

STRATFORD DISTRICT COUNCIL ANNUAL REPORT 2018/19



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OVERVIEW

Message from the Mayor and Chief Executive

Our Council

Highlights

Variations from Long Term Plan

Statement of Compliance



MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

Tēnā koutou katoa

Welcome to Stratford District Council's Annual Report for 2018/19.

Our 2018-2028 Long Term Plan focused on maintaining essential services while trying to keep rates affordable and at the same time maintaining and growing community facilities to ensure the Stratford District remains a desirable place to live, work and play. As a result, this first year of the 2018-28 Long Term Plan has seen a number of new projects and initiatives get underway.

Highlights of the 2018/19 financial year have been the:

- Significant progress made on the much needed Council led residential subdivision off Pembroke Road with strong interest in the sections that will be ready for sale in the first half of the coming financial year;
- Start of the planning work for the new swimming pool;
- Development of designs for the kids' bike park
- Preparations for the 2019 local elections;
- Ongoing high calibre of local and national exhibitions being showcased by the Percy Thomson Gallery;
- Whangamomona Republic Day, celebrating 30 years of "independence"; and
- First community Puanga event, held in partnership with Whakaahurangi Marae in June.

Aside from flagship projects, our core activities which often go unnoticed are key to delivering essential services to the community. Some highlights for the 2018/19 year were:

Drinking water compliance – once again, all three of our water schemes achieved full compliance and we stand firm in our belief that the community's needs for these services are best served locally.

Wastewater treatment – we are working on the most suitable solution to deal with our wastewater long term.

Footpaths – Following the completion of the roll-out of Ultra-Fast Fibre throughout Stratford, we have restarted the annual footpath replacement programme.

Roading – With a consistently high level of logging activity being the new normal, council continued to invest significant amounts into ensuring our rural road networks are safe to use as well as repairing the damage caused by the high level of use by heavy vehicles on roads never designed for this purpose.

Parks & Reserves – Over the course of the year, we undertook numerous small improvement projects across our parks and sports facilities which are all part of a long-term strategy, collectively ensuring that residents have access to great facilities. This included the installation of lights on the Malone gates.

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

Civil Defence – Following a review of the regional approach to civil defence where it was recognised that Taranaki as a whole was insufficiently resourced to deal with emergencies, council significantly stepped up its role in this field. The capability improvements include facilities, staffing, volunteer enrolment and training.

State Highway 43 – Discussions around the sealing of the last 12kms of State Highway 43, the Forgotten World Highway, date back over many decades, but it seems that this goal is moving closer. Driven by the needs of tourism, road safety, economic development and general community expectations, it feels like there is some progress being made. After a three year period of intense lobbying lead by the District Mayor, there is strong support from organisations throughout the regions to see this work completed and has most recently featured in the government’s announcements for investments from the Provincial Growth Fund.

Operating Results

We finished the year with an operating surplus of \$275,000 (before losses on the revaluation of property, plant and equipment; and financial assets), compared to a budgeted surplus of \$7,153,000. The funding application of \$3,400,000 to the Tourism Infrastructure Fund was declined, and as no sections in the council led subdivision were available for sale as at 30 June 2019 there was no corresponding revenue.

Financial Position

The Statement of Financial Position shows equity is less than we anticipated, which is primarily due to a decrease in the revaluation of Council assets which was completed as at 1 July 2018.

General Performance

Responses from our annual customer survey showed a high level of satisfaction. Once again good responses were received on Stratford being an attractive place to live (93% agreed), Stratford being a safe place (94% agreed), and Stratford offering a healthy lifestyle (96% agreed). Performance as measured by Council’s Key Performance Indicators was strong, with 76.67% of targets being achieved (2017/18 was 75.23%). For many of the targets not achieved, work to remedy the underlying cause has been completed and further work to address shortcomings will be included in the upcoming annual plan.

Overall, this has been a very successful year for Council as we continue to strive for excellent service standards. The year ahead looks both exciting and challenging with high community expectations that the council will deliver on all Long Term Plan commitments.

Nā māua noa, nā



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

Sven Hanne
CHIEF EXECUTIVE



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

Neil Volzke, JP
DISTRICT MAYOR



OUR COUNCIL

Mission Statement

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

Our Vision

A progressive, prosperous district where communities are celebrated.

Our Values

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

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

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

Pride - Take pride in our performance and our organisation.

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

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



COMMUNITY OUTCOMES

Overall Vision

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

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

To 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.

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		✓	✓			✓	✓

The above activities continue to deliver positively towards their intended outcomes as planned.



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 Ngāti Ruanui, Ngāruahine, Ngāti Maru, Ngāti Mutunga, Ngā 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 1991.

Schedule 10(8) of the Local Government Act 2002 further requires Council to 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.
- Facilitate involvement in significant events.
- Offer training for Council staff and Councillors on marae protocol, local history and related legislation.
- Provide an interpreter on request should Māori wish to present submissions to Council in Te Reo Māori.

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



COUNCIL STRUCTURE

ELECTED MEMBERS

Council consists of a District Mayor and ten Councillors.

DISTRICT MAYOR

Neil Volzke, JP
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URBAN WARD

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Councillor Gloria Webby
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RURAL WARD

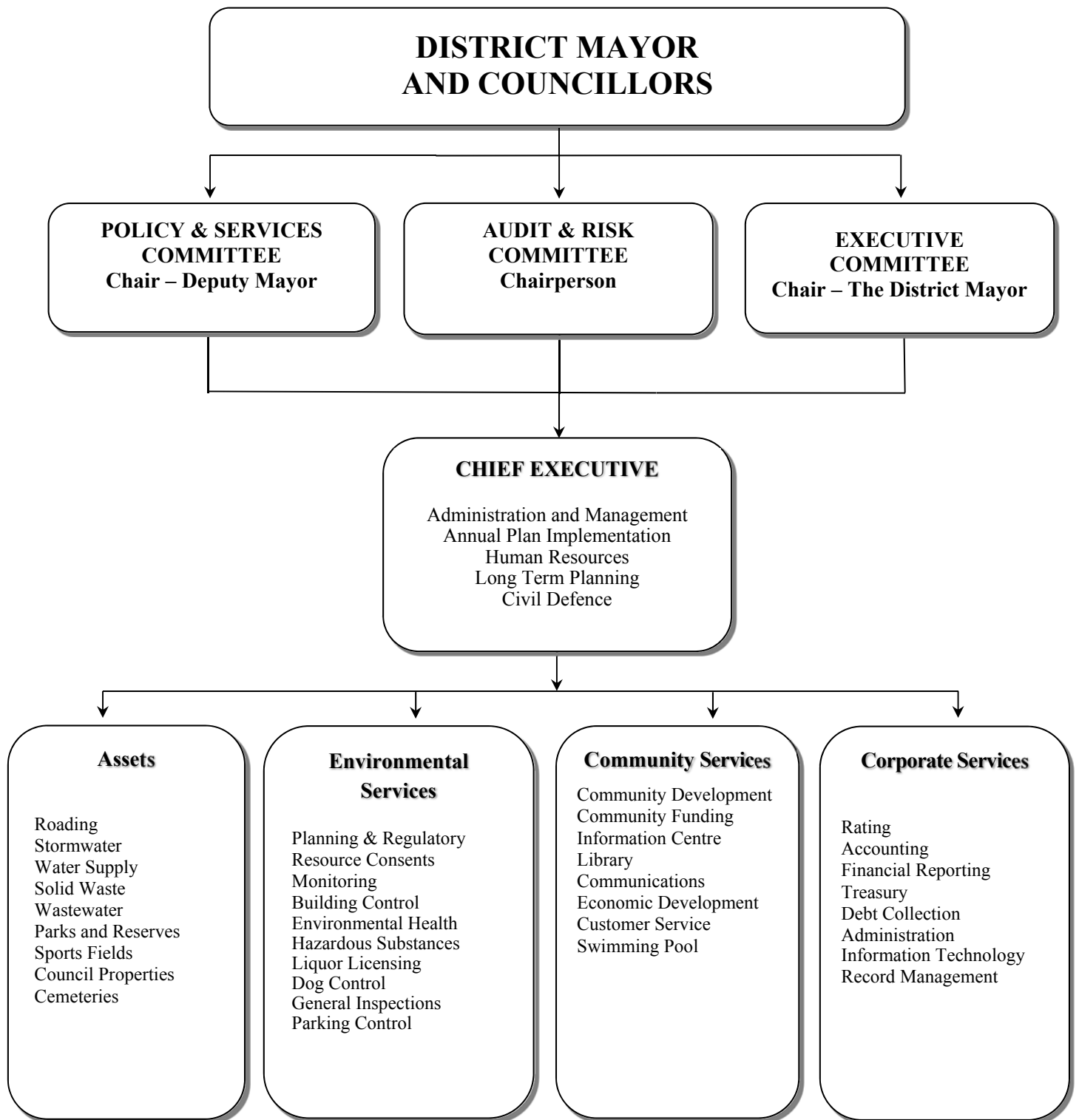
Councillor Grant Boyde, JP
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Council Governance



HIGHLIGHTS

The purpose of this Annual Report is to outline the financial performance for the 2018/19 year, identify any changes from the 2018-2028 Long Term Plan (LTP), contribute to the accountability of the Council to its community, and extend opportunities for participation by the public in decision-making processes.

RATING BASE and STATISTICAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2019	
Rating Base Information	
Rating units within Stratford District Council at the end of the preceding financial year (30 June 2018)	
- Number of Rateable Assessments	4,699
- Total Number of Rating Units	5,065
Valuations of the district (including non rateable)	
- Land Value of Rating Units	\$2,013,244,500
- Improvements	\$1,229,357,300
- Total Capital Value of Rating Units	\$3,242,601,800
Statistical Information	
	30 June 2019
Land Area	2170 sq km
Population (as per 2013 census)	8,988
Public Debt / Term Liabilities	\$14,500,000
Debt per Head of Population	\$1,613
Debt per Rateable Assessment	\$3,085.76
Debt Servicing as a Percentage of Rate Revenue (max 20%)	3.83%
Full Time Permanent Staff at 30 June 2019	40
Roads - Sealed	391.1 km
- Unsealed	206.7 km

The operating result for the year ended 30 June 2019 demonstrates the Council's commitment to delivering its services to the community within the financial parameters of its LTP.

For the years ended:	30-Jun-19	30-Jun-19	30-Jun-18
	Actual	Budget	Actual
	\$000	\$000	\$000
Revenue			
- Rates	12,256	12,279	11,492
- All Other Revenue	7,367	12,757	6,061
Total Revenue	19,622	25,036	17,553
Total Operating Expenditure	19,347	17,883	16,672
Net Surplus (Deficit)	275	7,153	881
Capital Expenditure	7,176	12,005	8,269
Working Capital (excludes current portion of debt repayment which will be refinanced immediately)	3,532		3,643
Current Ratio (Budget not to be less than 1:1)	1:1.09		2.16:1
Public Debt per Head of Population	\$1,613		\$1,564
Rates per Head of Population	\$1,364		\$1,279

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

Council's net worth has decreased from \$317.4 million to \$312.1 million a decrease of \$5.3 million primarily due to the revaluation of the infrastructure assets, overall Stormwater, Water supply and Wastewater had an increase in the revaluation, however Roading had a significant decrease in the revaluation as at 1 July 2018. This was mainly due to the change in the unit rate replacement costs based on the current contract.

Financial Strategy

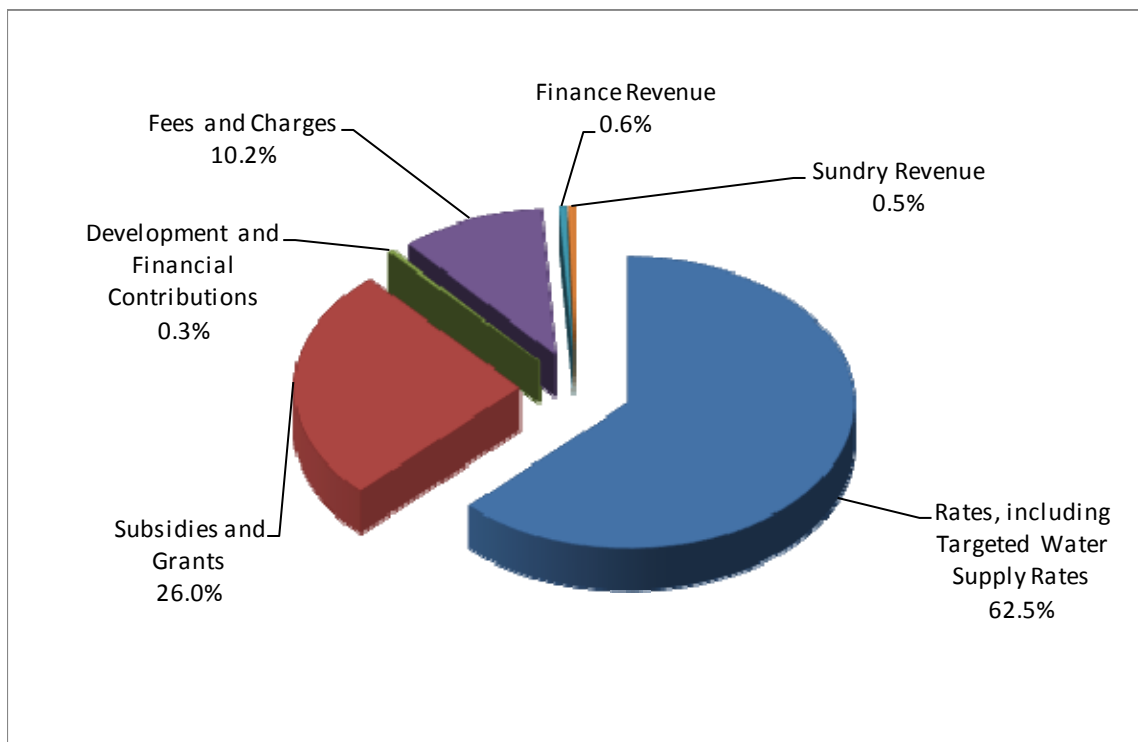
The Financial Strategy was updated by Council in 2018 and is within the LTP 2018-28 document. The objective of the Financial Strategy is to ensure that debt, revenue, and expenditure are managed in a way that ensures service levels are able to be maintained in a financially sustainable way. To achieve this, the Council has set limits on debt, rates increases, and the UAGC, as outlined below. In 2018/19, the rates increase limit was exceeded, all other measures were in compliance.

		Council's Target (limits)	LTP – 2018/19	Actual – 2018/19
Debt	Net debt as a % of total annual revenue	<100%	42%	60%
Income & Affordability	% Rates Increase	<4.45%	4.75%	6.66%
Fixed Rate	Uniform Annual General Charge (UAGC)	<30%	21%	24.5%

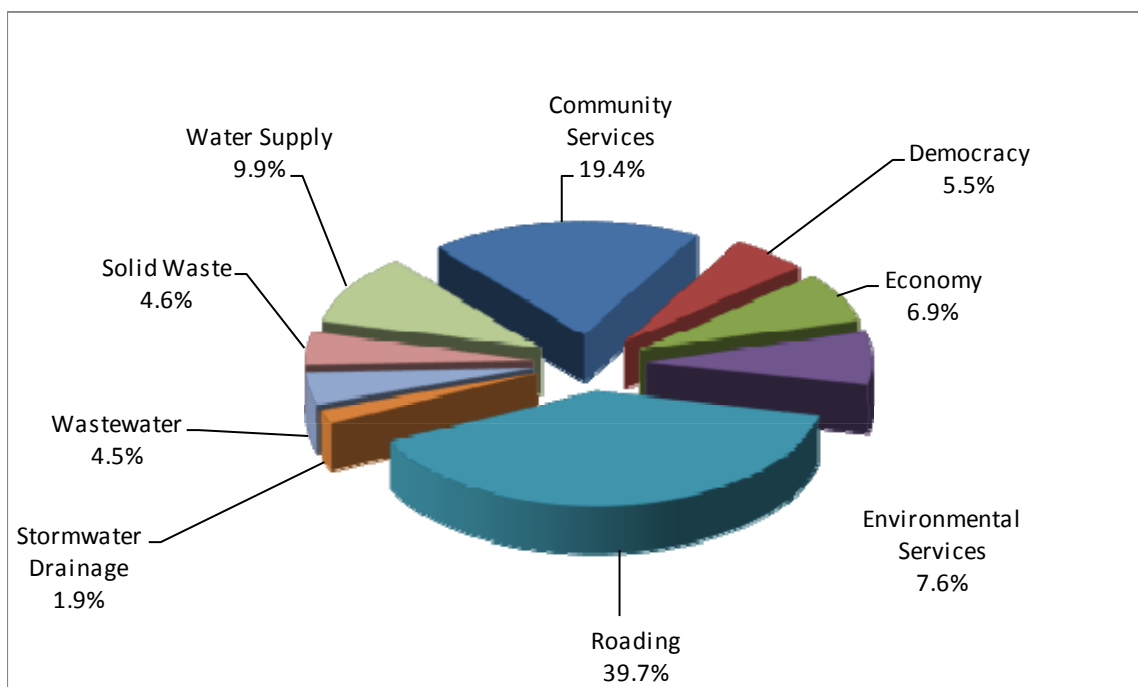
Net debt levels are within the targeted limits. Council has gross borrowings of \$14.5 million at interest rates ranging from 3.65% down to 1.99%.

Financial Overview

SOURCE OF REVENUE – COUNCIL ONLY



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



VARIATIONS TO THE LONG TERM PLAN

The following table shows the variances to the Long Term Plan for the year ended 30 June 2019.

	Actual \$000	Budget \$000	Variance \$000	Variance %
Net Operating Cost				
Community Services	3,120	3,130	10	0.304%
Democracy	983	962	(21)	(2.17%)
Economy	658	567	(91)	(16.01%)
Environmental Services	938	1,105	167	15.08%
Roading	2,122	2,525	403	15.95%
Stormwater Drainage	358	328	(30)	(9.12%)
Wastewater	787	761	(26)	(3.40%)
Solid Waste	754	776	22	2.81%
Water Supply	1,510	1,433	(77)	(5.37%)
Total	11,230	11,587	357	3.08%
Capital Expenditure				
Roading	3,644	7,348	3,704	50.40%
Stormwater	24	278	254	91.17%
Water Supply	862	1,219	357	29.30%
Wastewater	499	570	71	12.49%
Parks and Reserves and Cemeteries	77	347	270	77.85%
Property	446	295	(151)	(51.19%)
Council Projects	1,525	1,710	185	10.85%
Other	119	237	118	49.85%
Total	7,196	12,005	4,809	40.06%

Operating Costs

Community Services

Community Development expenditure above budget was a result of external funding received. The increase in expenditure is matched by an increase in income.

Economy

Information Centre expenditure was over budget due to a delay in the relocation of the iSITE to the Library complex.

The net operating cost of the farm was higher than budget due to the reduced milk solids payout and increased expenditure required.

Environmental Management

Building control expenditure was under budget due to lower than anticipated legal and consultant expenditure.

District Plan expenditure was under budget as the review of the plan is progressing slower than anticipated.

Net cost for Resource Consents was less than budget as a result of the increase in revenue from user charges.

Net cost for Bylaws was over budget as revenue was considerably less than anticipated.

Net costs for Liquor Licensing was less than budget as the work required for the Local Alcohol Policy review has not yet taken place.

Roading

Net cost for roading was less than budget primarily due to the receipt of a hardship grant from NZTA towards the 2015 storm event.

Stormwater

Stormwater expenditure was over budget primarily due to the increased depreciation charge as a result of the asset revaluation as at 1 July 2018.

Water Supply

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

Capital Expenditure

Parks and Reserves and Cemeteries

Sports Field Drainage – this was under budget as an alternative and much cheaper solution to rectify the drainage problems is being trialled.

Discovery Trail – this was not spent as a decision was still to be made on branding.

Economy

This was over budget primarily due to the costs associated with the addition of the sharemilker's house at the Council farm. This will be offset by a future sale of the existing house.

Roading

Roading expenditure was under budget due to an unsuccessful application to the Tourism Infrastructure fund.

Stormwater

Stormwater expenditure was under budget as projects have been combined into one project to be undertaken in 2019/20 with the associated budget to be rolled over.

Water Supply

Water supply expenditure was under budget as the design for the grit tank replacement tank at the Stratford Water Treatment Plan is still in progress.



STATEMENT OF COMPLIANCE

COMPLIANCE

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

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

His Worship the Mayor
N C Volzke
29 October 2019

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

Chief Executive
S Hanne
29 October 2019



COUNCIL SERVICES

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 and Emergency Management

Roading

Stormwater

Wastewater (Sewerage)

Solid Waste

Water Supply

Council Controlled Organisations

Percy Thomson Trust



COUNCIL SERVICES

GROUPS OF ACTIVITIES

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

GROUP	ACTIVITY	SERVICES
<i>Community Services</i>	Aerodrome	
	Civic Amenities	Civic Amenities & Toilets Pensioner Housing
	Community Development Library Parks, Reserves & Cemeteries TSB Pool Complex	
<i>Democracy</i>		Democracy Corporate Support
<i>Economy</i>	Economic Development Information Centre	
	Rental & Investment Properties	Farm Holiday Park Rental Properties
<i>Environmental Services</i>	Building 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.



PERFORMANCE REPORTING

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

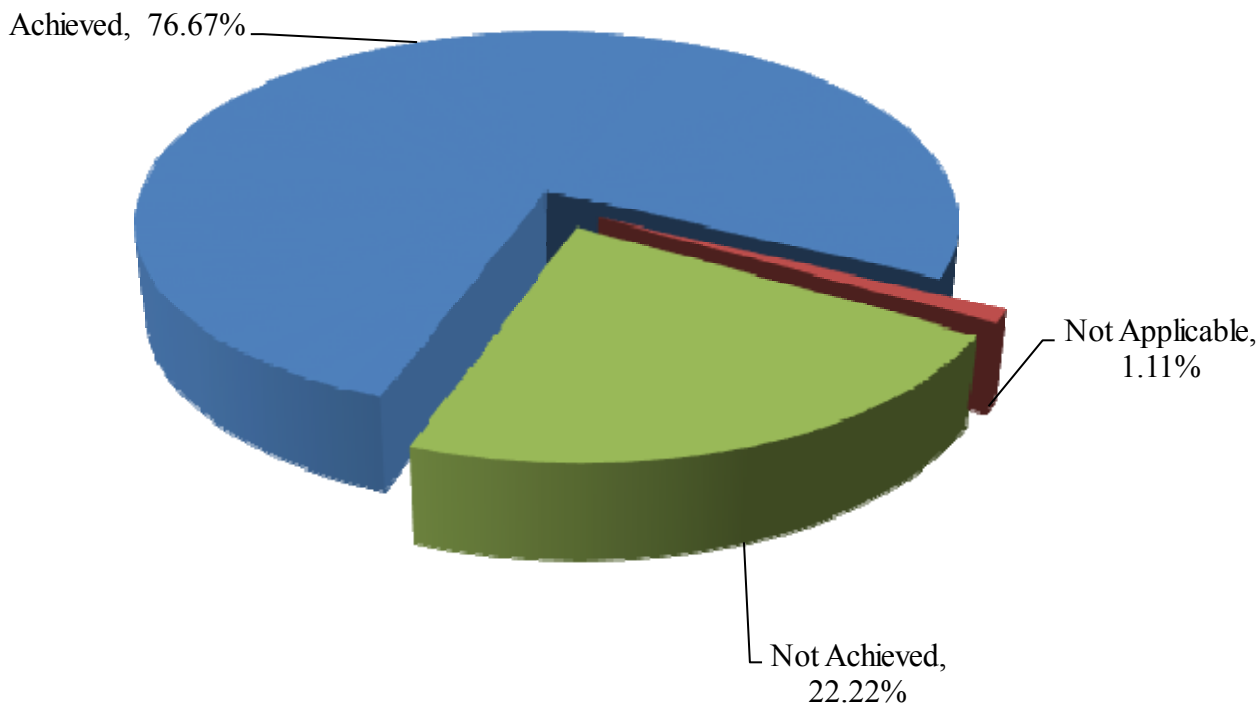
Achieved Required actions have been completed and the intended level of service has been achieved.

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

Not Applicable No action was required during the year.

Note - This does not include the three performance measures on pages 62, 66 and 72, for complaints received in the CRM reporting system for Stormwater, Wastewater and Water Supply.

Performance Measures Pie Chart



Performance Measures Not Achieved

Activity	Reason
Library – Number of Visitors	The door counter failed to record numbers on a total of 31 days throughout the year so figures are not able to be relied on. Although door count figures show a reduction in numbers through the door, the number of books issued has increased from the previous year by 3,000. This would indicate there has actually been an increase in usage of the library.
Library – number of sessions accessing The People’s Network	Due to the contract for The Peoples Network changing during the year, statistics were unable to be recorded for a period of 3 months.
Cemeteries, Parks and Reserves – Percentage of residents satisfied with cemeteries	Midhirst Cemetery brought the percentage down, as Kopuatama Cemetery reached over 80% satisfaction. It was noted in survey responses that the Midhirst Cemetery looks unwelcoming and under kept. Contractors have since been instructed to ensure that the cemeteries are well-maintained.
Cemeteries, Parks and Reserves – Number of complaints	A large number (41) of the complaints and requests related to berm trees that have been causing issues by restricting vision from driveways or the roadside. Contractors have been advised to proactively trim these. Public toilets (18) were also an issue due to blockages, vandalism and graffiti.
Democracy – Ensure that the Health and Safety manual is reviewed.	Health and Safety Policy reviewed, and a full review of the manual will be brought to the Audit and Risk Committee in December.
Economic Development – 11 Stratford Business Association Meetings are held	Due to a lack of quorum, the August 2018 meeting was postponed and eventually cancelled.
Economic Development – number of visitors to the website	This figure shows consistent engagement with our website continues. It will always vary year on year depending on the level of engagement or need by the community to access information via our website. Significant events in previous years have driven higher than expected numbers to our website i.e., weather events, events, water outages and LTP consultation. Therefore, we will occasionally see a figure lower than that of the previous year.
Economic Development – community satisfaction on how Council keeps them informed	Engagement with the community varies year on year, in 2018/19 there were less opportunities for consultation. For example in 2017/18 there was LTP consultation, meaning increased engagement from Council and therefore a heightened awareness of this engagement from community members.
Information Centre – Number of people to the Information Centre	The main contribution to the drop in numbers for the AA and domestic visitors is likely to be the increased availability of on-line booking sites. This follows the national trend in the reduction of face to face bookings, with clients opting to book on-line.
Building Control – Building consent applications processed within 20 days.	Two building consents went over the statutory clock. Both of these transgressions were a result of inaccurate descriptions applied to on-line payments by the applicant. Council raised this matter with IANZ and no further action was required.

Building Control – LIMs processed within 20 days	One application went over time due to administration error.
Building Control – Customer Satisfaction	The customer satisfaction survey returned a 79% satisfaction rate. It is envisaged that ongoing process improvements and a move to digital lodging and processing will improve customer satisfaction and experience.
Planning & Bylaws – District Plan Review	This project is ongoing and will continue during 2019/20 financial year. It is expected that the review will be completed by 30 June 2020.
Planning & Bylaws – Resource consents processed within statutory timeframes	1 non-notified consent (out of 52) over time due to a high workload and limited staffing available at the time.
Environmental Health – Percentage of known dogs registered	97% of all known dogs were registered. On-line and part payment options have been implemented and it is envisioned that this will increase registration percentage.
Roading – Footpaths	Council relies on condition rating data for this measure, with the next footpath survey due in 2020. Staff expect the number to improve in the next survey, as several footpaths have been replaced recently. This will increase the rating to approximately 45.0% as at 30 June 2019.
Roading – Roading Networks Customer Satisfaction	There appears to be an increasingly large number of heavy vehicles using the roads, resulting in an increase in wear and tear of the network. Several complaints relate to the annual chip sealing programme with loose stones and bleeding bitumen caused by a hot spell during the Christmas /New Year period. Council is looking to change the type of bitumen used in the future. A number of comments relate to the condition of SH3 which is not a council maintained road.
Solid Waste – Percentage of council controlled waste stream that is recycled.	There was however a slight increase from the previous year, however, despite increasing promotion, the total amount of recyclables did not quite meet the target of >25% by weight.
Water Supply – Maintenance of reticulation network – (Midhurst – Not Achieved)	High bench loss for Midhurst can be attributed to two factors: 1) Water theft was occurring last spring and summer, which has now ceased due to media attention. 2) Leaks and the use of multiple connections to non-metered properties. Council has recently installed 30 more water meters in Midhurst, which has had a dramatic effect on consumption.
Water Supply –Number of Unplanned Disruptions – Minor (Between 5 and 50 connection's affected)	Majority of disruptions related to strikes due to the installation of broadband by external contractors.
Percy Thomson Trust – herbarium	The trust are currently looking at an alternative arrangement to deliver the herbarium via a third party, it is expected that the herbarium will be delivered online in the 2019/20 year.



COMMUNITY SERVICES

Aerodrome

1.1 What We Do

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

1.2 Why We Do It

This activity contributes to the community outcomes of:

- 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	How Measured	Actual 2018/19	Target 2018/19
The aerodrome meets the needs of users	A high level of satisfaction amongst the users with the condition and maintenance of the aerodrome.	Annual Aerodrome user survey	Achieved – 79.6% (2017/18 Achieved 72%)	>70%

1.5 Projects and Other Programmes

There were no projects associated with the Aerodrome activity.

1.6 Cost of Services Statement

The detailed financial summary for the Aerodrome is shown below.

Aerodrome

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
92	Operating Expenditure	82	93
22	Revenue	23	22
71	Net Cost of Service	59	71
	EXPENDITURE		
59	Operating Costs	54	64
6	Depreciation	6	6
27	Allocated Overheads	23	23
92	Total Operating Expenditure	82	93
11	Capital Expenditure	-	-
103	Total Expenditure	82	93
	FUNDED BY:		
22	Charges for Services	23	22
22	Total Revenue	23	22
63	General Rates	72	71
11	Transfer from Depreciation Reserve	-	-
-	Other Funding	-	-
95	Total Funding	95	93

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	How Measured	Actual 2018/19	Target 2018/19
To provide facilities that are well maintained and utilised.	Buildings legally requiring a Building WoF have a current Building WoF at all times.	Building WoF records	Achieved – 100% (2017/18 Achieved 100%)	100%
	Annual booking of War Memorial Centre.	Booking records	Achieved - 566 (2017/18 Achieved 521)	>500
	Annual booking of Centennial Restrooms.	Booking records	Achieved - 283 (2017/18 Achieved – 319)	>200
To provide suitable housing for the elderly.	Percentage of Customer satisfaction.	Annual User Survey	Achieved – 100% (2017/18 Achieved – 100%)	>89%
	Annual Occupancy rate.	Tenancy records.	Achieved – 100% (2017/18 Achieved – 100%)	>95%

Level of Service	Performance Measure	How Measured	Actual 2018/19	Target 2018/19
To provide clean, well maintained toilet facilities.	Percentage of Stratford District residents satisfied with overall level of service of toilets.	Annual Residents Survey	Achieved – 83.66% (2017/18 Achieved – 84.7%)	>75%

1.5 Projects and Other Programmes

Project	Category	Budget 2018/19	Actual 2018/19	Notes
Building demolitions	Level of Service	\$20,000	\$22,163	Complete
War Memorial Centre	Replacements	\$5,500	\$2,656	Furniture replaced, drapes not required.
LED sign at town entrance	Level of Service	\$0	\$35,055	100% grant funded.
Up-lighting of Malone Grates	Level of Service	\$0	\$7,207	100% grant funded.
Pensioner Housing				
Tenants Car Park	Level of Service	\$16,000	\$18,733	Complete
Various Renewals	Replacements	\$2,300	\$2,039	Complete

1.6 Cost of Services Statement

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

Civic Amenities

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
663	Operating Expenditure	727	738
55	Revenue	47	49
608	Net Cost of Service	680	689
EXPENDITURE			
243	Operating Costs	334	327
9	Interest	7	11
280	Depreciation	270	280
132	Allocated Overheads	116	120
663	Total Operating Expenditure	727	738
9	Principal Loan Repayments	10	10
95	Capital Expenditure	67	26
767	Total Expenditure	804	773
FUNDED BY:			
55	Charges for Services	47	49
55	Total Revenue	47	49
605	General Rates	636	628
15	Targeted Rates	16	14
41	Depreciation Funded from Reserves	39	47
34	Transfers from Depreciation Reserves	13	16
-	Grants - Capital	42	-
69	Loan Funding - Capital	22	20
-	Other Funding	-	-
820	Total Funding	815	773

Pensioner Housing

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
114	Operating Expenditure	103	105
65	Revenue	66	62
49	Net Cost of Service	37	42
	EXPENDITURE		
39	Operating Costs	25	29
28	Depreciation	28	26
47	Allocated Overheads	49	50
114	Total Operating Expenditure	103	105
12	Capital Expenditure	21	18
125	Total Expenditure	124	123
	FUNDED BY:		
65	Charges for Services	66	62
65	Total Revenue	66	62
24	General Rates	21	21
12	Transfers from Depreciation Reserves	-	-
24	Balance From Reserves	16	21
-	Loan Funding - capital	21	18
-	Other Funding	-	-
125	Total Funding	124	123

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	How Measured	Actual 2018/19	Target 2018/19
To provide a number of community events and provide support that encourages involvement of the community	Number of Community events organised.	Number of events held are recorded	Achieved – 15 Events included the Summer Nights concert, A Scary Night, Movies in the Park, Stratford District Youth Council Amazing Race, Colour in the Park, and the Scarecrow Trail. (2017/18 Achieved – 5)	4
	Percentage of residents feeling a sense of community.	Annual Residents Survey	Achieved – 94.54% (2017/18 Achieved – 96.4%)	>75%

Level of Service	Performance Measure	How Measured	Actual 2018/19	Target 2018/19
Youth are supported to participate in their community through developing and implementing their own projects	Number of projects successfully developed and implemented by youth with support from community development	Number of projects developed are recorded	Achieved - 4 (2017/18 Achieved - 4)	4
Council will provide, encourage and/or support events within the district	Events Council has provided or supported are measured	Number of supported events are recorded	Achieved - 5 (2017/18 Achieved - 4)	2

1.5 Projects and Other Programmes

There were no projects associated with the Community Development activity.

1.6 Cost of Services Statement

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

Community Development

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
361	Operating Expenditure	373	325
22	Revenue	22	21
340	Net Cost of Service	351	305
	EXPENDITURE		
282	Operating Costs	296	243
79	Allocated Overheads	76	82
361	Total Operating Expenditure	373	325
	FUNDED BY:		
22	Grants	22	21
22	Total Revenue	22	21
297	UAGC	308	304
-	Grants	33	-
-	Other Funding	0	1
319	Total Funding	363	325

Library

1.1 What We Do

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

1.2 Why We Do It

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

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

There are no negative effects associated with the Library activity.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2018/19	Target 2018/19
To provide a library service which meets the needs of and is being used by Stratford District residents	Number of people visiting the library is measured.	Door count	Not Achieved – 63,224 – see explanation on page 17 (2017/18 Not Achieved – 76,484)	>90,000
	% of library users satisfied with library services.	Annual Residents Survey	Achieved – 99.02% (2017/18 Achieved – 98.98%)	>80%
Library services will be accessible to the community	The number of visitors accessing the Wi-Fi service is measured.	Internal records	Achieved – 27,459 (2017/18 Achieved – 23,422)	>15,000
	The number of sessions accessing the People’s Network is measured.	Internal records	Not Achieved – 9,624 – see explanation on page 17 (2017/18 Achieved – 11,095)	>10,000

1.5 Projects and Other Programmes

Project	Category	Budget 2018/19	Actual 2018/19	Notes
Replace hot water cylinder	Replacements	\$2,500	\$2,272	Complete

1.6 Cost of Services Statement

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

Library

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
635	Operating Expenditure	656	675
18	Revenue	20	18
618	Net Cost of Service	636	657
	EXPENDITURE		
313	Operating Costs	331	338
36	Interest	25	37
95	Depreciation	94	101
191	Allocated Overheads	206	199
635	Total Operating Expenditure	656	675
36	Principal Loan Repayments	34	34
5	Capital Expenditure	2	3
675	Total Expenditure	692	712
	FUNDED BY:		
18	Charges for Services	20	18
18	Total Revenue	20	18
629	General Rates	613	605
44	Depreciation Funded from Reserves	43	50
-	Loan Funding - Capital	-	-
4	Grants and Donations	-	-
36	Transfer from Depreciation Reserves	36	37
-	Other Funding	-	2
730	Total Funding	712	712

Parks, Reserves & Cemeteries

1.1 What We Do

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

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

1.2 Why We Do It

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

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

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

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

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2018/19	Target 2018/19
To provide parks, sportsfields and other open spaces that meet community demand	Number of complaints and requests for service.	Reporting against corporate CRM system.	Not Achieved – 106 – see explanation on page 17 (2017/18 Achieved – 20)	<40
	Percentage of Stratford residents satisfied with:			
	• Parks;	Annual Residents Survey	Achieved – 94.15% (2017/18 Achieved – 96.78%)	>80%
	• Sportsfields; and	Annual Residents Survey	Achieved – 95.96% (2017/18 Achieved – 92.84%)	>80%
	• Cemeteries.	Annual Residents Survey	Not Achieved – 78.02% – see explanation on page 17 (2017/18 Achieved – 80.98%)	>80%
Safe playgrounds are provided	All playgrounds meet NZ Safety Standards.	Biennial playground inspection and report provided from weekly and quarterly compliance checks by contractor.	Achieved – 100% (2017/18 Not Achieved – not yet completed)	100%
Foot Bridges are safe.	All foot bridges meet NZ Safety standards.	Biennial bridge inspection Report	Achieved – 100% (2017/18 Achieved – 100%)	100%

1.5 Projects and Other Programmes

Project	Category	Budget 2018/19	Actual 2018/19	Notes
Sports Field Drainage	Level of Service	\$200,000	\$13,969	Preliminary investigations indicated that scarifying the fields would greatly improve their performance thus negating the need for a full reconstruction of the drainage. This proved to be the case resulting in significant cost savings and no need for the drainage reconstruction to be carried out.
Children's Bike Park	Level of Service	\$25,000	\$0	Project design has begun, with the project carried over to 2019/20.
Walkway Signage Upgrade	Level of Service	\$10,000	\$0	Project on hold until a Council-wide template is designed.
Trail Development and Art Work	Level of Service	\$50,000	\$525	This project is 100% grant funded, however has been carried over to 2019/20 pending a decision on branding.
Park Development	Level of Service	\$15,000	\$15,000	Complete
Resurface Tennis Courts	Level of Service	\$20,000	\$17,660	Complete
Walkway Development	Level of Service	\$15,000	\$14,022	Work was completed on the Eastern Loop and the Cardiff Walkway.
Parks and Reserves Replacements	Replacements	\$12,000	\$1,780	Project on hold until a Council-wide template is designed.
Seal Page Street carpark	Level of Service	\$0	\$5,997	This was carried over from 2017/18 and was for a bike rack in the carpark.
Heritage Trail signs	Replacements	\$0	\$6,924	This was carried over from 2017/18 and is now complete.

1.6 Cost of Services Statement

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

Parks and Reserves

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
740	Operating Expenditure	647	649
8	Revenue	10	9
732	Net Cost of Service	638	640
EXPENDITURE			
429	Operating Costs	416	420
1	Interest	3	11
80	Depreciation	88	81
230	Allocated Overheads	140	137
740	Total Operating Expenditure	647	649
1	Principal Loan Repayments	4	10
162	Capital Expenditure	77	347
903	Total Expenditure	728	1,006
FUNDED BY:			
8	Charges for Services	10	9
8	Total Revenue	10	9
701	General Rates	658	649
-	Transfer (to) from Reserves	(10)	(10)
74	Loan Funding - Capital	66	285
9	Grants and Donations	-	50
80	Transfers from Depreciation Reserves	6	22
-	Other Funding	0	1
872	Total Funding	729	1,006

Cemeteries

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
194	Operating Expenditure	193	209
108	Revenue	108	120
86	Net Cost of Service	85	89
EXPENDITURE			
95	Operating Costs	99	117
8	Depreciation	8	6
92	Allocated Overheads	85	86
194	Total Operating Expenditure	193	209
-	Capital Expenditure	-	-
194	Total Expenditure	193	209
FUNDED BY:			
108	Charges for Services	108	120
108	Total Revenue	108	120
105	General Rates	90	89
-	Transfer from Depreciation Reserves	-	-
-	Other Funding	-	1
213	Total Funding	198	209

TSB Pool Complex

1.1 What We Do

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

1.2 Why We Do It

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

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

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

This activity contributes to the community outcomes of:

- Outstanding Leadership
- Affordable, Quality Services and Infrastructure
- Strong Community
- Smart, Vibrant and Prosperous District
- Stratford District as a unique destination
- Financial Strength
- 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	How Measured	Actual 2018/19	Target 2018/19
The pool complex will be a safe place to swim.	Number of reported accidents, possible accidents and similar incidents pa.	Accident register – also reported monthly to Council.	Achieved - 61 (2017/18 Achieved –77)	<80
	Compliance with NZS5826:2010 NZ Pool Water Quality Standards.	Water quality register.	Achieved – 100% (2017/18 Achieved – 100%)	100%
That the pool facilities meet demand.	Percentage of pool users are satisfied with the pool.	Annual customer survey.	Achieved – 89.95% (2017/18 Achieved – 88.44%)	>80%
	Number of pool admissions per annum.	Ticketing system – also reported monthly to council.	Achieved – 56,143 (2017/18 Achieved – 58,921)	>55,000

1.5 Projects and Other Programmes

Project	Category	Budget 2018/19	Actual 2018/19	Notes
Various items of equipment	Level of Service	\$44,700	\$22,346	This project was 50% grant funded, but only Council's share has been spent this year on equipment.

1.6 Cost of Services Statement

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

TSB Pool Complex

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
867	Operating Expenditure	859	859
224	Revenue	224	222
643	Net Cost of Service	635	637
	EXPENDITURE		
584	Operating Costs	591	603
92	Depreciation	92	92
191	Allocated Overheads	175	165
867	Total Operating Expenditure	859	859
21	Capital Expenditure	22	45
888	Total Expenditure	881	904
	FUNDED BY:		
224	Charges for Services	224	222
224	Total Revenue	224	222
648	General Rates	645	636
9	Grants and Donations	-	22
12	Transfers from Depreciation Reserves	22	22
-	Other Funding	-	1
892	Total Funding	890	904



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

No negative effects are generated by these activities.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2018/19	Target 2018/19
To provide Democracy services in accordance with statutory deadlines.	Agendas and associated reports for all scheduled meetings are available to interested parties in accordance with statutory timeframes.	Meeting Register.	Achieved – 100% (2017/18 Achieved – 100%)	100%
	All Council meetings are publicly notified in accordance with statutory timeframes.	Meeting Register.	Achieved – 100% (2017/18 Achieved – 100%)	100%
To ensure that the Health and Safety manual is reviewed	Complete an annual review of the Health and Safety Manual.	Review Date.	Not Achieved – to be completed December 2019 – see explanation on page 17 (2017/18 Not Achieved – policy reviewed instead)	Achieved
Ensure accountability documents are prepared and meet statutory requirements.	The Annual Report, Annual Plan and Long Term Plan meet statutory deadlines and receive an unqualified audit opinion where relevant.	Audit Opinion.	Achieved (2017/18 Achieved)	Achieved

1.5 Projects and Other Programmes

Project	Category	Budget 2018/19	Actual 2018/19	Notes
Website redevelopment	Replacement	\$0	\$2,735	Funds were carried forward from 2017/18 and the project will be completed in 2019/20.
Computers and peripherals	Replacement	\$135,000	\$69,033	The balance has been carried over to 2019/20 for specific projects.
Telephone System	Replacement	\$50,000	\$0	This has been carried over to 2019/20.
Vehicle replacements	Replacement	\$32,000	\$37,112	Complete
Miscellaneous Equipment	Replacement	\$20,000	\$9,974	Complete
Miranda Street Office				
Furniture replacement	Replacement	\$3,000	\$22,440	Complete
Install Access Control	Level of Service	\$30,500	\$16,290	Complete

1.6 Cost of Services Statement

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

Corporate Support

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
-	Operating Expenditure	-	-
64	Revenue	54	60
(64)	Net Cost of Service	(54)	(60)
	EXPENDITURE		
	Operating Costs		
365	- Chief Executive's Department	387	366
1,059	- Corporate Services Department	1,015	950
(1,424)	Allocated Overheads	(1,402)	(1,316)
-	Total Operating Expenditure	-	-
255	Capital Expenditure	158	271
255	Total Expenditure	158	271
	FUNDED BY:		
64	Charges for Services	54	60
64	Total Revenue	54	60
(60)	UAGC	(60)	(60)
255	Transfer from Depreciation Reserves	158	271
-	Other Funding	-	-
259	Total Funding	152	271

Democracy

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
856	Operating Expenditure	1,037	1,022
-	Revenue	-	-
856	Net Cost of Service	1,037	1,022
	EXPENDITURE		
	Operating Costs		
364	Allocated Overheads	427	407
492		611	615
856	Total Operating Expenditure	1,037	1,022
	FUNDED BY:		
-	Charges for Services	-	-
-	Revenue	-	-
880	UAGC	1,022	1,017
-	Other Funding	-	5
880	Total Funding	1,022	1,022



Economic Development

1.1 What We Do

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

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

1.2 Why We Do It

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

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

The Economic Development activity does not create any negative effects.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2018/19	Target 2018/19
To support and promote the economic growth of the district.	Business mentoring and economic development support is available.	Venture Taranaki Quarterly reports	Achieved – 4 reports (2017/18 Achieved)	Report received
To support the business community.	Provide administration support to the Stratford Business Association meetings	Minutes and agendas completed	Not Achieved - 10 (2017/18 Achieved – 11)	11
The website is a valuable resource for the community to access Council information	The number of visitors accessing Council information and services via the internet is measured.	Website statistics	Not Achieved – 40,978 (2017/18 – 44,858)	Not less than previous year
Opportunities for the community to participate in decision making is widely publicised	The community is satisfied with how Council keeps them informed.	Annual Residents Survey	Not Achieved – 81.07% (2017/18 Achieved – 87.39%)	>85%

1.5 Projects and Other Programmes

Project	Category	Budget 2018/19	Actual 2018/19	Notes
Purchase of Land and Development for Council-led subdivision at Pembroke Road.	Level of Service	\$1,710,000	\$1,524,514	To be completed in the 2019/20 year.

1.6 Cost of Services Statement

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

Economic Development

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
292	Operating Expenditure	398	416
-	Revenue	-	-
292	Net Cost of Service	398	416
	EXPENDITURE		
197	Operating Costs	300	316
95	Allocated Overheads	98	100
292	Total Operating Expenditure	398	416
	FUNDED BY:		
-	Charges for Services	-	-
-	Total Revenue	-	-
138	General Rates	210	208
138	UAGC	210	208
-	Other Funding	-	1
276	Total Funding	420	416

Council Projects

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
-	Operating Expenditure	67	65
-	Revenue	-	-
-	Net Cost of Service	67	65
	EXPENDITURE		
-	Operating Costs	-	-
-	Interest	67	65
-	Total Operating Expenditure	67	65
-	Principal Loan Repayments	-	3,210
1,621	Capital Expenditure	1,525	1,710
1,621	Total Expenditure	1,592	4,985
	FUNDED BY:		
-	Charges for Services	-	-
-	Total Revenue	-	-
-	General Rates	42	41
-	Sale of sections - capital	-	3,234
1,621	Loan Funding - Capital	1,525	1,710
1,621	Total Funding	1,567	4,985

Information Centre

1.1 What We Do

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

1.2 Why We Do It

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

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

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

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2018/19	Target 2018/19
To provide an Information Centre for visitors, incorporating Automobile Association Agency services that meets the needs of and is being used by the community.	Number of people to the Information Centre service is measured.	Door Count	Not Achieved – 38,216 – see explanation on page 17 (2017/18 Achieved – 41,078)	>40,000
	Number of users of AA Agency Service is measured.	AA customer count records	Achieved – 11,128 (2017/18 Achieved – 12,115)	>10,000
	Percentage customers are satisfied.	Annual Survey	Achieved – 97.55% (2017/18 Achieved – 97.02%)	>80%

1.5 Projects and Other Programmes

There were no projects associated with the Information Centre activity.

1.6 Cost of Services Statement

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

Information Centre

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
341	Operating Expenditure	353	300
99	Revenue	102	112
242	Net Cost of Service	251	188
	EXPENDITURE		
243	Operating Costs	251	201
5	Depreciation	5	1
94	Allocated Overheads	97	98
341	Total Expenditure	353	300
	FUNDED BY:		
99	Charges for Services	102	112
99	Total Revenue	102	112
242	General Rates	190	187
-	Other Funding	-	1
342	Total Funding	291	300

Rental & Investment Properties

1.1 What We Do

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

Under this activity Council staff performs common landlord roles, such as the day-to-day maintenance of grounds and buildings as well as the long term planning for purchase, disposal, renewal, upgrades and redevelopment of properties.

This activity covers the following:

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

Holiday Park - operate a formal lease for the land.

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

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

1.2 Why We Do It

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

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

Farm - The farm is considered to be an economic investment that was purchased for the purposes of providing a financial contribution to ease the burden of rates on the community. In 2015 the farm expanded by 53 hectares when the Council purchased the neighbouring farm for the purposes of increasing economies of scale, and returns to the ratepayer. The farm contributes to the economic well-being of the district by providing rates mitigation for ratepayers.

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

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

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

This activity contributes to the community outcomes of:

- 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	How Measured	Actual 2018/19	Target 2018/19
Maximum profits from the farm are returned to Council.	Milk production is maximised	Milk Supplier's Statements issued by milk collector (currently Fonterra).	Achieved – 151,464kg (2017/18 Achieved – 143,739kg)	>150,000kg
Leased property is safe and fit for purpose.	Number of complaints from tenants.	Reporting against corporate CRM system.	Achieved - 0 (2017/18 Achieved – 0)	<5

1.5 Projects and Other Programmes

Project	Category	Budget 2018/19	Actual 2018/19	Notes
Farm				
House Components	Replacements	\$9,300	\$5,911	Complete
Landscaping & Riparian Planting	Level of Service	\$25,000	\$18,941	This was the purchase of the plants but planting will not take place until August 2019.
Install Automatic Cup Removers	Level of Service	\$36,200	\$36,164	Complete
River Bridge	Level of Service	\$100,000	\$90,480	Complete

1.6 Cost of Services Statement

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

Farm

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
397	Operating Expenditure	374	361
519	Revenue	479	504
(122)	Net Cost of Service	(104)	(143)
	EXPENDITURE		
195	Operating Costs	204	158
108	Interest	78	111
52	Depreciation	54	54
42	Allocated Overheads	38	38
397	Total Operating Expenditure	374	361
107	Principal Loan Repayments	65	103
34	Capital Expenditure	296	171
538	Total Expenditure	735	635
	FUNDED BY:		
519	Charges for Services	479	504
519	Total Revenue	479	504
(146)	General Rates	(41)	(40)
-	Loan Funding - Capital	296	100
-	Sale of Assets	-	-
131	Transfer from Depreciation Reserve	65	71
34	Transfer (to) from Reserves	(64)	-
-	Other Funding	-	-
538	Total Funding	735	635

Holiday Park

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
36	Operating Expenditure	18	18
3	Revenue	3	3
33	Net Cost of Service	15	15
	EXPENDITURE		
8	Operating Costs	-	1
-	Interest	-	-
-	Depreciation	-	-
28	Allocated Overheads	18	17
36	Total Operating Expenditure	18	18
-	Principal Loan Repayments	-	-
-	Capital Expenditure	-	-
36	Total Expenditure	18	18
	FUNDED BY:		
3	Charges for Services	3	3
3	Total Revenue	3	3
30	General Rates	15	15
-	Transfer from Depreciation Reserve	-	-
-	Loan Funding - Capital	-	-
-	Other Funding	-	-
33	Total Funding	18	18

Rental Properties

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
81	Operating Expenditure	85	88
57	Revenue	55	62
24	Net Cost of Service	30	26
	EXPENDITURE		
12	Operating Costs	8	10
35	Depreciation	35	35
34	Allocated Overheads	42	42
81	Total Operating Expenditure	85	88
-	Capital Expenditure	-	-
81	Total Expenditure	85	88
	FUNDED BY:		
57	Charges for Services	55	62
57	Total Revenue	55	62
8	General Rates	26	26
-	Transfer from Depreciation Reserves	-	-
-	Other Funding	-	-
64	Total Funding	81	88



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	How Measured	Actual 2018/19	Target 2018/19
To process applications within statutory timeframes.	Percentage of building consent applications processed within 20 days.	Council Records	Not Achieved – 99%, 242 out of 244 – see explanation on page 17 (2017/18 Not Achieved 94%, 233 out of 249 building consents)	100%
	Percentage of inspection requests completed within 24 hours of request	Council Records	Achieved – 100% (2017/18– Achieved 100%)	100%
	Percentage of code compliance certificate applications determined within 20 working days	Council Records	Achieved – 100%, 238 out of 238 (2017/18 Not Achieved 99% 191 out of 192)	100%
To retain registration as a Building Consent Authority.	Current registration.	Current IANZ Certification	Achieved – expires July 2020 (2017/18 Achieved – expires April 2019)	Confirmed
To process LIMs within statutory timeframes	% of LIMs processed within timeframes.	Council records	Not Achieved – 95% 55 of 56 – see explanation on page 18 (2017/18 Achieved 100% 76 of 76)	100%
Service meets customer expectations.	Percentage of customers using building consent processes are satisfied with the service provided	Council Records	Not Achieved – 79% – see explanation on page 18 (2017/18 Achieved 88%)	>80%

1.5 Projects and Other Programmes

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

1.6 Cost of Services Statement

The detailed financial summary for Building Services’s activities is below:

Building Control

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
343	Operating Expenditure	443	488
198	Revenue	220	213
145	Net Cost of Service	223	275
	EXPENDITURE		
237	Operating Costs	277	320
106	Allocated Overheads	166	168
343	Total Operating Expenditure	443	488
	FUNDED BY:		
198	Charges for Services	220	213
198	Total Revenue	220	213
213	UAGC	275	274
-	Other Funding	-	1
411	Total Funding	495	488

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	How Measured	Actual 2018/19	Target 2018/19
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.	Reports to Council	Not Achieved – process underway (2017/18 Not Achieved – process underway)	Feedback on draft
	To undertake a systematic review of bylaws and related policies as they reach their statutory review dates.	Reports to Council	Achieved (2017/18 Not applicable – no bylaws or policies due for review)	Drafting notification/hearings
To process resource consents within statutory timeframes.	% of non-notified applications processed within 20 working days.	Council Records	Not Achieved – 98% 51 of 52 applications. (2017/18 Achieved – 100%, 63 of 63 applications)	100%
	% of notified applications processed within legislated timeframes for notification, hearings and decisions.	Council Records	Achieved – 1 notified consent granted (2017/18 Achieved – no notified consents)	100%
	% of s223 and s224 applications processed within 10 working days.	Council Records	Achieved – 100% 28 of 28 applications. (2017/18 Achieved – 100% 23 of 23 applications)	100%
Service meets customer expectations.	Percentage of customers using resource consent processes are satisfied with the service provided	Council Records	Achieved – 80.1% (2017/18 Achieved – 89.07%)	>80%

1.5 Projects and Other Programmes

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

1.6 Cost of Services Statement

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

District Plan and Bylaws

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
178	Operating Expenditure	106	163
-	Revenue	-	-
178	Net Cost of Service	106	163
EXPENDITURE			
109	Operating Costs	38	98
69	Allocated Overheads	67	64
178	Total Operating Expenditure	106	163
FUNDED BY:			
183	UAGC	163	162
-	Other Funding	-	1
183	Total Funding	163	163

Resource Consents

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
138	Operating Expenditure	149	160
39	Revenue	57	26
99	Net Cost of Service	92	134
EXPENDITURE			
82	Operating Costs	70	79
56	Allocated Overheads	80	81
138	Total Operating Expenditure	149	160
FUNDED BY:			
39	Charges for Services	57	26
39	Total Revenue	57	26
98	UAGC	135	134
-	Other Funding	-	1
137	Total Funding	192	160

Community Health & Safety

1.1 What We Do

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

Health Act and Food Act

Council:

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

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

Sale and Supply of Alcohol Act

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

Parking and other Bylaw compliance

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

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

Animal Control

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

This covers:

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

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

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

1.2 Why We Do It

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

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

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

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2018/19	Target 2018/19
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.	Council Records	Achieved – 100% (2017/18 Achieved – 100%)	100%
	Health nuisance and premise complaints are responded to within 1 working day.	Council Records	Achieved – 100% 12 complaints (2017/18 Achieved – 100%, 13 complaints)	100%
To fulfil obligations as a District Licensing Committee.	Percentage of licensed premises inspected.	Council Records	Achieved – 100% 31 of 31 inspected. (2017/18 Achieved – 100% 28 of 28 inspected)	100%
	Percentage of applications processed within 25 working days (excluding hearings).	Council Records	Achieved – 100% 89 of 89 applications. (2017/18 – Achieved 100% 98 of 98 applications)	100%
To monitor and enforce bylaws.	Percentage of complaints responded to within 2 hours.	Council Records	Achieved – 100% 293 of 293 complaints. (2017/18 Achieved – 100%, 367 of 367 complaints)	100%
To ensure dogs are controlled.	Percentage of known dogs registered.	Council Records	Not Achieved – 97% 2,095 of 2,133 dogs. (2017/18 Not Achieved – 97.5%, 2,080 of 2,133 dogs)	98%
	Percentage of dog attack/wandering dog complaints responded to within an hour.	Council Records	Achieved – 100% 295 of 295 complaints. (2017/18 Achieved – 100%, 299 of 299 complaints)	100%

1.5 Projects and Other Programmes

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

1.6 Cost of Services Statement

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

Environmental Health

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
105	Operating Expenditure	93	88
16	Revenue	32	14
90	Net Cost of Service	61	74
	EXPENDITURE		
39	Operating Costs	52	51
67	Allocated Overheads	41	37
105	Total Operating Expenditure	93	88
	FUNDED BY:		
16	Charges for Services	32	14
16	Total Revenue	32	14
99	UAGC	73	73
-	Other Funding	-	-
114	Total Funding	105	88

Liquor Licensing

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
135	Operating Expenditure	133	155
36	Revenue	34	34
99	Net Cost of Service	100	121
	EXPENDITURE		
52	Operating Costs (see note 30)	47	70
83	Allocated Overheads	86	85
135	Total Operating Expenditure	133	155
	FUNDED BY:		
36	Charges for Services (see note 30)	34	34
36	Total Revenue	34	34
109	UAGC	121	120
-	Other Funding	-	1
145	Total Funding	154	155

Parking and other Bylaws

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
176	Operating Expenditure	168	182
4	Revenue	(5)	26
172	Net Cost of Service	172	156
	EXPENDITURE		
81	Operating Costs	65	80
95	Allocated Overheads	103	102
176	Total Operating Expenditure	168	182
	FUNDED BY:		
4	Charges for Services	(5)	26
4	Total Revenue	(5)	26
105	UAGC	156	155
-	Other Funding	-	1
109	Total Funding	151	182

Animal Control

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
199	Operating Expenditure	204	201
132	Revenue	147	142
67	Net Cost of Service	57	59
	EXPENDITURE		
101	Operating Costs	122	125
7	Depreciation	7	7
91	Allocated Overheads	75	69
199	Total Operating Expenditure	204	201
-	Capital Expenditure	-	-
199	Total Expenditure	204	201
	FUNDED BY:		
132	Charges for Services	147	142
132	Total Revenue	147	142
53	UAGC	58	58
-	Other Funding	-	1
184	Total Funding	205	201

CIVIL DEFENCE AND 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	How Measured	Actual 2018/19	Target 2018/19
To maintain effective emergency capability	Operative Taranaki Civil Defence and Emergency Management Plan.	Annual CDEMG Report	Achieved (2017/18 Achieved)	Achieved

1.5 Projects and Other Programmes

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

1.6 Cost of Services Statement

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

Civil Defence and Emergency Management

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
135	Operating Expenditure	128	123
-	Revenue	-	-
135	Net Cost of Service	128	123
	EXPENDITURE		
84	Operating Costs	91	88
51	Allocated Overheads	37	35
135	Total Operating Expenditure	128	123
	FUNDED BY:		
-	Subsidies	-	-
-	Total Revenue	-	-
131	UAGC	124	123
-	Other Funding	-	-
131	Total Funding	124	123



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

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

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

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

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

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

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

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

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2018/19	Target 2018/19
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.	Police Database CAS	Achieved – Change was -3 (0 Deaths, 4 Serious Injury) (2017/18 – Not Achieved, Increase by 1 to 7 (serious injury crashes, no fatalities in 2017/18))	1
To provide a well maintained roading network.	Road Condition – The average quality of ride on sealed road network, measured by smooth travel exposure.	RAMM Rating Report	Achieved – Urban – 89%, Rural – 96%. (2017/18– Achieved – Urban 89%, Rural 96%)	Urban – ≥83% Rural – ≥91%
	Road maintenance – The percentage of the sealed road network that is resurfaced.	RAMM Rating Report	Achieved – 5.7% (2017/18 – Not Achieved – 8.80% - target was ≥10%)	≥5%
	Road maintenance – The percentage of the unsealed road network that has been metal dressed.	RAMM Report	Achieved – 25.2% (2017/18 – Achieved – 23.40% - target was ≥1%)	≥7%
	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)	RAMM Report	Not Achieved – 41.70% – <i>see explanation on page 18</i> (2017/18 Not Achieved – 41.70% - target was ≥85%)	>82%
	Response to service requests -	RAMM	Achieved – 100%	>86%

Level of Service	Performance Measure	How Measured	Actual 2018/19	Target 2018/19
	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).	Report. Spreadsheet until connectivity is established between RAMM and Customer Service Requests	(2017/18 Achieved – 100%)	
Percentage of residents who are satisfied with:				
	<ul style="list-style-type: none"> Roading Networks 	Annual Customer Survey	Not Achieved – 72.03% (2017/18 – Achieved – 76.28%)	>76%
	<ul style="list-style-type: none"> Footpaths 	Annual Customer Survey	Achieved – 71.40% (2017/18 – Achieved – 76.17%)	>77%

1.5 Projects and Other Programmes

Project	Category	Budget 2018/19	Actual 2018/19	Notes
Unsealed Road Metalling	Replacements	\$844,602	\$608,874	Complete
Sealed Road Resurfacing	Replacements	\$800,000	\$875,798	Complete
Drainage Renewals	Replacements	\$568,315	\$301,737	Complete
Pavement Rehabilitation	Replacements	\$762,123	\$679,356	Complete
Structure Component Replacement	Replacements	\$96,120	\$233,676	This expenditure was required for Mangaehu B Bridge and Matau Tunnel.
Traffic Services	Replacements	\$63,100	\$71,173	Complete
Sealed Road Resurfacing – Special Purpose Roads	Replacements	\$51,980	\$412,626	There was funding of \$409,000 carried forward from 2017/18 to enable completion of the car parks on Mt Taranaki and was 75% subsidised by NZTA.
Tourism Infrastructure	Level of Service	\$4,000,000	\$0	Funding from MBIE was declined so the projects did not go ahead.
Footpath Renewal	Replacements	\$150,000	\$221,252	Complete
Underverandah Lighting	Replacements	\$12,000	\$264	Under verandah lights have now been changed to LED lights so minimal replacements were required.

1.6 Cost of Services Statement

The detailed financial summary for Roothing activities is below:

Roothing

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
5,865	Operating Expenditure	7,319	6,325
4,057	Revenue	5,185	3,792
1,808	Net Cost of Service	2,133	2,532
	EXPENDITURE		
3,012	Operating Costs	4,262	3,422
-	Interest	-	19
2,617	Depreciation	2,801	2,617
236	Allocated Overheads	256	267
5,865	Total Operating Expenditure	7,319	6,325
-	Principal Loan Repayments	-	18
4,108	Capital Expenditure	3,644	7,348
9,973	Total Expenditure	10,962	13,691
	FUNDED BY:		
175	Charges for Services	187	132
3,882	NZTA Financial Assistance	4,999	3,660
4,057	Total Revenue	5,185	3,792
2,821	Targeted Rates	2,915	2,907
1,342	Depreciation funded from Reserves	1,482	1,342
1,722	Transfers from Reserves - Capital	2,059	1,528
4	Loan Funding - Capital	-	600
-	Grants/Donations/Subsidies - Capital	-	3,400
27	Transfer from (to) Capital	(679)	120
-	Other Funding	-	2
9,973	Total Funding	10,962	13,691

Business Unit

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
159	Operating Expenditure	139	144
171	Revenue	151	151
(12)	Net Cost of Service	(12)	(7)
	EXPENDITURE		
103	Operating Costs	98	100
5	Depreciation	3	8
52	Allocated Overheads	38	36
159	Total Operating Expenditure	139	144
	FUNDED BY:		
171	In-house Services - NZTA Assisted	151	151
171	Total Revenue	151	151
(7)	General Rates	(8)	(8)
-	Other Funding	0	-
164	Total Funding	143	144



1.1 What We Do

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

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

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

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

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	How Measured	Actual 2018/19	Target 2018/19
Stormwater system protects property from impacts of flooding.	System adequacy <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> 	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).	Achieved – 0 – No flooding events meeting the criteria (2017/18 Achieved – 0 - No flooding events meeting the criteria)	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 criteria (2017/18 Achieved – 0 - No flooding events meeting the criteria)	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 criteria (2017/18 Achieved – 0 - No flooding events meeting the criteria)	0
Discharge Compliance	Compliance with the territorial authority’s resource consents for discharge from its stormwater system, measured by the number of: <ul style="list-style-type: none"> Abatement notices Infringement notices Enforcement orders, and Convictions received by the territorial authority in relation to those resource consents.	Council does not hold discharge consents for discharge from its stormwater system.	Not Applicable (2017/18 Achieved)	N/A
Response Times	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	Work order tracking/reporting through Council’s Infrastructure asset management system.	Achieved – 0 – No flooding events meeting the criteria (2017/18 Achieved – 0 – No flooding events meeting the criteria)	1 hour

Level of Service	Performance Measure	How Measured	Actual 2018/19	Target 2018/19
Customer Satisfaction	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.	Reporting against corporate CRM system.	<i>The Department of Internal Affairs' mandatory non-financial performance measure on customer satisfaction is a count of ALL complaints received by a territorial authority about the performance of its stormwater system. These are to be expressed per 1000 properties connected to the territorial authority's stormwater system. While council set its target of less than 8 per thousand properties connected correctly, the recording of complaints was not undertaken in accordance with DIA guidance as only the first complaint for any one event was formally recorded, rather than every complaint. This is now being rectified for the future.</i>	<8

1.5 Projects and Other Programmes

Project	Category	Budget 2018/19	Actual 2018/19	Notes
Pipework Capacity Increase	Level of Service	\$105,000	\$13,555	The project will cost more than expected so will be carried over to 2019/20.
Safety Improvements	Level of Service	\$117,000	\$1,178	This project has just commenced and will be carried over to 2019/20.
Reticulation Renewals	Replacements	\$53,000	\$8,858	This project will be carried over to 2019/20 for completion.
Weather events emergency fund	Replacements	\$2,500	\$0	Not required.

1.6 Cost of Services Statement

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

Stormwater

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
290	Operating Expenditure	358	328
-	Revenue	-	-
290	Net Cost of Service	358	328
	EXPENDITURE		
75	Operating Costs	106	113
15	Interest	10	20
103	Depreciation	138	103
98	Allocated Overheads	104	92
290	Total Operating Expenditure	358	328
15	Principal Loan Repayments	14	19
121	Capital Expenditure	24	278
425	Total Expenditure	396	625
	FUNDED BY:		
313	UAGC	329	327
135	Transfer from Depreciation Reserves	23	74
-	Loan Funding - Capital	15	223
-	Other Funding	-	1
449	Total Funding	367	625



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 2018-28 planning period.

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2018/19	Target 2018/19
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.	Reporting against corporate CRM system.	<i>Achieved – 1.59 due to a change in the basis of calculation, the 2017/18 result was incorrectly reported as 0.8. The calculation was based on dividing the number of rating units instead of SUIP's. (2017/18 – Achieved – 1.6)</i>	<5
	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.	Consent & compliance documentation.	Achieved - 0 (2017/18 – Achieved - 0)	0
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:			
	<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 	Work order tracking/reporting through Council's Infrastructure asset management system.	Achieved – 23 minutes. (2017/18 – Not Achieved – Due to broadband rollout, 1 hour 50 minutes)	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. 	Work order tracking/reporting through Council's Infrastructure asset management system.	Achieved – 2 hours 50 minutes (2017/18 Not Achieved – Due to broadband rollout, 10 hours 22 minutes)	8 hours

Level of Service	Performance Measure	How Measured	Actual 2018/19	Target 2018/19
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>	Reporting against corporate CRM system.	<p><i>The Department of Internal Affairs' mandatory non-financial performance measure on customer satisfaction is a count of ALL complaints received by the local authority about any of the following: sewage odour, sewerage system faults, sewerage system blockages, and the territorial authority's response to issues with its sewerage system. These are to be expressed per 1000 connections. While council set its target of less than 5 per thousand connections correctly, the recording of complaints was not undertaken in accordance with DIA guidance as only the first complaint for any one event was formally recorded, rather than every complaint. This is now being rectified for the future.</i></p>	<5

1.5 Projects and Other Programmes

Project	Category	Budget 2018/19	Actual 2018/19	Notes
Resource Consents	Level of Service	\$250,000	\$241,800	Complete
Safety Improvements	Level of Service	\$32,000	\$0	No longer required.
Pipework Capacity Increase	Level of Service	\$100,000	\$35,966	Complete
Camper van drainage facility	Level of Service	\$5,000	\$0	Carried over to 2019/20
Step/aerate treatment renewals	Replacements	\$30,000	\$11,022	Carried over to 2019/20 for completion.
Infiltration renewals	Replacements	\$153,000	\$210,276	Complete.

1.6 Cost of Services Statement

The detailed financial summary for Wastewater activity is shown below.

Wastewater (Sewerage)

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
801	Operating Expenditure	840	831
67	Revenue	53	70
734	Net Cost of Service	787	761
	EXPENDITURE		
377	Operating Costs	357	365
31	Interest	27	41
277	Depreciation	288	277
117	Allocated Overheads	168	148
801	Total Operating Expenditure	840	831
32	Principal Loan Repayments	38	38
314	Capital Expenditure	499	570
1,146	Total Expenditure	1,377	1,440
	FUNDED BY:		
67	Charges for Services	53	70
67	Total Revenue	53	70
697	Targeted Rates	730	725
235	Transfer (to) from Depreciation Reserves	316	256
147	Loan Funding - Capital	278	387
-	Other Funding	0	1
1,146	Total Funding	1,377	1,440



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, the three Taranaki Councils have jointly entered agreements to facilitate the transport and disposal of the waste collected by the three Councils to a privately operated landfill outside the region.

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	How Measured	Actual 2018/19	Target 2018/19
The levels of waste generated are reducing.	Waste to landfill per household (municipal kerbside collection only)	Landfill invoices & transactions.	Achieved – 463kg (2017/18 Achieved – 526kg)	<700kg
	Percentage (by weight) of council controlled waste stream that is recycled (municipal kerbside collection only).	Recycling facility invoices & transactions.	Not Achieved – 25% (2017/18 Not Achieved - 24%)	>25%
The waste collection service meets the needs of the community.	Percentage of customers satisfied with the service provided.	Annual Residents Survey	Achieved – 96.28% (2017/18 Achieved – 96.02%)	>90%

1.5 Projects and Other Programmes

There were no projects associated with the Solid Waste activity.

1.6 Cost of Services Statement

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

Solid Waste

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
711	Operating Expenditure	870	856
83	Revenue	115	80
629	Net Cost of Service	755	776
	EXPENDITURE		
568	Operating Costs	671	641
21	Interest	29	48
27	Depreciation	27	28
96	Allocated Overheads	143	139
711	Total Operating Expenditure	870	856
3	Landfill Aftercare Costs	-	12
21	Principal Loan Repayments	41	45
477	Capital Expenditure	-	-
1,212	Total Expenditure	911	912
	FUNDED BY:		
83	Charges for Services	115	80
83	Total Revenue	115	80
685	Targeted Rates	703	698
19	UAGC	19	19
477	Loan Funding - Capital	-	-
(53)	Transfer (to)from Depreciation Reserves	73	115
-	Other Funding	-	-
1,212	Total Funding	911	912



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	How Measured	Actual 2018/19	Target 2018/19
Water is safe to drink.	The extent to which the local authority's drinking water supply complies with:			
	<ul style="list-style-type: none"> Part 4 of the drinking water standards (bacterial compliance criteria), and 	Plant & reticulation performance records in water outlook. Includes water quality sampling programme records as well as any plant non-performances.	Stratford – Achieved Midhurst – Achieved Toko – Achieved (2017/18 Stratford – Achieved Midhurst – Achieved Toko – Achieved)	100% for all plants
	<ul style="list-style-type: none"> Part 5 of the drinking water standards (protozoal compliance criteria). 		Stratford – Achieved 100% Midhurst – Achieved 100% Toko – Achieved 100% (2017/18 Stratford – Achieved 100% Midhurst – Not Applicable Toko – Not Applicable)	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).	Calculated annually as per NZWWA Water Loss Guidelines.	Achieved Stratford – Achieved 21.5% Midhurst – Not Achieved 39.1% Toko – Achieved 16.7% (2017/18 Achieved Stratford Achieved - 12%, Midhurst Not Achieved – 36%, Toko Achieved – 19%)	<25%	
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 	Work order tracking/reporting through Council's Infrastructure asset management system.	Achieved – 44 minutes (2017/18 Achieved - 37 minutes)	1 hour
	<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 	Work order tracking/reporting through Council's Infrastructure asset management system.	Achieved – 3 hours 26 minutes (2017/18 Achieved - 4 hours 19 minutes)	8 hours
	<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 	Work order tracking/reporting through Council's Infrastructure asset management system.	Achieved – 5 hours 38 minutes (2017/18 Achieved – 18 hours 56 minutes)	2 working days
<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 	Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System	Achieved – 8 hours 52 minutes (2017/18 Achieved- 23 hours 30 minutes)	5 working days	

Level of Service	Performance Measure	How Measured	Actual 2018/19	Target 2018/19
	<p>Number of unplanned disruptions:</p> <ul style="list-style-type: none"> Minor (between 5 and 50 connections affected) * Major (more than 50 connections affected) * 	<p>Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System</p>	<p>Not Achieved - 8 (2017/18 Achieved - 3)</p> <p>Achieved - 1 (2017/18 Not Achieved – 2)</p>	<p><5</p> <p><2</p>
Water has a pleasant taste and odour.	<p>Customer Satisfaction - Total number of complaints received for:</p> <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 <p>expressed per 1000 connections to council's networked reticulation system.</p>	<p>Reporting against corporate CRM system.</p>	<p><i>The Department of Internal Affairs' mandatory non-financial performance measure on customer satisfaction is a count of ALL complaints received by the local authority about any of the following: drinking water clarity, drinking water taste, drinking water odour, drinking water pressure or flow, continuity of supply, and the local authority's response to any of these issues. These are to be expressed per 1000 connections. While council set its target of less than 32 per thousand connections correctly, the recording of complaints was not undertaken in accordance with DIA guidance as only the first complaint for any one event was formally recorded, rather than every complaint. This is now being rectified for the future.</i></p>	<p><32</p>
	<p>Demand management - The average consumption of drinking water per day per resident within the district (in litres).</p>	<p>Calculated from production records ex SCADA/Water Outlook, deducting commercial users as per water meter records as well as any other non-residential use and losses (as per bench loss), divided by number of residential connections and average number of residents per property.</p>	<p>Achieved Stratford – 239.8 litres Midhurst – 210.4 litres Toko – 115.2litres (2017/18 Achieved – Stratford – 205 litres Midhurst – 228 litres Toko – 228 litres</p>	<p><275</p>
	<p><i>Note: This is understood to be limited to supplied properties within the water supply zones.</i></p>			

Level of Service	Performance Measure	How Measured	Actual 2018/19	Target 2018/19
Water flow and pressure is appropriate for its intended use.	Water pressure at 50 properties within the water supply zone, including any that have complained about pressure and or flow meets council specifications (flow>10l/min & pressure>350kpa)	Pressure and flow to be measured at a minimum of 50 properties per annum. Test results recorded by handheld device directly into asset management system against property's point of supply. Where test at tap inside property fails, test will be repeated at point of supply (toby/meter box) to isolate problems with private pipework from public network. Customer is advised if problem with internal plumbing.	Achieved –51 properties tested for water pressure and flow - all passed – 100% (2017/18 Not Achieved – 47 properties tested with 1 too low – 97.8%)	100%
Water supply meets fire fighting requirements.	Fire hydrants meet NZFS Code of Practice conditions regarding supply.	Flow & pressure testing carried out by council contractor and or NZ Fire Service to NZ Fire Fighting Code of Practice standards.	Achieved – 31 hydrants were tested and all 31 passed the test – 100%. (2017/18 Achieved – 30 hydrants were tested and all 30 passed the test – 100%)	100%

1.5 Projects and Other Programmes

Project	Category	Budget 2018/19	Actual 2018/19	Notes
Water Metering	Level of Service	\$30,000	\$28,323	Complete
Pressure Reducing and Zone Valves	Level of Service	\$300,000	\$115,834	This project is carried over to 2019/20 as not enough tenders were received.
Laterals	Replacements	\$30,600	\$32,095	Complete
Stratford Street work rider mains	Replacements	\$255,000	\$255,000	Complete
Reticulation renewals	Replacements	\$0	\$385,536	Urgent works were required.
Infrastructure general – Stratford	Replacements	\$25,000	\$0	Not required
Infrastructure general – Midhirst	Replacements	\$3,000	\$2,361	Complete
Infrastructure general – Toko	Replacements	\$1,500	\$12,167	The bore pump required urgent replacement.
Treatment plant	Replacements	\$0	\$12,977	This was funds carried over from 2017/18.
Grit tank replacement	Replacements	\$0	\$12,977	This project will be carried forward to 2019/20
Meter replacements	Replacements	\$50,000	\$0	Not required.
Patea delivery line	Replacement	\$259,400	\$0	This project is carried forward to 2019/20
Hydrants	Replacements	\$14,800	\$4,935	Complete.

1.6 Cost of Services Statement

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

Water Supply

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
1,767	Operating Expenditure	1,860	1,919
223	Revenue	350	486
1,545	Net Cost of Service	1,510	1,433
	EXPENDITURE		
874	Operating Costs	984	985
261	Interest	197	303
364	Depreciation	384	364
268	Allocated Overheads	296	267
1,767	Total Operating Expenditure	1,860	1,919
273	Principal Loan Repayments	290	299
466	Capital Expenditure	862	1,219
2,506	Total Expenditure	3,012	3,437
	FUNDED BY:		
223	Charges for Water Usage	350	486
223	Total Revenue	350	486
1,435	Targeted Rates	1,441	1,430
496	Transfer from Depreciation Reserves	358	299
353	Loan Funding - Capital	862	1,219
-	Other Funding	-	2
2,506	Total Funding	3,012	3,437



COUNCIL CONTROLLED ORGANISATION

Percy Thomson Trust

1.1 Background

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

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

1.2 Nature and Scope of Activities

The Percy Thomson Gallery is located in Prospero Place and provides a total display area of 178m². The arboretum has been established at Cloten Road, and the herbarium is a 'virtual' asset that can be found at www.taranakiplants.net.nz.

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

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

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

1.3 Why We Do It

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

1.4 Statement of Service Provision

Level of Service	Performance Measure	How Measured	Actual 2018/19	Target 2018/19
Delivery of art exhibitions	Deliver proposed art exhibitions which will include local, regional and at least 1 National:	Art Gallery Records	<p>Achieved: Art exhibitions were delivered throughout the year, which included the following:</p> <p>National –</p> <ol style="list-style-type: none"> 1. A Songless Land 2. Purely Pastel 3. Adam Portraiture Awards <p>Regional –</p> <ol style="list-style-type: none"> 1. Taranaki Quilt Festival 2. Taranaki Arts Trail 3. Taranaki Creative Fibre <p>Local –</p> <ol style="list-style-type: none"> 1. Stratford Art Society 2. I Am Women 3. Stratford Village Quilters 4. Mysterious Mischief – Ellis in Wonderland <p>(2017/18 Achieved - Art exhibitions were delivered throughout the year, which included the following:</p> <p>National –</p> <ol style="list-style-type: none"> 1. Voyage into the Heartland 2. Brian Brake – Lens on China and Japan <p>Regional –</p> <ol style="list-style-type: none"> 1. Purely Pastel 2. 19th International Collage Exchange 3. Regional Embroiderers 4. Taranaki Arts Trail <p>Local –</p> <ol style="list-style-type: none"> 1. Down to Earth 2. TSBCT Emergence Awards for Young Taranaki Artists 3. See Nothing Truth Lie Dichotomy 	Deliver proposed art exhibitions which will include local, regional and at least 1 National.
	Number of visitors to the Gallery to be not less than 20,000 per year	Door Count	Achieved: 26,656 (2017/18 Achieved – 24,084)	>20,000
	To operate to a “break-even” balance	Annual Report	Achieved (2017/18 Achieved) Note: Break-even is defined by the Trust as a cash surplus only, excluding depreciation, and receiving external funding to make up any shortfall in cash, and the gain on sale of investments.	Operate within “break-even” budget
Development and maintenance of arboretum	Develop and maintain the arboretum to the standards in the Facilities Management Contract.	Council Records	Achieved (2017/18 Achieved) Note: The arboretum has been maintained by Stratford District Council on behalf of the Trust, and meets the standards as set out in the Facilities Management Contract)	Develop and maintain the standards in the Facilities Management Contract.
Delivery of Herbarium	Deliver the herbarium via the internet.	Internet Detail Available	Not Achieved: (2017/18 Not Achieved)	Deliver the herbarium via the internet.

1.5 Cost of Services Statement

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

Percy Thomson Trust

Actual 2017/18 \$000		Actual 2018/19 \$000	Budget 2018/19 \$000
281	Operating Expenditure	289	270
110	Revenue	111	96
171	Net Cost of Service	178	174
	-		
	EXPENDITURE		
210	Operating Costs	217	199
71	Depreciation	72	71
281	Total Operating Expenditure	289	270
	-		
	FUNDED BY:		
110	User Charges	111	96
110	Total Revenue	111	96
50	Council Grant	50	50
55	Investment Interest	53	54
-	Gain on revaluation of bonds	24	-
66	Transfer from (to) Accumulated Surplus	51	70
281	Total Funding	289	270



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STRATFORD DISTRICT COUNCIL - Statement of Comprehensive Revenue and Expense for the year ended 30 June 2019

	Note	Council			Group	
		Actual 2018/19 \$000	Budget 2018/19 \$000	Actual 2017/18 \$000	Actual 2018/19 \$000	Actual 2017/18 \$000
Revenue						
Rates	4	12,256	12,279	11,492	12,256	11,492
Subsidies and Grants	5	5,096	7,132	3,952	5,135	3,998
Development and Financial Contributions		62	-	7	62	7
Fees and Charges		2,007	2,165	1,989	2,039	2,015
Finance Revenue	9	109	192	31	162	86
Other revenue - sale of land		-	3,234	-	-	-
Sundry Revenue	5	92	34	82	116	82
Total Revenue	5	19,622	25,036	17,552	19,771	17,679
Expenses						
Personnel Costs	7	3,511	3,494	3,278	3,612	3,374
Depreciation and Amortisation	15 & 16	4,588	4,376	4,366	4,659	4,437
Other expenses	8	10,257	9,396	8,574	10,284	8,599
Landfill impairment	32	536	-	-	536	-
Finance Costs	9	456	617	454	456	454
Total Expenses		19,347	17,883	16,672	19,547	16,865
SURPLUS/(DEFICIT) BEFORE TAX		275	7,153	881	224	814
Income Tax Expense	10	-	-	-	-	-
SURPLUS/(DEFICIT) AFTER TAX		275	7,153	881	224	814
Other Comprehensive Revenue and Expense						
Revaluation of financial assets at fair value through other comprehensive revenue and expense	21	(249)	-	(88)	(249)	(88)
Gains/(Losses) on Property, Plant and Equipment Revaluation	21	(5,304)	-	-	(5,304)	-
Total Other Comprehensive Revenue and Expense		(5,553)	-	(88)	(5,553)	(88)
Total Comprehensive Revenue and Expense		(5,277)	7,153	792	(5,329)	726
<i>The accompanying notes form part of these financial statements.</i>						
<i>Explanations of significant variances against budget are provided in note 29.</i>						

STRATFORD DISTRICT COUNCIL - Reconciliation between Cost of Service Statements and Statement of Comprehensive Revenue and Expense For the Year Ended 30 June 2019

	Council		
	Actual	Budget	Actual
	2018/19	2018/19	2017/18
	\$000	\$000	\$000
Total Operating Revenue (Activity Cost of Service Statements)			
Community Services	520	537	522
Democracy	54	60	64
Economy	638	681	678
Environmental Services	485	455	424
Roading	5,336	3,943	4228
Stormwater Drainage	0	0	0
Wastewater (Sewerage)	53	70	67
Solid Waste	115	80	83
Water Supply	350	486	223
Total Operating Revenue	7,552	6,312	6,287
Total Operating Revenue (Statement of Comprehensive Revenue and Expense)	19,622	25036	17552
VARIANCE	(12,070)	(18,724)	(11,265)
Reconciling Items			
Rates Revenue	11,905	11,792	11,269
Development and Financial Contributions	62	0	7
Sundry Revenue	54.5	34	55
Sales of land	0	3,234	0
Less Internal Revenue from the Business Unit	(151)	0	(171)
Other Grants	98	3,472	70
Low Interest Loan Revenue	5	0	4
Finance Revenue	109	192	31
Total Reconciling Items	12,083	18,724	11,265
Total Operating Expenditure (Activity Cost of Service Statements)			
Community Services	3,639	3,653	3,666
Democracy	1,037	1,022	856
Economy	1,296	1,248	1,147
Environmental Services	1,423	1,560	1,409
Roading	7,458	6,469	6,025
Stormwater Drainage	358	328	290
Wastewater (Sewerage)	840	831	801
Solid Waste	870	856	711
Water Supply	1,860	1,919	1,767
Total Operating Expenditure	18,780	17,883	16,671
Total Operating Expenditure (Statement of Comprehensive Revenue and Expense)	19,347	17,883	16,671
VARIANCE	(567)	0	-
Reconciling Item			
Net Losses on Disposals and Other Sundry Expenses	214	0	244
Less Internal Expenditure from the Business Unit	(151)	0	(171)
Other Expenditure	(45)	0	(45)
Interest on Loan Funds Unallocated	(30)	0	(30)
Landfill Aftercare Expenses	-	0	3
Total Reconciling Items	(13)	0	0
Net Surplus (Deficit) per Statement of Comprehensive Revenue and Expense	275	7,153	881

STRATFORD DISTRICT COUNCIL - Statement of Financial Position as at 30 June 2019

	Note	Council			Group	
		Actual 2018/19 \$000	Budget 2018/19 \$000	Actual 2017/18 \$000	Actual 2018/19 \$000	Actual 2017/18 \$000
Assets						
Current Assets						
Cash and Cash Equivalents	11	2,822	3,475	4,107	3,017	4,241
Short Term Deposits	11	-	-	-	250	250
Receivables	12	999	1,132	1,539	1,008	1,545
Inventory - assets held for sale	13	1,328	-	-	1,328	-
Prepayments	32	511	-	621	511	621
Other Financial Assets	14	67	-	17	67	197
Total Current Assets		5,727	4,607	6,283	6,181	6,852
Non-Current Assets						
Receivables	12	47	-	42	47	42
Property, Plant and Equipment	15	321,621	334,036	326,089	323,432	327,917
Intangible Assets	16	581	-	685	581	685
Investment in Percy Thomson Trust (CCO)		0	0	0	-	-
Other Financial Assets	14	921	2,333	1,090	1,576	1,620
Total Non-Current Assets		323,170	336,369	327,905	325,635	330,264
Total Assets		328,897	340,976	334,188	331,816	337,116
Liabilities						
Current Liabilities						
Payables and deferred revenue	17	2,067	1,708	2,462	2,120	2,474
Provisions	18	11	11	11	11	11
Employee entitlements	19	117	155	167	124	173
Borrowings	20	4,000	-	5,500	4,000	5,500
Total Current Liabilities		6,194	1,874	8,140	6,254	8,158
Non-Current Liabilities						
Provisions	18	44	47	51	44	51
Employee entitlements	19	47	45	46	47	46
Borrowings	20	10,500	13,877	8,560	10,500	8,560
Total Non-Current Liabilities		10,591	13,968	8,657	10,591	8,657
Total Liabilities		16,785	15,842	16,797	16,846	16,815
Equity						
Accumulated Funds	21	174,920	181,426	175,497	176,761	177,390
Reserves	21	137,194	143,708	141,894	138,211	142,911
Total Equity Attributable to Stratford District Council		312,114	325,134	317,391	314,972	320,301
Total Liabilities & Equity		328,897	340,976	334,188	331,817	337,116

The accompanying notes form part of these financial statements.

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

STRATFORD DISTRICT COUNCIL - Statement in Changes of Equity For the Year Ended 30 June 2019

	Council			Group	
	Actual 2018/19 \$000	Budget 2018/19 \$000	Actual 2017/18 \$000	Actual 2018/19 \$000	Actual 2017/18 \$000
Balance at 1 July					
Accumulated Funds	175,497	175,046	174,573	177,377	176,519
Revaluation of financial assets at fair value through other comprehensive revenue and expense	(100)	-	(12)	(90)	(2)
Reserves / Special Funds	3,853	4,795	3,896	3,853	3,896
Asset Revaluation Reserves	138,141	138,141	138,141	139,158	139,158
Total Equity - Opening Balance	317,391	317,982	316,598	320,302	319,575
Changes in Equity					
Accumulated Funds	(577)	6,380	924	(629)	858
Revaluation of financial assets at fair value through Other Comprehensive Revenue and Expense	(249)	-	(88)	(249)	(88)
Reserves / Special Funds	853	772	(43)	853	(43)
Asset Revaluation Reserves	(5,304)	-	-	(5,304)	-
Total Comprehensive Revenue and Expense	(5,277)	7,152	792	(5,329)	726
Closing Balance					
Accumulated Funds	174,920	181,426	175,497	176,748	177,377
Revaluation of financial assets at fair value through other comprehensive revenue and expense	(349)	-	(100)	(339)	(90)
Reserves / Special Funds	4,706	5,567	3,853	4,706	3,853
Asset Revaluation Reserves	132,837	138,141	138,141	133,854	139,158
Total Equity - Closing Balance	312,114	325,134	317,391	314,972	320,301
<i>The accompanying notes form part of these financial statements.</i>					

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

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2018/19	2018/19	2017/18	2018/19	2017/18
		\$000	\$000	\$000	\$000	\$000
Cash Flows from Operating Activities						
Rates Revenue		12,285	12,278	11,502	12,285	11,502
Interest Received		109	192	31	163	87
Dividends Received		-	-	-	-	-
Development and Financial Contributions		62	-	7	62	7
Subsidies, Grants and Donations		5,283	7,132	3,952	5,322	3,997
User Charges and Sundry Revenue		2,358	2,199	1,738	2,389	1,764
Regional Council Rates		681	-	681	681	681
Payments to Suppliers and Employees		(14,154)	(12,901)	(11,426)	(14,286)	(11,565)
Interest Paid		(456)	(617)	(454)	(456)	(454)
Goods and Services Tax (net)		(183)	-	243	(178)	244
Regional Council Rates		(681)	-	(681)	(681)	(681)
Net Cash from Operating Activities		5,304	8,283	5,593	5,301	5,582
Cash Flows from Investing Activities						
Proceeds from Sale of Property, Plant and Equipment		-	3,234	-	-	-
Proceeds from Sale of Investments		53	20	68	757	680
Purchase of Property, Plant & Equipment		(6,919)	(12,005)	(7,567)	(6,934)	(7,577)
Prepayment for Joint landfill		(19)	-	(570)	(19)	(570)
Acquisition of Investments		(144)	-	(125)	(769)	(675)
Net Cash from Investing Activities		(7,029)	(8,751)	(8,194)	(6,965)	(8,142)
Cash Flows from Financing Activities						
Proceeds from Borrowings		13,000	4,563	4,500	13,000	4,500
Repayment of Borrowings (Loans)		(12,560)	(3,706)	-	(12,560)	-
Net Cash from Financing Activities		440	857	4,500	440	4,500
Net (Decrease)/Increase in Cash, Cash Equivalents and Bank Overdrafts						
Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the Year		4,107	3,087	2,208	4,241	2,301
Cash, Cash Equivalents and Bank Overdrafts at the End of the Year	11	2,822	3,475	4,107	3,017	4,241

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

The accompanying notes form part of these financial statements.



NOTES TO FINANCIAL STATEMENTS

Note 1

Reporting Entity

The financial statements of the Stratford District Council are for the year ended 30 June 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 primary objective of Council is to provide services or goods for the community for social benefit rather than making a financial return. Accordingly, having regard to the criteria set out in the PBE IPSAS, as a defined public entity under the Public Audit Act 2001, the Council is audited by the Auditor-General and is classed as a Public Sector Benefit Entity (PBE) for financial reporting purposes. Council has designated itself as a Tier 2 entity.

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

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

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

The financial statements of the Council and Group are for the year ended 30 June 2019 and were authorised for issue by Council on 29 October 2019.

Measurement Base

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

Note 2 Statement of Accounting Policies for the year ending 30 June 2019

The following accounting policies which materially affect the measurement of results and financial position have been applied consistently to the year ended 30 June 2019 unless otherwise stated.

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

Basis of Consolidation

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

Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), other than the remuneration and the severance payment disclosures in Notes 25 and 26. The remuneration and severance payment disclosures are rounded to the nearest dollar.

Goods and Services Tax (GST)

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

Budget Figures

The budget figures were those approved by the Council in the 2018-28 Long Term Plan.

The budget figures have been prepared in accordance with NZ GAAP and comply with NZ PBE IPSAS, and other applicable Financial Reporting Standards, using accounting policies that are consistent with those adopted in preparing these financial statements.

Critical Accounting Estimates and Assumptions

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

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

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

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

- The physical condition of the asset. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of any asset.
- The remaining useful life over which the asset will be depreciated. These estimates can be impacted by local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, Council could be over or underestimating the depreciation charge recognised in the Statement of Comprehensive Revenue and Expense. To minimise this risk useful lives are determined with reference to the NZ Infrastructural Asset Valuation and Depreciation guidelines published by the National Asset Management Steering Group. Asset inspections and condition modelling are also carried out regularly as part of Council's asset management planning activities.

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

Critical Judgement

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.

Changes in Accounting Policies

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

Note 3 Summary of Cost of Services

Accounting Policy

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

Cost Allocation

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

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

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

FUNCTION	Revenue		Expenditure		Actual	Budget	Actual
	Actual \$000	Budget \$000	Actual \$000	Budget \$000	2018/19 \$000	2018/19 \$000	2017/18 \$000
Community Services							
Aerodrome	23	22	82	93	59	71	71
Civic Amenities	47	49	727	738	680	689	608
Pensioner Housing	66	62	103	105	37	42	49
Community Development	22	21	373	325	351	305	340
Library	20	18	656	675	636	657	618
Parks and Reserves	10	9	647	649	638	640	732
Cemeteries	108	120	193	209	85	89	86
TSB Pool Complex	224	222	859	859	635	637	643
Sub-Total	520	523	3,639	3,653	3,120	3,130	3,145
Democracy							
Democracy	-	-	1,037	1,022	1,037	1,022	856
Corporate Support	54	60	-	-	(54)	(60)	(64)
Sub-Total	54	60	1,037	1,022	983	962	792
Economy							
Economic Development	-	-	398	416	398	416	292
Council Projects	-	-	67	65	67	65	-
Information Centre	102	112	353	300	251	188	242
Farm Investment	479	504	374	361	(104)	(143)	(122)
Holiday Park	3	3	18	18	15	15	33
Rental Properties	55	62	85	88	30	26	24
Sub-Total	638	681	1,296	1,248	658	567	469
Environmental Services							
Building Control	220	213	443	488	223	275	145
Dog Control	147	142	204	201	57	59	67
Emergency Management	-	-	128	123	128	123	135
District Plan	-	-	106	163	106	163	178
Resource Consents	57	26	149	160	92	134	99
Bylaws	(5)	26	168	182	172	156	172
Environmental Health	32	14	93	88	61	74	90
Liquor Licensing	34	34	133	155	100	121	99
Sub-Total	485	455	1,423	1,560	938	1,105	984
Roading							
Roading	5,185	3,792	7,319	6,325	2,134	2,532	1,808
Business Unit	151	151	139	144	(12)	(7)	(12)
Sub-Total	5,336	3,943	7,458	6,469	2,122	2,525	1,797
Stormwater							
Stormwater	-	-	358	328	358	328	290
Sub-Total	-	-	358	328	358	328	290
Wastewater (Sewerage)							
Wastewater (Sewerage)	53	70	840	831	787	761	734
Sub-Total	53	70	840	831	787	761	734
Solid Waste							
Solid Waste	115	80	870	856	754	776	629
Sub-Total	115	80	870	856	754	776	629
Water Supply							
Water Supply	350	486	1,860	1,919	1,510	1,433	1,545
Sub-Total	350	486	1,860	1,919	1,510	1,433	1,545
Total Activity Revenue & Expenditure	7,552	6,298	18,781	17,883	11,230	11,587	10,383
Plus: General Rates & UAGC	6,101	6,031	-	-	(6,101)	(6,031)	(5,615)
Plus: Targeted Rates	5,789	5,761	-	-	(5,789)	(5,761)	(5,639)
Total Revenue and Operating Expenditure	19,442	18,090	18,781	17,883	(660)	(205)	(871)

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

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

Note 4 Rates Revenue

Accounting Policy

The following policies for rates have been applied:

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

	Council and Group Actual 2018/19 \$000	Council and Group Actual 2017/18 \$000
General Rates & UAGC	6,101	5,615
Targeted Rates Attributable to Activities		
- Roading	2,915	2,821
-Wastewater - uniform annual charge	730	697
-Solid Waste - uniform annual charge	703	685
-Water Supply - uniform annual charge	1,441	1,435
-Water Supply - targeted metered rates	350	223
-Community Halls	16	15
Total Rates	12,256	11,492
Rates Remissions		
Rates revenue is shown net of rates remissions and non-rateable land. Stratford District Council's rates remission policy provides for rates to be remitted for various purposes. Council committed itself at the start of the year to certain remissions which are listed below:		
	Council Actual 2018/19 \$000	Council Actual 2017/18 \$000
Rates Remissions		
Community, Sporting and Other Organisations	45	43
Council Owned Properties and Land Subject to an Open Space Covenant	61	50
Maori Free-hold Land	29	29
Total Rate Remissions (including GST)	134	121
Non-Rateable Land		
Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. This includes schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water and refuse. Non-rateable land does not constitute a remission under Stratford District Council's rates remission policy.		

Note 5 Other Revenue

Accounting Policy

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

Development and Financial Contributions

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

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.

Subsidies and Grants	Council		Group	
	Actual	Actual	Actual	Actual
	2018/19	2017/18	2018/19	2017/18
	\$000	16949	\$000	\$000
Grants - TSB Community Trust	33	35	57	60
Grants - Taranaki Electricity Trust	64	36	79	56
Other Grants	-	-	-	-
NZ Transport Agency Roading Subsidies	4,999	3,882	4,999	3,882
Total Subsidies and Grants	5,096	3,953	5,135	3,998

There are no unfulfilled conditions and other contingences attached to New Zealand Transport Agency

Sundry Revenue

	Council		Group	
	Actual	Actual	Actual	Actual
	2018/19	2017/18	2018/19	2017/18
	\$000	\$000	\$000	\$000
Petrol Tax	87	78	87	78
Low Interest Loan Revenue	5	4	5	4
Gain from sale of investments	-	-	24	-
Total Revenue	92	82	116	82

Revenue from Exchange and Non-Exchange Transactions

	Council		Group	
	Actual	Actual	Actual	Actual
	2018/19	2017/18	2018/19	2017/18
	\$000	\$000	\$000	\$000
Exchange transactions	1,053	855	1,106	925
Non-exchange transactions	18,569	16,697	18,664	16,754
Total Revenue	19,622	17,552	19,771	17,679

Note 6 Other Gains

	Council		Group	
	Actual	Actual	Actual	Actual
	2018/19	2017/18	2018/19	2017/18
	\$000	\$000	\$000	\$000
Gain on Disposal of Property, Plant and Equipment (included in note 5 sundry revenue)	-	-	-	-
Total Gains	-	-	-	-

Note 7 Personnel Costs

	Council		Group	
	Actual	Actual	Actual	Actual
	2018/19	2017/18	2018/19	2017/18
	\$000	\$000	\$000	\$000
Salaries and Wages	3,560	3,265	3,660	3,360
Increase/(Decrease) in Employee Entitlements	(49)	13	(48)	14
Total Personnel Costs	3,511	3,278	3,612	3,374

Note 8 Other Expenses

Accounting Policy

Grant Expenditure

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

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

	Council		Group	
	Actual	Actual	Actual	Actual
	2018/19	2017/18	2018/19	2017/18
	\$000	\$000	\$000	\$000
Net Losses on Disposals and Other Sundry Expenses	214	244	214	244
Insurance premiums	121	104	129	113
Landfill Aftercare Expenses	-	3	-	3
Operating Expenses	9,922	8,223	9,941	8,239
Total Other Expenses	10,257	8,574	10,284	8,599

Note 9 Interest Revenue and Finance Costs

Accounting Policy

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

	Council		Group	
	Actual	Actual	Actual	Actual
	2018/19	2017/18	2018/19	2017/18
	\$000	\$000	\$000	\$000
Interest Revenue				
Interest on term deposits	109	31	162	86
Total Finance Income	109	31	162	86
Finance costs				
Interest on bank borrowings	456	454	456	454
Total finance costs	456	454	456	454
Net finance costs	(347)	(423)	(294)	(368)

Note 10 Tax

Accounting Policy

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.

Both Council and its subsidiary, the Percy Thomson Trust, are exempt from income tax.				
	Council		Group	
	Actual 2018/19 \$000	Actual 2017/18 \$000	Actual 2018/19 \$000	Actual 2017/18 \$000
Components of Tax Expense				
Current Tax Expense	-	-	-	-
Adjustments to Current Tax in Prior Years	-	-	-	-
Deferred Tax Expense	-	-	-	-
Tax Expense	-	-	-	-
Relationship Between Tax Expense and Accounting Surplus				
Surplus/(Deficit) Before Tax	275	881	224	814
Tax at 28%	77	247	63	228
Non-deductible Expenses	(77)	(247)	(63)	(228)
Non-taxable Revenue	-	-	-	-
Tax Expense	-	-	-	-

Note 11 Cash and Cash Equivalents and Short Term Deposits

Accounting Policy

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

	Council		Group	
	Actual	Actual	Actual	Actual
	2018/19	2017/18	2018/19	2017/18
	\$000	\$000	\$000	\$000
Cash at Bank and on Hand	822	1,107	1,017	1,241
Term Deposits Maturing Three Months or Less from Date of Acquisition	2,000	3,000	2,000	3,000
Sub-total Cash and Cash Equivalents	2,822	4,107	3,017	4,241
Term Deposits Maturing More than Three Months from Date of Acquisition	-	-	250	250
Total Cash and Cash Equivalents and Short Term Deposits	2,822	4,107	3,267	4,491

Refer to note 14 for weighted average effective interest rate for cash and cash equivalents.

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

	Council		Group	
	Actual	Actual	Actual	Actual
	2018/19	2017/18	2018/19	2017/18
	\$000	\$000	\$000	\$000
Cash at Bank and on Hand	822	1,107	1,017	1,241
Term Deposits Maturing Three Months or Less from Date of Acquisition	2,000	3,000	2,000	3,000
Sub-total	2,822	4,107	3,017	4,241
Investments Maturing More than Three Months from Date of Acquisition	-	-	250	250
Total	2,822	4,107	3,267	4,491

Note 12 Receivables

Accounting Policy

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

	Council		Group	
	Actual 2018/19 \$000	Actual 2017/18 \$000	Actual 2018/19 \$000	Actual 2017/18 \$000
Current Portion				
Rates Receivables	240	250	240	250
Other Receivables	759	1,288	768	1,294
Receivable prior to impairment	999	1,538	1,008	1,544
Less Provision for Impairment	-	-	-	-
Total Current Portion of Receivables	999	1,538	1,008	1,544
Non-Current Portion				
Other Receivables	47	42	47	42
Total Non-Current Portion of Receivables	47	42	47	42
Total Receivables	1,046	1,580	1,055	1,586
Total Receivables Comprise:				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements and fees and charges that are partly subsidised by rates	894	1,371	903	1,371
Receivables from exchange transactions - this includes outstanding amounts for fees and charges that have not been subsidised by rates	152	209	152	215

Note 13 Inventories

Accounting Policy

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories held for commercial distribution, are measured at the lower of cost and net realisable value.

Council inventory is made up of land held for development and future resale.

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

	Council		Group	
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Assets held for resale	1,328	-	1,328	-
Total Inventories	1,328	-	1,328	-

There have been no write downs of inventory during the year. No inventory is pledged as security.

Note 14 Other Financial Assets

Accounting Policy

Other Financial Assets

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

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

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

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

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

Financial assets at fair value through surplus or deficit

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

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

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

Loans and receivables

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

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

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

Held-to-maturity investments

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

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

Fair value through other comprehensive revenue and expense

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

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

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

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

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.

	Council		Group	
	Actual 2018/19 \$000	Actual 2017/18 \$000	Actual 2018/19 \$000	Actual 2017/18 \$000
Current Portion				
<i>Loans and Receivables</i>				
Financial Assets Available for Sale	-	-	-	180
LGFA Borrowers Notes	48		48	
Community Loan - Stratford Health Trust	19	17	19	17
Total Current Portion	67	17	67	197
Non-current Portion				
Community Loan - Stratford Health Trust	19	36	19	36
Financial Assets Available for Sale	-	-	655	530
LGFA Borrowers Notes	168	72	168	72
Listed Shares	733	982	733	982
Total Non-current Portion	921	1,090	1,576	1,620
Total Other Financial Assets	987	1,107	1,642	1,817

Impairment

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

Community Loan

The fair value of the community loan is \$37,993 (2018 \$52,981). Fair value has been determined using cash flows based on Council's assumed cost of borrowing of 3.5%.(2018 6.6% and 5.5%). The purpose of the loan was to assist the Stratford Health Trust construct new premises in the town. The loan was for a term of 10 years.

The face value of the community loan is \$40,000 (2018 - \$60,000).

Listed Shares

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

Maturity Analysis and Effective Interest Rates

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

	Council		Group	
	Actual 2018/19 \$000	Actual 2017/18 \$000	Actual 2018/19 \$000	Actual 2017/18 \$000
Short Term Deposits				
Short term deposits with maturities of 3 months or less	2,000	3,000	2,000	3,000
<i>Average maturity</i>	90 days	80 days	90 days	80 days
<i>Weighted average Effective Interest Rate</i>	2.93%	3.00%	2.93%	3.00%
Short term deposits with maturities of more than 3 months but less than 12 months	-	-	250	250
<i>Average maturity</i>			180 days	180 days
<i>Weighted average Effective Interest Rate</i>	-	-	2.60%	3.25%
Total	2,000	3,000	2,250	3,250

Note 15 Property, Plant and Equipment

Accounting Policy

Items of a capital nature over \$2,000 are treated as property, plant and equipment. Property, plant and equipment are classified into 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 (except land under roads), being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

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

Property, plant and equipment are valued as follows:

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

Valuation

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

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

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

Roading assets (except land under roads) have been revalued by the independent valuers, Calibre Consultants Ltd, as at 1 July 2018.

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

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

Public Benefit Entity Revaluation

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

Impairment

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.

Additions

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

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

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

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

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

Depreciation

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

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

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

	Cost /	Accumulated	Carrying	Assets	Assets	Disposals /	Transfers	Depreciation	Depreciation	Depreciation	Revaluation	Cost /	Accumulated	Carrying
	Valuation	Depreciation and Impairment	Amount	constructed by Council	transferred to Council	Impairment			Reversed on Revaluation	Reversed on Disposal	Surplus (incl of depreciation reversed on revaluation)	Valuation	Depreciation and Impairment	Amount
	1 July 2018			Current Year								30 June 2019		
2019	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council Operational Assets														
Land	8,742	-	8,742	-	-	-	-	-	-	-	-	8,742	-	8,742
Buildings	10,535	862	9,673	348	-	(60)	-	432	-	(11)	-	10,823	1,283	9,540
Surplus Properties	119	-	119	-	-	-	-	-	-	-	-	119	-	119
Plant	537	238	299	3	-	-	-	36	-	-	-	540	274	266
Motor Vehicles	275	145	130	37	-	-	-	15	-	-	-	312	160	152
Furniture/Fittings	449	251	198	42	-	-	-	16	-	-	-	491	267	224
Office Equipment	1,409	978	432	53	-	(262)	-	55	-	(261)	-	1,200	772	428
Library Books	619	277	342	43	-	-	-	43	-	-	-	662	320	342
Work In Progress - Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress - plant and equipment	-	-	-	22	-	-	-	22	-	-	-	22	-	22
Work In Progress - Share of joint landfill	477	-	477	-	-	(477)	-	-	-	-	-	-	-	-
Work In Progress - Land	1,933	-	1,933	68	-	-	(1,623)	-	-	-	-	378	-	378
Total Operational Assets	25,094	2,751	22,344	616	-	(799)	(1,623)	597	-	(272)	-	23,289	3,076	20,214
Council Restricted Assets														
Land	7,224	-	7,224	11	-	-	-	-	-	-	-	7,235	-	7,235
Buildings	5,012	452	4,560	122	-	-	-	240	-	-	-	5,134	692	4,442
Street Beautification	1,604	202	1,402	-	-	-	-	17	-	-	-	1,604	219	1,385
Rubbish Bins	203	-	203	-	-	-	-	-	-	-	-	203	-	203
Work In Progress - Street Beautification	109	-	109	(19)	-	-	-	-	-	-	-	91	-	91
Work In Progress - Buildings	-	-	-	15	-	-	-	-	-	-	-	15	-	15
Total Restricted Assets	14,153	653	13,499	129	-	-	-	257	-	-	-	14,281	911	13,370
Council Infrastructure Assets														
Water Supply														
- Reticulation and other assets	9,861	409	9,453	1,224	-	(115)	-	226	(409)	-	1,065	11,625	226	11,401
- Treatment plants and facilities	5,409	318	5,091	27	-	(3)	-	158	(318)	-	(1,071)	4,044	158	3,886
Wastewater System														
- Reticulation and other assets	6,779	471	6,308	247	-	(15)	232	244	(471)	-	219	6,990	244	6,746
- Treatment plants and facilities	1,731	82	1,649	48	-	-	(232)	44	(82)	-	30	1,496	44	1,452
Stormwater System	6,385	203	6,184	34	-	(26)	-	138	(203)	-	1,820	8,009	138	7,872
Roading Network	200,341	4,581	195,760	3,411	-	-	-	2,449	(4,581)	-	(8,191)	190,979	2,449	188,531
Land Under Roads	53,639	-	53,639	-	-	-	-	-	-	-	-	53,639	-	53,639
Bridges	11,936	651	11,285	233	-	-	-	352	(651)	-	829	12,348	352	11,996
Work In Progress - Subdivision - Land under roads	-	-	-	313	-	-	432	-	-	-	-	745	-	745
Work in Progress - Subdivision - 3 waters	-	-	-	1,090	-	-	-	-	-	-	-	1,090	-	1,090
Work In Progress - Wastewater Treatment	360	-	360	204	-	-	-	-	-	-	-	564	-	564
Work In Progress - Stormwater	10	-	10	(10)	-	-	-	-	-	-	-	-	-	-
Work In Progress - Water Reticulation	505	-	505	(389)	-	-	-	-	-	-	-	116	-	116
Total Infrastructure Assets	296,956	6,715	290,245	6,432	-	(159)	432	3,611	(6,715)	-	(5,300)	291,646	3,610	288,038
Total Council	336,203	10,117	326,089	7,176	-	(958)	(1,191)	4,465	(6,715)	(272)	(5,300)	329,215	7,598	321,621
Subsidiaries														
Buildings	1,647	132	1,515	2	-	-	-	65	-	-	-	1,649	197	1,452
Land	193	-	193	-	-	-	-	-	-	-	-	193	-	193
Furniture & Fittings	102	30	74	2	-	-	-	5	-	-	-	104	35	72
Office Equipment	7	4	3	-	-	-	-	1	-	-	-	7	5	2
Work in Progress - buildings	-	-	-	50	-	-	-	-	-	-	-	50	-	50
Arboretum	45	2	43	-	-	-	-	1	-	-	-	45	3	42
Total Subsidiaries	1,994	167	1,828	54	-	-	-	72	-	-	-	2,049	240	1,810
Total Group	338,197	10,285	327,917	7,230	-	(958)	(1,191)	4,536	(6,715)	(272)	(5,300)	331,264	7,838	323,432

The figures included under assets constructed by council for work in progress is the net of new work in progress additions and those capitals held during the year.

	Cost / Valuation	Accumulated Depreciation and Impairment	Carrying Amount	Assets constructed by Council	Assets transferred to Council	Disposals / Impairment	Transfers	Depreciation	Depreciation Reversed on Revaluation	Depreciation Reversed on Disposal	Revaluation Surplus (incl of depreciation reversed on revaluation)	Cost / Valuation	Accumulated Depreciation and Impairment	Carrying Amount
	1 July 2017			Current Year								30 June 2018		
2018	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council Operational Assets														
Land	8,742	-	8,742	-	-	-	-	-	-	-	-	8,742	-	8,742
Buildings	10,452	433	10,019	83	-	-	-	429	-	-	-	10,535	862	9,673
Surplus Properties	119	-	119	-	-	-	-	-	-	-	-	119	-	119
Plant	529	217	312	34	-	(26)	-	39	-	(18)	-	537	238	299
Motor Vehicles	268	149	119	39	-	(32)	-	16	-	(20)	-	275	145	130
Furniture/Fittings	442	236	206	7	-	-	-	15	-	-	-	449	251	198
Office Equipment	1,299	975	324	148	-	(38)	-	41	-	(38)	-	1,409	978	432
Library Books	575	233	342	44	-	-	-	44	-	-	-	619	277	342
Work In Progress - Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work In Progress - Share of joint lan	-	-	-	477	-	-	-	-	-	-	-	477	-	477
Work In Progress - Land	268	-	268	1,665	-	-	-	-	-	-	-	1,933	-	1,933
Total Operational Assets	22,693	2,243	20,452	2,497	-	(96)	-	584	-	(76)	-	25,094	2,751	22,344
Council Restricted Assets														
Land	7,224	-	7,224	-	-	-	-	-	-	-	-	7,224	-	7,224
Buildings	4,848	222	4,626	167	-	(3)	-	230	-	-	-	5,012	452	4,561
Street Beautification	1,573	173	1,400	31	-	-	-	29	-	-	-	1,604	202	1,402
Rubbish Bins	203	-	203	-	-	-	-	-	-	-	-	203	-	203
Work In Progress - Street Beautificat	71	-	71	38	-	-	-	-	-	-	-	109	-	109
Work In Progress - Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Restricted Assets	13,920	395	13,524	236	-	(3)	-	258	-	-	-	14,153	653	13,499
Council Infrastructure Assets														
Water Supply														
- Reticulation and other assets	9,660	205	9,456	326	-	(127)	-	206	-	(2)	-	9,861	409	9,454
- Treatment plants and facilities	5,409	159	5,250	-	-	-	-	159	-	-	-	5,409	318	5,090
Wastewater System														
- Reticulation and other assets	6,667	236	6,431	127	-	(16)	-	236	-	(1)	-	6,779	471	6,308
- Treatment plants and facilities	1,731	41	1,690	-	-	-	-	41	-	-	-	1,731	82	1,649
Stormwater System	6,330	103	6,229	135	-	(82)	-	103	-	(3)	-	6,386	203	6,184
Roading Network	196,344	2,289	194,055	3,997	-	-	-	2,292	-	-	-	200,341	4,581	195,760
Land Under Roads	53,639	-	53,639	-	-	-	-	-	-	-	-	53,639	-	53,639
Bridges	11,824	325	11,499	112	-	-	-	326	-	-	-	11,936	651	11,285
Work In Progress - Roading Network	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work In Progress - Wastewater Tr	174	-	174	186	-	-	-	-	-	-	-	360	-	360
Work In Progress - Stormwater	24	-	24	(14)	-	-	-	-	-	-	-	10	-	10
Work In Progress - Water Reticulatio	377	-	377	128	-	-	-	-	-	-	-	505	-	505
Work In Progress - Water Treatment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Infrastructure Assets	292,179	3,357	288,825	4,995	-	(225)	-	3,361	-	(6)	-	296,956	6,713	290,245
Total Council	328,792	5,995	322,801	7,728	-	(324)	(0)	4,204	-	(83)	-	336,203	10,117	326,089
Subsidiaries														
Buildings	1,647	66	1,581	-	-	-	-	66	-	-	-	1,647	132	1,515
Land	193	-	193	-	-	-	-	-	-	-	-	193	-	193
Furniture & Fittings	94	25	71	8	-	-	-	5	-	-	-	102	30	74
Office Equipment	4	4	-	3	-	-	-	-	-	-	-	7	4	3
Arboretum	45	1	44	-	-	-	-	1	-	-	-	45	2	43
Total Subsidiaries Assets	1,984	96	1,889	10	-	-	-	71	-	-	-	1,994	167	1,828
Total Group	330,776	6,091	324,690	7,738	-	(324)	(0)	4,275	-	(83)	-	338,197	10,285	327,917

The figures included under assets constructed by council for work in progress is the net of new work in progress additions and those capitalised during the year.

Estimate of Replacement Cost

	Council	
	Most recent estimate of replacement cost 2018/19	Date of Estimate
2019		
Water Supply		
- Reticulation and other assets	19,307	30 June 2019
- Treatment plants and facilities	5,830	30 June 2019
Wastewater System		
- Reticulation and other assets	22,304	30 June 2019
- Treatment plants and facilities	2,725	30 June 2019
Stormwater System	14,050	30 June 2019
Roads and Footpaths	339,286	30 June 2019
2018		
Water Supply		
- Reticulation and other assets	19,863	30 June 2018
- Treatment plants and facilities	6,737	30 June 2018
Wastewater System		
- Reticulation and other assets	13,008	30 June 2018
- Treatment plants and facilities	11,466	30 June 2018
Stormwater System	11,141	30 June 2018
Roads and Footpaths	352,032	30 June 2018

Depreciation and Amortisation Expense by Group of Activity

	Council	
	Actual 2018/19 \$000	Actual 2017/18 \$000
Directly attributable depreciation and amortisation by group of activity		
Community Services	581	581
Democracy	-	-
Economy	95	92
Environmental Services	7	7
Roading	2,801	2,617
Stormwater Drainage	138	103
Wastewater (Sewerage)	288	277
Solid Waste	27	27
Water Supply	384	364
Total directly attributable depreciation and amortisation by group of activity	4,320	4,069
Depreciation and amortisation not directly related to group of activities	268	297
Total depreciation and amortisation for the whole of Council	4,588	4,366

Note 16 Intangible Assets – Council and Group

Accounting Policy

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

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

- Software 3-10 years.

2019	Cost/ Valuation	Accumulated Amortisation and Impairment	Carrying Amount	Additions	Disposals	Current Year Impairment Charges	Depreciation Reversed on Disposal	Current Year Amortisation	Cost/ Valuation	Accumulated Amortisation and Impairment	Carrying Amount
	1/07/2018			Current Year					30 June 2019		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Work in Progress	2	-	2	3	-	-	-	-	5	-	5
Computer Software	1,420	737	683	16	-	-	-	123	1,436	860	576
Total	1,422	737	685	19	-	-	-	123	1,441	860	581

2018	Accumulated Amortisation and Impairment	Carrying Amount	Additions	Disposals	Current Year Impairment Charges	Depreciation Reversed on Disposal	Current Year Amortisation	Cost/ Valuation	Accumulated Amortisation and Impairment	Carrying Amount
	1/07/2017		Current Year					30 June 2018		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Work in progress	0	0	2	-	0	-	0	2	-	2
Computer Software	1380	608	772	73	(33)	0	(33)	1420	737	683
Total	1380	608	772	75	(33)	0	(33)	1422	737	685

All intangible assets referring to above are computer software.
There are no restrictions over intangible assets. No intangible assets have been pledged as security for liabilities.

Note 17 Payables and Deferred Revenue

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

	Council		Group	
	Actual	Actual	Actual	Actual
	2018/19	2017/18	2018/19	2017/18
	\$000	\$000	\$000	\$000
Current Portion				
<i>Payables and deferred revenue under exchange transactions</i>				
Trade Payables and Accrued Expenses	1,528	1,772	1,581	1,784
Deposits and Bonds	85	70	85	70
Revenue Received in Advance	125	108	125	108
Total	1,738	1,949	1,791	1,961
<i>Payables and deferred revenue under non-exchange transactions</i>				
Other Taxes Payable (GST)	63	292	63	292
Rates in Advance	265	221	265	221
Total	328	513	328	513
Total Current Portion	2,067	2,462	2,120	2,474

Note 18 Provisions

Accounting Policy

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

	Council		Group	
	Actual	Actual	Actual	Actual
	2018/19	2017/18	2018/19	2017/18
	\$000	\$000	\$000	\$000
Current Portion				
Landfill Aftercare Provision	11	11	11	11
Total Current Portion	11	11	11	11
Non-current Portion				
Landfill Aftercare Provision	44	51	44	51
Total Non-Current Portion	44	51	44	51
Total Provisions	55	62	55	62
Movements for the Landfill Aftercare provision are as follows:				
	Council		Group	
	Actual	Actual	Actual	Actual
	2018/19	2017/18	2018/19	2017/18
	\$000	\$000	\$000	\$000
Opening Balance	62	69	62	69
Additional Provision Made	-	-	-	-
Amounts used	(7)	(7)	(7)	(7)
Closing Balance 30 June	55	62	55	62

Rural Landfills

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

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

Stratford Landfill

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

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

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

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

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

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

Note 19 Employee Entitlements

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

Accounting Policy

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

Presentation of employee entitlements

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

	Council		Group	
	Actual 2018/19 \$000	Actual 2017/18 \$000	Actual 2018/19 \$000	Actual 2017/18 \$000
Current Portion				
Annual Leave	117	167	124	173
Total Current Portion	117	167	124	173
Non-Current Portion				
Retirement Gratuities	47	46	47	46
Total Non-Current Portion	47	46	47	46
Total Employee Entitlements	164	213	171	219

Note 20 Borrowings

Accounting Policy

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

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

	Council		Group	
	Actual 2018/19 \$000	Actual 2017/18 \$000	Actual 2018/19 \$000	Actual 2017/18 \$000
Current Portion				
Committed cash advance facility	-	-	-	-
Secured Loans	4,000	5,500	4,000	5,500
Total Current Portion	4,000	5,500	4,000	5,500
Non-Current Portion				
Secured Loans	10,500	8,560	10,500	8,560
Total Non-Current Portion	10,500	8,560	10,500	8,560
Total Borrowings	14,500	14,060	14,500	14,060

Security

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

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

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

Committed cash advance facility

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

Maturity Analysis and Effective Interest Rates

	Council		Group	
	Actual 2018/19 \$000	Actual 2017/18 \$000	Actual 2018/19 \$000	Actual 2017/18 \$000
Less than one year	4,000	5,500	4,000	5,500
Later than one year but not more than five years	7,000	1,500	7,000	1,500
Later than five years	3,500	7,060	3,500	7,060
Total Borrowings	14,500	14,060	14,500	14,060

The weighted average effective interest rate for 2018/19 is 2.83% (2017/18 4.02%).

Local Government Funding Agency

Council has 8 (eight) LGFA loans as follows:

Balance of loan	Maturity date	Interest rate
\$3,000,000	April 2020	2.33%
\$1,000,000	May 2020	1.99%
\$1,500,000	May 2021	2.62%
\$2,000,000	April 2022	2.81%
\$1,500,000	May 2023	3.47%
\$2,000,000	May 2024	2.53%
\$2,000,000	April 2025	3.38%
\$1,500,000	April 2027	3.65%

Internal Borrowings

During the 2012/13 year Council made an internal loan to the Water Supply activity, towards the capital costs of the new Stratford Water Treatment Plant. The loan was for \$2,000,000. Interest has been calculated on the balance outstanding as at 1 July 2018 of \$1,590,795 at the weighted average interest rate as at 31 December 2018 of 2.88%. The Water Supply activity has been charged the cost of \$45,815. The sum of \$80,000 was repaid at the end of the year.

Note 21 Equity

Accounting Policy

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

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

Restricted reserves

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

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

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

Property revaluation reserve

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

Fair value through other Comprehensive Revenue and Expense reserve

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

	Council		Group	
	Actual 2018/19 \$000	Actual 2017/18 \$000	Actual 2018/19 \$000	Actual 2017/18 \$000
Accumulated Funds - 1 July	175,497	174,573	177,390	176,532
Transfers to:				
Restricted Reserves	(106)	(43)	(106)	(43)
Council Created Reserves	(5,513)	(4,634)	(5,513)	(4,634)
Transfers from:				
Council Created Reserves	4,750	4,684	4,750	4,684
Restricted Reserves	16	36	16	36
Profit / (Loss) for the year	275	881	224	814
Balance at 30 June	174,920	175,497	176,761	177,390
Restricted Reserves - 1 July	497	490	497	490
Transfers to:				
Accumulated Funds	(16)	(36)	(16)	(36)
Transfers from:				
Accumulated Funds	106	43	106	43
Balance at 30 June	587	497	587	497
Fair Value through other comprehensive revenue and expense - 1 July	(100)	(12)	(100)	(12)
Loss on sale of financial assets at fair value through other comprehensive income	-	-	-	-
Revaluation Gains/(Losses) on Investments	(249)	(88)	(249)	(88)
Balance at 30 June	(349)	(100)	(349)	(100)
Council Created Reserves - 1 July	3,356	3,406	3,357	3,406
Transfers to:				
Accumulated Funds	(4,750)	(4,684)	(4,750)	(4,684)
Transfers from:				
Accumulated Funds	5,513	4,634	5,513	4,634
Balance at 30 June	4,120	3,356	4,120	3,357
Asset Revaluation Reserves - 1 July	138,141	138,141	139,158	139,158
Revaluation Gains/(Losses)	(5,304)	-	(5,304)	-
Balance at 30 June	132,837	138,141	133,854	139,158
Total Other Reserves - 30 June	137,194	141,894	138,211	142,911
Asset Revaluation Reserves consist of:				
Operational Assets				
Land	6,195	6,195	6,263	6,263
Buildings	5,324	5,324	6,273	6,273
Restricted Assets				
Wastewater System	5,451	5,202	5,451	5,202
Water System	3,983	3,993	3,983	3,993
Stormwater System	6,081	4,262	6,081	4,262
Roading Network	101,894	109,256	101,894	109,256
Land	2,137	2,137	2,137	2,137
Buildings	1,773	1,773	1,773	1,773
Total	132,837	138,141	133,854	139,158

EQUITY (CONT)

Purpose of Each Reserve Fund

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

- Council Created Reserves
- Restricted Reserves
- Targeted Rate Reserves

The purposes of the reserves are as follows:

Council Created Reserves

General Renewals Reserve

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

Roading Renewals Reserve

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

Contingency Reserve

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

Asset Sales Proceeds Reserve

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

Staff Gratuities Reserve

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

Mayor's Relief Fund

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

Turf Replacement Reserve

This reserve was created to accumulate funds annually to contribute towards the replacement of the hockey turf, when required.

Restricted Reserves

Elsie Fraser Bequest Reserve

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

RMA/Financial Contributions Reserve

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

Targeted Rate Reserves

Water Supply, Solid Waste and Wastewater Reserves

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

RESERVE FUND MOVEMENTS

		Balance	Transfers	Transfers	Balance
		1 July 2018	into fund	out of fund	30 June 2019
2019	Activities to which the reserve relates	\$000	\$000	\$000	\$000
Restricted Reserves					
	Elsie Fraser Bequest Reserve	55	30	(16)	69
	Financial Contributions Reserve	442	76	-	518
Total		497	106	(16)	587
2018					
		Balance	Transfers	Transfers	Balance
		1 July 2017	into fund	out of fund	30 June 2018
2018	Activities to which the reserve relates	\$000	\$000	\$000	\$000
Council Created/Targeted Rate Reserves					
	Asset Renewal Reserve	1,785	1,088	(381)	2,493
	Contingency Reserve	505	15	(15)	505
	Asset Sale Proceeds Reserve	624	39	(40)	623
	Staff Gratuities Reserve	144	4	(4)	144
	Mayor's Relief Fund Reserve	5	-	(1)	5
	Turf Replacement Reserve	-	10	-	10
	Stormwater Reserve	152	142	(23)	271
	Roading Renewals Reserve	782	3,503	(3,539)	746
	Water Supply Reserve	(1,075)	384	(358)	(1,049)
	Solid Waste Reserve	232	34	(73)	193
	Wastewater Reserve	203	294	(316)	181
Total		3,356	5,513	(4,750)	4,120
2017					
		Balance	Transfers	Transfers	Balance
		1 July 2017	into fund	out of fund	30 June 2017
2017	Activities to which the reserve relates	\$000	\$000	\$000	\$000
Restricted Reserves					
	Elsie Fraser Bequest Reserve	62	29	(36)	55
	Financial Contributions Reserve	428	14	-	442
Total		490	43	(36)	497
2016					
		Balance	Transfers	Transfers	Balance
		1 July 2017	into fund	out of fund	30 June 2018
2018	Activities to which the reserve relates	\$000	\$000	\$000	\$000
Council Created and Targeted Rate Reserves					
	Asset Renewal Reserve	1,481	998	(695)	1,785
	Contingency Reserve	505	9	(9)	505
	Asset Sale Proceeds Reserve	493	131	-	624
	Staff Gratuities Reserve	144	2	(3)	144
	Mayor's Relief Fund Reserve	6	-	(1)	5
	Stormwater Reserve	181	106	(135)	152
	Roading Renewals Reserve	1,234	2,638	(3,090)	782
	Water Supply Reserve	(945)	366	(496)	(1,075)
	Waste Management Reserve	149	104	(21)	232
	Wastewater Reserve	158	280	(235)	203
Total		3,407	4,634	(4,684)	3,356

Note 22 Commitments

	Council		Group	
	Actual 2018/19 \$000	Actual 2017/18 \$000	Actual 2018/19 \$000	Actual 2017/18 \$000
Financial Commitments				
Not later than one year	7,278	6,717	7,358	6,748
Later than one year and not later than five years	13,783	957	13,783	957
Later than five years	197	-	197	-
Total	21,258	7,674	21,338	7,705
Operating Leases as a Lessor				
Not later than one year	3	3	18	33
Later than one year and not later than five years	12	12	39	13
Later than five years	75	78	75	78
Total	90	93	132	124
Operating Leases as a Lessee				
Not later than one year	-	16	-	16
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total	-	16	-	16
Capital Commitments				
Roading network	8,112	3,604	8,112	3,604
Buildings	-	-	38	-
Roading network - council subdivision (The amount for the council subdivision relates mainly to the roading network with some other incidental costs related to wastewater, water and stormwater assets)	878	-	878	-
Total	8,990	3,604	9,028	3,604
Non-financial Commitments	<ul style="list-style-type: none"> * Council is committed to a 50/50 sharemilking agreement with the current sharemilker to 31 May 2021. * Council is committed to various leases of rental properties for terms ranging up to 33 years with perpetual rights of renewal in two cases. * Council is committed to a number of leases on reserves to various sports and other community bodies for varying terms. * Council is committed to ground leases for the aerodrome club buildings, and private hangars for terms of up to 20 years. * Quotable Value NZ Ltd will provide valuation services to Council for the period to 30 June 2020. * AA Drivers Licensing have given Council an agency relationship to 30 June 2020. * The Information Centre has various commission agreements with tourism providers. 			

Note 23 Contingencies

Contingent Assets

The Council operates a scheme whereby sports clubs are able to construct facilities (e.g. club rooms) on reserve land. The clubs control the use of these facilities and the Council will gain control of the asset only if the club vacates the facility. Until this event occurs, the assets are not recognised as assets in the statement of financial position. As at 30 June 2019 there are 6 facilities having an approximate value of \$5.03 million (2018 6 facilities - \$5.03 million). The estimate has been based on rating valuations for the area.

Note 24 Related Party Transactions

Related Party Transactions with Subsidiaries, Associates or Joint Ventures

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

Related Party Transactions with Subsidiaries, Associates or Joint Ventures

	Actual 2018/19 \$000	Actual 2017/18 \$000
Percy Thomson Trust		
Grant received from the Council	50	50
Rent received from Council for the Information Centre	18	18
Fees paid to Council for administration services	21	21

Transactions with Key Management Personnel

-

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

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

Payments Made to Related Parties

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

Key Management Personnel Compensation

	Actual 2018/19 \$000	Actual 2017/18 \$000
Salaries and other short term employee benefits <i>(This includes the salaries and superannuation for Senior Management, and is five full time equivalents. Elected Representatives honorariums are included in Note 25)</i>	710	655

Note 25 Remuneration

	Actual 2018/19 \$	Actual 2017/18 \$
Chief Executive		
The Chief Executive of Stratford District Council was appointed under section 42 of the Local Government Act 2002 as from 5 January 2017 and received the following remuneration for the year ended 30 June 2019:		
Salary	190,000	190,000
Superannuation Subsidy (Kiwisaver)	5,700	5,700
<i>As at 30 June 2019 the annual remuneration package that was being received by the Chief Executive was calculated at \$190,000. This remuneration excludes Kiwisaver contributions.</i>		
Total Chief Executive Remuneration	195,700	195,700
Elected Representatives		
Mayor - N Volzke	73,498	70,497
<u>Councillors</u>		
J Sandford	19,209	17,942
K Squire	18,393	17,179
A Jamieson	25,749	24,050
J Erwood	18,393	17,179
G Kelly	18,393	17,179
G Boyde	21,115	19,722
K Walsh	18,393	17,179
R Coplestone	18,393	17,179
G Webby	18,393	17,179
P Dalziel	18,393	17,179
Full Time Equivalents *	11	11
* Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.		
* In addition to the honorarium a total of \$12,650 was paid to the Councillors as a communications allowance for the year.		
No elected representative received any remuneration from Council's CCO, the Percy Thomson Trust.		
Council employees	30 June 2019	30 June 2018
Total annual remuneration by band		
Less than \$60,000	44	37
\$60,000 - \$79,999	13	13
\$80,000 - \$99,999	6	5
\$100,000 - \$200,000	5	5
Total Council employee remuneration	68	60
At balance date, the Council employed 40 full-time employees (2018:38), with the balance of staff representing 15 full-time equivalent employees (2018: 22). A full-time employee is determined on the basis of a 40 hour working week.		

Note 26 Severance Payments

For the year ended 30 June 2019, Council made a severance payment to one employee (2017/18 – one payment made). The value of the severance payment was \$24,000 (2017/18 – one severance payment was made totalling \$33,024).

Note 27 Events After the Balance Date

There were no significant events after balance date.

Note 28 Financial Instrument Categories

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

	Council		Group	
	Actual 2018/19	Actual 2017/18	Actual 2018/19	Actual 2017/18
	\$000	\$000	\$000	\$000
FINANCIAL ASSETS				
Loans and receivables				
Cash and cash equivalents - Cash	2,822	4,107	3,017	4,241
Short Term Deposits	-	-	250	250
Receivables	999	1,539	1,008	1,545
Other financial assets:				
Community loans	38	53	38	53
Total	3,859	5,698	4,313	6,088
Held to maturity				
Other financial assets:				
LGFA Borrower Notes	216	72	216	72
Total	216	72	216	72
Fair value through other comprehensive revenue and expense				
Other financial assets:				
Local authority stock and Bonds	-	-	655	530
Listed shares	733	982	733	982
Total	733	982	1,388	1,512
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
Payables and deferred revenue	1,738	1,949	1,791	1,961
Borrowings:				
Secured loans	14,500	14,060	14,500	14,060
Total	16,238	16,009	16,291	16,021

Note 29 Explanation of Significant Variances Between Actual and Budget

Explanations for major variations from Council's estimated figures in the 2018-28 Long Term Plan are as follows:

Statement of Comprehensive Revenue and Expense

Income is higher than anticipated due to the following:

- Subsidies are considerably less than budget as the funding application to the Tourism Infrastructure Fund was declined. However Council did receive a hardship grant of \$525,810 from NZTA for a further contribution towards the 2015 storm event, and also additional items of maintenance work that was required on the district's roads was funded by NZTA.
- No revenue from the sale of land in the council led subdivision was received during the year, as there were no sections available for sale as at 30 June 2019.

Expenditure is higher than anticipated due to the following:

- Other direct operating costs are higher than budget primarily due to the approval of additional items of maintenance works in the roading activity, and also the impairment of the landfill costs (see note 32).

Other comprehensive revenue and expense is higher than anticipated due to the following:

- Infrastructure assets were revalued on 1 July 2018, rather than the budgeted date of 1 July 2019 (2019/20 year). There was a decrease in the value of the roading assets, however the water, wastewater and stormwater assets increased in value.

Statement of Financial Position

- Revaluation Reserves have decreased as a result of the infrastructure assets being revalued as at 1 July 2018, rather than the budgeted date of 1 July 2019, as it was considered the values were materially different to the current book value.
- Inventory - assets held for sale - had no budget, as this was for the Council subdivision, that had not been completed by 30 June 2019.
- Prepayments also had no budget, as this was in relation to the joint landfill, see Note 32.
- The budget for Intangible Assets was included in the Property, Plant and Equipment budget.

Note 30 District Licensing Committee Disclosure

	2018/19	2017/18
<u>Income from Fees:</u>		
Licence Applications	\$31,370	\$33,590
Liquor Licencing Authority Levies	\$2,345	\$2,485
Total Income	\$33,715	\$36,075
<u>Expenditure:</u>		
Licencing Inspectors	\$40,255	\$42,057
District Licensing Committee Fees	\$2,144	\$5,418
Liquor Licencing Authority Levies	\$2,345	\$2,455
Other operating Costs Relating to Enforcement	\$2,158	\$2,053
Total Expenditure	\$46,902	\$51,982
<i>This information is provided in accordance with Regulation 19 of the Sale and Supply of Alcohol (Fees) Regulations 2013. This regulation requires Territorial Authorities to prepare a report detailing income from fees, and licencing costs under the Act. This information must be publicly available.</i>		

Note 31 Insurance of Assets

Schedule 10, Section 31A of the Local Government Act 2002 requires that details of insurance of assets be included in the annual report.

STRATFORD DISTRICT COUNCIL INSURANCE OF ASSETS AS AT 30 JUNE 2019

Insurance Contracts

Book Value of Assets Insured		21,082,700
Maximum Amount insured (includes reinstatement costs, demolition, and inflation adjustments for residential and commercial buildings and property and motor vehicles)	40,086,549	

Financial Risk Sharing Arrangements

Book Value of Assets with LAPP		25,787,600
Maximum Amount covered (being 40% of asset replacement cost, \$55,249,531)	22,099,812	

Assets Not Insured

Roading Asset	200,526,700	
Land	69,615,800	
Work in Progress	2,795,000	
Other	1,588,600	

Total **274,526,100**

Total Book Value of Fixed Assets **321,621,000**

Contingency Reserve 505,000

Note 32 Joint Committee – Central Landfill

During the 2017/18 year the Council agreed with South Taranaki District Council (STDC) and New Plymouth District Council (NPDC) tasked with developing a new landfill and operating it following the closure of the Colson Road Landfill. Each Council's share of capital contributions, distribution of any operating surplus or apportionment of any operating deficit has been agreed as follows: NPDC 66.4%, STDC 27.1% and SDC 6.5%. As at 30 June 2019, no additional capital contributions were made (2017/18: \$16.1 million)

In November 2018, the Joint Committee made the decision to suspend further development of the Central Landfill. Waste will now be disposed of at Bonny Glen under a 35 year contract with Midwest Disposals Ltd who operate the landfill. As there is no alternative use for the landfill, all capital costs incurred have been written off to surplus or deficit, of which the Council's share is \$536,603. As at 30 June 2019 the Joint Committee is yet to make a decision about the return of unspent contributions.

FUNDING IMPACT STATEMENTS

Stratford District Council Funding Impact Statement for the year ended 30 June 2019 (Whole of Council)

	Annual Plan 2017/18	Actual 2017/18	Long Term Plan 2018/19	Actual 2018/19
	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	5,643	5,615	6,031	6,101
Targeted rates	6,065	5,861	6,248	6,139
Subsidies and grants for operating purposes	1,361	1,917	1,821	1,864
Fees and Charges	2,156	1,833	2,165	1,871
Interest and dividends from investments	145	31	192	109
Local authorities fuel tax, fines, infringement fees, and other receipts	34	78	34	87
Total operating funding (A)	15,404	15,335	16,491	16,172
Applications of operating funding				
Payment to staff and suppliers	11,604	11,330	12,890	13,283
Finance costs	633	454	617	456
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	12,238	11,784	13,507	13,739
Surplus (deficit) of operating funding (A-B)	3,166	3,551	2,983	2,433
Sources of capital funding				
Subsidies and grants for capital expenditure	1,545	2,036	5,311	3,232
Development and financial contributions	-	7	-	62
Increase (decrease) in debt	3,460	4,500	857	440
Gross proceeds from sale of assets	-	-	3,234	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	5,005	6,542	9,401	3,734
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	1,621	1,710	1,525
- To improve the level of service	2,205	1,098	5,562	1,159
- To replace existing assets	5,096	4,981	4,733	4,513
Increase (decrease) in reserves	870	2,394	380	(1,029)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	8,171	10,093	12,385	6,167
Surplus (deficit) of capital funding (C-D)	(3,166)	(3,551)	(2,984)	(2,433)
Funding balance ((A-B) + (C-D))	0	0	0	0

Funding Impact Statement - Note

The funding impact statement is required under the Local Government Act 2002 Schedule and conforms to the Local Government (Financial Reporting) Regulations 2014.

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

Stratford District Council Funding Impact Statement for the year ended 30 June 2019 (Community Services)

	Long Term Plan 2015 for 2017/18 (\$000)	Actual 2017/18 (\$000)	Long Term Plan 2018/19 (\$000)	Actual 2018/19 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	3,040	3,071	3,003	3,043
Targeted rates	14	15	14	16
Subsidies and grants for operating purposes	-	21	-	36
Fees and Charges	496	500	522	497
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	30	-	6	0
Total operating funding (A)	3,579	3,607	3,545	3,591
Applications of operating funding				
Payment to staff and suppliers	2,060	2,045	2,140	2,147
Finance costs	61	46	59	35
Internal charges & overheads applied	811	988	862	870
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	2,932	3,079	3,061	3,052
Surplus (deficit) of operating funding (A-B)	647	528	484	539
Sources of capital funding				
Subsidies and grants for capital expenditure	-	40	72	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	162	(36)	269	(34)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	162	5	341	(34)
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	1,789	147	430	87
- To replace existing assets	76	106	8	32
Increase (decrease) in reserves	(1,056)	280	387	386
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	809	533	825	505
Surplus (deficit) of capital funding (C-D)	(647)	(528)	(484)	(539)
Funding balance ((A-B) + (C-D))	0	0	0	0

Stratford District Council Funding Impact Statement for the year ended 30 June 2019 (Roading)

	Long Term Plan 2015 for 2017/18 (\$000)	Actual 2017/18 (\$000)	Long Term Plan 2018/19 (\$000)	Actual 2018/19 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties *	(6)	(7)	(8)	(8)
Targeted rates	2,834	2,821	2,907	2,915
Subsidies and grants for operating purposes	1,372	1,867	1,821	1,829
Fees and Charges	387	269	283	250
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	10	78	2	88
Total operating funding (A)	4,597	5,028	5,006	5,073
Applications of operating funding				
Payment to staff and suppliers - see note below	2,921	3,115	3,521	4,360
Finance costs	20	-	19	-
Internal charges & overheads applied	224	288	303	293
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	3,165	3,403	3,843	4,653
Surplus (deficit) of operating funding (A-B)	1,431	1,625	1,163	420
Sources of capital funding				
Subsidies and grants for capital expenditure	1,567	2,015	5,239	3,170
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(17)	4	582	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	1,550	2,019	5,820	3,170
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	156	81	4,000	240
- To replace existing assets	2,971	4,027	3,348	3,405
Increase (decrease) in reserves	(147)	(464)	(364)	(55)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	2,981	3,644	6,984	3,589
Surplus (deficit) of capital funding (C-D)	(1,431)	(1,625)	(1,164)	(419)
Funding balance ((A-B) + (C-D))	0	0	0	0

Stratford District Council Funding Impact Statement for the year ended 30 June 2019 (Water Supply)

	Long Term Plan 2015 for 2017/18 (\$000)	Actual 2017/18 (\$000)	Long Term Plan 2018/19 (\$000)	Actual 2018/19 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	2,043	1,658	1,917	1,792
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	10	-	2	-
Total operating funding (A)	2,053	1,658	1,919	1,792
Applications of operating funding				
Payment to staff and suppliers	979	874	985	984
Finance costs	360	261	303	197
Internal charges & overheads applied	216	268	267	296
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,555	1,403	1,555	1,477
Surplus (deficit) of operating funding (A-B)	498	255	364	315
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	263	80	921	573
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	263	80	921	573
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	
- To improve the level of service	165	20	330	144
- To replace existing assets	604	446	889	690
Increase (decrease) in reserves	(9)	(131)	66	53
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	760	335	1,285	888
Surplus (deficit) of capital funding (C-D)	(498)	(255)	(364)	(315)
Funding balance ((A-B) + (C-D))	0	0	0	0

Stratford District Council Funding Impact Statement for the year ended 30 June 2019 (Waste Water)

	Long Term Plan 2015 for 2017/18 (\$000)	Actual 2017/18 (\$000)	Long Term Plan 2018/19 (\$000)	Actual 2018/19 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	550	697	725	730
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	42	67	70	53
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	4	-	1	0
Total operating funding (A)	597	764	796	783
Applications of operating funding				
Payment to staff and suppliers	235	377	365	357
Finance costs	125	31	41	27
Internal charges & overheads applied	98	117	148	168
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	458	524	555	552
Surplus (deficit) of operating funding (A-B)	138	240	242	231
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	330	115	349	240
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	330	115	349	240
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	184	147	387	278
- To replace existing assets	267	166	183	221
Increase (decrease) in reserves	17	42	21	(28)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	469	356	591	471
Surplus (deficit) of capital funding (C-D)	(138)	(241)	(242)	(231)
Funding balance ((A-B) + (C-D))	0	0	0	0

Stratford District Council Funding Impact Statement for the year ended 30 June 2019 (Storm Water)

	Long Term Plan 2015 for 2017/18 (\$000)	Actual 2017/18 (\$000)	Long Term Plan 2018/19 (\$000)	Actual 2018/19 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	333	313	327	329
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	4	-	1	-
Total operating funding (A)	337	313	328	329
Applications of operating funding				
Payment to staff and suppliers	88	75	113	106
Finance costs	11	15	20	10
Internal charges & overheads applied	96	98	92	104
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	196	187	225	220
Surplus (deficit) of operating funding (A-B)	141	126	103	108
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	59	(15)	204	0
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	59	(15)	204	0
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	123	110	223	15
- To replace existing assets	107	11	56	9
Increase (decrease) in reserves	(29)	(9)	29	85
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	201	112	307	109
Surplus (deficit) of capital funding (C-D)	(141)	(126)	(103)	(108)
Funding balance ((A-B) + (C-D))	0	0	0	0

Stratford District Council Funding Impact Statement for the year ended 30 June 2019 (Solid Waste)

	Long Term Plan 2015 for 2017/18 (\$000)	Actual 2017/18 (\$000)	Long Term Plan 2018/19 (\$000)	Actual 2018/19 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	19	19	19	19
Targeted rates	761	685	698	703
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	63	83	80	115
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	4	-	-	-
Total operating funding (A)	846	786	797	838
Applications of operating funding				
Payment to staff and suppliers	629	568	641	671
Finance costs	12	21	48	29
Internal charges & overheads applied	169	96	139	143
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	810	684	828	843
Surplus (deficit) of operating funding (A-B)	36	102	(31)	(6)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	432	1,025	(45)	(41)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	432	1,025	(45)	(41)
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	477	-	-
- To replace existing assets	463	-	12	-
Increase (decrease) in reserves	5	650	(87)	(47)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	468	1,127	(76)	(47)
Surplus (deficit) of capital funding (C-D)	(36)	(102)	31	6
Funding balance ((A-B) + (C-D))	0	0	0	0

Stratford District Council Funding Impact Statement for the year ended 30 June 2019 (Democracy)

	Long Term Plan 2015 for 2017/18 (\$000)	Actual 2017/18 (\$000)	Long Term Plan 2018/19 (\$000)	Actual 2018/19 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	791	820	957	962
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	60	64	60	54
Internal charges and overheads recovered	926	1,424	1,316	1,402
Local authorities fuel tax, fines, infringement fees, and other receipts	19	-	5	-
Total operating funding (A)	1,796	2,307	2,337	2,418
Applications of operating funding				
Payment to staff and suppliers	1,377	1,787	1,722	1,828
Finance costs	-	-	-	-
Internal charges & overheads applied	419	492	615	611
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,796	2,279	2,337	2,439
Surplus (deficit) of operating funding (A-B)	-	28	-	(21)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	-	-
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	198	255	271	158
Increase (decrease) in reserves	(198)	(227)	(271)	(179)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	-	28	-	(21)
Surplus (deficit) of capital funding (C-D)	-	(28)	-	21
Funding balance ((A-B) + (C-D))	0	0	0	0

Stratford District Council Funding Impact Statement for the year ended 30 June 2019 (Economy)

	Long Term Plan 2015 for 2017/18	Actual 2017/18	Long Term Plan 2018/19	Actual 2018/19
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	468	410	644	610
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	8	-	-
Fees and Charges	954	678	681	638
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	15	-	2	-
Total operating funding (A)	1,438	1,096	1,327	1,248
Applications of operating funding				
Payment to staff and suppliers	865	655	686	763
Finance costs	104	108	175	78
Internal charges & overheads applied	339	292	296	292
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,307	1,054	1,157	1,134
Surplus (deficit) of operating funding (A-B)	131	42	169	115
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,581	1,514	(1,503)	1,755
Gross proceeds from sale of assets	-	-	3,234	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	1,581	1,514	1,731	1,755
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	1,621	1,710	1,525
- To improve the level of service	-	34	-	296
- To replace existing assets	110	-	171	-
Increase (decrease) in reserves	1,602	(99)	20	49
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	1,712	1,556	1,900	1,869
Surplus (deficit) of capital funding (C-D)	(131)	(42)	(169)	(114)
Funding balance ((A-B) + (C-D))	0	0	0	0

Stratford District Council Funding Impact Statement for the year ended 30 June 2019 (Environmental Services)

	Long Term Plan 2015 for 2017/18 (\$000)	Actual 2017/18 (\$000)	Long Term Plan 2018/19 (\$000)	Actual 2018/19 (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	1,023	990	1,099	1,105
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	519	388	455	451
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	29	-	5	-
Total operating funding (A)	1,571	1,378	1,559	1,556
Applications of operating funding				
Payment to staff and suppliers	927	732	912	715
Finance costs	-	-	-	-
Internal charges & overheads applied	641	618	640	655
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	1,568	1,350	1,552	1,370
Surplus (deficit) of operating funding (A-B)	3	28	7	186
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	-	-
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	-	-	-	-
Increase (decrease) in reserves	3	28	7	186
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	3	28	7	186
Surplus (deficit) of capital funding (C-D)	(3)	(28)	(7)	(186)
Funding balance ((A-B) + (C-D))	0	0	0	0

ANNUAL REPORT DISCLOSURE STATEMENT

Annual report disclosure statement for year ending 30 June 2019.

What is the purpose of this statement?

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

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

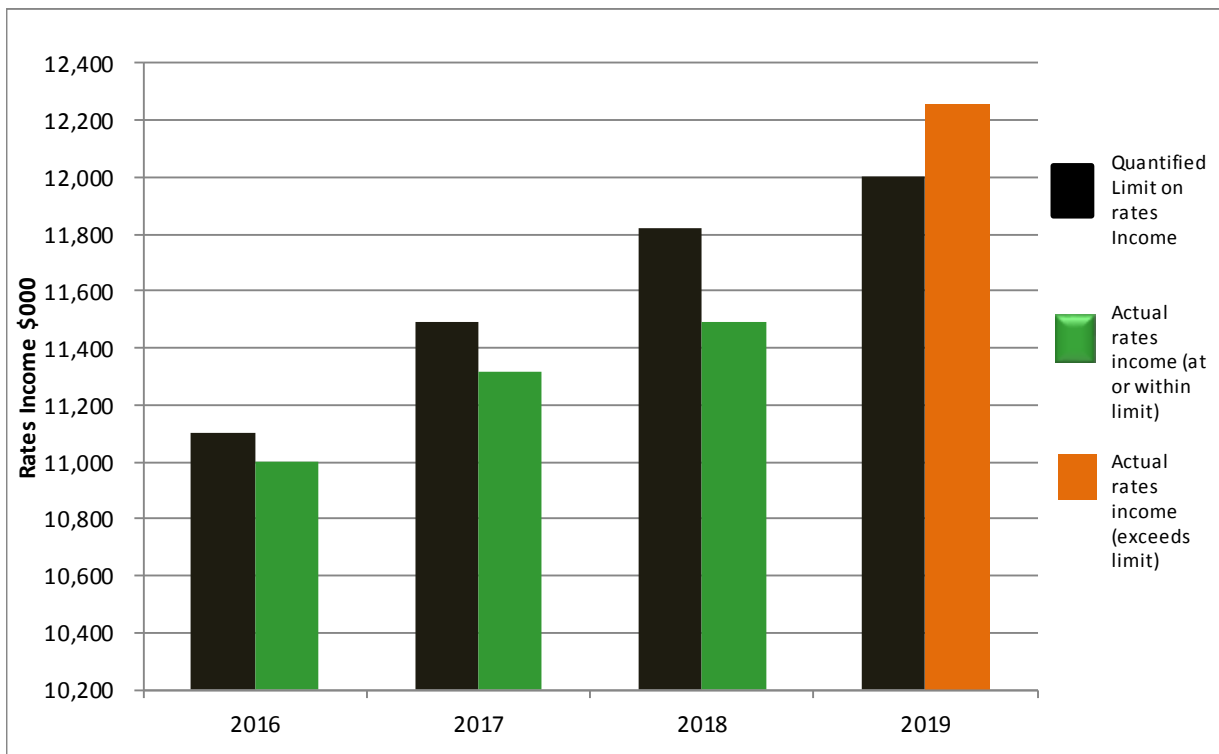
Rates affordability benchmark

The council meets the rates affordability benchmark if –

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

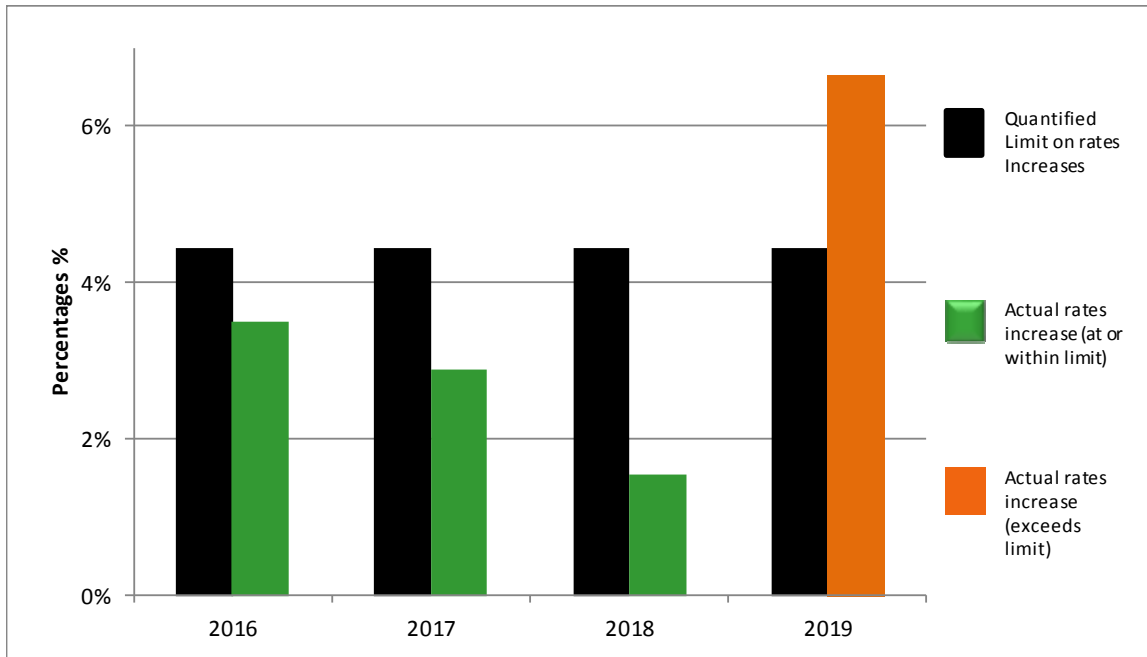
Rates (income) affordability

The following graph compares the Council's actual total rates income with the quantified limit on rates income as per the LTP 2018 which is the previous year's rates plus 4.45%. In the 2018/19 financial year there was a breach of the limit by \$254,400 which was budgeted for in the LTP 2018.



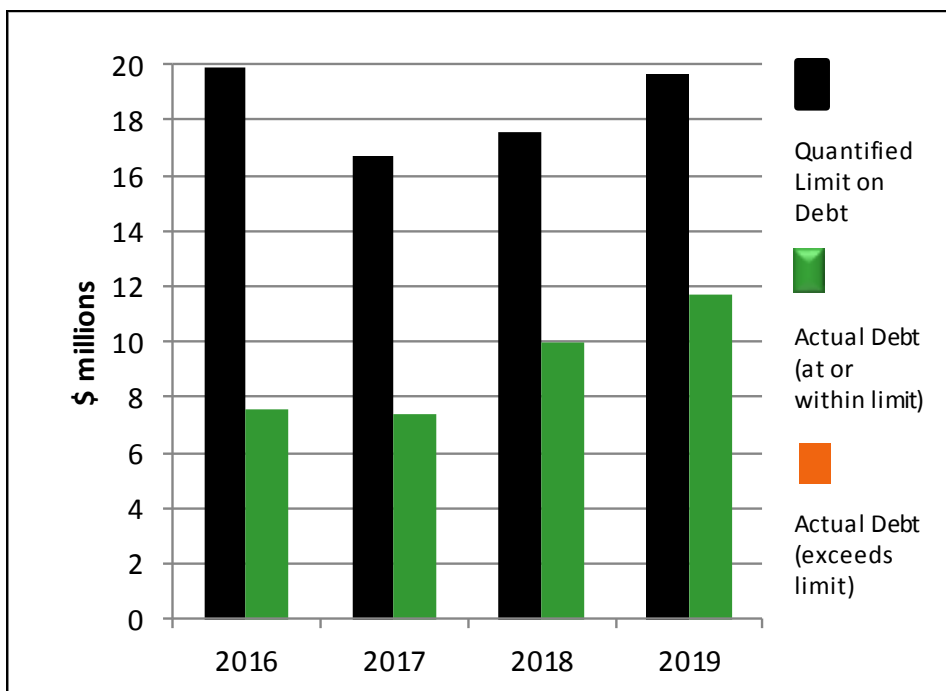
Rates (increases) affordability

The following graph compares the year-on-year actual, and the LTP limit (4.45%), percentage increase in the Council’s total rates income. The percentage increase limit is calculated using the increase in income from the previous year. In the 2018/19 financial year the actual rates increase, at 6.66%, breached the LTP limit. This is largely a result of an increase in water meter revenue by 57%, due to the targeted rollout of water meters.



Debt affordability benchmark

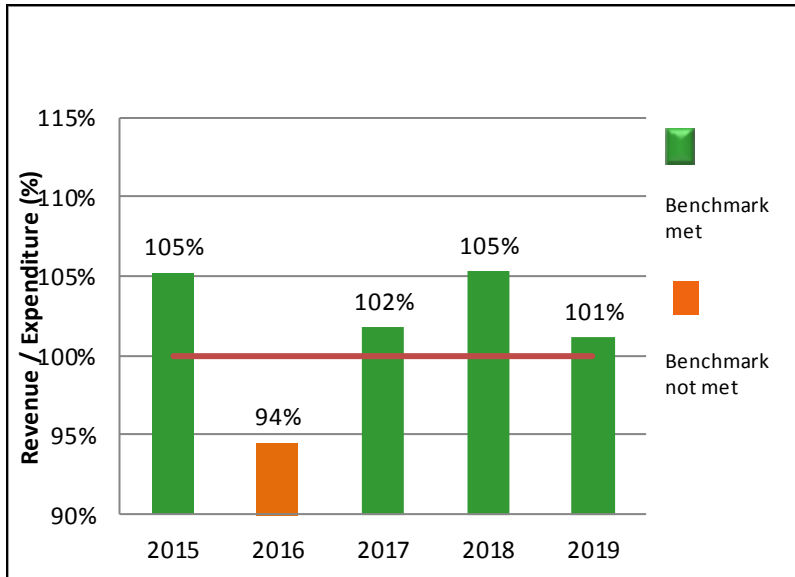
The following graph compares the Council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council’s Long Term Plan. The quantified limit is net debt (total borrowings minus cash holdings) to operating revenue (excludes vested assets) will be less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



Balanced budget benchmark

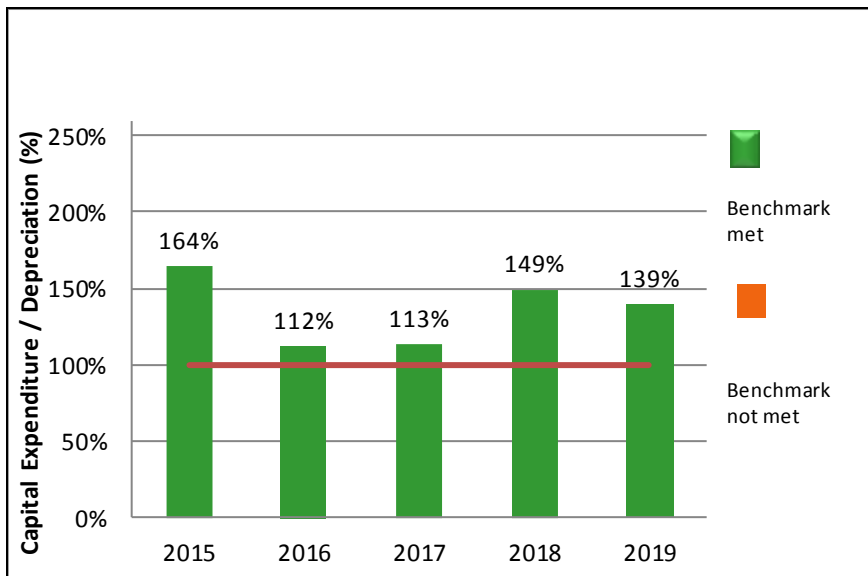
The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial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

The council meets this benchmark if its revenue equals or is greater than its operating expenses. For 2016 the expenditure exceeded income largely as a result of the costs associated with the June 2015 storm event in Roding.



Essential services benchmark

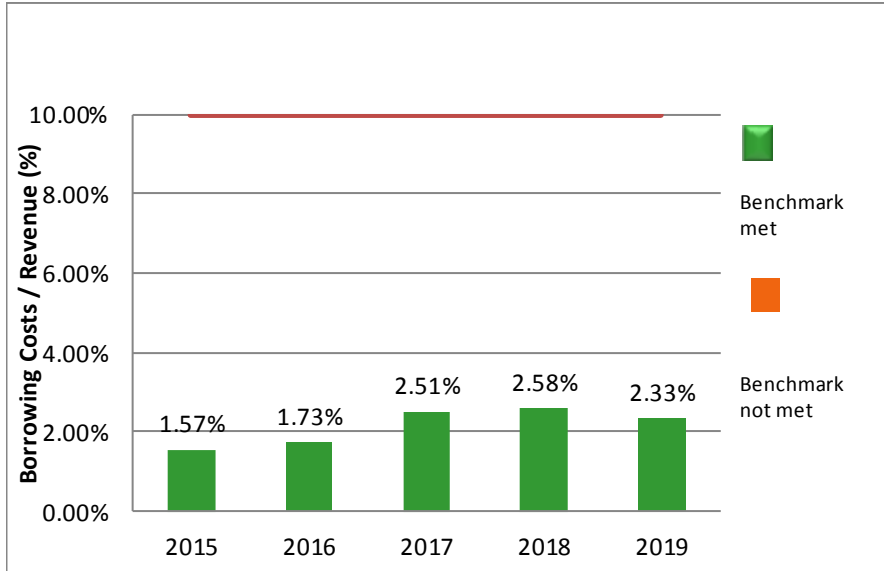
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

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

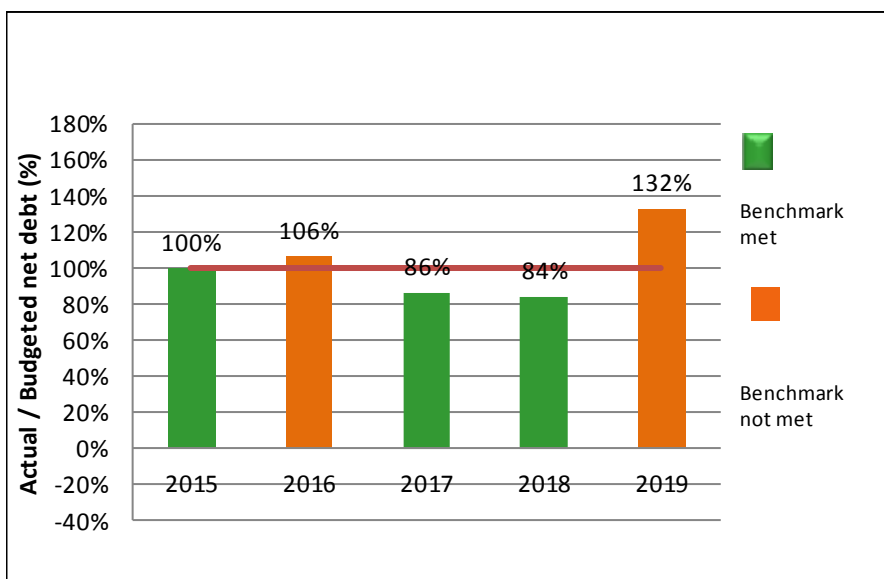
Because Statistics New Zealand projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or is less than 10% of its revenue.



Debt control benchmark

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

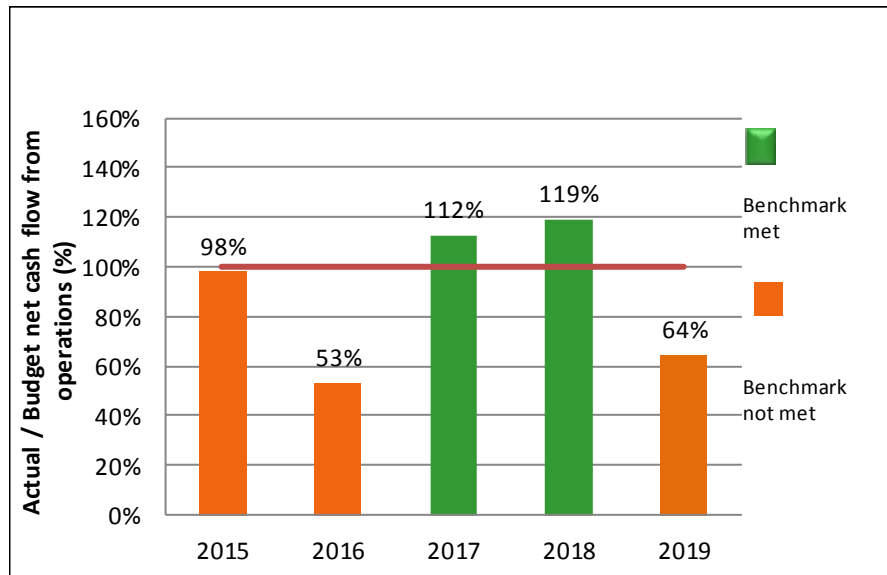
The net debt for 2016 was affected by Council Debt Reserves being used to fund excess Rooding costs associated with the 2015 storm event. In 2018/19, property asset sales, including subdivision sales, were expected to come through but due to delays, the sales receipts are in 2019/20 where it is expected the debt will be repaid.



Operations control benchmark

This graph displays the council's actual *net cash flow from operations* as a proportion of its planned *net cash flow from operations* as per the Statement of Cash Flows. The council meets the operations control benchmark if its actual *net cash flow from operations* **equals or is greater** than its planned *net cash flow from operations*.

In 2019 the Council did not achieve the benchmark due to grants revenue of \$4m relating to a capital expenditure project not materialising. This contributed significantly to net cash from operating activities being \$5.3m for the year, instead of the \$8.3m planned.





AUDIT REPORT

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Stratford District Council's annual report for the year ended 30 June 2019

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

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

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

We completed our work on 29 October 2019. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 78 and 80 to 118:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2019; and
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- the funding impact statement on page 119, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan; and
- the statement of service provision on pages 17 to 73:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2019, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 120 to 128, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s Long-term plan; and
- the funding impact statement for each group of activities on pages 120 to 128, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 129 to 133, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

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

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

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

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 16, 74 to 77 and 79, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

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

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

Independence

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

In addition to our audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the District Council's debenture trust deed, which are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



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