • Complaint driven investigation | \$170.00 | Per hour |
| • Application for review of improvement notice | \$170.00 | Per hour |
| • Monitoring for food safety & suitability | \$170.00 | Per hour |
| • Verification visits including site and compliance checks with food plans and covers follow up remedial action. | \$400.00 | |

For Premises transitioning to Food Act 2014 Food Hygiene registration payment will be transferred to the Food Act registration on a pro rata basis.

Tattoo and Beauty Parlour Bylaw

- | | | |
|--|----------|--|
| • Application for registration of a High Risk Activity | \$460.00 | Fixed fee (includes up to 2 hours processing time) |
| • Renewal of registration | \$315.00 | Fixed fee (includes up to 1 hour processing time) |
| • Transfer of registration | \$400.00 | |
| • Complaint driven investigation | \$170.00 | Per hour |

HOUSING FOR THE ELDERLY

- | | | |
|---|----------|----------|
| • Unit with neither conservatory, carport nor rear porch | \$125.00 | Per week |
| • Unit with one of either conservatory, carport or rear porch | \$130.00 | Per week |
| • Unit with two of either conservatory, carport or rear porch | \$135.00 | Per week |
| • Unit with conservatory, carport and rear porch | \$140.00 | Per week |

LIBRARY

Fees

- | | | |
|-----------------------------------|--------|----------|
| • Interloaning a Book | \$6.00 | Per book |
| • DVD Rental | \$3.00 | |
| • Membership Card Replacement Fee | \$6.00 | |

Fines

- | | | |
|---------------------------|--------|---------|
| • Adult Books - late | \$0.30 | Per day |
| • Children's Books - late | \$0.10 | Per day |
| • DVDs - late | \$0.50 | Per day |

Replacement books, DVDs

At cost

Photocopying/Printouts/Facsimile

As per Photocopying, Printing & Facsimile charge

Kowhai Room Hire

\$5.00

Per hour

Programmes & Events

As advertised

PARKING

Parking Infringement*

Exceeding restricted parking time limit:

- | | |
|------------------------|---------|
| • Up to 30 minutes | \$12.00 |
| • 30 minutes to 1 hour | \$15.00 |
| • 1 hour to 2 hours | \$21.00 |
| • 2 hours to 4 hours | \$30.00 |
| • Over 4 hours | \$42.00 |

Parking Offences#

- | | |
|---|---------|
| • Parked on or within 6m of an intersection | \$60.00 |
| • Parked on or near a pedestrian crossing | \$60.00 |
| • Parked on broken yellow lines | \$60.00 |

- Double parking \$60.00
- Inconsiderate parking \$60.00
- Parked on a clear way \$60.00
- Parked on a bus only lane \$60.00
- All other Parking Offences \$40.00

Temporary “No Parking” Signs

- Fee \$15.00
- Refundable deposit \$20.00

* These penalties have been set by Council as being the maximum allowable, pursuant to Schedule 4 of the Land Transport Act 1998.

These penalties are the maximum prescribed in Schedule 4 of the Land Transport Act 1998.

PHOTOCOPYING, PRINTING & FACSIMILE

Photocopying & Printing

- A4 Black and White \$0.30 Per page
- A4 Black and White (double sided) \$0.40 Per page
- A4 Coloured \$0.50 Per page
- A4 Coloured (double sided) \$0.70 Per page
- A3 Black and White \$0.50 Per page
- A3 Black and White (double sided) \$1.00 Per page
- A3 Coloured \$1.00 Per page
- A3 Coloured (double sided) \$2.00 Per page

Facsimile

- National, 1st page \$2.50
- National, each subsequent page \$0.50
- International, 1st page \$5.00
- International, each subsequent page \$1.50
- Received Faxes \$1.00 Per page

PUBLICATIONS AND BYLAWS

- Annual Plan \$20.00
- Long Term Plan (LTP) \$40.00
- Annual Report \$20.00
- Bylaws \$20.00
- District Plan (excluding planning maps) \$70.00
- Planning Maps \$70.00

RATES / PROPERTY

- Access to counter listing no charge
- Counter listing for land agents \$210.00
- Electronic data (USB storage device) \$20.00 Per property

REFUSE

Replacement Receptacles

- Recycling crate \$40.00 Per crate
- Wheelaway bin \$128.00 Per bin

Transfer Station

	Bag (50 ltr)	Car Boot	Car Other	Drum (200 ltr)	Small Trailer & Utes (no cage)	Tandem Trailer (no cage)	All Other (per m ³)
Green Waste	NA	\$5.00	\$8.00	\$8.00	\$10.00	\$38.00	\$18.00
Recyclables	Free	Free	Free	Free	Free	Free	Free
Clean Construction & Demolition	NA	\$8.00	\$10.00	\$10.00	\$15.00	\$35.00	\$25.00
Scrap Metal	NA	\$15.00	\$20.00	\$20.00	\$25.00	\$50.00	\$50.00
General Refuse	\$3.00	\$15.00	\$20.00	\$20.00	\$25.00	\$85.00	\$50.00

Refuse containing more than 25% demolition material (bricks, concrete etc) will be double standard rate.

Miscellaneous

- Whiteware \$10.00 Per unit
- TV \$20.00 Per unit
- Stereo, Computer \$10.00 Per unit
- Car Tyres \$4.00 Per unit

RESEARCH (INCLUDES LGOIMA AND CEMETERY/GENEALOGY ENQUIRIES)

Research/Collation

- First 30 minutes Free Per enquiry
- Time in excess of first 30 minutes As per staff charge out rates
- Photocopying/Printouts/Facsimile As per Photocopying, Printing & Facsimile charges

RESOURCE MANAGEMENT

Subdivision Resource Consents (includes cross leases)

- Notified (full) \$4,000.00 Deposit with full cost recovery
- Notified (limited) \$1,200.00 Deposit with full cost recovery
- Controlled (Non Notified) other than boundary adjustments \$1,200.00 Other than boundary adjustments
- Boundary adjustments (Non notified), no creation of new or additional title \$1,250.00 Fixed Fee
- Limited Discretionary (Non Notified) \$1,200.00 Fixed Fee
- Discretionary (Non Notified) \$1,200.00 Fixed Fee
- S224 Survey Plan Approval (including Completion Certificate)
- No inspection for conditions \$230.00
- Inspection for conditions \$400.00
- Certificate under Section 223 only no charge
- Road Access Certificate (Section 321 of Local Government Act) \$230.00
- Consultation with District Land Registrar \$145.00
- Reapproval of lapsed consents and compliance certificate \$850.00
- Right of Way and Easements \$850.00

Land Use Consents

- Notified (Full) \$4,000.00 Deposit with full cost recovery
- Notified (limited) \$1,200.00 Deposit with full cost recovery
- Controlled (Non Notified) - standard \$1,200.00 Fixed Fee
- Controlled (Non Notified) – relocated buildings \$900.00 Fixed Fee
- Limited Discretionary (Non Notified) \$1,200.00
- Discretionary (Non Notified) – standard /complex application \$1,200.00
- Discretionary (Non notified) for performance standard non conformance, or signs \$900.00
- Non Complying (Non Notified) \$1,200.00

- Deemed Permit/Fast Track consents/Planning compliance Certificates \$500.00

The following activities are exempt from all consent application, processing and monitoring fees:

- The alteration, but not demolition, of any heritage structure listed in Appendix 6 of the Stratford District Plan
- Work to maintain or enhance indigenous fauna or flora in protected areas listed in Appendix 9 of the Stratford District Plan

Miscellaneous

- Request for Plan Change \$4,000.00 Deposit with full cost recovery
- Request for Designation or Heritage Order or Removal/Variation of Designation \$1,000.00 Deposit with full cost recovery
- Other Certificates \$250.00
- Variation of Consent (Non notified) \$900.00
- Variation of Consent (Notified) \$1,200.00 Deposit with full cost recovery
- Monitoring of Resource Consent Conditions At cost As per staff charge out rates
- Attendance to Noise Complaints (Charged to Offender) \$300.00
- Joint Hearings with Other Authorities At cost As per staff charge out rates with deposit: As required by either Taranaki Regional Council or Horizons Regional Council
- Seizure, impounding, transporting and storage pursuant to S.328 of the Resource Management Act \$300.00

ROADING

Road Closure

- Application, including \$520.00
 - Traffic Management Plan
 - Advertising (up to \$200, actual cost will be charged if this exceeds \$200)
 - Inspection
- Additional Inspection at cost As per staff charge out rates
- Emergency Road Closure over 4 hours at cost

Fallen Trees

- Clearing of privately owned fallen trees on road reserve at cost Applies to costs greater than \$500.00

Temporary Obstruction Permit

- Application, including \$300.00
 - Traffic Management Plan
 - Inspection
- Additional Inspection at cost As per staff charge out rates

Traffic Management Plan

- Generic Traffic Management Plan \$500.00
- Site Specific Traffic Management Plan \$200.00

Corridor Access Request (CAR)

CAR application for:

- Excavation >10m² in any CAR in carriageway \$150.00
- Excavation <10m² in berm \$80.00
- CAR additional inspection \$170.00

Overweight Permit

- Permit fee greater than three days notice \$20.50 Set by statute
- Permit fee less than three days notice \$31.00

Licence to Occupy

- Application fee \$260.00
- Rental 5.75% Of land value per annum

Street Event

- Refundable bond for damages \$2,000.00
- Damages at cost

Other

- Damage to Street Furniture at cost
- Application for Road Stopping (LGA, 2002) \$500.00
- Application for Petrochemical pipeline in the road reserve \$750.00
- Application for Stock Underpass \$200.00

Vehicle Crossing

Vehicle Crossing Application fee \$205.00

SALE OF ALCOHOL

Fee must be confirmed with the Liquor Licensing Inspector prior to lodging an application

On, Off and Club Licences Application Fees and Annual Fees:

Total risk rating of premises	Fees Category	Application fee	Annual fee
0-2	Very low	\$368.00	\$161.00
3-5	Low	\$609.50	\$391.00
6-15	Medium	\$816.50	\$632.50
16-25	High	\$1,023.50	\$1,035.00
26 plus	Very high	\$1,207.50	\$1,437.50

Special licence fees

Class 1 1 large event (400 people) <u>or</u> more than 3 medium events (100 to 400 people) <u>or</u> more than 12 small events (fewer than 100 people)			\$575.00
Class 2 3 to 12 small events (fewer than 100 people) <u>or</u> 1 to 3 medium events (100 to 400 people)			\$207.00
Class 3 1 or 2 small events (fewer than 100 people)			\$63.25

Manager's Certificates (new or renewal)

Fee set by regulation in accordance with the Sale and Supply of Alcohol (Fees) Regulations 2013 \$316.25

Other Fees

- Temporary Authority \$296.70
- Temporary Licence \$296.70
- Extract from Register \$50.00
- Compliance Certificate (RMA/Building) \$50.00
- Website Advertising Fee \$50.00

Gambling Consent Fee

- Application Fee \$230.00

SPORTS GROUNDS/PARKS AND RESERVES

Sportsgrounds – seasonal use

- Cricket (per oval) \$420.00
- Rugby (per field Page Street) \$420.00
- Rugby (per field Victoria Park no 1 and no 2) \$770.00
- Rugby (per field Victoria Park no 3) \$420.00
- Football (per field) \$420.00
- Croquet (Victoria Park greens) \$420.00
- Netball (King Edward Park hard courts) \$770.00
- Tennis (King Edward Park hard courts) \$770.00
- Other codes (per field Victoria Park) \$770.00
- Other codes (per field elsewhere) \$420.00

Sportsgrounds – casual use

- Per field, per hour or part thereof (without lights) \$10.00
- Per field, per hour or part thereof (with lights) \$15.00

Sportsgrounds/Parks and Reserves – other events

- Major event (public event) per day or part thereof \$155.00
- Minor event (private event) per day or part thereof \$78.00

Page Street sports amenities building

- Seasonal use \$420.00
- Casual use per day or part thereof \$26.00

STAFF CHARGE OUT RATES

Charge out rates are as follows:

- Management \$210.00 Per hour or part thereof
- Technical \$170.00 Per hour or part thereof
- Administration \$120.00 Per hour or part thereof
- Vehicle Charge (Mileage) \$0.77 Per km

STORMWATER

- Application Fee \$205.00
- Connection Property owner to engage suitably qualified contractor

SWIMMING POOL COMPLEX

Casual Use

Pool Entry

- Adult \$4.70 Per entry
- Child/Senior/Green Prescription \$3.70 Per entry
- Caregiver/Parent Supervising Child under 8 year of age Free Per entry

Pool entry for swim lessons provided by external providers \$4.00 Per entry

Group Fitness/Aquarobics/Adult Lessons

- Adult \$8.00 Per session
- Child/Senior/Green Prescription \$6.50 Per session

Concession (10x) - Valid for 6 months

Pool Entry	
• Adult	\$43.00
• Child/Senior/Green Prescription	\$35.00
Pool entry for swim lessons provided by external providers	\$38.00
Group Fitness/Aquarobics/Adult Lessons	
• Adult	\$70.00
• Child/Senior/Green Prescription	\$55.00

3-6 Month Membership

Client decides on term and pays a lump sum up front. No cancellations. Membership can be suspended for a maximum of one month with medical certificate.

Full membership	<u>3 month</u>	<u>6 Month</u>
• Adult	\$260.00	\$520.00
• Child/Senior/Green Prescription	\$208.00	\$416.00
Group Fitness/Aquarobics/Adult Lessons (up to 3 classes per week)	<u>3 month</u>	<u>6 Month</u>
• Adult	\$182.00	\$364.00
• Child/Senior/Green Prescription	\$145.60	\$291.20
Pool Entry		
• Adult	\$195.00	\$390.00
• Child/Senior/Green Prescription	\$156.00	\$312.00
Pool entry for swim lessons provided by external providers		
• 1 x lesson per week	\$31.00*	\$62.00#
• 2 x lessons per week	\$62.00*	\$124.00#
• 3 x lessons per week	\$120.90~	\$241.80**
• 4 x lessons per week	\$161.20~	\$322.40**
• Unlimited lessons per week	\$201.50~	\$403.00**

* 1 School Term; # 2 School Terms; ~ 13 Weeks; ** 26 Weeks

12 Month Membership

Client decides on term and pays a lump sum up front. No cancellations. Membership can be suspended for a maximum of one month with medical certificate.

Full membership	
• Adult	\$832.00
• Child/Senior/Green Prescription	\$624.00
Group Fitness/Aquarobics/Adult Lessons (up to 3 classes per week)	
• Adult	\$582.40
• Child/Senior/Green Prescription	\$416.00
Pool Entry	
• Adult	\$624.00
• Child/Senior/Green Prescription	\$520.00
Pool entry for swim lessons provided by external providers	
• 1 x lesson per week	\$100.00 40 weeks
• 2 x lessons per week	\$200.00 40 weeks
• 3 x lessons per week	\$390.00 47 weeks
• 4 x lessons per week	\$520.00 47 weeks
• Unlimited lessons per week	\$650.00 47 weeks

Miscellaneous

• School Groups within Stratford District	\$1.50	Per pupil
• Instructor Hire – school group	\$30.00	Per hour
• Big Inflatable	\$100.00	Per event (maximum 3 hours)
• Instructor	\$60.00	Per hour
• Showers	\$3.00	Per entry

Private Hire (includes entry fee)

• Pool Complex (exclusive use)	\$110.00	Per hour
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Party Hire (includes entry fee)

- Party Hire (non exclusive use of facility for up to 20 children, includes one instructor) \$120.00 For 2 hour period
- Party Hire add-on, extra hour \$50.00 Per extra hour
- Party Hire add-on, extra children up to 20, includes additional instructor \$100.00 For 2 hour period
- Party Hire add-on, extra children, extra hour \$40.00 Per extra hour

Upon completion of party standard entry fees apply for any children or adults wanting to stay on.

Private Lessons (includes entry fee)

- Half an Hour lesson - One on one \$35.00 Per lesson
- One Hour lesson - One on one \$70.00 Per lesson
- Half an hour lesson - Two students to one instructor \$50.00 Per lesson
- One hour lesson - Two students to one instructor \$100.00 Per lesson

VENUE HIRE**Centennial Rest Rooms**

- Meeting Rooms without kitchen \$16.00 Per hour or part thereof
- Meeting Rooms with kitchen \$21.00 Per hour or part thereof
- Bond (when food and/or alcohol is to be served) \$300.00

Annual Charges

- Stratford Women's Club \$4,000.00

War Memorial Centre

- Stadium
 - \$24.00 Per hour for 1-12 hours
 - \$18.00 Per hour for 12-24 hours
 - \$12.00 Per hour for 24+ hours
- Function Facility (with kitchen)
 - \$26.00 Per hour for 1-12 hours
 - \$19.00 Per hour for 12-24 hours
 - \$13.00 Per hour for 24+ hours
- Function Facility (no kitchen)
 - \$18.00 Per hour for 1-12 hours
 - \$13.50 Per hour for 12-24 hours
 - \$9.00 Per hour for 24+ hours
- TSB Chambers
 - \$16.00 Per hour for 1-12 hours
 - \$12.00 Per hour for 12-24 hours
 - \$8.00 Per hour for 24+ hours
- Projector \$15.00 Per hire
- Piano \$15.00 Per hire
- Bond (when food and/or alcohol is to be served) \$300.00

Parks/Sports Grounds

- See section Sports Grounds/Parks & Reserves

WASTEWATER**Bulk Discharge**

- Tanker Load less than 2m³ \$60.00 Use of bulk discharge point requires
- Tanker Load in excess of 2m³ \$120.00 Prior Council approval in writing.
- Dump Station Cleanup Fee At Cost

New Wastewater Connection

- Application fee \$205.00
 - Connection Fee
 - First Year Service Fee
 - Cost contribution In wastewater extension areas \$3,000.00
- Property owner to engage suitably qualified contractor
Pro rata amount of applicable targeted rate equivalent.

WATER SUPPLY

Bulk Supply (Tanker Load)

\$5.00 Per cubic meter

New Wastewater Connection

- Application fee
- Connection Fee

- Reconnection Fee
- First Year Service Fee

\$205.00

Property owner to engage suitably qualified contractor

at cost

Pro rata amount of applicable targeted rate equivalent.

BALANCING THE BUDGET

Introduction

In terms of the Local Government Act 2002, Council is balancing the budget over the period of the Long Term Plan due to the budgeted operating income exceeding budgeted operating expenditure. There are some areas of expenditure that Council has resolved not to fund, which are discussed further.

Local Government Act 2002

The financial statements within this plan do contain a balanced budget as outlined in Section 100 of the Local Government Act 2002 (the Act) for 2018/2019 and subsequent years. Council is required under the Act to generate sufficient revenue to cover operational costs including depreciation.

The ten year detailed financial summary including inflation is shown below.

Budget 2017/18 \$000		Forecast		Projection							
		2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000
	Funding:										
	Depreciation funded from reserves (unfunded)										
1,342	- Roading	1,342	1,422	1,422	1,422	1,507	1,507	1,507	1,598	1,598	1,598
0	- Bridges	0	0	0	0	0	0	0	0	0	0
106	- Buildings	97	102	104	105	111	112	113	120	122	123
0	- Infrastructure	0	0	0	0	0	0	0	0	0	0
3,460	Loan Proceeds for Capital Expenditure	4,563	2,545	13,956	1,665	1,156	2,411	3,552	250	1,440	253
2,674	Capital Expenditure funded from reserves	2,674	3,106	3,372	4,308	4,284	4,012	4,240	4,136	4,158	4,037
(109)	Operational Expenditure funded from reserves	(176)	(181)	6	205	147	129	223	110	76	247
	Less Expenditure										
484	Total loan repayments	3,786	664	971	1,248	1,257	1,282	1,353	1,378	1,360	1,343
0	Net transfer to loan repayment reserve	0	0	0	0	0	0	0	0	0	0
0	Rates transferred to Reserve	0	0	0	0	0	0	0	0	0	0
158	Interest transferred to reserves	201	203	262	306	353	417	497	582	689	799
0	Staff Gratuities	0	0	49	0	0	0	0	0	0	0
12	Landfill aftercare provision	12	12	12	12	12	0	0	0	0	0
7,302	Capital Expenditure	12,005	7,003	22,035	6,702	6,158	8,024	8,440	4,996	6,826	4,944
263	Net Surplus (Deficit) before other comprehensive revenue and expense	7,152	524	4,432	971	869	1,809	1,100	962	1,633	1,320

Use of Reserves

Council is forecasting to record overall surpluses in each year of the Long Term Plan, however, in some activities, Council has resolved not to set revenue to fund all of the costs relating to that activity. In some cases Council has resolved to use reserves to fund some specific expenditure. This is particularly the case where Council actively uses the Reserves, built up by surpluses recorded from targeted rate activities, to fund the capital expenditure and in limited cases one off operating expenditure of those activities.

Intergenerational Equity

Council considers the issue of intergenerational equity when funding depreciation in areas where it may not be fair to impose a cost for depreciation to this generation. Intergenerational equity requires today's ratepayers to meet the costs of utilising Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations.

Council has given careful consideration to the required funding for the provision and maintenance of certain assets throughout their useful life, and the equitable allocation of responsibility for this funding. Council does not consider it equitable for current ratepayers to fund the financing cost of interest and principal repayments on loans and at the same time fund depreciation for the eventual replacement of the asset.

Funding of Depreciation

Council primarily uses the Depreciation Reserve to fund:

Replacements/Renewals – works to upgrade, refurbish, or replace existing facilities with facilities of equivalent capacity or performance capability.

Capital expenditure – expenditure used to create new assets or to increase the capacity of existing assets beyond their original design capacity or service potential.

Depreciation is calculated on a straight line basis on all applicable property, plant and equipment, excluding land. The depreciation rates are set for the assets to be written off, less their estimated residual values, over their useful lives. Council does not consider it prudent to fund full depreciation on assets that may or may not be replaced, and doubt exists as to the form of the possible replacement, as a result a portion of the depreciation is funded on those assets. Assets that have an alternative funding source also have not had depreciation funded in full.

The Assets are:

Assets	Rationale For Not Funding Depreciation
Library books	Not funded to the extent of book renewals
Civic Amenities	May not be replaced
Roading (part)	NZTA's portion of subsidy

Depreciation on some assets of Council are not fully funded. Those assets are the ones that Council elected not to replace at the end of their useful life; and those that Council expects to receive funding for by way of grants.

POLICIES

Revenue and Financing Policy

Development and Financial Contributions Policy

Significance & Engagement Policy



REVENUE AND FINANCING POLICY

Introduction

The requirements for a Revenue and Financing policy are in the Local Government Act 2002 (LGA). Section 103 requires that the Revenue and Financing Policy must state its policies for:

- funding operating expenditure and
- funding capital expenditure.

A local authority must manage its finances, and financial dealings amongst other requirements, in a way that promotes the current and future interests of the community.

“The funding needs... must be met from those sources that the local authority considers to be appropriate, following consideration of:

- a) *in relation to each activity to be funded,-*
 - i) *the community outcomes to which the activity primarily contributes; and*
 - ii) *the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and*
 - iii) *the period in or over which those benefits are expected to occur; and*
 - iv) *the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and*
 - v) *the costs and benefits, including consequences for transparency and accountability of the activity distinctly from other activities; and*
- b) *the overall impact of any allocation of liability for revenue needs on the community. (Section 101(3))*

Council has considered the above in establishing this policy.

Policy for funding operating expenses

Funding Sources Per Section 103(2)	Application by Stratford District
General rates, including: <ul style="list-style-type: none"> - choice of the valuation system - differential rating - Uniform Annual General Charge 	<p>Applied to activities delivering wider community benefits on capital value. The rate is applied on the same basis to all properties. Rating values are revised every three years.</p> <p>Stratford District Council does not apply differentials to the general rate.</p> <p>A uniform Annual General charge is set on the basis of separately used or inhabited parts of a rating unit. It is assessed on all rateable rating units in the District and set at a level that Council considers appropriate. The level of the charge is subject to some legal limitations and Council will not breach that limit. However, Council has set the level of the UAGC close to the level of the legal maximum.</p>
Targeted rates	<p>Targeted rates are used for services which have a specific area of benefit, which is not as wide as the entire district, or for transparency purposes to fund a specific service. Targeted rates are not a substitute for a user charge, but allow Council to assist communities to collectively fund services that can only be delivered with collective funding. They are set and assessed for Roading, Solid waste, Waster water (sewerage) Water supply and community centres. Any targeted rate not used in a year will be transferred to reserves and invested.</p>
Lump sum contributions	<p>Available for capital project funding under the Local Government (Rating) Act 2002. It is a complex mechanism which is not considered to provide any advantage to our ratepayers and so is not used.</p>

Funding Sources Per Section 103(2)	Application by Stratford District
Fees and charges	<p>Fees and charges are a preferred funding option for services where they are practicable. They reflect that a choice has been made to utilise community resources. That choice gives benefit to the individual and may impose costs on the wider community. Charges are set to recover the costs Council incurs in delivering that activity. Council recognises that some services it provides are for facilities which are available for community and private benefit. If the cost of that service attempted to recover costs fully it is likely they would be too expensive for users. If the charges are set too high, it could lead to reducing use, and this may mean the net cost of the service increases.</p> <p>Council believes the community wishes these services to be made available so that individuals have the option to use them if they choose. There the general rate meets a level of cost to provide the option for the community use. In these cases Council uses its judgement to set the fees at a level it believes is at an acceptable market level.</p>
Interest and dividends from investments	<p>Interest and dividends are treated as part of general funds and support the services which are general rate funded. An exception to this is where reserves have been established for targeted rates which cover the long term needs of a service area. Rates set for that purpose are only used for that purpose, and any funds not used in a particular year are invested, and interest on those funds are used for that service.</p>
Borrowing	<p>Council takes a ten-year view of its funding needs. Rates and revenue are set on an annual basis and as much as possible Council has tried to level the capital work programme across the ten years. Borrowing is not used for operating purposes. However, if there is a major community project which will add value to the community and which may otherwise have been built by Council, Council may borrow to help fund the facility if there is an asset created which has a long life.</p>
Proceeds from asset sales	<p>Proceeds from asset sales are applied to the replacement of assets. Where assets are used for a particular purpose and will not be replaced in the year of sale, the proceeds are put into the reserve for that activity. Proceeds are accounted for as sale proceeds and as a transfer to reserves.</p>
Development contributions	Not applied
Financial contributions under the Resource Management Act 1991	<p>Council requires financial contributions as a condition of resource consents to ensure that any adverse effects from subdivision and development on the natural and physical resources of the district are minimised. Contributions are for a range of activities and cover part or all of the capital expenditure required to fund growth and increased service requirements due to development. Financial contributions are not applied to operational expenditure but may be set to recover part of the cost of previous works to all capacity for development.</p>
Grants and subsidies	<p>Other organisations determine the availability of Grants and subsidies. Where grants and subsidies are available, Council will apply when it is considered efficient to do so. Where funding applications are successful or where long-term contracts have grants and subsidy the funds are used for that purpose. The biggest part of subsidy comes from NZTA for roading works. The level of the subsidy is set by NZTA.</p>
Any other source. Reserves	<p>Over many years of operations, Council has established a number of Special fund reserves. These reserves are backed by cash investments. Where funds are available in</p>

Funding Sources Per Section 103(2)	Application by Stratford District
	<p>those reserves, they will be used only for the purpose that the reserve was established. When that occurs, the funds in the reserve will be used to meet either a capital cost or operating cost. These funded reserves are a way for the council to manage expenditure and revenue so that the requirements from the community are more even and predictable. Special funds invested will earn interest on the funds to reduce the borrowing needs in higher expenditure years.</p> <p>Funding in the long term has a lower cost to the community and provides greater certainty of rates levels. All reserves are invested. If a targeted rate is set for a service and not used on that service in the year, the remaining funds are either invested or used to reduce debt for that activity. When major expenditure is incurred, and there is more expenditure than the targeted rate revenue, funds will be withdrawn from the investment.</p> <p>This plan contains a list of the reserves, the purpose of the reserve, and the expected movement of funds for each reserve.</p>

Capital Expenditure Funding Sources

Council provides activities which have a long life and long-term benefits. The level of capital expenditure over the period of a long term plan is relatively minor compared to operating expenses. Council takes a long-term view to funding its services and assets on a sustainable basis. Funding of Capital works is from:

- General and Targeted rates: in setting the funding needs for the Council in the Long Term Plan Council will balance the capital work needs, a prudent borrowing level and Rates and other revenue, to establish a plan that is robust and provides predictability for the community on the revenue needs for Council services. Rates will be used for funding renewal expenditure and for some capital work.
- Borrowing: Borrowing is used to fund capital expenditure. It is used to fund capital expenditure when the level of renewal is above the average renewal funded in the plan. It will also be used for major level of service improvements for assets. This reflects that those assets will have a long life and so the cost of the asset should be shared over the balance is taken from reserves or debt.
- Capital subsidy and grants: A reasonable amount of capital expenditure in the Roothing activity is funded from NZTA subsidy. Council seeks to maximise the amount of NZTA subsidy available. Also for some community facilities, it is possible to get grants from specific organisations. Where this is possible Council will use these grants to lower the capital requirement from the community.
- Proceeds from Asset sales: Council is not proposing any significant asset sales in the ten-year plan. Where asset sales occur, the proceeds from the sale of the asset will be used to meet the capital expenditure of the organisation.
- Development contributions: These are applied to a range of activities and cover part or all of the capital expenditure required to fund growth and increased service requirements due to development. Funds will be applied to capital or used to reduce debt for capital work which has already been completed in anticipation of growth.

Consideration of Overall Effect of Funding Allocations

When considering the revenue requirements and funding mechanisms used, Council is mindful of the impact that both fees and rates can have on individuals in the community. Council does not believe Council rates levels impose any hardship, Council has not made any overall impact adjustments.

Summary of Funding Mechanisms used in Activities

Mechanisms selected to fund a particular activity are based on a regular assessment of the efficiency of imposing multiple small charges compared to funding from a larger funding source such as general funds. However, there is a preference for individuals benefiting and causing costs to pay for the costs they impose. This means that individuals can become more aware of the impact their resource use choices have on the sustainability of our activities.

Activity	General Rate	Targeted Rate	User fees	Subsidy	Reserves	Borrowing	Financial contributions
Community Services	Majority	Minor	Some				
Democracy	All		Minor				
Economy	Residual		Significant				
Environmental Management	Residual		Significant				
Roading		Residual	Minor	Significant	Minor		
Stormwater	Majority						
Wastewater (Sewerage)		Majority	Minor		Minor		
Solid Waste	Almost all				Minor		
Water supply		Almost all	Minor		Minor		

Notes to table:

The terms minor, some, significant and majority are used to denote a varied level of revenue coming from that source. There is no set cut off level for these terms.

Residual means that the revenue not collected from the other sources is collected from this source. It is used in the context of rates only, where rates are the revenue needed by the activity after allowing for other revenue sources.

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY

INTRODUCTION

1. Section 106 of the Local Government Act 2002 sets out the requirements for a Financial Contributions Policy which a local authority must adopt under Section 102(2)(d), which can then be included in the Long Term Plan.
2. Financial contributions are as provided for under Section 108(9) of the Resource Management Act 1991. These are required as conditions of resource consents pursuant to that Act. Beyond those, contributions are as provided for under Sections 201 through 211 of the Local Government Act 2002 ie. development contributions.
3. The Stratford District Council does not require development contributions. It will fund capital expenditure incurred as a result of development from financial contributions on the basis of the requirements of the Stratford District Plan. The contributions enable Council to provide for:
 - Sustainable development.
 - Comprehensive social, recreational and cultural facilities accessible to all.
 - Clean air, water and land; and
 - A diverse natural environment that is accessible to all.

FINANCIAL CONTRIBUTIONS

1. Council requires financial contributions as conditions of resource consents to ensure that any adverse effects from subdivision and development on the natural and physical resources of the district are minimised. Such contributions may be in the form of cash or land and may include, as stated in the Stratford District Plan:
 - *Provision of new roads, private ways, access lots, service lanes and accessways.*
 - *Provision for maintaining, upgrading and/or widening of existing roads.*
 - *Provision of stock underpasses.*
 - *Provision for footpaths.*
 - *The provision of off-street parking.*
 - *The carrying out of earthworks including excavation, filling and compaction.*
 - *The carrying out of landscape design and land rehabilitation, including (but not limited to) the revegetation of modified or cleared land and the planting of trees and shrubs.*
 - *The provision of fencing or screening.*
 - *Provision of water supply.*
 - *Provision for sewerage system systems.*
 - *Provision for stormwater control and disposal systems, including during construction of any works.*
 - *Provision for electricity supply.*
 - *Provision for gas supply.*
 - *Provision for street lighting.*
 - *Provision for telephone supply.*
 - *Provision of -*
 - *land for public open space, public recreation, community facilities or community purposes and for other reserves purposes; and/or*
 - *cash, for the purpose of upgrading or maintaining public open space, upgrading land or facilities for public recreation, upgrading land or facilities used for community purposes, or for the provision of street furniture.*
 - *The protection of -*
 - *notable trees and areas of indigenous forest;*
 - *outstanding natural features and landscapes;*
 - *heritage resources;*
 - *ecologically sensitive areas, including (but not limited to) wetlands and habitats of indigenous flora and fauna;*
 - *riparian margins, through the creation of esplanade strips or esplanade reserves.”*
2. The purposes, circumstances and maximum amounts of any financial contribution are detailed in the Stratford District Plan.

SIGNIFICANCE AND ENGAGEMENT POLICY

PURPOSE

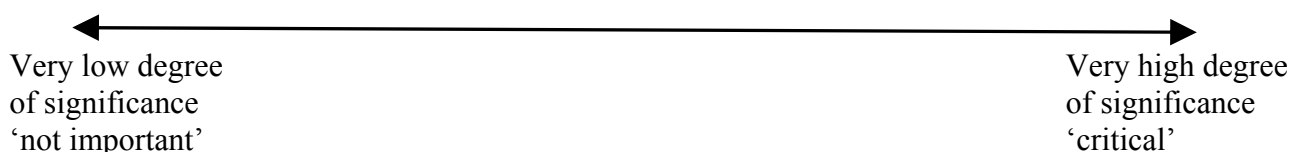
This policy sets out the Council's approach:

- To the assessment of significance during decision-making. It provides direction on the consideration of community views and the level of community engagement that might be desirable to enable Council to develop a clearer understanding of community views and preferences on an issue or proposal.
- Regarding community engagement and the ways the community can influence and participate in the decision-making of the Council.

DETERMINING SIGNIFICANCE

LOW

HIGH



1. General Approach to determine Significance

- Affects a large portion of the community in a way that is not inconsequential.
- Has a substantial impact on a number of individuals.
- Substantial impact financially on Council's resources.
- Likely to generate a high level of controversy.
- High level of public interest.
- Affects the capacity of the Council to perform its role.
- Takes into account the relationship of Maori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora, fauna and other taonga.

2. Specific Criteria

Council will use the following criteria and thresholds when determining the extent to which issues, proposals or decisions are significant:

- Whether the asset is a strategic asset.
- Altering significantly the intended level of service provision for any significant activity undertaken by or on behalf of the local authority.
- Altering significantly the way any significant activity is carried out.
- Change in capacity of Council to provide any significant activity or service.
- A decision to establish or become a shareholder in a Council controlled organisation.
- Expenditure incurred is more than 7.5% of the budgeted annual total expenditure.
- Unbudgeted expenditure is more than 5% of annual total expenditure.
- The extent to which an Iwi or hapu within the rohe of the proposal or decision has identified the matter to be of significance to the tangata whenua of the rohe.

3. In determining significance, Council may take into account knowledge it has previously gained about community opinion e.g. community plans, community outcomes, previous public debate, media coverage and public submission.

STRATEGIC ASSETS

1. In respect to “strategic assets”, a key consideration is whether the assets are essential to the continued delivery of an “outcome” that Council considers important for the well-being of the community. Decisions to transfer ownership or control of a strategic asset to or from Council or to construct, replace or abandon a strategic asset cannot be made unless they are first included in the Long Term Plan.
2. For the purpose of section 76AA(3) of the Act, Council considers the following assets to be strategic assets:
 - The roading network
 - Water supply schemes
 - Wastewater scheme
 - Reserves listed and managed under the Reserves Act
 - Stormwater network
 - Housing for the elderly

PROCEDURE

The following will be applied:

- Officers will be guided firstly whether legislation dictates the process of engagement, secondly by the significance of the matter and then will assess whether or not engagement is required and if so the level of engagement that will be undertaken.
- Assessments will be conducted in accordance with the relevant section of the Policy and will require the application of professional judgement.
- If the decision is considered to be significant, reports will include a statement indicating why the matter is considered to be significant. This statement will include an explanation of which assessment criteria had been triggered, the potential implications of the decision, the range of community views that might exist and whether there is a need for a further level of community engagement before a final decision is made.
- Where the proposal or decision is considered to be significant, the report will also include a statement addressing the appropriate observance of sections 77, 78, 80, 81 & 82 as applicable together with the corresponding level of community engagement considered.

ENGAGEMENT

1. Engagement provides an opportunity for the public to express a view on the decision or proposal being considered by the Council. The community views expressed through an engagement process will be considered and taken into account, along with other information such as costs and benefits, legislative requirements and technical advice. Engagement may not necessarily result in a win/win situation, complete agreement or consensus. However, engagement should allow all relevant views and options to be identified and then considered before a decision is made.
2. **When The Council Will Engage**
 - When Legislation requires that consultation be undertaken:
The Council will consult when it has a legislative requirement to consult (for example, as set out by the Local Government Act 2002, Resource Management Act 1991, Reserves Act 1977, Land Transport Management Act 2003). The Council will undertake these consultation processes in accordance with the legislative requirements guiding them, as a minimum. The Council may choose to consult further depending on the level of significance of the matter being considered and notwithstanding the legislative requirements.
 - When a significant proposal or decision is being considered:
Subject to consideration of factors under section 5.2 of this Policy, the Council will look to undertake what it considers to be an appropriate form of engagement whenever a ‘significant decision’ needs to be made.

A significant decision is one which has been identified as such under this Policy.

Note: a ‘significant’ decision will not automatically trigger application of the Special Consultative Procedure (SCP). For more information about the SCP refer to the LGA 2002 s83, 86, 87 and 93A.

- For some matters that are not considered significant:
In general, where a matter is not considered significant under this Policy, consultation will not be undertaken. This is consistent with clauses 5.2 (a) and 5.2 (d) of this Policy.
- In some cases, including where a decision is close to, but does not exceed, the significance test under this Policy, the Council may decide to consult or undertake some other form of engagement on the matter.

3. **When The Council May Not Engage**

- Information is always necessary for the decision making process. However, there are times when it is not necessary, appropriate or possible to engage the community on a matter or decision. The Council may also choose not to consult on a matter and if so will make this determination in accordance with the criteria below and notwithstanding any legislative requirements.
- The Council will not engage when:
 - The matter is not of a nature or significance that requires consultation (s82(4)(c) LGA 2002); or
 - The Council already has a sound understanding of the views and preferences of the persons likely to be affected by or interested in the matter (s82(4)(d) LGA 2002); or
 - There is a need for confidentiality or commercial sensitivity (s82(4)(d) LGA 2002); or
 - The costs of consultation outweigh the benefits of it (s82(4)(e) LGA 2002); or
 - The matter has already been addressed by the Council’s policies or plans, which have previously been consulted on; or
 - An immediate or quick response or decision is needed or it is not reasonably practicable to engage; or
 - Works are required unexpectedly or following further investigations on projects, already approved by the Council; or
 - Business as usual – the works required are related to the operation and maintenance of a Council asset and responsible management requires the works to take place; or
 - When Council has consulted on the issue in the last 24 months.
- Where the above listed circumstances apply and consultation is not to be undertaken, the Council is still required to give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter (s78(1) LGA 2002). The LGA 2002 requires that this consideration be in proportion to the significance of the matters affected by the decision (s79(1)).

OTHER INFORMATION

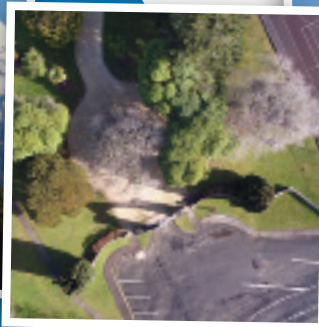
Our Council

Council Structure

Variation between LTP and Assessment of Water & Sanitary Services and Solid Waste Plans

Local Government (Financial Reporting and Prudence) Regulations 2018

Infrastructure Strategy





OUR COUNCIL

Mission Statement

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

Our Vision

A progressive, prosperous district where communities are celebrated.

Our Values

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

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

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

Pride - Take pride in our performance and our organisation.

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

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

Council Structure

ELECTED MEMBERS

Council consists of a District Mayor and ten Councillors.

DISTRICT MAYOR

Neil Volzke, JP
Phone: (06) 765 7480
Mobile: 027 631 7418
Email: nvolzke@stratford.govt.nz

URBAN WARD

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

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

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

Councillor John Sandford, JP
Phone: (06) 765 5615
Mobile: (027) 496 2278
Email: sandfords.dairy@xtra.co.nz

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

Councillor Gloria Webby
Phone: (06) 765 6153
Mobile: (021) 022 62258
Email: glorywebby@gmail.com

RURAL WARD

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

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

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

Councillor Keryn Walsh
Mobile: (027) 723 9760
Email: kerynwalsh@icloud.com

VARIATION BETWEEN LTP AND ASSESSMENT OF WATER AND SANITARY SERVICES AND SOLID WASTE PLANS

The overall description in Council’s 2005 Assessments of Water and Sanitary Services is correct and no significant changes have occurred. However, a number of assets and services have been added. These are a result of this Assessment as well as community demand and legislative requirements. Not all of the changes listed under the individual activities below may be considered significant but their inclusions serve to provide a comprehensive, up to date, picture of the relevant services provided in the District.

WATER SUPPLY

Due to legislative requirements Council has replaced its three water treatment plants between 2012 and 2015. This was based on quality and treatment criteria rather than capacity requirements. The plants are designed to allow for likely growth but are limited by water sources and associated resource consents.

The Council is also in the process of extending the water services along to support new investment opportunities at the fringes of Town and also the Council-led subdivision area. These extension will support areas along and in the immediate vicinity of these developments.

The key changes to the Water Infrastructure and related services, as described in the 2005 Assessments of Water and Sanitary Services, are provided below. These changes are in response to 2005 Recommended Actions.

Assessment Issue	2005 Recommended Actions	Responses to date
Stratford water supply future quality.	Upgrade Stratford water treatment plant to meet NZ Drinking Water Standards.	Stratford has replaced all 3 Water Treatment Plants (WTP). The operation of all 3 WTPs now meet the NZ Drinking Water Standards, including the Stratford WTP.
Stratford water supply future quality.	Develop a PHRMP for the Stratford water supply	PHRMP now known as Water Safety Plans (WSP). The Council has developed and maintains current Water Safety Plans for all 3 water treatment plants in the district – Stratford, Midhirst and Toko.
Midhirst water supply quality	Future requirement to meet NZ Drinking Water Standards	The operation of all 3 WTPs now meet the NZ Drinking Water Standards, including the Midhirst WTP.
Stratford population growth	Scope options for catering population growth beyond 10%	Stratford is currently not fully utilising the demand management measures available under its existing bylaw and there are further options of demand management through pricing and targeted or universal metering that will be explored before the development of a further water source and associated treatment will be considered. Furthermore, population growth is stagnant to low; therefore any increase would be related to increased domestic, commercial or industrial demand rather than population based. This type of demand is manageable through the above mentioned measures. The need for additional extraction and treatment of drinking water is considered outside the time frame of this LTP.

WASTEWATER

The key changes to the Wastewater Infrastructure and related services, as described in the 2005 Assessments of Water and Sanitary Services, are provided below. These changes are in response to 2005 Recommended Actions.

Following on-going subdivision and residential development along the fringes of the residential areas, Council has decided to extend the wastewater network to these urban-style areas where possible. The key benefits of this programme are public health and convenience for property owners.

The Council is also in the process of extending the wastewater service to the Council-led subdivision area, with a potential to extend infrastructure into its environs.

Assessment Issue	2005 Recommended Actions	Responses to date
Septic tank discharge in Midhirst, Toko and Whangamomona (and Stratford)	Undertake survey	A survey of septic tanks had been carried out in 2000 for the urban areas of Toko and Midhirst and non-compliant systems rectified. Rural properties were not surveyed as they were seen as a low risk.
Sewerage reticulation overload and stormwater infiltration/inflow of stormwater and groundwater into the sewerage reticulation	Ongoing maintenance and improvement (already underway).	<p>The Council has made changes to wastewater overflow inlets to avoid or at least minimise the occurrence of such events.</p> <p>Council has an ongoing investigation and renewal programme to address inflow. CCTV footage of suspected pipes/networks is analysed and scored according to the video footage. These are ranked in order of need and physical works undertaken as part of the annual renewal programme. As with any aging utility network, this is likely to be an ongoing programme.</p>
Provision of campervan effluent dump	Campervan effluent dump station at Whangamomona	<p>Following discussions with the Whangamomona community and the New Zealand Motor Caravan Association (NZMCA), it was decided that an additional dump station at the Stratford end of SH43 was preferable to such a facility in Whangamomona and such a facility has since been installed next to the stock yards on Esk Road, within 100 metres of SH43.</p> <p>Whangamomona has no reticulated network, this means that water supply for drinking and wash-down could not have been possible or would have come at a significant cost to the community.</p> <p>The choice of location was to enable the supply of drinking and wash-down water alongside the dump station. The dump station is a practical solution. Being connected to the reticulated wastewater network, it does not require a septic tank with the associated cost and maintenance implications. The dump station on Esk Road is popular with campers and has been used as an example within NZMCA best practice guides.</p>
Stratford population growth	Scope options for catering population growth beyond 10%	Stratford is currently not fully utilising the demand management measures available under its existing water supply bylaw and there are further options of demand management through pricing and targeted or universal metering that will be explored – any reductions made within the water supply activity will have a direct effect on wastewater volumes. Furthermore, population growth is stagnant low; therefore any increase would be related to increased domestic, commercial or industrial demand rather than population based. This type of demand is manageable through the above mentioned measures. The need for increased wastewater treatment capacity beyond 10% is considered outside the time frame of this LTP. The key issue at this point in time is inflow, not actual use by population. The impact of population growth on inflow is minimal. Council's programme to address inflow into the wastewater network has been addressed above.

STORMWATER

Council continues to replace existing and install additional stormwater infrastructure as required. Much of the new infrastructure installation is driven by identified problems or road works.

The key changes to the Stormwater infrastructure and related services, as described in the 2005 Assessments of Water and Sanitary Services, are provided below. These changes are in response to 2005 Recommended Actions.

Assessment Issue	2005 Recommended Actions	Responses to date
Future demand for all Stratford urban services, in particular water, stormwater and sewerage, future planning for additional service with respect to population increase.	Scoping necessary. Most services are able to develop incrementally with population demand.	Council is considering stormwater requirements together with any other service requirements as part of subdivision approval processes. Zoning of areas for residential development and intensification will be reviewed in an upcoming District Plan review in conjunction with any infrastructure requirements and limitations.

SOLID WASTE

The key changes to the Solid Waste Service, as described in the 2005 Assessments of Water and Sanitary Services, are provided below. These changes are in response to 2005 Recommended Actions.

In terms of the future landfill provision in the region, the three Councils have entered a memorandum of understanding regarding the development of a new landfill in time for the closure of Colson Road landfill. This central landfill is expected to be completed and fully operational in 2019.

Assessment Issue	2005 Recommended Actions	Responses to date
Refuse and recycling collection in the Whangamomona area	Further needs analysis and public consultation	The Council is currently consulting on its 2018-2023 Waste Management and Minimisation Plan (WMMP). The 2018-2023 WMMP's Vision of 'Towards Zero Waste' reflects Council's commitment to waste management and minimisation in the District that not only meets legislative requirements but also the community's demand for services and infrastructure. The 2018-2023 WMMP has as one of its action plans, the consideration of waste services for Whangamomona. Depending on the result of deliberations by Elected Members, the Council may establish a waste service in Whangamomona to encourage recycling and minimise waste.

PUBLIC TOILETS

The key changes to the Public Toilets infrastructure and related services, as described in the 2005 Assessments of Water and Sanitary Services, are provided below. These changes are in response to 2005 Recommended Actions.

Assessment Issue	2005 Recommended Actions	Responses to date
Toilets, access and signage in Stratford	Implement the recommended changes	Further signage has been erected both sides of Broadway to improve “visibility” of the town toilets and indicate their accessibility status. Further signage at the roundabouts as recommended is not considered appropriate in terms of traffic safety.
Toilets provision along SH43 and in Whangamomona	Monitor needs and ensure that the existing service continues	A two-bay, unisex toilet facility has been completed at the Whangamomona town entrance. The Stratford CBD toilets have been fully replaced with a new six bay unisex facility.

CEMETERIES

While Kopuatama cemetery has remaining capacity for approximately another 30 years (~2040), an opportunity arose to take ownership of the site of a former rural school and Council has identified this site for future cemetery development. The land is held as strategic property within Council’s Property portfolio.

The cemeteries have adequate land available for future requirements and no further action is required at this stage.

LOCAL GOVERNMENT (FINANCIAL REPORTING AND PRUDENCE) REGULATIONS 2014

SCHEDULE 6

LONG-TERM PLAN DISCLOSURE STATEMENT

Long-term plan disclosure statement for period commencing 1 July 2018.

What is the purpose of this statement?

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable to 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 long-term plan 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. These can be viewed on www.legislation.govt.nz under Local Government (Financial Reporting and Prudence) Regulations 2014.

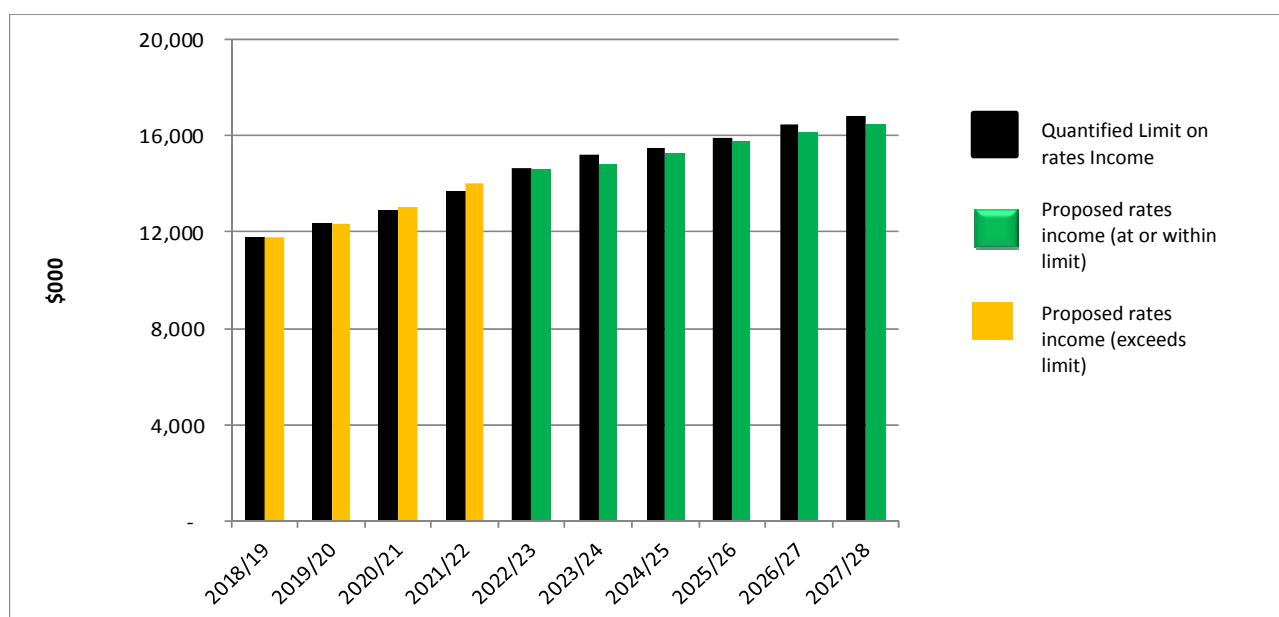
Rates affordability benchmark

The council meets the rates affordability benchmark if –

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

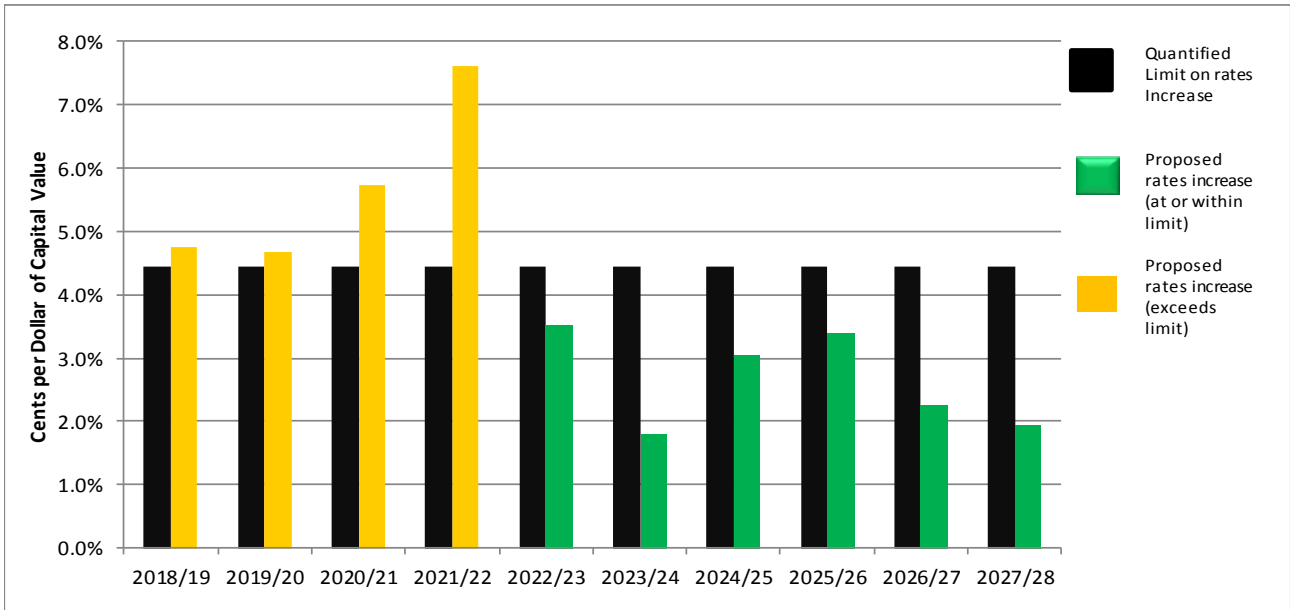
Rates (income) affordability

The following graph compares the council's planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is no more than previous year's total rates plus 4.45% (consisting of 4.15% plus 0.3% growth)



Rates (increases) affordability

The following graph compares the council’s planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is 4.15% plus growth of 0.3% (total 4.45% per annum).

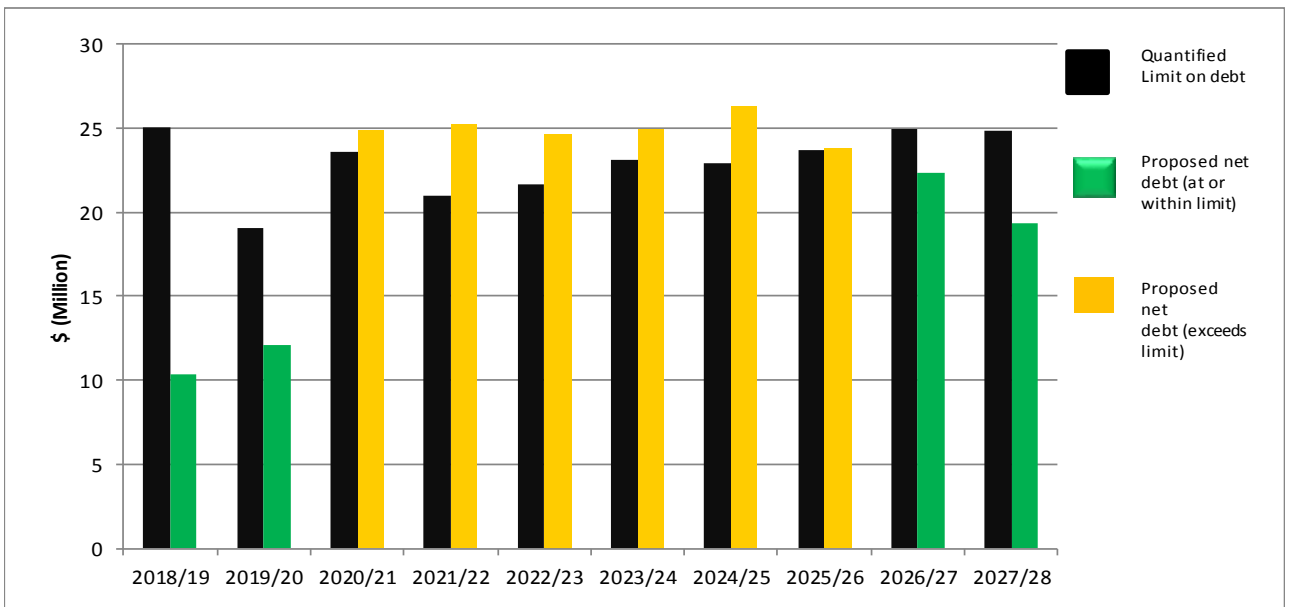


Council has exceeded both the rates (income) affordability and rates (increases) limit in years 1-4 of the Long Term Plan. In 2018/19 Council is borrowing \$600,000 towards tourism infrastructure and \$200,000 for sport field drainage. These two items were included in the Long Term Plan as a result of public submission. Also in year 3 (2020/21) as a result of submissions the swimming pool upgrade was increased from a \$6 million project to a \$15 million project. This also affected the 2021/22 year.

Debt affordability benchmark

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

The following graph compares the council’s planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that net debt (total borrowings minus cash holdings) is capped at below one times annual total revenue.

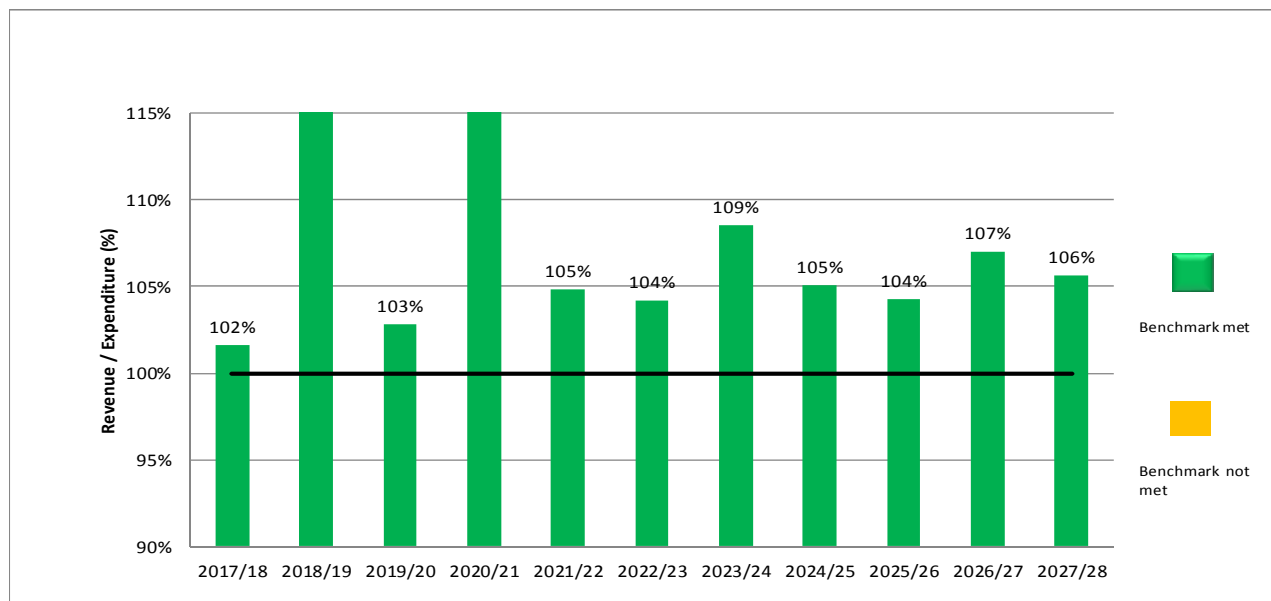


Net debt is also over the limit from years 2020/21 to 2025/26 (years 3-8 of the Long Term Plan). This breach from 2020/21 is as a result of the swimming pool development being upgraded from a \$6.0 million project, as per the Consultation Document, to a \$15.0 million project following deliberations by Council as a result of public submissions. Council has chosen net bed as the suitable measure rather than total debt, as it better reflects the true Council position in regards to borrowing and cash holdings.

Balanced budget benchmark

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

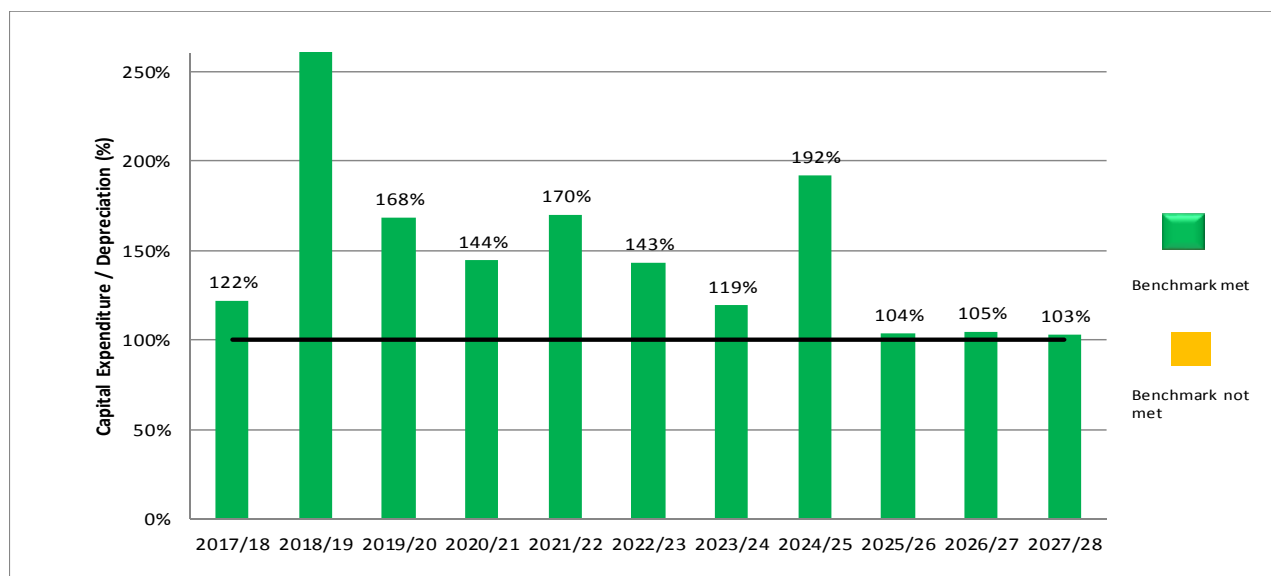
The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



Essential services benchmark

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

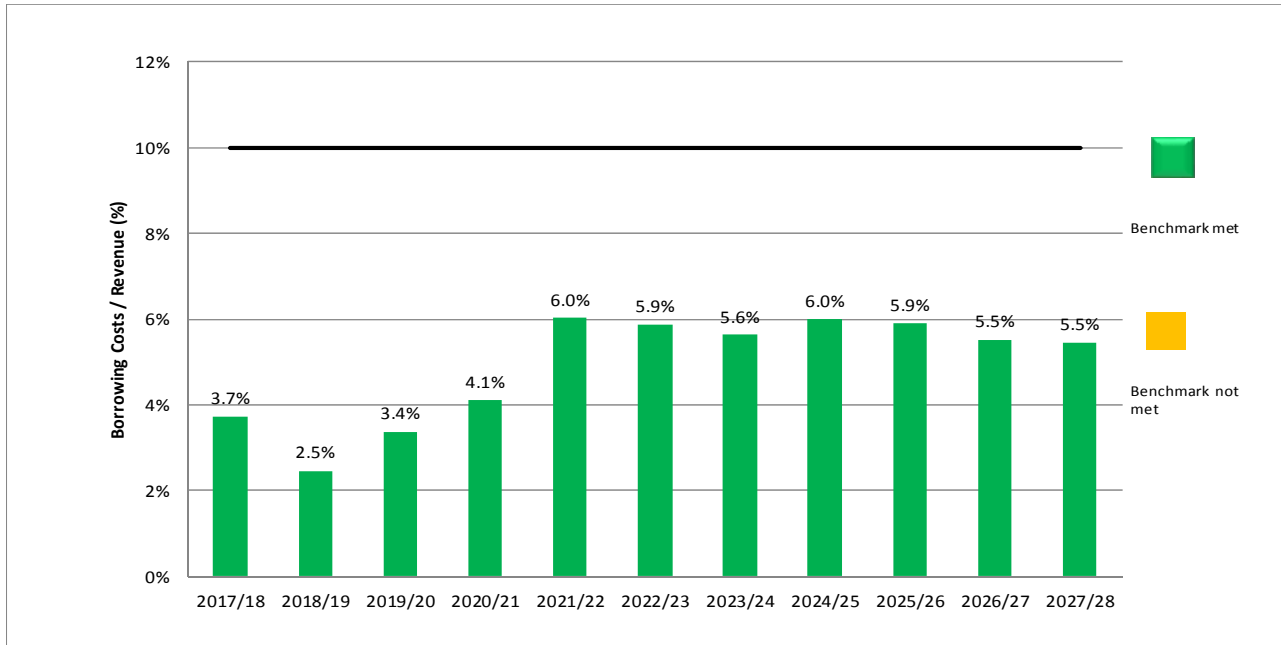
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

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

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



INFRASTRUCTURE STRATEGY

The Stratford District Council Infrastructure Strategy 2018 - 2048

June 2018

DOCUMENT QUALITY ASSURANCE

	NAME	DATE
Prepared By	Victoria Araba, Director of Assets	6 June 2017
Approved By	Sven Hanne, Chief Executive	

DOCUMENT CONTROL

VERSION	DATE	DESCRIPTION	UPDATED BY
1	March 2018	First Audit Reviews incorporated	Victoria Araba
2	June 2018	Final Audit Reviews incorporated	Victoria Araba



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1. Introduction

Section 101B of the LGA requires that the Council must, as part of its Long Term Plan (LTP), prepare and adopt an Infrastructure Strategy for a period of a least 30 consecutive years.

The Infrastructure Strategy (IS) 2018-2048 is a significant infrastructure strategy developed by the Stratford District Council ('the Council') spanning the 30-year period between 2018 and 2048. The IS has been prepared along with the LTP 2018-2028, for the purpose of identifying:

- significant infrastructure issues for the Council over the 30-year period;
- the principal options for the management of those issues; and
- implications of the identified options.

The IS considers a number of asset and lifecycle management issues and presents an overview of how the Council will manage its core infrastructure assets over the 30-year planning horizon. The IS presents the most likely cost scenario for the management of the assets, following the identification of the long-term significant issues and options.

The Council has an important stewardship role for the infrastructure assets and for the services

they deliver. Council's vision for its infrastructure assets is:

'Infrastructure is resilient, fit for purpose, affordable and meets the needs of today without compromising the needs of tomorrow'.

Infrastructure provides the foundation for efficient distribution of services and enables economic growth. It supports the fabric of modern living and is taken for granted until something fails or no longer provides the expected service. Infrastructure enables Stratford District Council to achieve desired community outcomes and meet asset ownership goals and objectives.

The IS aims to ensure core services provided by Council meet the agreed level of service and the infrastructure assets that deliver them are *fit for purpose* and can meet the needs of a changing community today and in the future.

The IS will guide Council's decision making process and inform the community of the Council's long-term priorities with respect to the core services it delivers.

This IS presents the Council's approach for addressing identified issues within the core local government infrastructure categories.

This Stratford District Council IS covers the four core local government infrastructure categories:

- Roads
- Stormwater and drainage
- Sewer treatment and disposal;
- Water supply

Flood protection is addressed where it falls under each respective core service category.

This IS describes the:

- Growth and Demand Drivers;
- Significant Issues the Council will address over the next 30 years;
- Options for addressing the identified issues, including the Council's preferred option;
- Significant Assumptions underpinning the strategy including Risks, Consequence, Mitigation;
- Level of Service. Risk and Lifecycle Management Strategies;
- Council's 30-year Investment Funding Strategy, including Capital and Operating Expenditure;
- Timeline for Investment.

The IS is reviewed and updated every three years in line with the LTP.

2. Mission, Vision, Values, Priorities and Community Outcomes

The Stratford District Council is the territorial authority for the Stratford District. Council’s role in accordance with the Local Government Act 2002 (LGA) is to:

- Enable democratic local decision-making and action by, and on behalf of communities;
- Meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

The Stratford District Council’s **Mission Statement** is *‘To serve the district and its communities through advocacy, promotion, services, facilities and positive leadership’*

The Stratford District Council’s **Vision Statement** is *‘A progressive, prosperous district where communities are celebrated’*

The Stratford District Council’s **Values** are:

Integrity	<i>Be loyal to the organisation and trustworthy, honest and courteous with everyone we deal with.</i>
Teamwork	<i>Work together in the same direction, assist each other and have respect for others. Maintain a positive attitude and encourage teamwork.</i>
Excellence	<i>Be effective in everything we do using our experience and knowledge. Do the right thing at the right time. Be efficient by being cost effective and ensure prudent management of public money and assets.</i>
Pride	<i>Take pride in our performance and our organisation.</i>
Commitment	<i>Have commitment and respect for each other, our business and our customers.</i>
Innovation	<i>Examine alternatives, challenge the obvious and have a flexible attitude.</i>

The Council’s key **Priorities** over the next 30 years are to:

- Ensure the provision of long-term, affordable core services to the community;
- Maintain agreed levels of service;
- Optimise the replacement of ageing infrastructure;
- Maintain compliance with legislative requirements; and
- Manage changing customer expectations and needs in a cost-effective manner.

The Council’s **Community Outcomes** have been identified in workshops with Elected Members and regularly reviewed as part of the LTP process.

An assessment of the achievement of the Community Outcomes through the delivery of the four Core Infrastructure Services of Roading; Water; Wastewater and Stormwater, is provided below.

Achievement of Community Outcomes through the delivery of Core Services

	Community Outcomes	Roading	Water	Wastewater	Stormwater
Outstanding Leadership	<p>Maintain and grow Stratford District as a desirable place to live, work, invest and play.</p> <p>Ensure strong advocacy for the community at a regional and national level.</p> <p>Take a positive leadership role in growing and developing the urban environment.</p>				
Affordable Quality Services and Infrastructure	<p>Focus on meeting the current and future needs of our communities by providing good quality infrastructure, and local public services.</p> <p>Perform regulatory functions in a way that is most cost effective to households and businesses</p>	√	√	√	√
Strong Community	<p>Work with partners to provide and support high level of access to health, education, social, recreational services and facilities.</p> <p>Work proactively to recognise and embrace the district's bicultural nature through functional relationships with Iwi authorities.</p> <p>Work proactively to recognise and embrace the multicultural nature of our district.</p>		√	√	√
Smart, vibrant and prosperous District	<p>We will work to create an attractive and safe built environment.</p> <p>Work creatively and collaboratively to develop an attractive, vibrant and prosperous CBD</p>	√			
A unique destination	<p>We will look to work collaboratively to support, build on and promote our uniqueness.</p>	√			
Financial Strength	<p>Fund infrastructure development and capital works in a way that is most cost effective for households and businesses, seeking alternative funding to rates where possible.</p> <p>Ensure the financial security of Council is not compromised.</p>	√	√	√	√
Growth	<p>We will grow a strong and prosperous local economy that attracts, welcomes and retains businesses and residents</p> <p>We will actively promote the district and its lifestyle</p> <p>We will support and participant in regional economic development initiatives for the benefit of the Stratford District and its residents</p> <p>We will ensure the availability of suitable land for development for residential and commercial purposes</p>	√	√	√	√

3. District Overview

The Stratford District is a beautiful land-locked area situated in the heart of the Taranaki region and encompassing approximately 2,170km² of land. To the north, west and south of the district is the New Plymouth and South Taranaki districts in the Taranaki region; to the east, the district is bordered by the Ruapehu and Whanganui districts within the Horizons region.

Within the Stratford District are four distinct geographical areas:

- The alpine and bush environment of Egmont National Park;
- The ring plain around Mt Taranaki;
- The hill country located between the ring plain and the eastern hill country; and
- The eastern hill country to the boundary with Ruapehu District Council.

The district's population of 9,300, as at 2013, ranks 20th out of the 67 districts in New Zealand. The rural landscape supports large farming, forestry and Department of Conservation reserves. The Stratford District is a growing tourist destination owing to key attractions such as the Egmont National Park, the Manganui Ski Field, Forgotten World Highway (SH43), Dawson and Mt Damper Falls.

The Stratford District is home to many settlements, with the four main centres being Stratford, Midhirst, Toko and Whangamomona.

Stratford is the main town in the Stratford District. It is located on the banks of the Patea River roughly 48 km south-east of New Plymouth and 30 km north of Hawera at the junction of State Highways 3 and 43.

Stratford is near the geographic centre of the Taranaki region and the largest settlement of the Stratford District with an estimated population of 5,466 (Statistics NZ 2013). The town is central Taranaki's main rural servicing centre, and the administrative base of the Stratford District Council and the Taranaki Regional Council.

Midhirst is located approximately 4 km north of Stratford, on State Highway 3. Inglewood is 17 km north of Midhirst and New Plymouth is 35 km to the northwest. An estimated 234 (Statistics NZ 2013) people live in Midhirst.

One of the most distinctive features of Midhirst is the towering concrete and glass milk-powder drying plant, which was one of New Zealand's most advanced in its time (1980). The factory

closed after amalgamating with Kiwi Dairies in 1983 and is now used for bulk grain storage.

Toko is located 10 km east of Stratford, at the intersection of East Road (State Highway 43) and Toko Road. It is situated on a railway, the Stratford–Okahukura Line, the western portion of which was operated as a branch line known as the "Toko Branch" prior to the line's completion.

The Toko Stream flows through the area to join the Patea River. An estimated 1,188 (Statistics NZ 2013) people live in or around Toko. This includes people living in the settlement and those living in the surrounding rural areas.

Whangamomona is a rural settlement 65 km North East of Stratford on State Highway 43. Once quite a thriving settlement and the headquarters of the Whangamomona County Council with a hotel, a number of stores and a post office, it suffered decline from the mid 20th Century with only the hotel remaining as a business in town. Today an estimated 150 people live in and around Whangamomona.

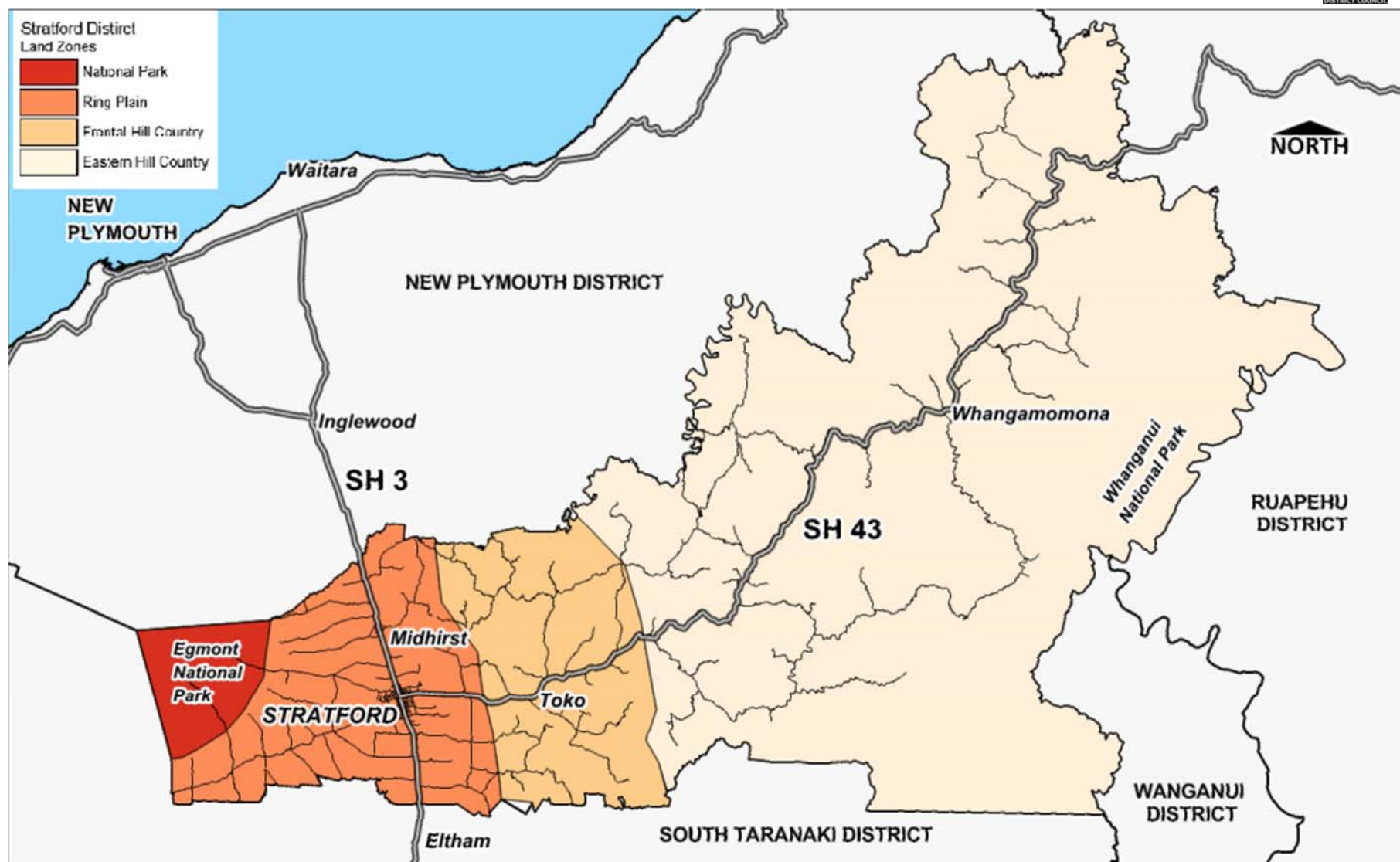


Figure 1 - The Stratford District 2017

4. Legislative and Strategic Context

The Legislative and Strategic context of the IS is presented in Figure 2. .

Section 101B of the LGA (2002) requires that the Council must, as part of its Long Term Plan (LTP), prepare and adopt an Infrastructure Strategy for a period of a least 30 consecutive years. One principle by which a local authority should perform its role in Section 14(g) of the LGA is that *'a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region, including by planning effectively for the future management if its assets'*.

Undergirding the preparation of this long-term strategic document is the principle to ensure that the Council maintains the sustainable delivery of its core services to the community.

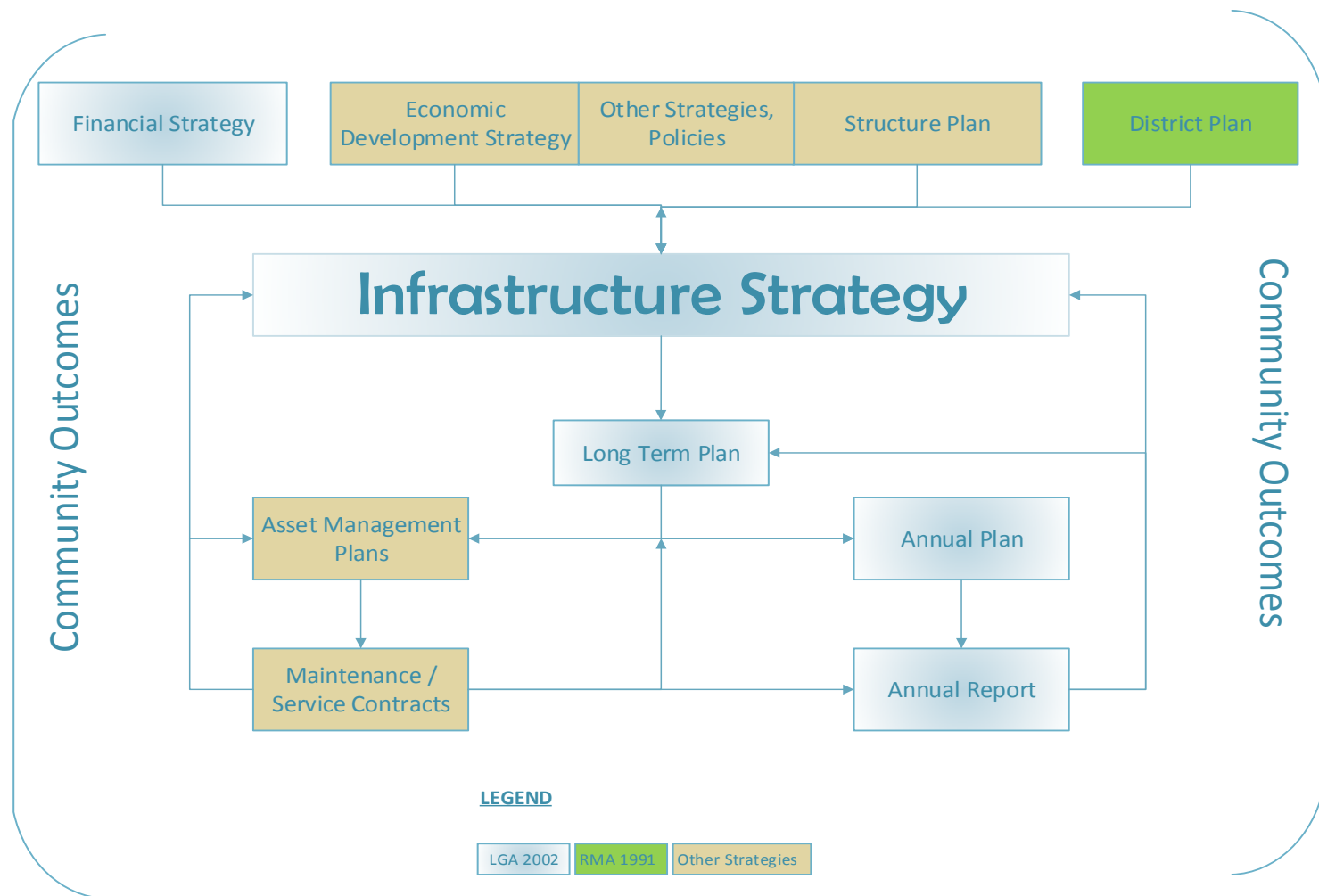


Figure 2 – Legislative and Strategic Context

5. Growth and Demand Forecast

The future growth and demand for services in the district can be attributed to a number of factors including:

- Population growth;
- Economic development;
- Tourism;
- Regulation Changes; and
- Land-Use Changes.

Anticipated impacts of growth and increased demand include:

- Increased demand for services and the infrastructure that deliver these services;
- Increased pressure on existing infrastructure; and
- Increased maintenance and renewal costs.

Demand increases can impact affordability positively as well as negatively, depending on how it is managed.

The uncertainties and reliability of these assumptions are discussed in the *Significant Assumptions* Table in Section 8.

Population Growth

In 2017, the Natalie Jackson Demographics Ltd (NJD) reviewed the population assumptions and projections developed by Infometrics (2014) – as indicated in the 2015-2025 LTP – and Statistics New Zealand. The review report findings are that;

- medium growth projections suggest that population is expected to grow from 9,300 in 2016 to 10,130 in 2046 - an estimated increase of 8.92% over 30 years;
- moderate total population growth is anticipated for the Stratford District; and
- a shift in population structure is expected. People aged 39-64 are expected to decline in number from 2,990 in 2016 to 2,600 in 2046. People aged 65+ will increase in number from 1,600 in 2016 up to 2,413 in 2046.

Economic Development

This district's economic development strategy as well as its participation in *Tapuae Roa – Make Way for Taranaki*, the regional economic development strategy, set a direction for economic development and identify priorities and measureable goals for the district. It is anticipated that both strategies will enable and support economic growth and development in the Stratford District.

Tourism

The Visitor Sector Action Plan (VSAP) is one of six action plans developed as part of the *Tapuae Roa – Make Way for Taranaki* - Regional Economic Development Strategy. The action plan describes the current regional sector dynamic, growth objectives, challenges, opportunities and the actions required to achieve sector growth. It is

anticipated that the VSAP will facilitate growth in the Stratford District.

Regulatory Changes

Regulatory changes, as seen in recent times, are likely to require stricter outcomes from Territorial Authorities such as the Council. For example, current changes to the National Policy Statement for Freshwater (FVNPS) will have an impact on the management and cost of core service delivery of wastewater, with a direct impact on rates.

Land use Changes

The Council is preparing a 30-year Structure Plan to identify key growth areas in Stratford. The core infrastructure assets will be planned to service these areas accordingly. Given the proximity and centrality to key employment generators and tourist areas in the region, the creation of new and affordable residential lots is expected to support the growth forecast for the Town. To this end, the Council is leading the creation of a quality and affordable subdivision in one of the identified growth areas by supplying new residential lots to jumpstart and facilitate growth in the district. The uptake of the newly created lots is expected to be quick and attract homeowners from all parts of the Taranaki region.

6. Infrastructure Assets Information

The Council maintains its core infrastructure assets to support the delivery of its agreed level of service. The Council's core assets are in four categories:

- Wastewater;
- Roads;
- Stormwater; and
- Water supply.

Asset Management Plans are maintained for all major assets, including the four core asset categories above. The AMPs contain information on the life, age and condition of the assets. They also contain details of the assets location; valuation; useful lives; condition assessment system and data accuracy/confidence.

A summary of Council's core assets as at 1 July 2017, including the associated Optimised Replacement Cost (ORC), is provided below.

Wastewater Assets

Asset Group	Quantity
Reticulation	53,636
Point and Plant	3,228
Total ORC	\$23,289,900

Road Assets

Asset Group	Quantity
Sealed Roads	392 km
Unsealed Roads	205 km
Footpaths	62 km
Bridges/Large culverts	152 No.
Culverts	2950 No.
Tunnels	3 No.
Retaining Walls	250 km
Signs	4802 km
Markings	2,252 No.
Guard Rails	828 No.
Streetlights	755 No.
Surface Water Channels	747 km
Total ORC	\$ 334,039,517

Stormwater Assets

Asset Group	Quantity
Reticulation (pipes)	20,239
Points	428
Total ORC	\$10,608,068

Water Supply Assets

The Council owns and operates three urban water supplies servicing the Stratford, Midhirst and Toko Communities.

Asset Group	Quantity
Reticulation	97,061
Fittings	7,904
Treatment	150
Total ORC	\$24,860,170.

7. Critical Assets and Significant Infrastructure Issues

Critical Assets

Critical assets are defined as those assets that if they fail, are likely to have more significant consequences than others and have adverse significant economic, social and environmental impacts on the community.

Generally, the Council takes a risk-based approach to monitoring the condition of assets and conducts condition assessments of its critical assets. Where assets have low risk because they are in the first half of their life, condition monitoring is low. If the consequences of running an asset through to failure are high, the Council, through its AMP and systems hold more information on the asset condition. The Council has assessed the risk of sudden asset failure as minor.

The Council establishes criticality using the Activity and Corporate rating levels. The Council's *Criticality Rating Criteria* is provided below.

Rating	Description	Example
1	Critical with no redundancy - Failure of equipment compromises H&S directly failure to supply drinking water to hospital)	Stratford Trunk Main.

Rating	Description	Example
2	Critical with no redundancy - Failure of equipment does not compromise H&S but affects production or Level of Service	Midhurst pipe bridge
3	Critical with redundancy - Failure of equipment does not compromise H&S but affects production or Level of Service	Stratford Water Treatment Plant

Activity level criticality is based on certain the criticality criteria – this is detailed in the AMP. The Council's *Corporate Level Criticality* ranking for its core assets is presented below.

Rating	Description
1	Roading, Water Supply assets.
2	Wastewater (Sewage).
3	Solid Waste and Stormwater.

Further details of Asset Criticality evaluation in addition to the Operating management of critical assets are described in detail in the respective AMP.

For non-critical assets that only affect a limited number of residents and no critical users

(schools, medical centres, etc.), the Council's approach is to maximise the useful life of the asset - until it breaks. Reinstatement of non-critical assets is generally achievable within 4 hours. The Council manages flexible Operating and renewal budgets that accommodate the re-prioritisation of such failed assets.

The Council has identified a number of significant issues in the medium and long term that are potentially detrimental to the Council's core assets. The *Significant Issues and Options* by asset Group are presented in the Appendix. Cost implications of the most likely scenario (key project) for addressing these issues are presented in Section 14.

The *Significant Infrastructure Issues* are classified under four broad categories and include:

- Natural Disasters/Climate Change;
- Financial Issues:
 - *Limited Resources, Funding Assistance and Subsidies;*
 - *Financial Uncertainty;*
- Operating Issues:
 - *Legislative Changes;*
- Strategic Issues:
 - *Aging Assets and Population;*
 - *Asset Management System and Data Confidence;*
 - *Infrastructure Replacement patterns.*

Significant Issue 1 – Natural Disasters/ Climate Change

The Taranaki region is susceptible to significant adverse effects from natural hazards. Natural disasters can result in heavy losses of property and threaten lives and livelihoods, forcing communities to learn to live with these hazards. While it is not possible to reduce the incidence of natural hazards, steps can be taken to reduce the vulnerability of the community to their impacts. Natural hazards that are of concern to the Council include:

- Volcanic activity within next 30 years;
- Flooding, mainly surface flooding or flooding related to in-flow infiltration issues;
- Earthquake;
- Windstorm; and
- Land instability and erosion.

Significant Issue 2 – Limited Resources, Funding Assistance and Subsidies

The continued delivery of robust and well maintained infrastructure for the district, at the agreed level of service, depends heavily on our continued ability to attract funding assistance and subsidy from our key partners. Our major Partner is the New Zealand Transport Agency (NZTA) who currently provides a 57 % Funding Assistance rate (FAR) for all Roothing Activities.

Significant Issue 3 – Financial Uncertainty

Our ability to continue to finance our projects, either by loan or otherwise, hinges on:

- The number of rateable properties:

- The amount to be collected via rates from our ratepayers;
- Any alternative systems that may be included to replace or supplement the existing funding inadequacies.

Funding alternatives are as per Council's *Revenue and Financing Policy* (Section 16).

Significant Issue 4 – Legislative Changes

There have been considerable legislative changes over the last decade which create a degree of uncertainty and require the Council to be more vigilant in meeting its obligations. Recent legislative changes that will have on-going impact on Council's delivery of its core services include:

- The *National Policy Statement for Freshwater* (FWNPS) 2014; and
- The *Health Act* as it relates to Drinking Water Standards (DWSNZ) 1956.

The Council is anticipating further changes in legislation which will increase the overall cost of asset management and core services delivery

Significant Issue 5 – Aging Assets

All Council's assets are aging. Many aging assets are due for replacement at approximately the same period. The implication of this is that burden of the cost of renewal or replacement of these assets will fall on the people living in the Stratford District within a certain era.

The Council aims to ensure that the cost of infrastructure replacement is not entirely borne by future generations. Through robust asset

management planning, the Council will spread the cost of replacement in a way and at a rate that is affordable to Stratford residents through time. Examples of assets due for replacement at the same period are Bridges and underground pipe network.

Significant Issue 6 – Asset Management System and Data Confidence

The Council has a relatively young Asset Management System (AMS). Condition data collection and validation is still on-going. Nevertheless, the Council has come far in the confidence it has in its asset database. The reliability of data in the AMS ranges from '*unknown to reliable*'.

The accuracy of condition data is critical to effective asset management – for confidence in the lifecycle management decisions made in the development, maintenance, and renewal /replacement of infrastructure assets. The Council will continue to implement aspects of the AMS that will ensure continuity in the long-term delivery of the core services to the community.

Significant Issue 7 – Aging Population

There are multi-faceted impacts of aging population on our district. The Council considers that its infrastructure assets support the social demands of the current state; however, an increase in the aging population will require that the Council improves levels of service it currently delivers. Footpaths, for example, will require widening across the district to accommodate mobility scooters, etc.

8. Significant Assumption-Risks, Uncertainties, Impacts, Mitigation

Significant Assumptions	Risk	Uncertainty	Impact	Mitigation
1. Financial Assumptions				
<p>Revenue</p> <p>Council revenue will cover expenditure, providing for a balanced budget.</p> <p>The number of rating units will not change significantly over the period of the Infrastructure Strategy.</p> <p>Sources of funding for operating and capital expenditure do not change, but will remain as per the Revenue and Financing Policy.</p> <p>Funding Assistance from NZTA will remain at 57 % for all works categories.</p>	<p>Council revenue and reserves do not cover expenditure.</p> <p>Sources of funds are not realised.</p>	Low	<p>Operating, maintenance, renewal and level of service improvement budgets are affected.</p> <p>Planned capital, maintenance and renewal works deferred.</p> <p>Asset ownership reviewed.</p>	<p>Levels of revenue from user charges have been set at realistic levels in accordance with the ratios outlined in the Revenue and Financing Policy.</p> <p>There is a concentration of risk associated with a small number of industrial consumers for some revenue streams (e.g., extraordinary water charges).</p> <p>Regular liaison is maintained with these consumers.</p> <p>Funding for projects and assets is considered before the commencement of each project or asset.</p> <p>The rating base is reviewed annually when determining the rates for the year.</p> <p>A significant impact from changes in funding or funding sources may result in a revised capital works programme, or changes in the level of user fees and charges, borrowing or rating requirements.</p>
<p>Cost</p> <p>Costs will remain stable over the entire period of the Infrastructure Strategy</p>	<p>Costs are higher or lower than anticipated.</p>	Low	<p>Variability of prices, such as for oil, could cause variability in costs.</p>	<p>The Council and management will review its budget annually through the LTP/Annual Planning process and may adjust work programmes/budgets where necessary.</p>
<p>Inflation Rates</p> <p>The inflation rates remain as indicated in financial tables.</p>	<p>The rates of inflation differ from those assumed.</p>	Medium	<p>A significant change in inflation will result in changed revenue and expenditure. This could be significant and may adversely affect the ability of the Council to set affordable rates in future</p>	<p>The Council will review its budget annually through the LTP/Annual Plan process and may adjust work programmes /budgets when necessary.</p>

Significant Assumptions	Risk	Uncertainty	Impact	Mitigation
<p>Resource Consent</p> <p>Expiring resource consents will remain unchanged or will not include significant cost triggers.</p>	<p>New resource consents to replace expiring consents include significant cost triggers.</p>	<p>Medium</p>	<p>Capital, Operating, maintenance and renewal budgets are affected.</p> <p>Council unable to meet resource consent conditions</p>	<p>The conditions imposed on new consents are dependent upon the legislative and environmental standards and expectations that exist at that time.</p>
<p>2. Operating Assumptions</p>				
<p>Levels of Service</p> <p>The demand for Council Services and customer expectations regarding levels of service will not change significantly and therefore there will be no significant effects on asset requirements or operating expenditure.</p>	<p>There are significant increases in customer expectations regarding demand for services and/or the level of service provided.</p>	<p>Low</p>	<p>Infrastructure and service provision do not meet customer and stakeholder needs and expectations.</p> <p>Maintenance and renewal/replacement requirements.</p> <p>Performance monitoring requirements increase.</p> <p>Customer and stakeholder needs are not met.</p> <p>Customer confidence is eroded.</p>	<p>Regular reviews of Community expectations against levels of service, via customer surveys as well as feedback received.</p> <p>Minor changes may be made to service levels where budget, contracts and resources allow. These will generally occur within existing budgets.</p> <p>Major changes in service levels will be confirmed with the community via consultation. These will generally require increase to fees or rates, depending on how the service involved is funded.</p>
<p>Legislation</p> <p>It is assumed that there will be no significant legislative changes that affect infrastructure and service delivery.</p>	<p>There are significant changes in legislation that require a higher level of service delivery and/or infrastructure</p>	<p>Low</p>	<p>The ability to meet Levels of Service requirements will be altered.</p> <p>Maintenance and renewal planning and funding requirements will be increased</p>	<p>Current infrastructure and service provision by the district meets good practice and will be able to adapt within reasonable timeframes.</p>

Significant Assumptions	Risk	Uncertainty	Impact	Mitigation
	requiring a higher level of service, maintenance or performance standard.			
<p>Consents</p> <p>It is assumed that conditions for existing resource consents held by the council will not be significantly altered.</p> <p>Any resource consents due for renewal during the ten year period will be renewed accordingly.</p>	Conditions of resource consents are altered significantly.	Low	<p>Council is unable to renew existing resource consents upon expiry.</p> <p>Breach of Consents</p>	<p>Appropriate planning and on-going interaction and/or consultation with regulators and other parties for resource consent applications/renewals should ensure that they are obtained.</p> <p>Monitoring of compliance with existing resource consent conditions will provide a record of compliance for future processes.</p> <p>The renewal of consents is dependent upon the legislative and environmental standards and expectations that exist at that time.</p>
3. Strategic Assumptions				
<p>Population Growth</p> <p>The current population is projected to increase based upon an assumption of medium growth with the population peaking at 10,130 in 2046 (by Natalie Jackson Demographics Limited).</p> <p>Note: Population projections do not represent forecasts, but indicate what the future size and structure will be if the underlying assumptions regarding births, deaths and migration prevail.</p>	That growth is higher than projected thereby putting pressure on Council to provide additional infrastructure and services.	Moderate - High	<p>Accelerated infrastructure deterioration rate;</p> <p>Increased maintenance and renewal/ replacement needs;</p> <p>Maintenance and renewal/replacement requirements exceeds current programme of works and funding allocations;</p> <p>Compromised ability to meet Levels of Service requirements.</p>	<p>Council will continue to monitor population change in the District. Generally, small increases in population can be managed within the existing level of service.</p> <p>Declines in population will not necessarily reflect lower number of ratepayers as the number of people per household is declining but will impact affordability.</p> <p>Where growth requires additional infrastructure (e.g., subdivisions), Council can require financial contributions for this work. Costs over this amount may result in additional Council expenditure which is likely to be funded out of debt.</p>
<p>Asset Management Plans</p> <p>AMPs are complete; they include renewal and capital programmes for all major infrastructural assets and are based on sound assessments of asset</p>	Asset Management Plans are	Low - Moderate	<p>Current Levels of Service are not clearly defined.</p> <p>Improvement planning is not</p>	Significant investment made in asset management systems and practices as well a condition assessment of assets.

Significant Assumptions	Risk	Uncertainty	Impact	Mitigation
<p>condition, lifecycle and demand management.</p> <p>AMPs are peer reviewed in accordance with the Asset Management Policy.</p>	<p>incomplete. Condition ratings and life cycle demand assumptions are erroneous.</p> <p>Asset Management Plans are not peer reviewed.</p>		<p>adequately tracked and/or resources and time needed is not adequately allocated.</p> <p>Misalignment between projected and actual budgets</p> <p>AMPs present a weak business case for investment.</p> <p>AM improvement is inhibited.</p>	
<p>Asset Disposal/Acquisition</p> <p>There are no substantial asset disposals that will impact significantly on the plan.</p> <p>There are no substantial asset acquisitions that will impact significantly on the plan.</p>	<p>Policy changes result in substantial asset disposal.</p> <p>Policy changes result in substantial asset acquisition.</p>	<p>Low</p> <p>Low - Medium</p>	<p>Maintenance and renewal planning and funding requirements will be reduced.</p> <p>Maintenance and renewal planning and funding requirements will be increased</p>	<p>Regular review of levels of service, population growth and legislative environments, which would be the most likely drivers of asset disposal and/or acquisition.</p>
<p>Programming of Works</p> <p>The recommended programme of works will be carried out.</p>	<p>The recommended programmed work is not carried out.</p>	<p>Low</p>	<p>Identified problems/opportunities are not responded to.</p> <p>The rate of deterioration to infrastructure is accelerated.</p> <p>Compromised ability to meet agreed LoS.</p>	<p>On-going monitoring of work programmes.</p> <p>Identification of root-cause of delays / failure to deliver.</p>
<p>Staff</p> <p>Current staff members possess the necessary education and skill sets to adequately perform their designated</p>	<p>Staff leaving results in staff skill levels falling</p>	<p>Low - Medium</p>	<p>Loss of institutional knowledge</p> <p>Inadequate Operating</p>	<p>Active training and recruitment programmes ensuring suitably qualified staff</p>

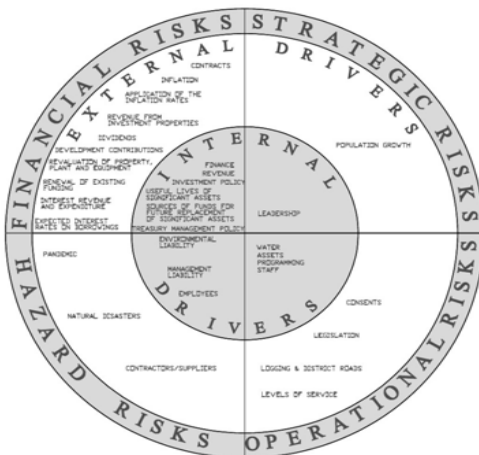
Significant Assumptions	Risk	Uncertainty	Impact	Mitigation
<p>functions.</p> <p>Current staffing levels are adequate and stable.</p>	<p>below the standard required.</p> <p>Staffing levels are unable to be adequately maintained.</p>		<p>management of infrastructure and/or delivery of service.</p> <p>Demand on Council activities not being met by Council staff.</p> <p>Negative impacts on customer service levels.</p>	<p>String relationships with key contractors and suppliers to ensure availability and competency of critical resources</p>
4. Hazard Assumptions				
<p>Resource Consents</p> <p>Resource Consent Conditions will be understood, met.</p>	<p>Noncompliance with Resource Consent Conditions</p>	<p>Low - Moderate</p>	<p>Breach of Resource Consent Conditions</p>	<p>Suitably qualified and skilled staff</p> <p>Appropriate technology used to control consent conditions;</p> <p>On-going consultation with regulators</p>
<p>Contractors/Suppliers</p> <p>Council contracts out the majority of its operations and services. It is assumed that all contractors will adhere to the terms of the contract</p>	<p>Contractor breaches terms of contract</p> <p>Contractor financial situation declines.</p>	<p>Low</p>	<p>Compromised Asset and/or public safety</p> <p>Substandard completed works</p> <p>Negative publicity eroding public opinion.</p> <p>Unexpected financial costs.</p> <p>Unexpected legal implication for Council.</p>	<p>Regular monitoring of and interaction with engaged contactors to ensure acceptable performance.</p> <p>Healthy contracting environment within the district and region that allows for substitution of any one contactor- if significant issues experienced.</p>
<p>Natural Disasters</p> <p>Current planned Incident Response would be effective until Level 4-5 at which point TEMO takes over management of a District wide</p>	<p>The current Incident Response Plans are not effective</p>	<p>Low</p>	<p>Provision of service is disrupted.</p> <p>Structural integrity of infrastructure is</p>	<p>Infrastructure resilience incorporated into design, planning and maintenance of assets.</p> <p>High-level planning on a regional basis with mutual support during</p>

Significant Assumptions	Risk	Uncertainty	Impact	Mitigation
emergency.	until Level 4-5.		compromised. Public safety is compromised. Recovery from a major event is inhibited.	events. Contractual arrangements to ensure resource availability.
Pandemic It is assumed that the current "Service Continuity Plan" would be effective in maintaining continuity of service in a pandemic event.	Service continuity Plan is not effective and continuity of service is unable to be maintained	Low	Provision of service is disrupted. Operation and maintenance of infrastructure is compromised. Public safety is compromised.	Infrastructure resilience incorporated into design, planning and maintenance of assets. High-level planning on a regional basis with mutual support during events. Contractual arrangements to ensure resource availability.
Climate Change Climate change will impact on the Council's operations and will require an appropriate response to adapt and prepare for potential impacts.	The effects of climate changes are more or Less severe than expected.	Low – medium	Unrealised effects of climate change are likely to create additional costs to mitigate their impacts, such as improving protection of critical infrastructure. More severe weather events resulting from climate change may increase damage to infrastructure and place pressure on Council finances.	Council activities will build appropriate mitigation responses into infrastructure development. The Council will continue to monitor Climate change science and the response of central government and adapt its response where required.

9. Risk Management

The Council’s risk management framework is designed to be effective within its specific internal and external environments, and potential sources of risk. The Council has made a number of risk assumptions under these four broad risk areas:

- Financial risks;
- Operating Risks;
- Strategic Risks; and
- Hazard Risks.



The Council’s risk management approach is underpinned by principles that will ensure the minimisation of risks for the principal asset systems as a result of the non-achievement of critical business objectives and impact of system failure. The following are Council’s risk management principles:

- Adds value by contributing to the achievement of Stratford District Council’s objectives and improving performance;
- An integral part of the Stratford District Council’s planning, processes, and decision making;
- Structured approach that is well-defined, transparent, and aligned with good practice;
- Responsive to change by monitoring, reviewing, and responding to the changing environment;
- Pragmatic by focusing on the most important risks and allowing informed risk taking;
- Explicitly addresses uncertainty based on best available information; and
- Undergo continuous improvement as we get better at identifying and managing risks and opportunities.

The risk management framework aims to:

- establish a systematic and structured approach to managing risks across the Council; and
- embed risk management practices into business strategy, planning and core operations to ensure that key risks are proactively identified, managed and communicated.

Benefits of applying effective risk management include:

- Improved achievement of the Council’s strategic direction, objectives and priorities;
- Reduced risks – significant risks are identified and managed and early warning of problems and emerging risks are addressed, with appropriate design and operation of internal controls;
- Improved decisions – decisions are made after analysis of risk;
- Improved planning and resource allocation – risks are prioritised and included in business planning so that resources are better managed; and
- Increased accountability and transparency – clarity of key risks and the responsibility and accountability for their management.

The issues identified under these risk areas are consistent with the significant assumptions presented in the Section 8 of the IS.

The top 5 risks for each Core Infrastructure Asset are provided in the Appendices and in the respective AMP.

10. Asset Management Policy, Principles and Objectives

The Council's Asset Management Practices are as detailed in the AMP for each core asset. It includes improvement planning which enables the Council to close the gaps between its asset management existing practice and best practice, and hence, improve on management of its assets and the delivery of its agreed level of service to the community

Asset Management Policy

The *Asset Management Policy* establishes the management framework for managing infrastructure assets in a structured, coordinated and financially sustainable manner. The objectives of this Policy are to:

- Provide for a consistent approach to asset management planning within Council and ensure plans reflect the strategic direction of Council;
- Demonstrate to the community that Council recognises the critical importance of managing the District's assets and related activities in an effective and sustainable manner in order to deliver appropriate Levels of Service to current and future generations; and
- Confirm a coordinated process for each asset/activity area that links their contribution to the Community Outcomes with specific Levels of Service performance requirements and desired improvement priorities and strategies.

Asset Management Principles

The Council's overarching principles for sound asset management are:

- Asset management goals and objectives will be aligned with corporate objectives and community outcomes;
- Capital, operation and maintenance, and renewal/replacement works will be aligned with asset management objectives;
- Sustainable and suitable development will be considered in the options for asset development and service delivery;
- Optimal replacement/lifecycle asset management strategies will be developed;
- Asset replacement strategies will be established through the use of optimised lifecycle management and costing principles;
- Funding allocation for the appropriate level of maintenance in order for assets to deliver required Levels of Service;
- Growth and demand forecasting will be integrated as part of all asset management planning to meet current and future needs of the community; and
- Ensure the design, construction and maintenance of assets, so far as reasonably practical, are without risk to the health or safety of any person.

Asset Management Objectives

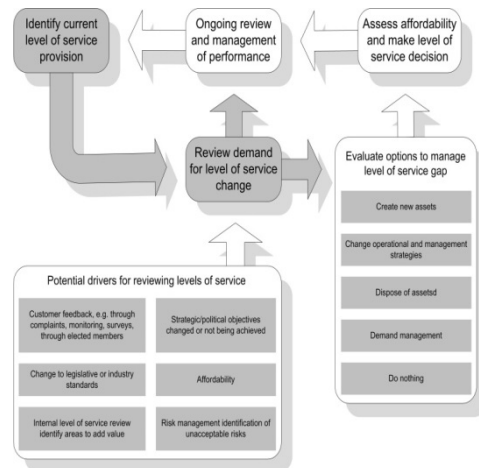
The Council's Asset Management objectives are to:

- Provide for good quality infrastructure and local public services that are efficient, effective and appropriate for current and future generations;
- Meet the foreseeable needs of the community;
- Ensure that assets are planned for, created, replaced and disposed of in accordance with Council priorities as determined in the Long Term Plan;
- Ensure all legal delegations are met;
- Ensure customer expectations are properly managed;
- Provide technical and professional advice that enables elected members to make sound well informed decisions concerning the management of assets;
- Assets are managed to meet agreed customer levels of service;
- Assets are managed and delivered in accordance with the strategies stated in the Asset Management Plans;
- Ensure data collection systems are in place to collect, store, maintain and use for prudent management of Council owned assets.

11. Levels of Service and Lifecycle Management

Levels of Service

Levels of Service (LoS) define the form and quality of service that the Council provides to the community. They represent a balance between what the community wants and what the community is willing to pay for. The Council's asset management approach will ensure that it maintains the agreed LoS over the next 30 years. Asset management planning helps to determine the relationship between the LoS and the cost of service.



Once determined, the relationship is evaluated through the Long Term Planning process in consultation with the community. The agreed LoS are used to:

- Communicate the proposed LoS;
- Develop strategies to the deliver LoS;

- Develop targets to measure performance;
- Identify and evaluate the costs and benefits of services offered; and
- Enable customers to assess customer values such as accessibility, quality, safety, and sustainability.

As such, LoS cannot be defined beyond the 10-year planning horizon of the LTP.

Current and Planned LoS are presented in the respective AMPs for each core Infrastructure asset. The performance monitoring of the agreed LoS delivery is undertaken through performance measures and targets. The results of the performance monitoring are reported internally and externally through the:

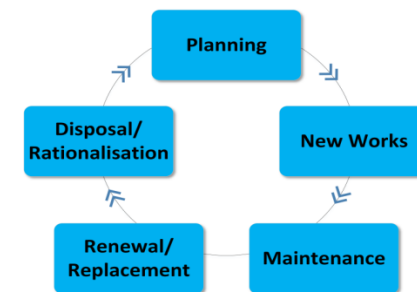
- monthly reports to Elected Members, which is also accessible to the public via the Council website; and
- LTP, Annual Plan and Annual Report to our customers, key stakeholders and partners.

Lifecycle Management

Lifecycle Management (LM) involves the planning; procurement, management; renewal/replacement and disposal of the assets for the delivery of the agreed LoS. The Council will employ robust LM strategies to maintain the delivery of the LoS as agreed with the Community, and amended via the LTP process. The rate of asset renewal is intended to maintain the overall condition of the asset system at a standard, which reflects its age profile, and

ensures that the Community's investment in the District's infrastructure is maintained. The level of expenditure on cyclic asset replacement varies from year to year, reflects:

- Asset age/life;
- Asset condition; and
- Asset Criticality.



The Council will take into account the key LoS drivers described in earlier sections, including:

- Growth and Demand Forecasts;
- Identified Significant Issues and Options; and
- Potential Risks;

The LLM Strategies for the delivery of planned LoS for the next 3 years are described in detail in the respective AMPs and they include:

- Management Strategies;
- Contractual Arrangements; and
- Risk Management Strategies.

Further details on these strategies are presented below.

12. Asset Management Strategies

The overall management of infrastructure will be driven through strategies aimed at:

- Complying with the legislative and strategic requirements;
- Meeting agreed levels of service;
- Delivering value for money for ratepayers, funding partners and the Council; and
- Balancing customer expectations with the cost of improving the level of service.

These strategies are either under review or currently being prepared and drive the AMPs and Maintenance Agreements with our contractors. The Management Strategy framework fits into Council's overall strategic framework for the Infrastructure Assets as shown in Figure 2.

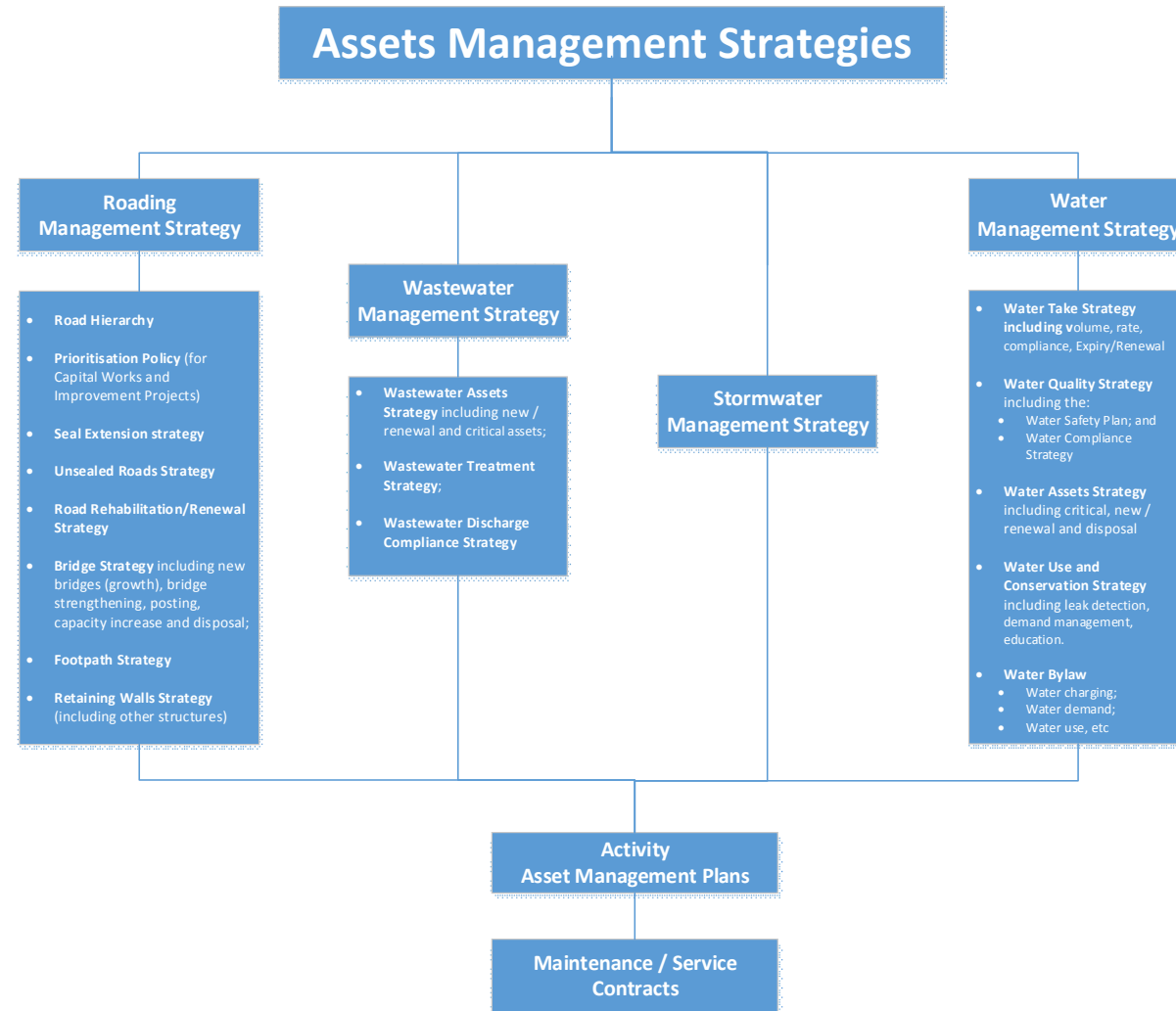


Figure 3: Asset Management Strategies

13. Contractual Arrangements

The Council has a number of contractual arrangements for the delivery of the agreed LoS. While these Contractual Arrangements are for current and up to the period agreed under each contract, they are a demonstration of how the Council will continue to deliver the LoS agreed with the Community.

In general, Professional Services are either delivered as part of SDC's 'Shared Service' arrangements or as covered by 'Maintenance Contracts' under each asset group. Physical Works are covered by the maintenance contracts or contracted in accordance with SDC's Procurement Procedures

Activity	Maintenance Arrangement	Operating Arrangement
Roading	A 'General Roading Maintenance, Resurfacing, Rehabilitation and Road Marking Contract' which covers an initial period of three years with the option of two 12-month extensions on satisfactory completion of the initial period. Each 12-month extension is at the Council's sole discretion.	Under the Local Government Act (1974), SDC is the road controlling authority and is responsible for the operation and the movement of all traffic, including cyclists and pedestrians, within the District.
	SDC has a contract for the inspection, reporting, maintenance and upgrading of all street lighting assets owned and/or maintained by the Stratford District Council. The Contract covers an initial period of three years with the option of two 12-month extensions on satisfactory completion of the initial period.	SDC has a contract for the inspection, reporting, maintenance and upgrading of all street lighting assets owned and/or maintained by the Stratford District Council. The Contract covers an initial period of three years with the option of two 12-month extensions on satisfactory completion of the initial period.
Wastewater (for Stratford)	SDC has a 'Services Maintenance Contract' covering three year service delivery with two rights of renewal. This Contract requires the Contractor to provide physical works and a degree of professional services for significant aspects of the work. The Contract was entered into in 2014 with its first renewal option in 2017. This contract is for the continued operation and maintenance of SDC's wastewater, water and stormwater services.	SDC's Services Asset Manager and Engineering staff are responsible for the operation of both the treatment plant (oxidation ponds) and the pump stations.
Water Supply (Stratford, Midhirst and Toko)		As part of a shared service agreement, South Taranaki District Council (STDC) has Operating responsibility for all three water treatment plants (WTP).
Stormwater		Stormwater system is reticulation only with no need for treatment plant Operating management.

14. Key Projects

These key projects are Council's preferred options for addressing the significant infrastructure issues discussed in Section 6. These projects are an outcome of a series of 'Early Conversation' workshops held with Elected Members in 2017. Each *Early Conversation* workshop identified:

- Problems and items for improvement in the delivery of our core services;
- Impact of this on the achievement of Council Community Outcomes and future-proofing Objectives;
- Options for addressing the identified problems; and
- An assessment of each option against Council Outcomes and the identified future proofing objectives;
- Risks and Opportunities associated with each option and
- Preferred Options to address each Problem Area.

Key consideration factors in the determination of the preferred options were 'Value for Money' and 'Affordability' to both the current and future generations. Indicative costs of delivering the preferred options are presented in the attached Table and reflected in the 'Investment Funding Strategy' section. Further detail on each key project is provided in the *Significant Issues and Options* sections in the Appendices.

Bridge Replacement

The Council has identified 42 bridges will need to be replaced by Year 31. A further 32 bridges are to be replaced between years 32-40. In order to avoid excessive costs in years 31-40, the Council has opted to bring forward approximately 50% of this replacement programme to ensure that all bridges can be replaced by Year 40. Therefore, the Council has budgeted an additional \$440,000 per annum from Years 21 – 30 for bridge replacement.

Culvert LoS Improvements

With changes in climatic conditions, the frequency and intensity of rainstorm events has resulted in Council spending significant funds on remediation works. Following the June 2015 storm event, Council spent \$5.25m on the clean-up and remediation projects. One issue identified during this storm, is the lack of capacity of our culverts to cope with the volume of water running off of the road and adjoining land. In order to reduce the risk of further damage occurring, council is proposing \$100k per annum on the replacement of culverts to meet the demands of climate change.

Footpath Extension

The Council has identified 16km of urban Roding network where no footpaths are provided. In order to address this level of service short-fall, The Council has an investment allocation of \$45k

per annum for the provision of new footpaths from Years 11 to 30.

Footpath Replacement

With an increasing number of elderly residents using mobility scooters, the majority of the footpaths within the district are of insufficient width to accommodate pedestrian/mobility scooter use. Of the 63km of footpaths within the district, 54km are less than 1.5m in width. In order to address this issue, Council has opted to increase the footpath renewal budget to \$150k per annum, of which \$35k is to improve the current level of service by widening footpaths to a minimum width of 1.5m. Based on current contract rates, the Council will be able to replace 1,500 m of footpaths per year, over a 36 year period.

Drainage Improvements

In recent times, many of the 'underslips' affecting the Roding network have been as a result of poor outlet control at culverts. To mitigate this, Council has a programme of works at \$30k per annum from Year 11, to improve the outlet controls at our culverts. This could be in the form of flumes, drainage socks or rock armouring of the downstream bank.

Retaining Wall Replacements

The Council has data from inspections on more than 250 retaining walls throughout the district. Approximately 50% of these retaining walls are in either a poor or very poor condition. Given the number of walls to be replaced, Council's programme of works includes an annual allocation of \$150k from year 11 – 30 upgrade the degraded structures.

Whangamomona Road Upgrade

Whangamomona Road is a popular tourist attraction and nationally recognised 4x4 club trail route. With the regional economic development strategy Tapuae Roa – Make Way for Taranaki" referring to this attraction, the existing road requires improvement to improve visitor experience. Recent cost estimation indicates that that \$1.5m will be needed to restore the road to a 'reasonable farm track condition'. The Council is proposing to fund this upgrade at \$500k each for Years 11, 16 and 21.

2nd Trunk Main

Given growth and increased demand anticipated in the district, the second truck main will serve to accommodate that demand and reduce the pressure in the existing infrastructure. This critical asset is proposed for implemented in Year 7, at an estimated budget of \$2.5 M.

Water Metering

The Council will continue its water metering programme, where all properties in the district connected to the Council's water reticulation will become metered. This programme commences from Year 1 through to Year 5, at a total budget of \$1.65 M, as per attached Tables.

Pressure Management

This project primarily aims to satisfy the water conservation requirements of the Resource Consents (Water Permits), whilst also accounting for a potential increase in water demand. The Valving programme is set for Years 1 – 3, at \$200K per annum, as per the attached Tables.

Rider Mains

The installation of rider mains is a cost-effective way of distributing water in the network. This project will commence from Year 2 of the LTP; the implementation timeframe and budgets are as per the attached Tables.

Resource Consent

Changes to the National Policy Statement for Freshwater (FVNPS) are expected to require higher quality discharges into the receiving environment. This is likely to drive up the cost of treatment and discharges and may alter entirely how the Council is disposing of its municipal wastes. The Council's budget and implementation timeframe is as per the attached Tables.

Pipework Capacity Increase

To accommodate growth and increased demand, the Council has programmed an increase to the pipework capacity throughout the IS planning period. This applies to both the Stormwater and Wastewater pipework. From Year 1, budget and implementation timeframe is as per the attached Tables.

Safety Improvements

The Council's programme for manhole safety improvements for both the Stormwater and Wastewater will continue through the IS planning period. Safety improvements consist of inlet and outlet safety screening for stormwater manholes and inlet screen for wastewater manholes. From Year 1, budget and implementation timeframe is as per the attached Tables in sections 15 and 16.

Tourism Infrastructure Improvements

The Council is proposing a \$4 million roading improvement project in two areas impacted significantly by growth in tourism. These will be funded with a major capital contribution from the Government's Tourism Infrastructure Fund (TIF). The Council's contribution is expected to be \$0.6 million.

Budget Summary

The budget summary of these key projects is provided below. Details of the implementation timeline are provided in Sections 15 and 16.

Key Projects Budget Summary - Uninflated and Inflated

No	Infrastructure Asset Group	Project Description	Year of Implementation		Estimated Cost (\$)		Total Estimated Cost (\$)	
			1-10	11-30	Uninflated Cost	Inflated Cost	Uninflated Cost	Inflated Cost
1	Roading	Bridge Replacement	1 - 10		2,290,000	2,552,000	12,870,000	15,713,000
2				11-30	10,580,000	13,161,000		
3		Culvert Level of Service (LoS) Replacement	1 - 10		1,000,000	1,113,000	3,000,000	3,601,000
4				11-30	2,000,000	2,488,000		
5		Footpath Replacement	1 - 10		1,500,000	1,670,000	4,500,000	5,402,000
6				11-30	3,000,000	3,732,000		
7		Footpath Extension		11-30	900,000	1,120,000	900,000	1,120,000
8		Drainage Improvements		11-30	600,000	746,000	600,000	746,000
9		Retaining Wall Replacements		11-30	3,000,000	3,732,000	3,000,000	3,732,000
10		Whangamomona Road Upgrade		11-21	1,500,000	1,866,000	1,500,000	1,866,000
11		Tourism Infrastructure	1 - 10		4,000,000	4,000,000	4,000,000	4,000,000
12	Water Supply	2nd Water Trunk Main	7		2,500,000	2,891,000	2,500,000	2,891,000
13		Pressure Management and Water Metering	1 - 10		2,250,000	2,376,000	2,250,000	2,376,000
14		Rider Mains	2 - 9		180,000	201,000	600,000	727,000
15			11-30	420,000	526,000			
16	Wastewater	Resource Consent	1-4		1,500,000	1,549,000	4,700,000	5,541,000
17			6-9		200,000	234,000		
18				14-17	3,000,000	3,758,000		
19		Pipework Capacity Increase	1 - 10		1,000,000	1,119,000	2,400,000	2,873,000
20				11-30	1,400,000	1,754,000		
21	Safety Improvements	1-5		160,000	168,000	160,000	168,000	
22	Stormwater	Pipework Capacity Increase	1 - 10		1,050,000	1,175,000	3,150,000	3,805,000
23				11-30	2,100,000	2,630,000		
24		Safety Improvements	1 - 10		1,170,000	1,309,000	1,170,000	1,309,000
	TOTAL				47,300,000	55,870,000	47,300,000	55,870,000



15. 30 Year (Uninflated) Capital Budget for Key Projects

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total			
Project Description	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48	\$000			
1																																		
Bridge Replacement	283	220	313	150	110	220	230	215	350	200	260	260	400	260	310	300	300	300	375	150	410	400	350	250	350	355	350	270	270	260	8471			
Forward Works	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	440	440	440	440	440	440	440	440	440	440	440	4400		
Total	283	220	313	150	110	220	230	215	350	200	260	260	400	260	310	300	300	300	375	150	850	840	790	690	790	795	790	710	710	700	12871			
2																																		
Culvert LOS Improvements	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	3000		
3																																		
Footpath Extensions	0	0	0	0	0	0	0	0	0	0	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	900		
4																																		
Footpath Replacement	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	4500		
5																																		
Drainage Improvements	0	0	0	0	0	0	0	0	0	0	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	600		
6																																		
Retaining Wall Replacements	0	0	0	0	0	0	0	0	0	0	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	3000		
7																																		
Whangamomona Road Upgrade	0	0	0	0	0	0	0	0	0	0	500	0	0	0	0	500	0	0	0	0	500	0	0	0	0	0	0	0	0	0	0	0	1500	
8																																		
Tourism Infrastructure	4,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,000		
9																																		
2nd Water Trunk Main	0	0	0	0	0	0	2500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2500		
10																																		
Water Metering	130	130	330	530	530	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1650		
11																																		
Pressure Management	200	200	200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	600		
12																																		
Water Rider Mains	0	30	30	0	30	30	0	30	30	0	30	30	0	30	30	0	30	30	0	30	30	0	30	30	0	30	30	0	30	30	0	600		
13																																		
Wastewater Resource Consents	250	750	250	250	0	50	50	50	50	0	0	0	0	750	750	750	750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4700		
14																																		
Pipework Capacity Increase																																		
- Stormwater	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	3150	
- Wastewater	100	100	100	100	100	100	100	100	100	100	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	2400	
Total	205	205	205	205	205	205	205	205	205	205	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	175	5550		
15																																		
Safety Improvements																																		
- Stormwater	117	117	117	117	117	117	117	117	117	117	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1170	
- Wastewater	32	32	32	32	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	160	
Total	149	149	149	149	149	117	117	117	117	117	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1330		
GRAND TOTAL	5,467	1934	1727	1534	1274	872	3352	867	1002	772	1440	940	1050	1690	1740	2200	1730	980	1025	830	2030	1490	1470	1370	1440	1475	1470	1360	1390	1380	47,301			

16. 30 Year (Inflated) Capital Budget for Key Projects

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total	
Project Description	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000	2028/29 \$000	2029/30 \$000	2030/31 \$000	2031/32 \$000	2032/33 \$000	2033/34 \$000	2034/35 \$000	2035/36 \$000	2036/37 \$000	2037/38 \$000	2038/39 \$000	2039/40 \$000	2040/41 \$000	2041/42 \$000	2042/43 \$000	2043/44 \$000	2044/45 \$000	2045/46 \$000	2046/47 \$000	2047/48 \$000	\$000	
1 Bridge Replacement	283	225	327	160	120	246	264	253	424	249	323	323	498	323	386	373	373	373	466	187	510	498	435	311	435	442	435	336	336	323	10,239	
Forward Works	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	547	547	547	547	547	547	547	547	547	547	547	5,473
Total	283	225	327	160	120	246	264	253	424	249	323	323	498	323	386	373	373	373	466	187	1,057	1,045	983	858	983	989	983	883	883	871	15,713	
2 Culvert LOS Improvements	100	102	104	107	109	112	115	118	121	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	124	3,601	
3 Footpath Extensions	0	0	0	0	0	0	0	0	0	0	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	1,120
4 Footpath Replacement	150	153	157	160	164	168	172	177	182	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	5,401	
5 Drainage Improvements	0	0	0	0	0	0	0	0	0	0	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	746	
6 Retaining Wall Replacements	0	0	0	0	0	0	0	0	0	0	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	187	3,732	
7 Whangamomona Road Upgrade	0	0	0	0	0	0	0	0	0	0	622	0	0	0	0	622	0	0	0	0	622	0	0	0	0	0	0	0	0	0	1,866	
8 Tourism Infrastructure	4,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,000	
9 2nd Water Trunk Main	0	0	0	0	0	0	2,891	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,891	
10 Water Metering	130	133	346	569	583	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,761	
11 Pressure Management	200	205	210	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	615	
12 Water Rider Mains	0	0	31	0	0	34	0	0	37	0	0	38	0	0	38	0	0	38	0	0	38	0	0	38	0	0	38	0	0	38	727	
13 Wastewater Resource Consents	250	769	262	268	0	0	58	59	61	0	0	0	0	939	939	939	939	0	0	0	0	0	0	0	0	0	0	0	0	0	5,541	
14 Pipework Capacity Increase																																
- Stormwater	105	108	110	113	115	118	121	125	128	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	3,805	
- Wastewater	100	103	105	107	110	113	116	119	122	125	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	88	2,872	
Total	205	210	215	220	225	231	237	243	250	257	219	219	219	219	219	219	219	219	219	219	219	219	219	219	219	219	219	219	219	219	6,677	
15 Safety Improvements																																
- Stormwater	117	120	123	126	129	132	135	139	143	147	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,309	
- Wastewater	32	33	34	34	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	168	
Total	149	153	156	160	164	132	135	139	143	147	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,477	
Grand Total	5,467	1,981	1,809	1,645	1,399	980	3,872	1,025	1,216	963	1,793	1,171	1,308	2,110	2,173	2,745	2,160	1,221	1,277	1,034	2,527	1,855	1,830	1,706	1,793	1,837	1,830	1,693	1,731	1,718	55,868	

17. Investment Funding Strategy

Section 102 of the LGA requires that the Council *'must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies listed'* below:

- A Revenue and Financing Policy; and
- A Liability Management Policy; and
- An Investment Policy; and
- A policy on Development Contributions (CD) or Financial Contributions (FC); and
- A policy on the Remission and Postponement of Rates on Maori freehold land.

The Council may also adopt either or both a Rates Remission Policy and a Rates Postponement Policy. The Council has adopted all the relevant funding and financial policies which guide Council's funding and financial decisions.

Revenue and Financing Policy

The Revenue and Financing Policy sets out Stratford District Council's policies in respect of the funding for capital and operating expenditure. The current policy has been reviewed in December 2017. The funding sources are detailed in the LTP 2018-2028 and include general and targeted rates, borrowing, grants and subsidies, etc.

Treasury Management Policy

The Council's Treasury Management Policy incorporates the Liability Management Policy and the Investment Policy requirements of the LGA. It guides the Council to prudently manage its revenue, expenditure, assets, liabilities, reserves and investments, in the interest of the Council and district ratepayers.

Development and Financial Contributions Policy

The Council's Development and Financial Contribution Policy is consistent with the purpose as set out in Section 106 of the LGA. The Council does not require Development Contributions, however, the Financial Contributions Policy meet the requirement as set out in Section 108 (9) of the Resource Management Act (RMA) 1991

Investment Funding Strategy

The Stratford District Council's Investment Funding Strategy (IFS) incorporates its *Funding Impact Statement (FIS)* and sets out how the Council plans to finance its overall operations to meet its objectives now and in the future. Future-Proofing the delivery of services is a key objective of this strategy.

This IFS provides the long term financial forecasting for all the core assets and activities maintained and delivered by the Council, and presents the funding sources determined for each of these to ensure a sustainable long-term approach to planning, asset management and service delivery.

Capital projects and activities, including Renewal or Replacement projects and Level of Service Improvements, for the next 30 years will be funded through one or a combination of the following sources:

- Loans;
- Reserves; and/or
- Subsidies.

Given the present funding regime, the Council anticipates that the Roading Activity projects will continue to be 57 % funded by NZTA. The Council expects that all Level of Service Improvement projects for all the Three-Waters Activities will be funded 100% from Loans; Renewal or Replacement projects will be equally funded from Loans and Reserves.

While the cost of capital projects driven by growth/ led by a private Developer will be borne by the Developer, any Council-led projects in support of growth will be accounted for within the particular project budget. A summary of Council's Capital Investment funding is shown in the pie chart.

18. 30-Year Capital Expenditure Estimates

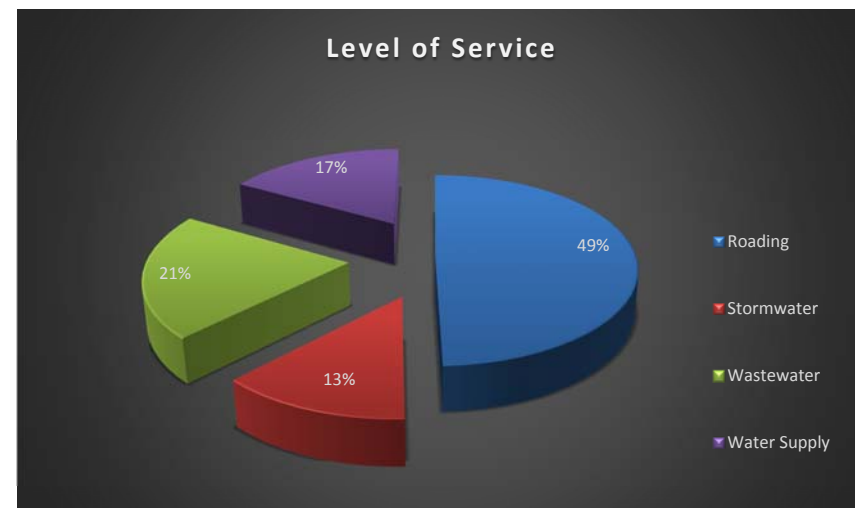
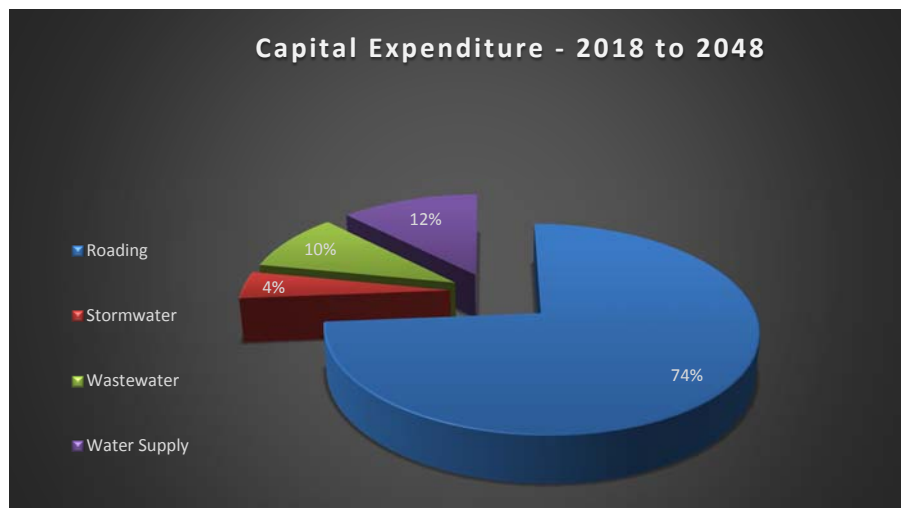
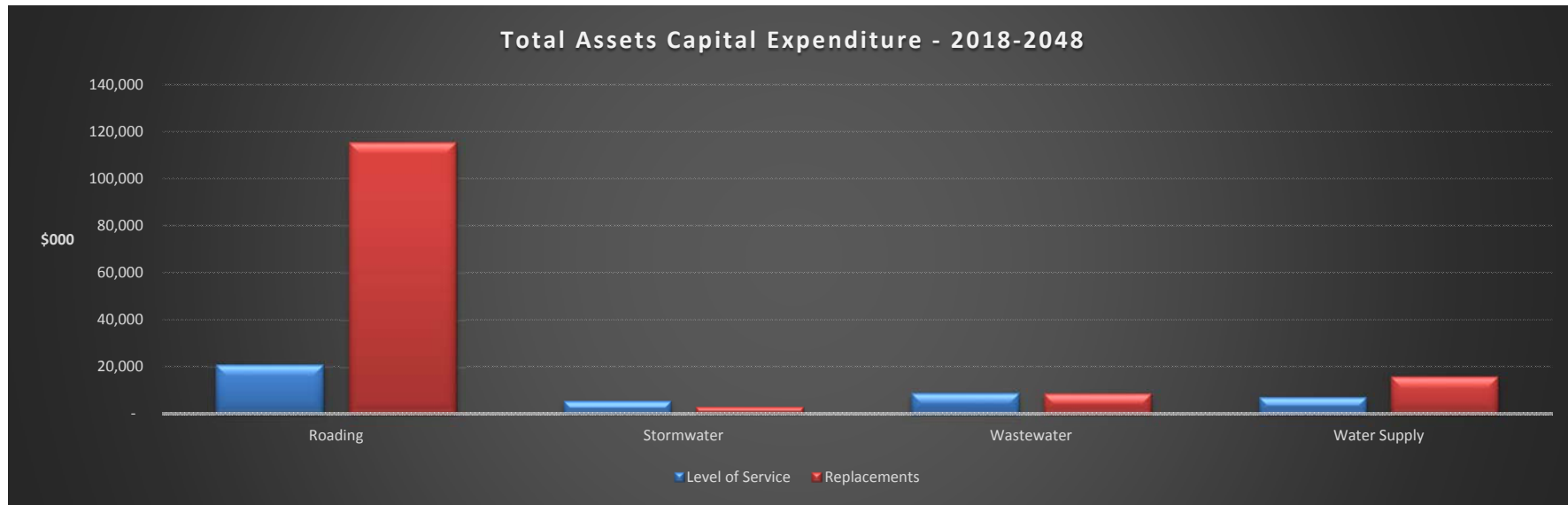
The Council's total projected 30-year Capital and Operating Expenditure Estimates are presented separately in the Tables and Charts below. The Capital and Operating Expenditure Estimate Tables and Charts - by Asset group - are presented in the Appendices.

The figures in Years 1 – 10 are as per the 2018-2028 LTP. Inflation has been accounted for as *BERL* Indicators have been applied to all expenditure figures for Years 1 to 10. Where there are no additional capital works, expenditure figures in Years 11 – 30 are equal to figures in Year 10.

Year	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25	26-30	Total
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2029-33	2034-38	2039-43	2044-48	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<u>Roading</u>															
Level of Service Improvement	4,000	0	0	0	0	0	0	0	0	0	4,397	4,397	4,397	3,775	20,968
Replacements	3,348	3,353	3,359	3,436	3,445	3,451	3,461	3,471	3,481	3,492	18,817	18,736	21,889	21,572	115,311
<u>Stormwater</u>															
Level of Service Improvement	223	228	234	239	245	533	258	264	272	279	661	661	661	661	5,418
Replacements	56	57	58	103	61	63	180	66	68	120	398	460	579	504	2,771
<u>Water Supply</u>															
Level of Service Improvement	330	420	587	945	924	34	3,238	36	37	0	150	113	113	150	7,076
Replacements	889	538	414	639	528	428	439	468	523	476	2,667	2,667	2,479	2,648	15,804
<u>Wastewater</u>															
Level of Service Improvement	387	1,038	485	496	145	178	173	178	183	125	2,330	2,317	438	438	8,912
Replacements	183	492	202	497	476	229	212	229	223	229	1,427	1,546	1,334	1,334	8,613
<u>TOTAL</u>	9,416	6,127	5,339	6,355	5,824	4,915	7,960	4,712	4,785	4,721	30,847	30,897	31,891	31,083	184,874

Key Assumptions:

1. Capital expenditure Figures in Years 1 – 10 are as per the 2018-2028 LTP;
2. *BERL* Indicators have been applied to Capital expenditure figures for Years 1 – 10; and
3. Where there are no additional capital works, capital expenditure figures in years 11 – 30 are equal to figures in Year 10.

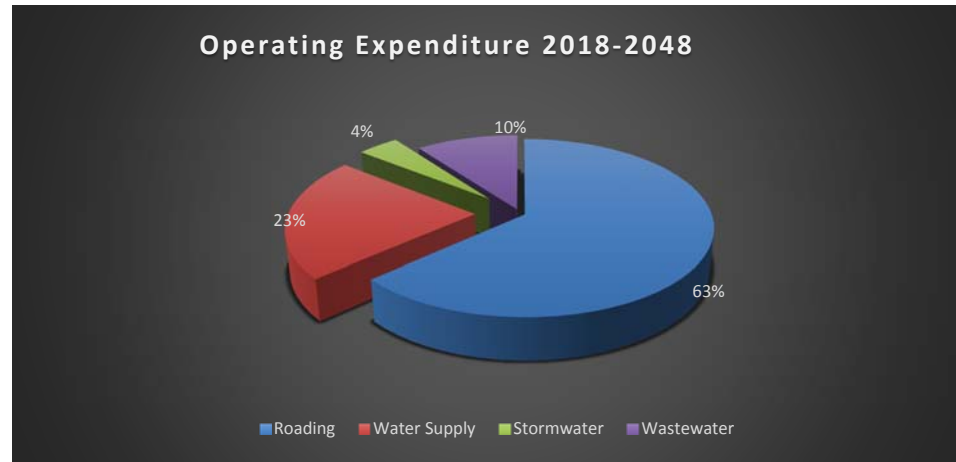


19. 30-Year Operating Expenditure Estimates

Year	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25	26-30	Total
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2029-33	2034-38	2039-43	2044-48	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Roading	6,325	6,462	6,584	6,613	6,831	7,046	7,152	7,429	7,704	7,664	38,320	38,320	38,320	38,320	223,090
Water Supply	1,919	2,068	2,104	2,194	2,319	2,371	2,466	2,694	2,808	2,748	13,741	13,741	13,741	13,741	78,655
Stormwater	328	357	373	390	399	422	453	491	508	527	2,635	2,635	2,635	2,635	14,788
Wastewater	831	983	981	1,050	1,076	1,155	1,140	1,183	1,202	1,247	6,234	6,234	6,234	6,234	35,784
TOTAL	9,403	9,870	10,042	10,247	10,625	10,994	11,211	11,797	12,222	12,186	60,930	60,930	60,930	60,930	352,317

Key Assumptions:

1. Operating expenditure Figures in Years 1 – 10 are as per the 2018-2028 LTP;
2. BERL Indictors have been applied to Capital expenditure figures for Years 1 – 10; and
3. Operating Expenditure Figures for Years 11 – 30 are equal to Figures in Year 10.



20. Appendices

- **Appendix 1: Roading**
 - Significant Issues and Options
 - 30 -Year Capital Expenditure
 - 30-Year Operating Expenditure

- **Appendix 2: Water Supply**
 - Significant Issues and Options
 - 30 -Year Capital Expenditure
 - 30-Year Operating Expenditure

- **Appendix 3: Wastewater**
 - Significant Issues and Options
 - 30 -Year Capital Expenditure
 - 30-Year Operating Expenditure

- **Appendix 4: Stormwater**
 - Significant Issues and Options
 - 30 -Year Capital Expenditure
 - 30-Year Operating Expenditure

Appendix 1: Roading

Significant Issues and Options

The Significant Infrastructural Issues for the Roading Activity are detailed in the Asset Management Plan and summaries below.

- Land Use Changes and increased transport activities in the District;
- The geology, geography, environmental conditions (i.e. waterways) and impacts of extreme weather events;
- Increased demand for safe and accessible urban transport infrastructure; and
- Reduction in deaths and serious injuries as a result of driver behaviour and road condition.

The options for addressing these significant infrastructural issues drive the Long-term financial forecast for the Roading Activity.

Issue 1: Land use changes, Land transport needs and increased transport activity, coupled with current standard of assets is resulting in reactive investment and inefficient allocation of resources

Response Options	Implications of options
Maintain road structural integrity	<ul style="list-style-type: none"> • Accommodate increasing demand of heavy commercial vehicles on the transport network.
Strengthen key structures	<ul style="list-style-type: none"> • Accommodate both HPMV and 50MAX vehicles. All vehicles including the forestry/ agriculture/oil and gas industry are able to efficiently use key routes.
Maintain current service levels for bridges	<ul style="list-style-type: none"> • Ensure the structural condition of the existing bridges is able to meet the agreed level of service

Issue 2: The geology, geography, environmental conditions (i.e. waterways) and impacts of extreme weather events;

Response Options	Implications of Options
Culverts function to allow the passage of water from roadside drains.	<ul style="list-style-type: none"> • Annual culvert inspections to ensure they function along assessing those due for replacement. • Increase the capacity of culverts to cope with more intense rainfall events.

Response Options	Implications of Options
Improvements to outlet controls to reduce the risk of underslips occurring.	<ul style="list-style-type: none"> • Reduces the possibility of underslips forming therefore the roading network remains open for use
Roads are not closed due to un-planned events eg flooding, slips	<ul style="list-style-type: none"> • Regular maintenance of roadside drains to prevent un-planned closures • Improved resilience of the road network in the Stratford district
Access to productive land is retained.	<ul style="list-style-type: none"> • Enables the district to thrive and prosper as access to the markets is maintained
The community has reasonable access to the land transport network	<ul style="list-style-type: none"> • Ensures connectivity to the rural communities.

Issue 3: Increased demand for safe and accessible urban transport infrastructure

Response Options	Implications of options
Future infrastructure requirements	<ul style="list-style-type: none"> • Support increase in tourism • Access to and through the district is maintained • Suitable parking areas on Mt Taranaki • Attractive Urban streets are
Footpaths improved	<ul style="list-style-type: none"> • Meet current and future levels of service • For all suitable urban streets • Safer footpaths- reducing the risk of personal injury incidents occurring. • Suitable for all users, including mobility scooters and wheelchairs. • Improved road safety for pedestrians.
Provision of urban and rural cycle routes for commuting and recreational use	<ul style="list-style-type: none"> • Encourages a healthier lifestyle through active transport systems • Greater use and uptake on active modes of transport • Increase in cycling tourists staying within Stratford District • Improved environmental benefits from less vehicle emissions.

Issue 4: Poor driver behaviour, challenging road conditions, limited experience with local conditions and unforgiving roads and roadsides is resulting in safety issues and deaths and serious injuries.

Response Options	Implications of options
Promote safe use of the network through 'Roadsafe Taranaki'	<ul style="list-style-type: none"> • Safer use of the transport network resulting in fewer crashes • Supports the physical works undertaken and supports use of alternative modes by reducing the perception that they are unsafe.
Introduce safer speeds to the existing network	<ul style="list-style-type: none"> • Reduction in the number and severity of crashes • Achieves consistency with national guidance/best practice. • Improved amenity for walking and cycling where speeds are lowered • Improved efficiency for freight and general traffic where speeds are raised.
Undertake minor improvements to the existing network Infrastructure	<ul style="list-style-type: none"> • Reduction in crashes and therefore deaths and serious injuries • Able to respond to community requests for safety management and improvements of a minor nature; such as pedestrian islands
Undertake major improvements to the existing network infrastructure	<ul style="list-style-type: none"> • Reduction in crashes, their severity and therefore deaths and serious injuries • Able to undertake safety transformation project improvements on key routes. • Improved resilience and reliability of the network.

Issue 5 – Replacement of aging bridges and retaining walls

Response Options	Implications of Options
There are 46 bridges for replacement between Year 30-40;	No firm cost estimate, however, likely to be greater than \$10M dollars.- Increase annual budget by \$400k in years 21-30 per
Many bridges are currently single lane.	Consider widening to two lane – this will increase replacement costs. Replace like for like at this stage. Can be reviewed at time of replacement.
Over 250 retaining	Replacement of retaining walls in poor condition to

Response Options	Implications of Options
walls have been identified.	continue over the period of this strategy. Annually - \$150k for years 10-20
Replacing these structures ensures the community remain connected.	Council may need to loan fund the replacements, depending on the number of bridges being replaced each year.

Issue 6 - Maintaining levels of service with an increase in the population who are on fixed incomes (pensions)

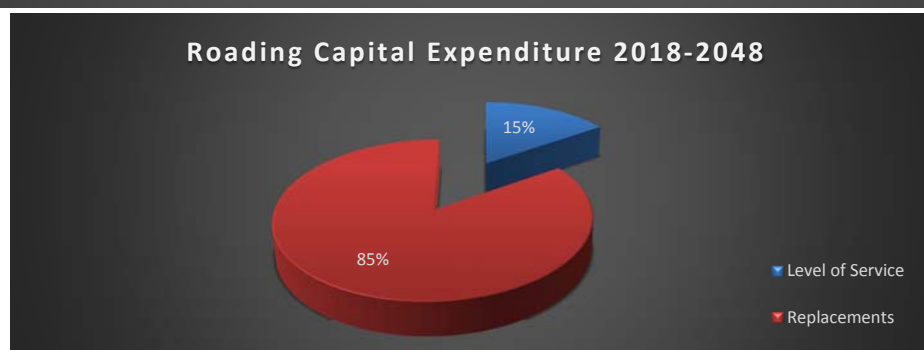
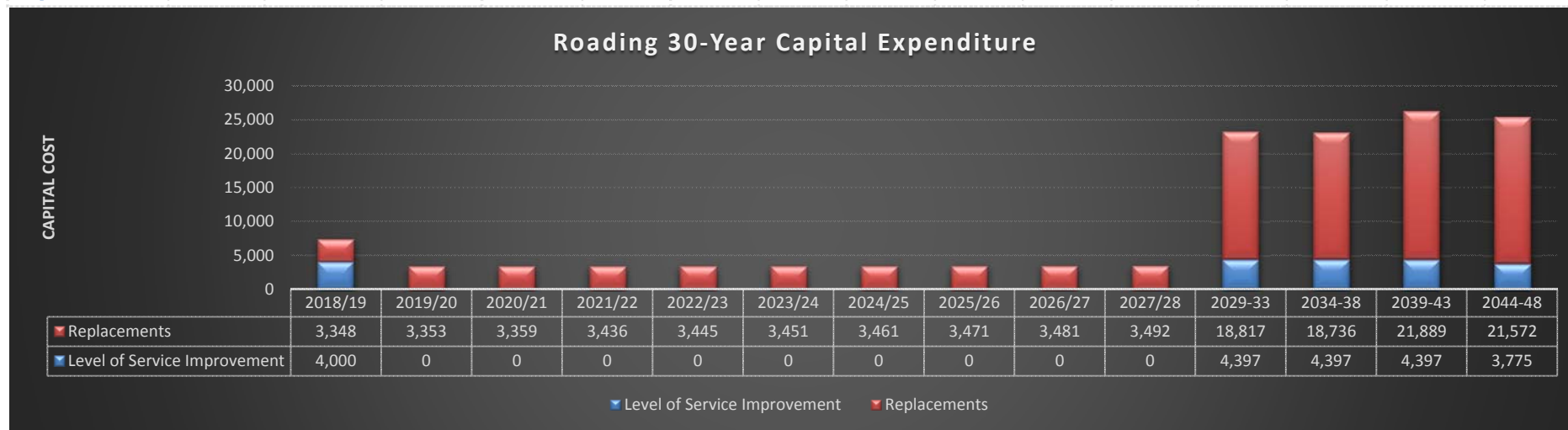
Response Options	Implications of Options
Differential levels of service for road hierarchy	<ul style="list-style-type: none"> • Many low volume roads will have minimal maintenance
Increase in contract prices due to cost escalations and new contracts	<ul style="list-style-type: none"> • Review the levels of service, contract specifications to remain affordable
Increase revenue to offset increases in household rates	<ul style="list-style-type: none"> • Provides affordable services
Increase the population of Stratford	<ul style="list-style-type: none"> • Bigger rating base to raise revenue

Issue 7 - The future of Whangamomona Rd as a tourist destination.

Response Options	Implications of Options
Investment required to improve the condition of Whangamomona Road	<ul style="list-style-type: none"> • Where are funds sourced for the improvements, community grants, NZTA? - Estimated to be \$1.5m to upgrade the road
Ongoing maintenance of this road to retain its appeal as a tourist destination	<ul style="list-style-type: none"> • Fund raising locally, incorporated into a targeted Roading rate - Approx. \$40k per annum for minimal maintenance
Consider removing the current road designation	<ul style="list-style-type: none"> • Could be seen as counter productive if this is being promoted as a tourist destination.

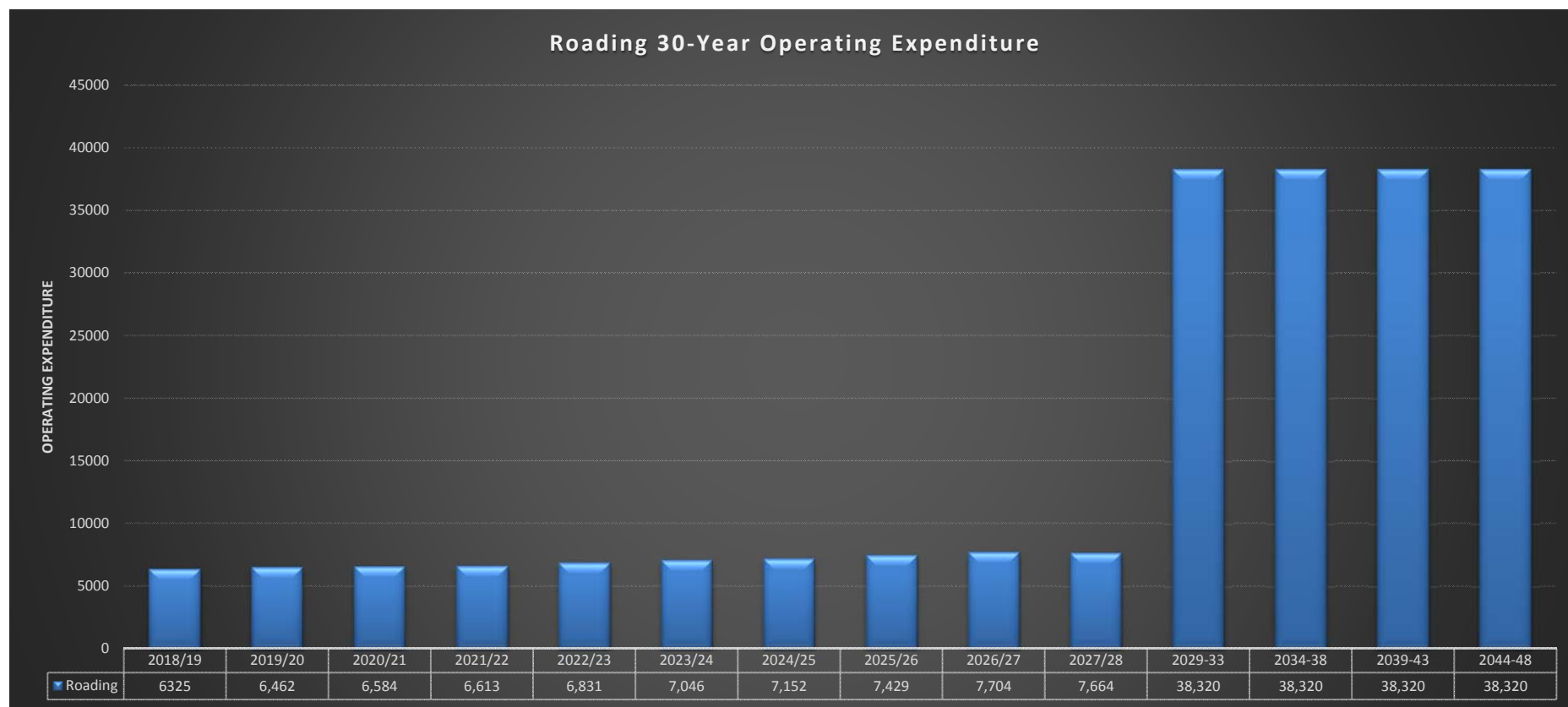
30-Year Capital Expenditure - Roading

	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25	26-30	
<u>Year</u>	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2029-33	2034-38	2039-43	2044-48	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Level of Service Improvement	4,000	0	0	0	0	0	0	0	0	0	4,397	4,397	4,397	3,775	20,968
Replacements	3,348	3,353	3,359	3,436	3,445	3,451	3,461	3,471	3,481	3,492	18,817	18,736	21,889	21,572	115,311



30 –Year Operating Expenditure - Roading

Year	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25	26-30	Total
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2029-33	2034-38	2039-43	2044-48	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000		
Roading	6325	6,462	6,584	6,613	6,831	7,046	7,152	7,429	7,704	7,664	38,320	38,320	38,320	38,320	223,090



Appendix 2: Water

Significant Issues and Options

The Significant Infrastructural Issues for the Water Supply Activity are detailed in the Asset Management Plan and summaries below.

- Water Use Efficiency and Conservation, including Water leakage detection and reduction;
- Reliance on a single treated water supply point for Stratford;
- Improvement in the reticulation system to deliver a reduction in or avoidance of unplanned water outages;
- Reliance on a single raw water source for Toko
- Maintain compliance with the drinking water standards and legislation (current and future)
- Stratford Water Treatment Plant capacity and storage increase

The options for addressing these significant infrastructural issues drive the Long-term financial forecast for the Water Supply Activity.

Issue 1: Water Use Efficiency and Conservation, including leakage detection and reduction

Response Options	Implications of options
Implement a Water Conservation Project that utilises the following methodologies: Leak detection survey Water model calibration Zones Pressure reducing valves Universal Water metering	This project primarily aims to satisfy the water conservation requirements of the Resource Consents (Water Permits), whilst also accounting for a potential increase in water demand. Implementing each facet of the project will all aid in reducing wastage and allow for demand capacity should that demand increase marginally.

Issue 2: Reliance on a single treated water supply point for Stratford

Response Options	Implications of options
Design and construct a	The Stratford water supply is dependent on a single

Response Options	Implications of options
second trunk main for Stratford water supply	AC and PVC trunk main which is approx. 42yrs old. There is potential for an extended loss of water supply for the whole township if the trunk main fails.
Do nothing/status quo	Respond if / when a trunk main failure occurs and activate appropriate Incident Response /Contingency Plan(s).

Issue 3: Improvement in the reticulation system

Response Options	Implications of options
Continue replacement of all known Asbestos Cement ('Everite') mains AND complete renewals/replacement as per forward works programme	There have been numerous reticulation issues with 'Everite' mains which is why Council has proactively looked to prioritise its replacement. Continuing the programmed replacement of the 'Everite' mains helps to minimise maintenance and replacement costs significantly.
Continue with the Implementation of rider mains in the water network	Rider mains represent a cost-effective way of distributing water within the network
Do nothing/status quo	Respond when a mains failure occurs and respond as appropriate.

Issue 4: Reliance on a single raw water source for Toko

Response Options	Implications of options
Investigate and construct a new raw water source for Toko water supply that meets the volume and quality requirements for the water treatment plant and water supply at the time.	The condition and vulnerability of the current bore water source for the Toko Water Supply is unknown. Before this asset can be adequately condition assessed, a viable alternative water source (ground or surface water) must be found should major issues be discovered. Investigating a new water source could also help alleviate issues with raw water quality from the current bore (ammonia).

Response Options	Implications of options
Do nothing/status quo	Respond when/if a major bore pump failure occurs and activate appropriate Incident Response/Contingency Plan(s).

Issue 5: Maintain compliance with the drinking water standards and legislation (current and future)

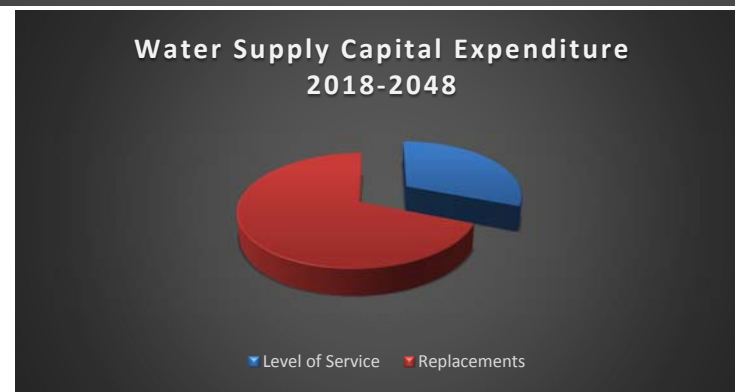
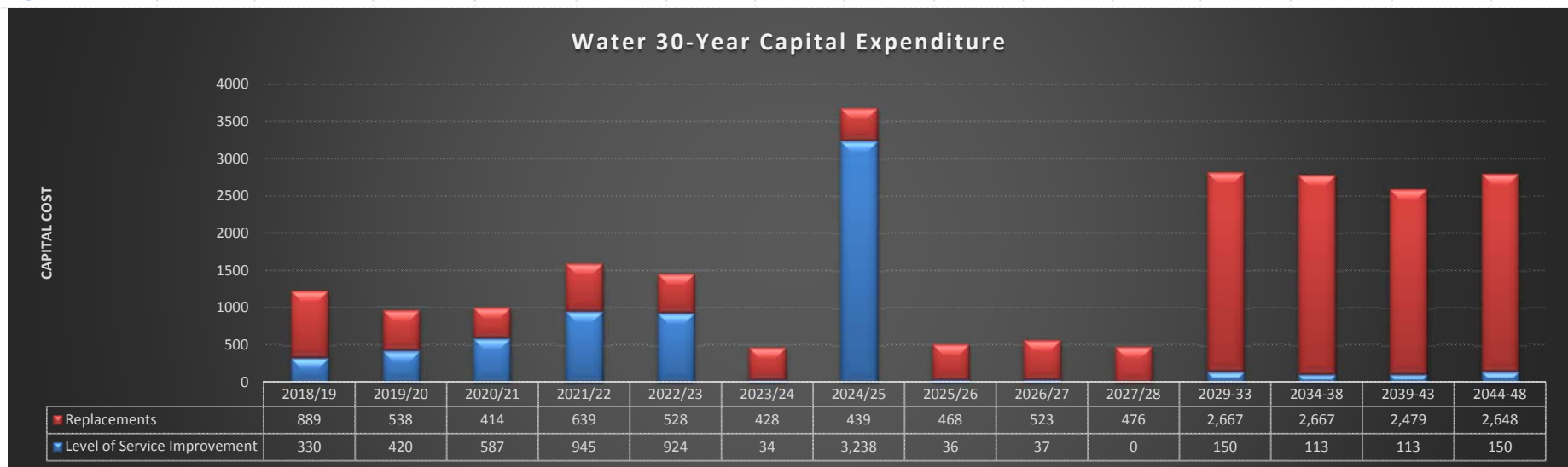
Response Options	Implications of options
Implement appropriate projects to allow SDC to maintain compliance with current Drinking Water Standards or legislation, and any new editions of the Drinking Water Standards or legislation: Membrane module replacements Patea grit tank renewal Future upgrades (if required)	All Council water supplies currently have the appropriate treatment systems required to meet current DWS and legislative requirements. Continuing to maintain the assets so they remain effective is important for continued compliance. There is also a possibility that compliance standards and legislation are updated so Council needs to be receptive and flexible if this does occur.

Issue 6: Stratford Treatment Plant Capacity and Storage Increase

Response Options	Implications of options
Implement appropriate projects to allow SDC to meet any future domestic and commercial growth need(s) within that Stratford Water Supply: Fill empty slots in current membrane racks Install and connect a third membrane rack (as allowed for in the treatment plant layout) Design, construct and commission a new reservoir appropriate for the demand Investigate and construct a new raw water source for Stratford water supply	According to the report from Natalie Jackson Demographics Ltd, the projected for population growth at best would be a 17.2% increase over a 30 year period. It is also assumed that the number of commercial connections could increase over that time. Therefore, these projects should help to alleviate the additional strain that this demand could put onto the water supply.

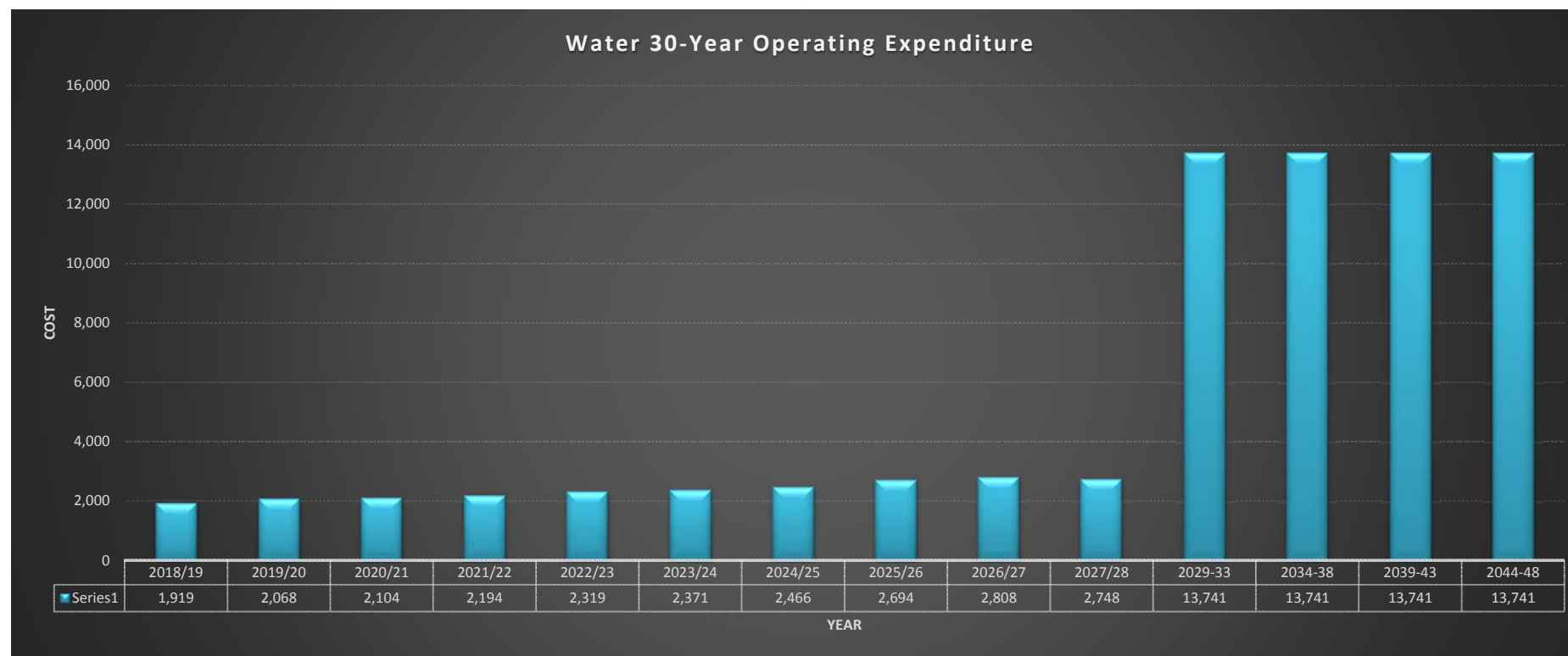
30-Year Capital Expenditure - Water

<u>Water Supply</u>	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2029-33	2034-38	2039-43	2044-48	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Level of Service Improvement	330	420	587	945	924	34	3,238	36	37	0	150	113	113	150	7,076
Replacements	889	538	414	639	528	428	439	468	523	476	2,667	2,667	2,479	2,648	15,804

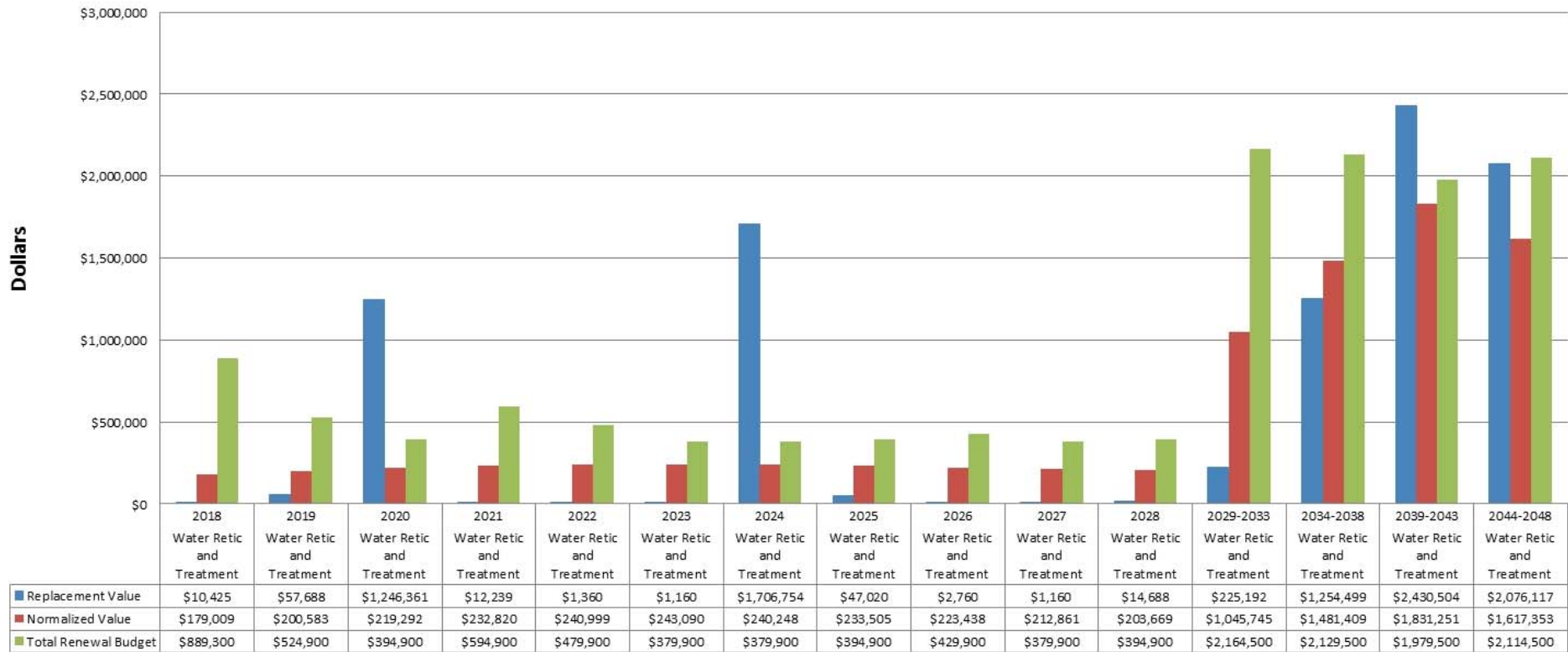


30-Year Operating Expenditure – Water

Year	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25	26-30	Total
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2029-33	2034-38	2039-43	2044-48	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Water Supply	1,919	2,068	2,104	2,194	2,319	2,371	2,466	2,694	2,808	2,748	13,741	13,741	13,741	13,741	78,655



30 –Year Replacement Profile - Water Treatment and Reticulation



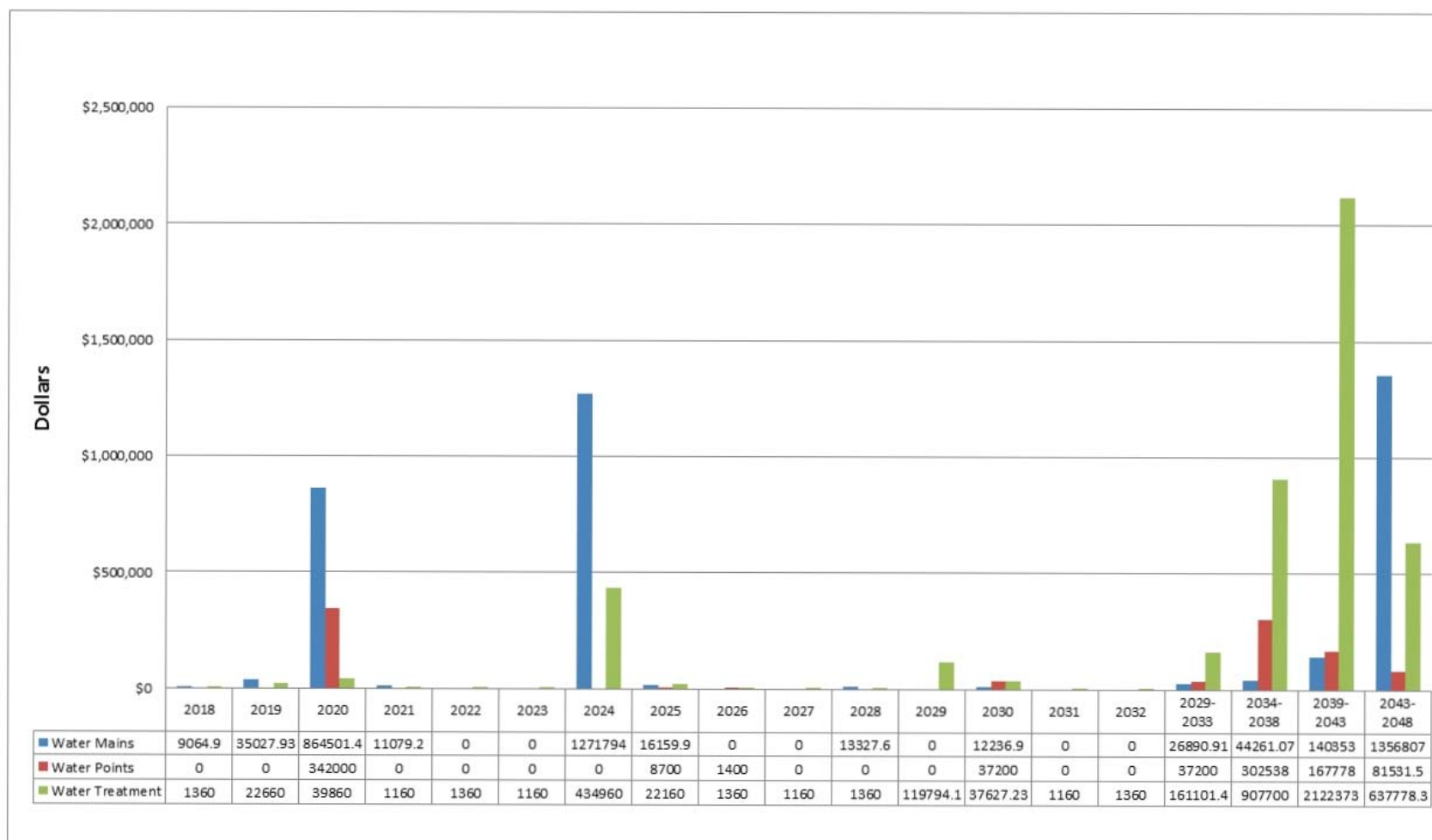
Legend:

Replacement value: The total amount to spend on replacement based on Council’s Asset Management System data;

Normalised Value – Total minimum budget recommended for spending to ensure the entire replacement programme is delivered in the long-term.

Total Renewal Budget – The optimum budget the Council has determined to spend to optimise the asset and service delivery

30 –Year Replacement Profile



Legend:

Replacement value: The total amount to spend on replacement based on Council’s Asset Management System data;

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Total Renewal Budget – The optimum budget the Council has determined to spend to optimise the asset and service delivery

Appendix 3: Wastewater

Significant Issues and Options Assessment

The Significant Infrastructural Issues for the Wastewater Activity are detailed in the Asset Management Plan and summarised below.

- Identification of long-term treatment needs for the Stratford Wastewater oxidation pond;
- Reticulation overload due to inflow/infiltration;
- Impacts of land-use changes (increase) and the ability to meet current and future reticulation needs;
- Management of trade waste discharges into the SDC wastewater network (incl. tanker discharge point)
- Understand the capacity of dynamics of the current wastewater network

The options for addressing these significant infrastructural issues drive the Long-term financial forecast for the Roading Activity.

Issue 1: Identify Long-term treatment needs

Response Options	Implications of options
Continue adding enhancements to the existing oxidation ponds based on the requirements of the existing discharge consent.	The option does not extend beyond the life of the existing 15 year consent.
Undertake a study to determine the community's long term wastewater treatment needs and implement the recommendations.	Adds security around ensuring expenditure on the existing treatment facility is appropriate.

Issue 2: Reticulation overload due to inflow/infiltration

Response Options	Implications of options
Continue CCTV inspections of the reticulation	CCTV inspections are undertaken as part of the network conditions assessments therefore no additional costs are incurred. Identifying areas of high infiltration allows Council to better focus funds.
Continue inspections of	The removal of stormwater increases the available

Response Options	Implications of options
private property to identify direct discharge of stormwater to sewer.	reticulation capacity during rainfall events.

Issue 3: Land-use changes versus future reticulation needs

Response Options	Implications of options
Continue reticulation renewals to replace the aging network reduce groundwater infiltration.	The removal of old leaky pipes, lowers maintenances costs and increases the network's capacity by removing infiltration, but will not necessarily provide sufficient capacity for growth.
Communicate with planners to identify areas of future growth.	Future size and location of future demand will be determined by the planning department. This information is required to ensure provision of future services can be accommodated.

Issue 4: Trade waste discharges into the wastewater network

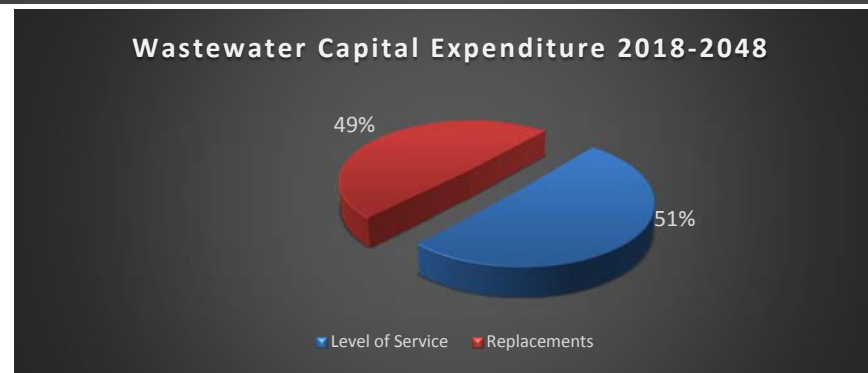
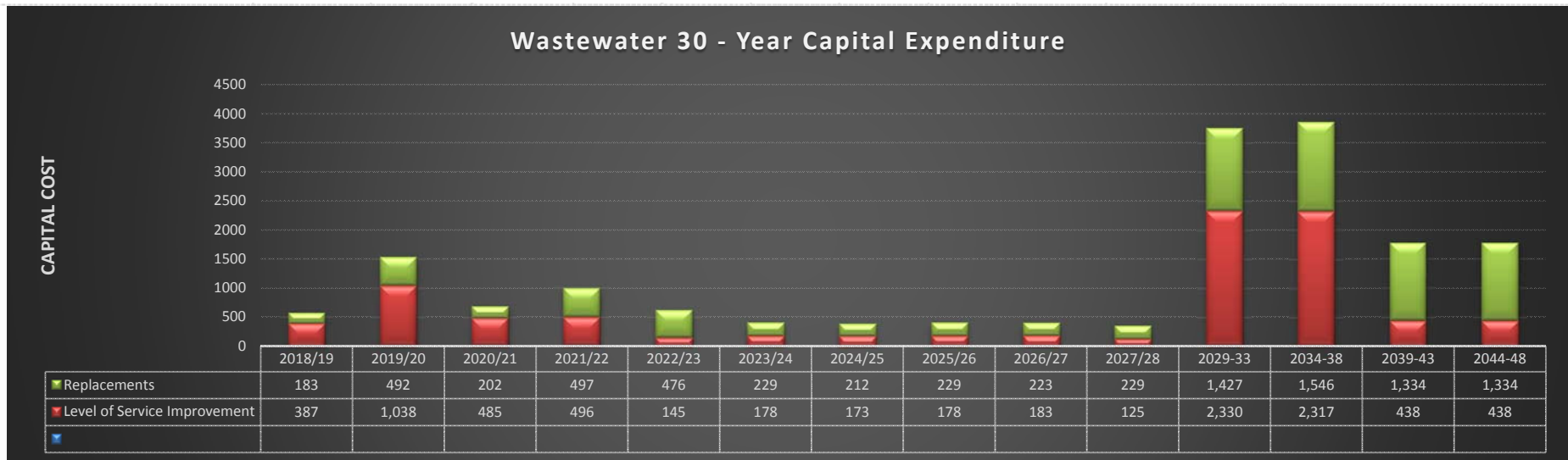
Response Options	Implications of options
Review and implement Trade Waste Bylaw	A full review of the Trade Waste Bylaw is required and should be completed to reflect the latest WWTP discharge consent conditions. Commercial connections will need to be monitored more closely, with a particular focus on grease traps.

Issue 5: Capacity/ Dynamics of the current wastewater network

Response Options	Implications of options
Full review and calibration of Wastewater model	The existing model is over 10 years old and needs updating in the near future to provide accurate information on where Council should undertake network upgrades and renewals (see issues 2 & 3).

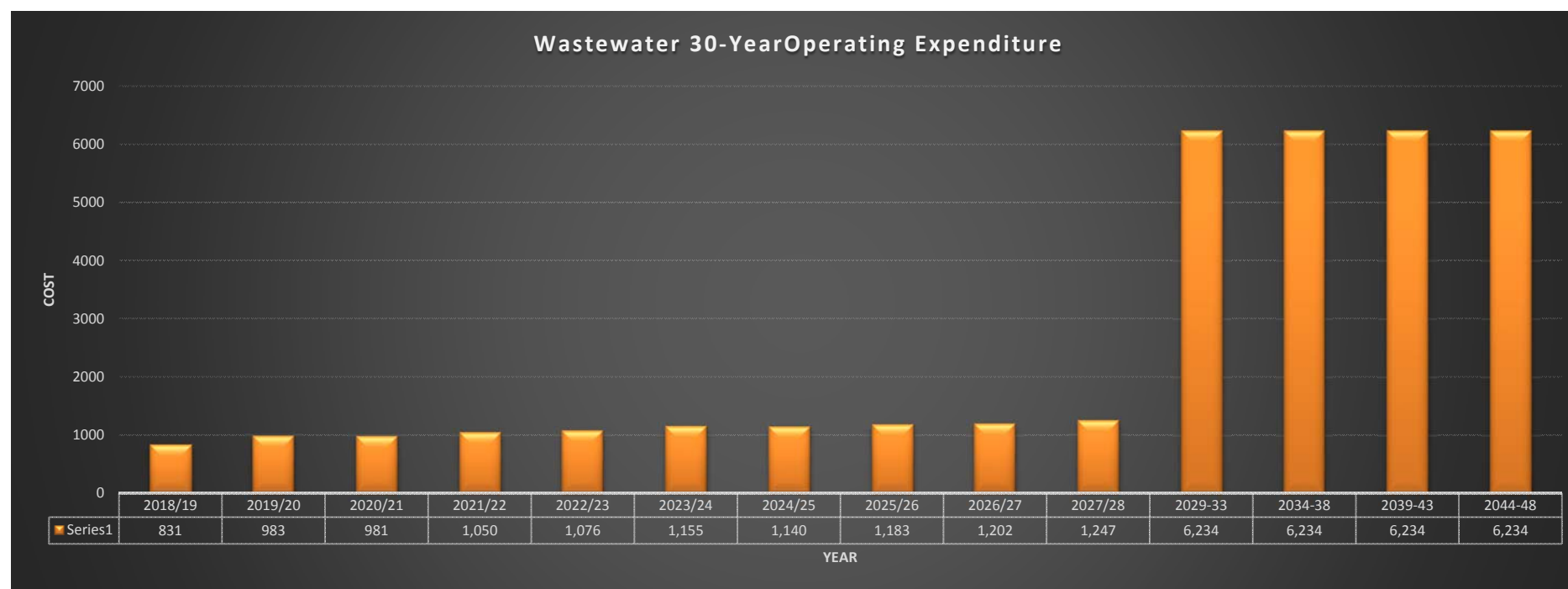
30 –Year Capital Expenditure- Wastewater

	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25	26-30	
<u>Year</u>	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2029-33	2034-38	2039-43	2044-48	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Level of Service Improvement	387	1,038	485	496	145	178	173	178	183	125	2,330	2,317	438	438	8,912
Replacements	183	492	202	497	476	229	212	229	223	229	1,427	1,546	1,334	1,334	8,613

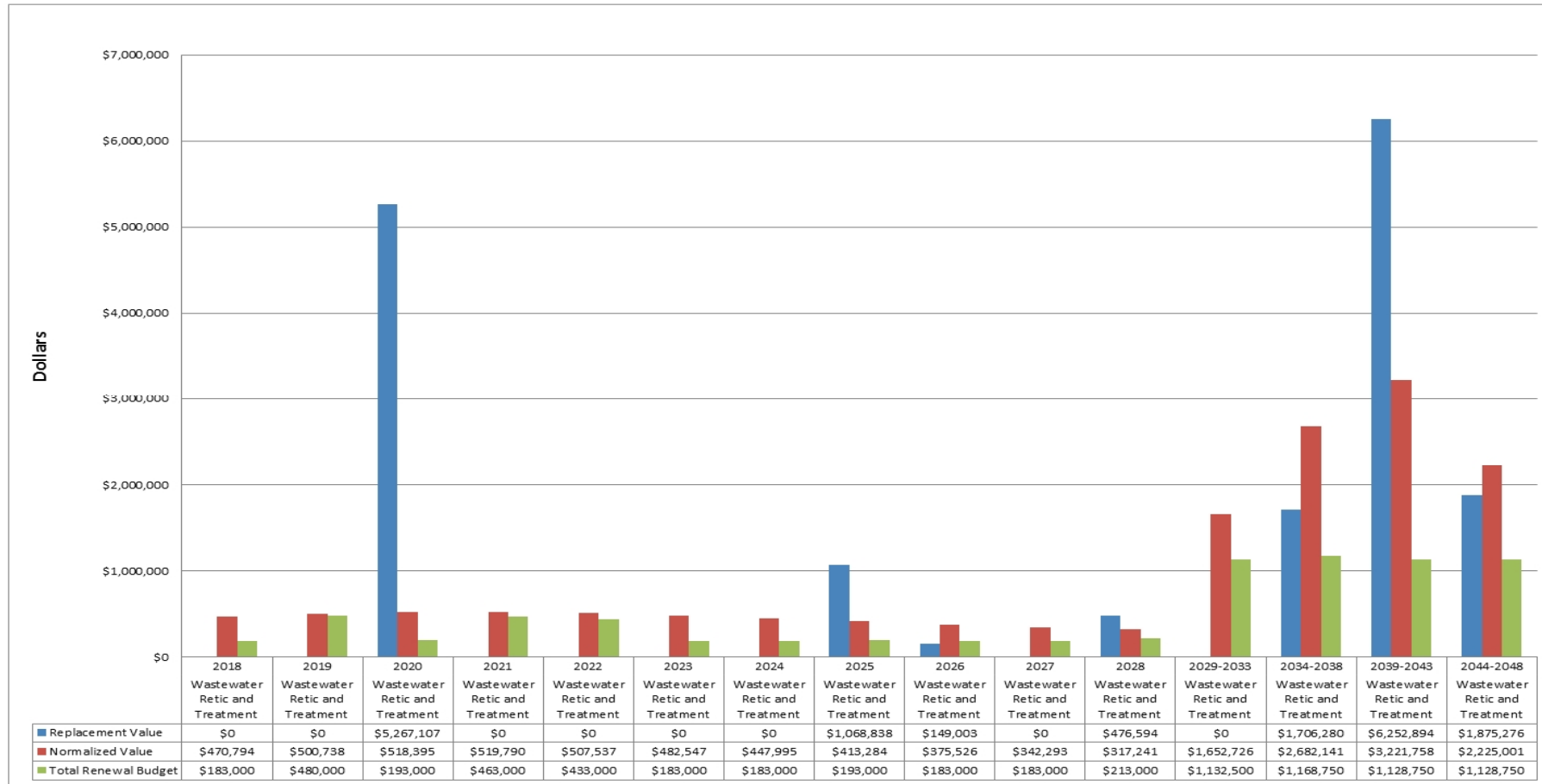


30-Year Operating Expenditure - Wastewater

Year	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25	26-30	Total
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2029-33	2034-38	2039-43	2044-48	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000		
Wastewater	831	983	981	1,050	1,076	1,155	1,140	1,183	1,202	1,247	6,234	6,234	6,234	6,234	35,784



30 –Year Replacement Profile - Wastewater Treatment and Reticulation



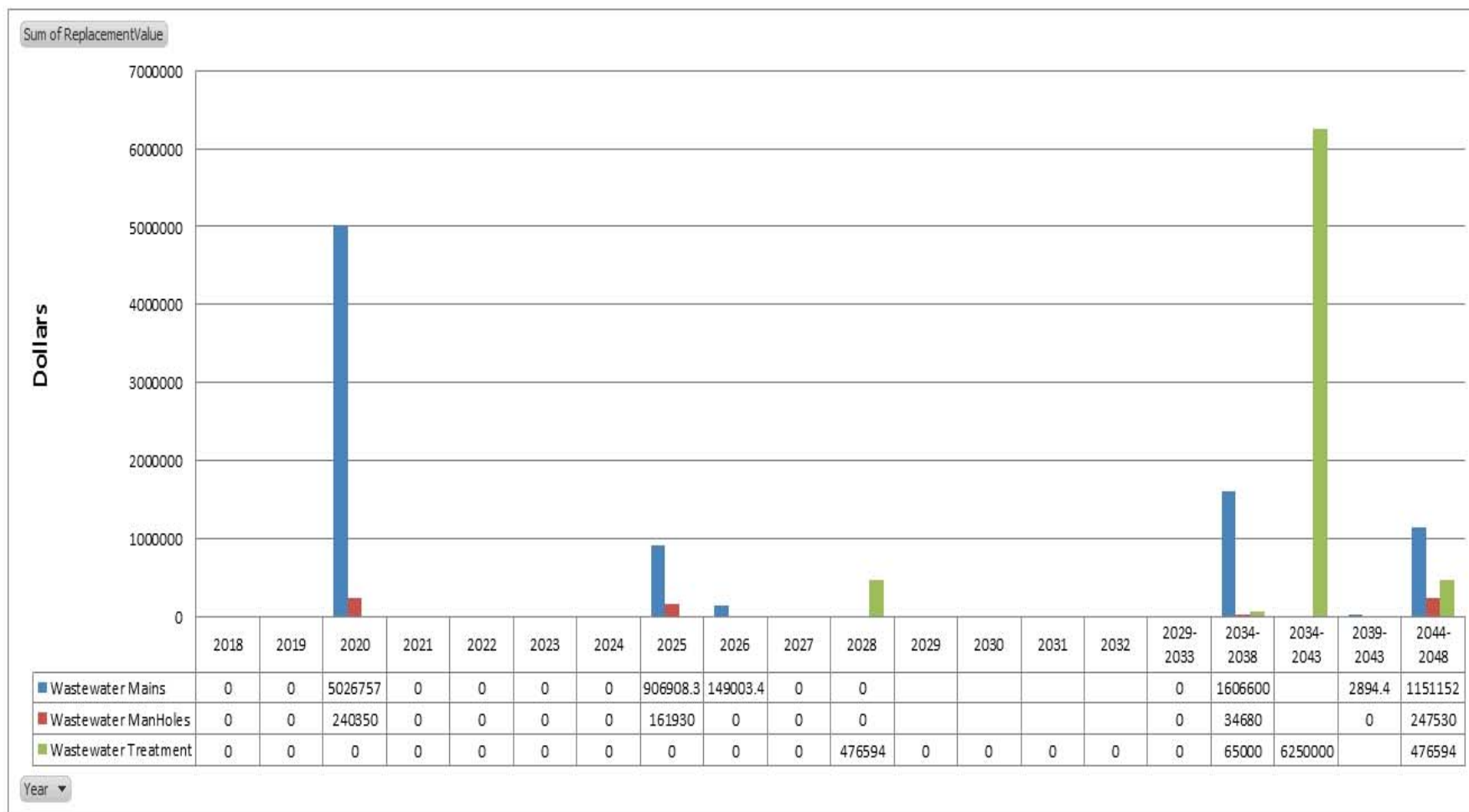
Legend:

Replacement value: The total amount to spend on replacement based on Council’s Asset Management System data;

Normalized Value – Total minimum budget recommended for spending to ensure the entire replacement programme is delivered in the long-term.

Total Renewal Budget – The optimum budget the Council has determined to spend to optimise the asset and service delivery

30 –Year Replacement Profile - Wastewater Asset by Type



Legend:

Replacement value: The total amount to spend on replacement based on Council’s Asset Management System data;

Normalised Value – Total minimum budget recommended for spending to ensure the entire replacement programme is delivered in the long-term.

Total Renewal Budget – The optimum budget the Council has determined to spend to optimise the asset and service delivery

Appendix 4: Stormwater

Significant Issues and Options

The Significant Infrastructural Issues for the Stormwater Activity are detailed in the Asset Management Plan and summarised below.

- Dealing with predicted climate change of warmer temperatures and greater rainfall;
- Managing the replacement of stormwater tunnels;
- Understanding the capacity/dynamics of the wastewater network;
- Protecting the public from injury due to inadequate or absent inlet structures; and
- Understanding Council’s liabilities in relation to private versus public stormwater mains.

The options for addressing these significant infrastructural issues drive the Long-term financial forecast for the Stormwater Activity.

Issue 1: Climate change

Response Options	Implications of options
Create a catchment management plan	Should improve stormwater management in the existing network
Upgrade/retrofit existing assets to accommodate a 1 in 100 year storm event	Very difficult and costly exercise

Issue 2: Replacement of stormwater tunnels

Response Options	Implications of options
Consider rerouting of larger waterways/pipeline/tunnels to be more accessible and within public land or easements	Properties currently connected to existing infrastructure will need to be accounted for in any new design route

Issue 3: Capacity / Dynamics of stormwater network

Response Options	Implications of options
Create a stormwater model	There is currently no stormwater model available for Stratford. This project will assist with design for future expansion, secondary flow paths and general asset renewal (including retention ponds).

Issue 4: Public safety

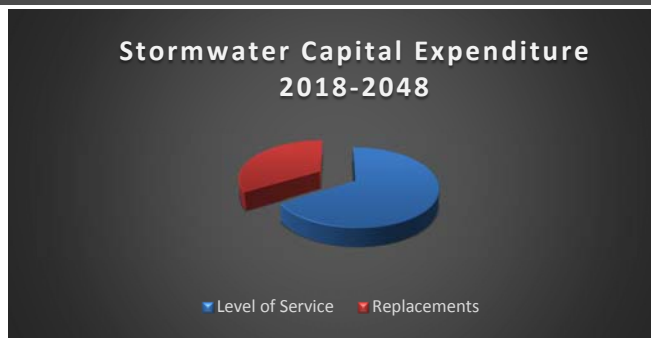
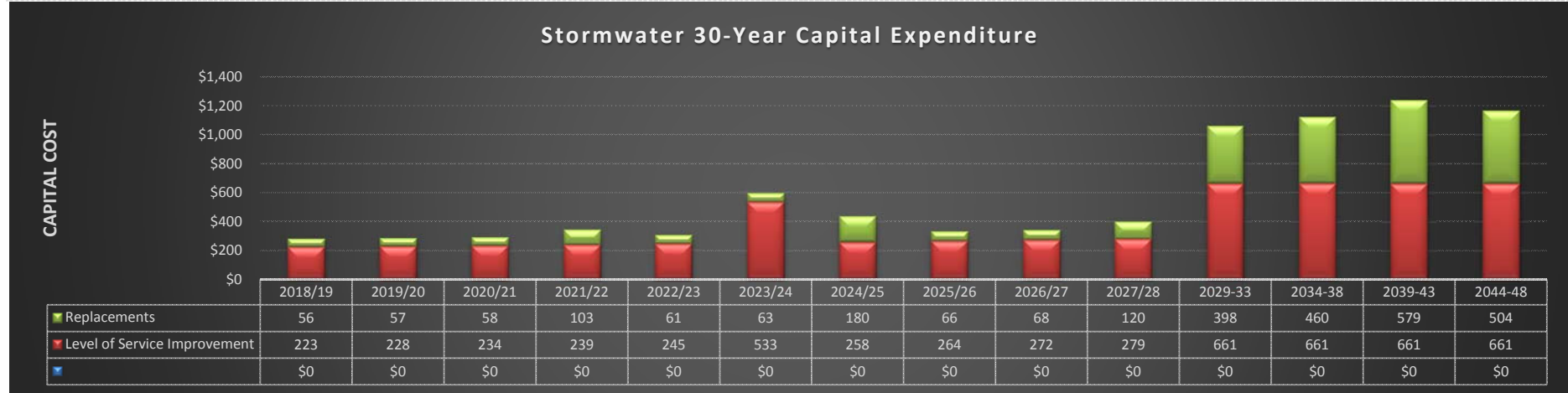
Response Options	Implications of options
Conduct an inlet structure study to ascertain the extent of potential upgrades required to meet public safety requirements	Knowledge of what inlet structures are in the network and whether they are adequate is not at an appropriate level. This study will help Council gain the appropriate level of knowledge required to plan for the construction of new, safe stormwater inlet structures.

Issue 5: Council’s liabilities - Private versus Public stormwater mains

Response Options	Implications of options
Conduct a stormwater network study to identify which stormwater drains are considered public or private	Currently, a decision on whether a drain is considered public or private is made on a case by case basis. This project is aimed at proactively resolving this issue across the whole network which will allow better planning, more accurate asset information (depreciation of assets) and effective maintenance on assets considered public.

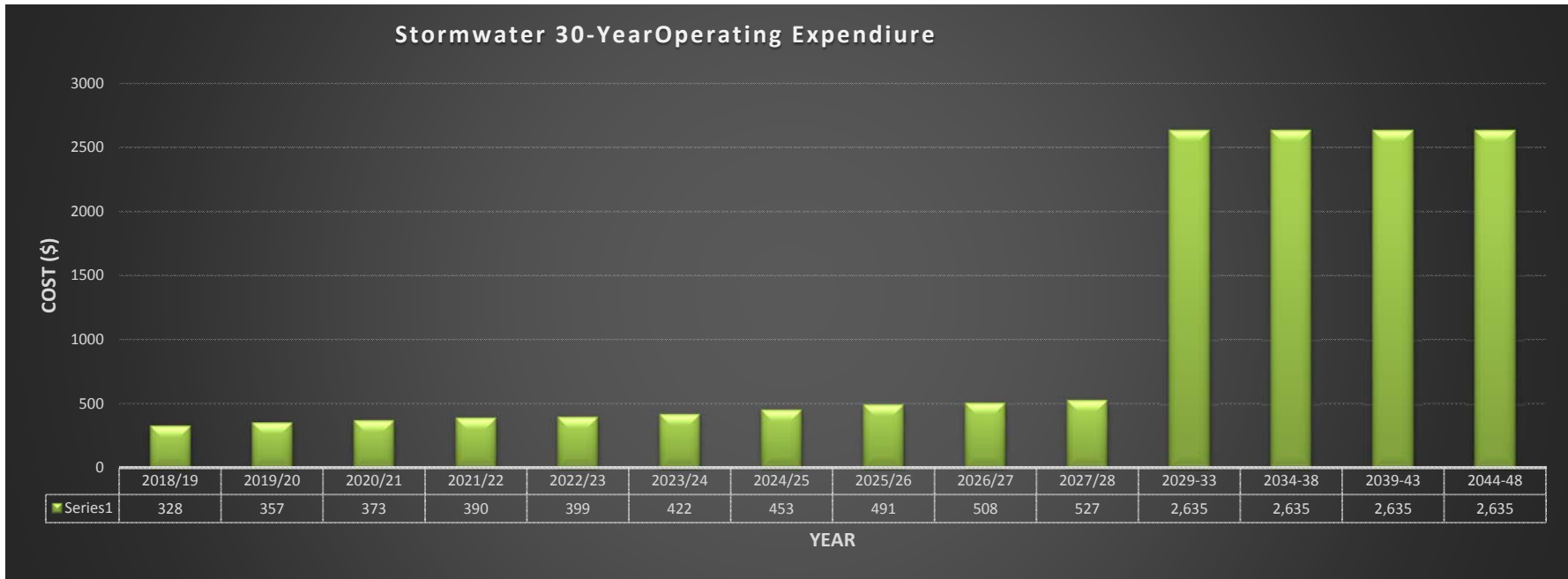
30-Year Capital Expenditure - Stormwater

Year	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25	26-30	Total
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2029-33	2034-38	2039-43	2044-48	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Level of Service Improvement	223	228	234	239	245	533	258	264	272	279	661	661	661	661	5,418
Replacements	56	57	58	103	61	63	180	66	68	120	398	460	579	504	2,771

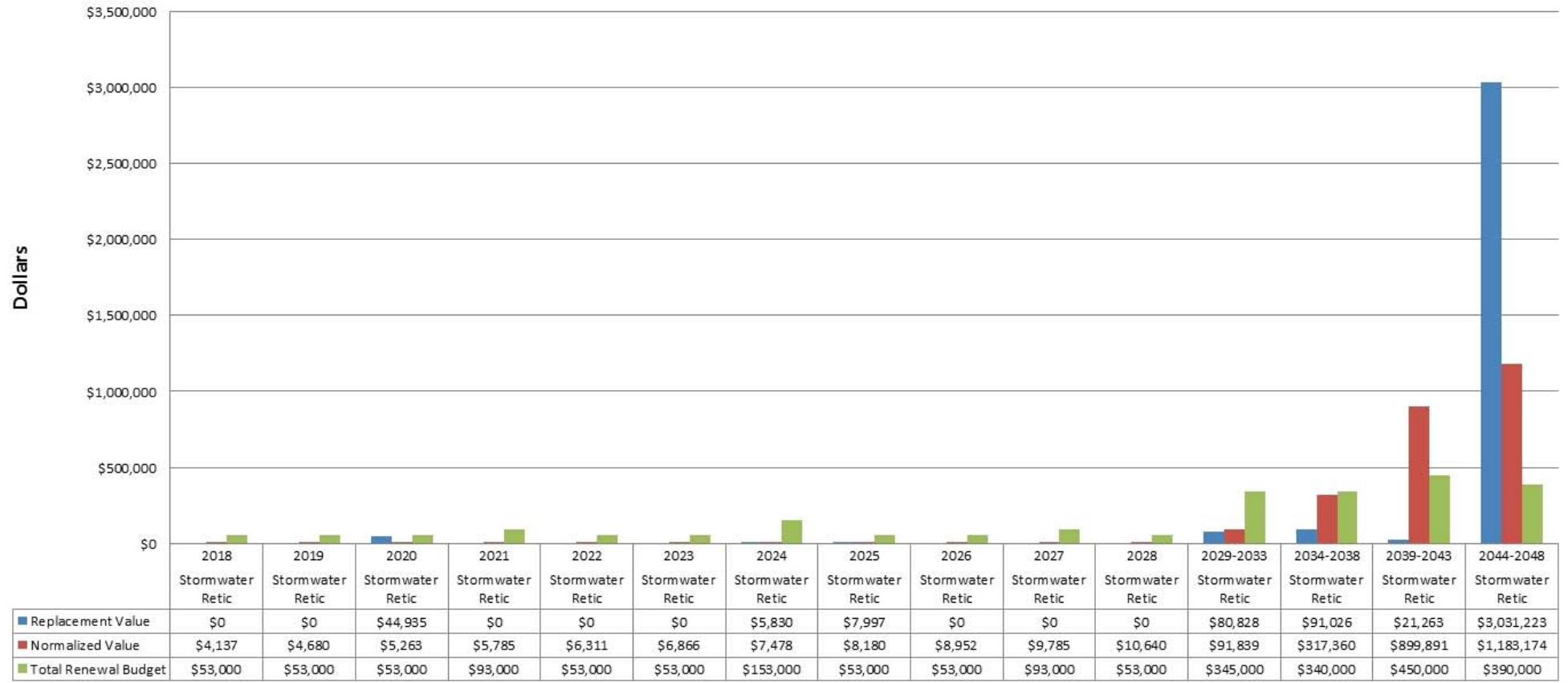


30-Year Operating Expenditure - Stormwater

Year	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25	26-30	Total
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2029-33	2034-38	2039-43	2044-48	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Stormwater	328	357	373	390	399	422	453	491	508	527	2,635	2,635	2,635	2,635	14,788



30 –Year Operating Expenditure- Stormwater Reticulation



Legend:

Replacement value: The total amount to spend on replacement based on Council’s Asset Management System data;

Normalised Value – Total minimum budget recommended for spending to ensure the entire replacement programme is delivered in the long-term.

Total Renewal Budget – The optimum budget the Council has determined to spend to optimise the asset and service delivery



61-63 Miranda Street
PO Box 320
Stratford
www.stratford.govt.nz

