



TE KAUNIHERA Ā ROHE O  
**WHAKAAHURANGI**

**STRATFORD**  
DISTRICT COUNCIL

# **ANNUAL REPORT 2021-2022**



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# From the Mayor and Chief Executive

## Tēnā koutou katoa

### Welcome to Stratford District Council's Annual Report for 2021/22.

A lot has happened in the past 12 months. While Covid-19 is still around, its impact on our daily lives has reduced significantly. The same is true for council operations and projects. Most things are "back to normal" or at least close to that. Council is back to meeting in person and all of our facilities are open for business.

Our key milestones for the last financial year were:

- Completion of the new children's bike park and half basketball court
- Near-completion of the new swimming pool, on budget and on time
- Significant progress on the second water trunk main between the Stratford water treatment plant and Stratford township
- Sealing work progressing on the historically unsealed stretch of State Highway 43 along with a suite of other safety improvements.

The 2021/22 financial year was the first year of Council's 2021-2031 Long Term Plan. As a result of the projects listed above, and with many of them benefiting from substantial government grants, this year saw the largest ever delivery of capital projects in the history of Stratford District Council. Despite the various challenges to the construction sector as well as in general, we managed to deliver 86% of the overall work programme, with the remainder rolled over into the following year for completion.

## Operating Results

We finished the year with a net surplus of \$7,777,000, revenue was slightly below budget due to a reduction of fees and charges and MBIE funding being lower than what was budgeted. Expenditure shows slightly over budget due to increased depreciation, increased operational costs and higher interest rates.

The council-owned farm exceeded its production target and produced 154,000kg of milk solids. Combined with a higher than expected pay out, this created an operating profit of \$291,000, of which \$51,000 went towards subsidising general rates, and the remainder repaying farm debt and investing in new farm infrastructure.

## Financial Position

All Local Government Funding Agency (LGFA) lending covenants were met during the 2021/22 financial year with budgeted gross debt (\$36,521,000) vs actual gross debt (\$32,200,000). Taking into consideration the loan to the Stratford A&P Association and existing term deposits, council's net debt was \$17,020,000 at year end.

Due to significant grant funding received during the year and not all loan funded capital projects being delivered as budgeted, Council debt is lower than anticipated.

## General Performance

Responses from our annual customer survey showed residents consider Stratford to be an attractive place to live (77% agreed), a safe place (77% agreed), and offering a healthy lifestyle (81% agreed). Residents were particularly impressed with the level of service in the Library (97% satisfied), Visitor Information Centre (96% satisfied) and our parks and walkways (92% satisfied). A higher number of non-financial performance measures than in previous years were not met. This was largely due to the impact of COVID-19 on activities as well as an exceptionally high numbers of building and resource consent applications.



**Neil Volzke**  
District Mayor



**Sven Hanne**  
Chief Executive



# Community Outcomes

## Vision

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

**A vibrant, resilient, and connected community – in the heart of Taranaki**

## Community outcomes

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





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

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

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

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

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

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



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

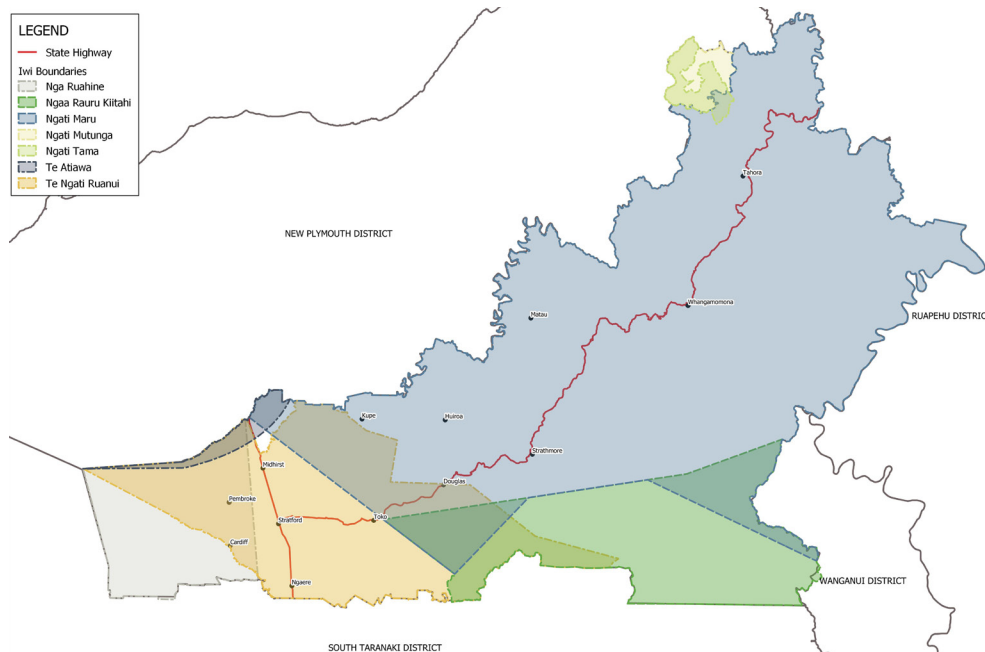
<b>ACTIVITIES</b>	<b>Cultural</b>	<b>Social</b>	<b>Economic</b>	<b>Environmental</b>
<b>Aerodrome</b>		✓	✓	✓
<b>Civic Amenities</b>	✓	✓		
<b>Library</b>	✓	✓		
<b>Parks, Reserves and Cemeteries</b>	✓	✓		✓
<b>Pool Complex</b>	✓	✓	✓	
<b>Democracy</b>	✓	✓	✓	✓
<b>Community Development</b>	✓	✓		
<b>Economic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

# Opportunities for Māori Contribution to Decision Making Processes

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

We acknowledge the following seven iwi as tangata whenua within the Stratford District. These are Ngāti Ruanui, Ngāruahine, Ngāti Maru, Ngāti Mutunga, Ngāti Tama, Ngā Rauru and Te Atiawa.

Council also recognises the role of Whakaahurangi Marae within the district.



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

### Statutory

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

### Significance and Engagement

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

Council acknowledges its unique relationship with Māori and supports this through:

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

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### Internal Capacity

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

### Working Together

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

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

### Governance

In 2021 Council adopted a bilingual name Te Kaunihera ā Rohe o Whakaahurangi Stratford District Council, and is looking forward to continuing the conversation around bilingual language use across Council operations, services and facilities moving forward. In May 2021 Council adopted to include a Māori Ward for the 2022 and 2025 local body elections.





# District Profile

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

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

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

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

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

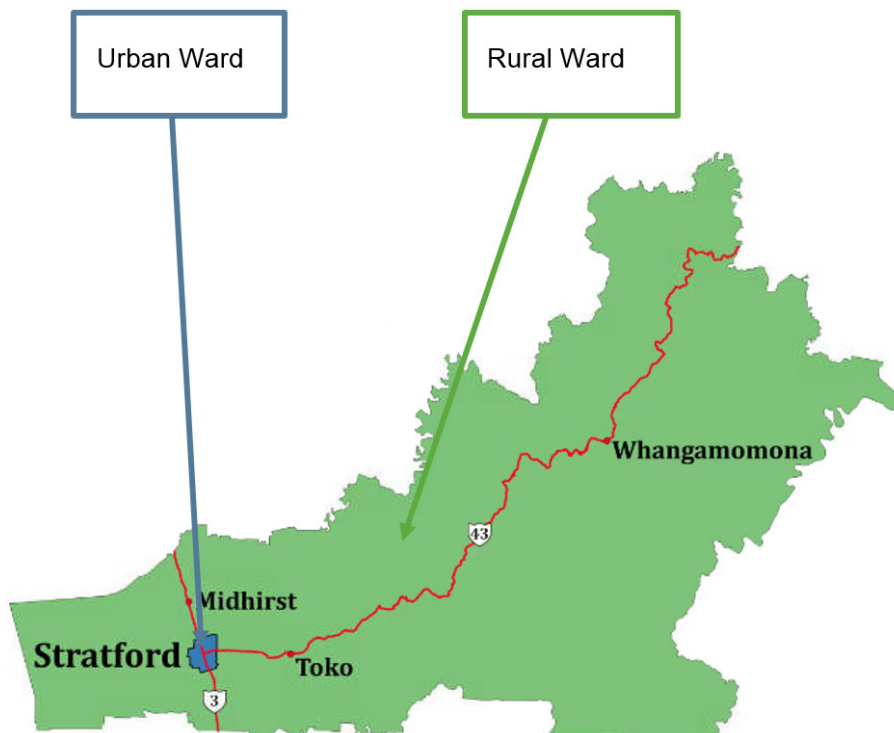
Stratford District is part of the Taranaki Region. Taranaki has four Councils, made up of three territorial authorities and one regional council:

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

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

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

The most recent population estimate for the district of 10,120 people is based on Statistics NZ population estimates as at 30 June 2022.



# Elected Members

As at 30 June 2022 council consisted of a District Mayor and ten Councillors.

## District Mayor

### Neil Volzke, JP

M. 027 6317 418

E. nvolzke@stratford.govt.nz



## Rural Ward Councillors

### Grant Boyde, JP

P. 027 603 2842

E. grant.boyde@stratford.govt.nz

### Rick Coplestone

Councillor Coplestone did not seek re-election in October 2022.

### Amanda Harris

P. (06) 762 3520

E. amanda.harris@stratford.govt.nz

### Vaughan Jones

P. 027 620 2106

E. vaughan.jones@stratford.govt.nz

## Urban Ward Councillors

### Peter Dalziel

Councillor Dalziel did not seek re-election in October 2022.

### Jono Erwood

P. 027 640 4008

E. jono.erwood@stratford.govt.nz

### Alan Jamieson, Deputy Mayor, JP

The Deputy Mayor did not seek re-election in October 2022.

### Min McKay

P. 027 357 6060

E. min.mckay@stratford.govt.nz

### John Sandford, JP

P. 027 496 2278

E. john.sandford@stratford.govt.nz

### Gloria Webby

Councillor Webby did not seek re-election in October 2022.



## District Mayor and Councillors

**Policy & Services Committee**  
Chair - Deputy Mayor

**Audit & Risk Committee**  
Independent Chair

**Farm & Aerodrome Committee**  
Chair – Elected Member

**Executive Committee**  
Chair – District Mayor

### Chief Executive

Administration and Management  
Human Resources  
Governance  
Health and Safety  
Long Term Planning  
Civil Defence Emergency Management

### Assets

Roading  
Stormwater  
Water Supply  
Solid Waste  
Trade Waste  
Wastewater  
Parks and Reserves  
Sports Fields  
Council Properties  
Cemeteries  
Bylaws

### Environmental Services

Planning & Regulatory  
Resource Consents  
Monitoring  
Building Control  
Environmental Health  
Hazardous Substances  
Liquor Licensing  
Dog Control  
General Inspections  
Parking Control

### Community Services

Community Development  
Community Funding  
Information Centre  
Library  
Communications  
Economic Development  
Customer Service  
Swimming Pool

### Corporate Services

Rates  
Accounting  
Financial Reporting  
Treasury  
Debt Collection  
Administration  
Information Technology  
Record Management

## Standing Committee Membership

	Council	Policy & Services Committee (includes hearings)	Executive Committee	Audit & Risk Committee	Farm & Aerodrome Committee	Sport New Zealand Rural Travel Fund
Frequency	Monthly	Monthly	As required	5x per year	Quarterly	2x per year
District Mayor N Volzke	●	✓	●	✓		
Deputy Mayor A Jamieson	✓	●	✓	✓		
Cr G Boyde	✓	✓			●	
Cr R Coplestone	✓	✓				
Cr P Dalziel	✓	✓	✓	✓	✓	
Cr J Erwood	✓	✓	✓	✓		✓
Cr A Harris	✓	✓				✓
Cr V Jones	✓	✓			✓	✓
Cr M Mckay	✓	✓		✓		
Cr W Sandford	✓	✓	✓			●
Cr G Webby	✓	✓				

- = Chairperson
- ✓ = Member of committee



# Highlights

The purpose of this Annual Report is to outline the financial performance for the 2021/22 year, identify any changes from the 2021-2031 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 2022

#### Rating Base Information

<b>Rating units within Stratford District Council at the end of the preceding financial year (30 June 2021)</b>	
- Number of Rateable Assessments	4,846
- Total Number of Rating Units	5,190
<b>Valuations of the district (including non-rateable)</b>	
- Land Value of Rating Units	\$2,197,243,650
- Improvements	\$1,498,122,850
<b>Total Capital Value of Rating Units</b>	<b>\$3,695,366,500</b>
<b>Statistical Information</b>	<b>30 June 2022</b>
<b>Land Area</b>	2170 sq km
<b>Population (as at June 2022)</b>	10,120
<b>Rates per head of population</b>	\$2,929
<b>Public Debt / Term Liabilities</b>	\$32,200,000
<b>Debt per Head of Populations</b>	\$3,182
<b>Debt per Rateable Assessment</b>	\$6,645
<b>Debt Servicing as a Percentage of Total Revenue (limit is &lt;10%)</b>	1.91%
<b>Full Time Equivalent Staff at 30 June 2022</b>	59
<b>Roads</b>	
- Sealed	407.0 km
- Unsealed	205.8 km

The operating result for the year ended 30 June 2022 demonstrates the Council's commitment to delivering its services to the community within the financial parameters of its LTP.

For the years ended:	30 June 2022 Actual \$000	30 June 2022 Budget \$000	30 June 2021 Actual \$000
<b>Revenue</b>			
- Rates	14,192	13,950	13,437
- All other revenue	14,737	15,440	16,609
<b>Total Revenue</b>	<b>28,930</b>	<b>29,389</b>	<b>30,046</b>
<b>Total Operating Expenditure</b>	<b>21,153</b>	<b>19,985</b>	<b>19,926</b>
<b>Net Surplus (Defecit)</b>	<b>7,777</b>	<b>9,404</b>	<b>10,120</b>
<b>Capital Expenditure</b>			
<b>Working Capital</b> (excludes current portion of debt repayment which will be refinanced immediately)	24,375 6,706	28,535	13,121 7,785
Current Ratio (Budget not to be less than 1:1), the reason being due to the timing of term loan maturities.	0.87:1		1.59:1

# Financial Strategy

The Financial Strategy to which this Annual Report year was subject to is within the LTP 2021-31 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 2021/22, the rates measures were in compliance.

		Council's Target (limits)	LTP - 2021-31	Actual - 2021/22
<b>Debt</b>	Net debt as a % of total annual revenue	<130%	84%	64%
<b>Income &amp; Affordability</b>	% Rates Increase	<6%	4.63%	5.62%

Net debt levels are within the targeted limits. Council has gross borrowings of \$32.2 million at interest rates ranging from 1.04% to 4.30% and financial investments of \$15.2 million.

The actual rates increase of 5.62% was higher than budgeted, but within the LTP limit. This was due to more new subdivisions than anticipated, and higher water consumption than expected.

## Financial Terminology

### Net Surplus

The difference between Revenue and Operating Expenses, where Revenue is higher.

### Net Deficit

The difference between Revenue and Operating Expenses, where Operating Expenses is higher.

### Gross Debt

This is the total amount of external borrowings.

### Net Debt

This is the total amount of external borrowings, less liquid financial investments including term deposits with registered banks and the loan to the Stratford Agricultural and Pastoral Association.

## Net surplus

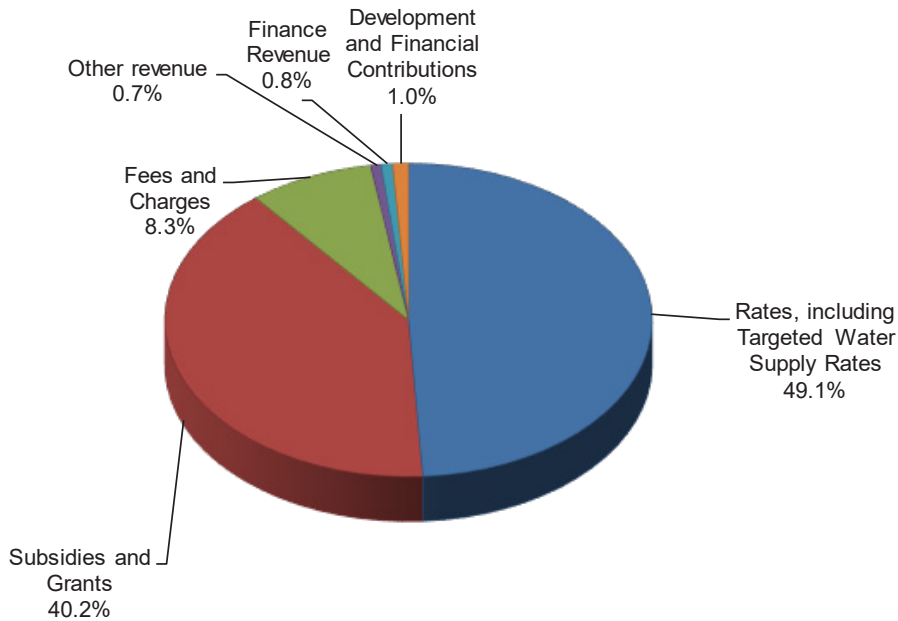
The Net Surplus of \$7,777,000 is made up of capital revenue including the following:

	000's
<b>Roading subsidy for capital expenditure</b>	2,746
<b>Government funding for the swimming pool</b>	1,744
<b>Other external funding for the swimming pool</b>	1,911
<b>Government funding for the bike park</b>	447
<b>Government funding for water supply - second trunkmain</b>	2,151
<b>Financial contributions</b>	300

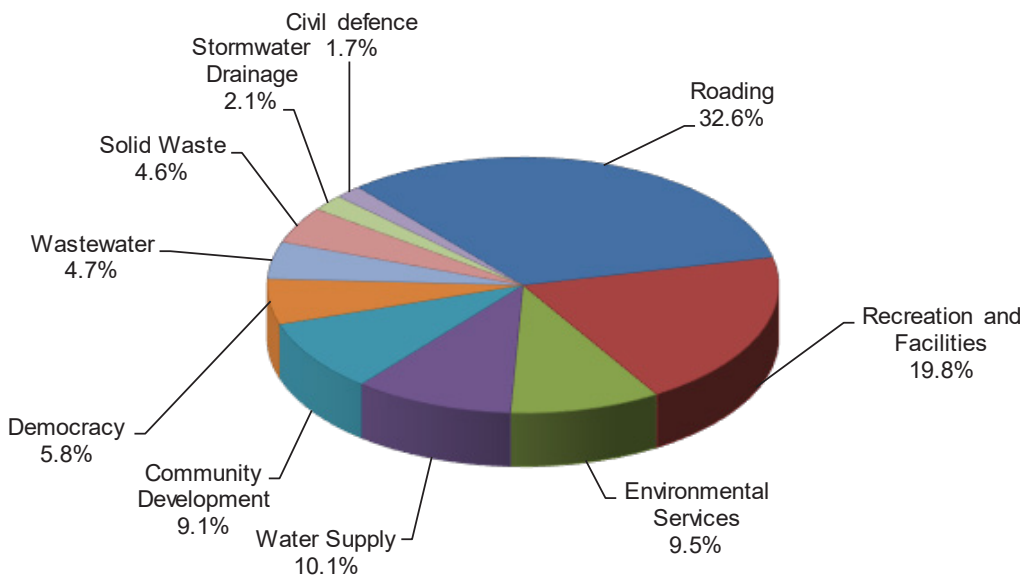
In addition, part of roading depreciation is funded from reserves (government subsidised portion). In 2021/22, this made up \$1,614,000 of total depreciation.

## Financial overview

### Source of revenue - Council only



### Operating Expenditure (Where the money is spent) – Council Only



# Variations to the Long Term Plan

The following table shows the variances to the Long Term Plan for the year ended 30 June 2022.

	Net Actual \$000	Net Budget \$000	Variance \$000	Variance %
<b>Net Operating Cost</b>				
Recreation and Facilities	3,779	3,445	(335)	(10%)
Democracy	1,131	1,108	(23)	(2%)
Community Development	1,093	1,164	70	6%
Environmental Services	1,236	1,212	(24)	(2%)
Civil Defence and Emergency Management	362	333	(29)	(9%)
Roading	1,880	724	(1,156)	(160%)
Stormwater Drainage	446	363	(83)	(23%)
Wastewater	945	985	40	4%
Solid Waste	835	775	(60)	(8%)
Water Supply	1,739	1,460	(279)	(19%)
<b>Total</b>	<b>13,445</b>	<b>11,569</b>	<b>(1,877)</b>	<b>(16%)</b>
<b>Capital Expenditure</b>				
Roading	4,720	5,763	1,043	18%
Stormwater	69	305	235	77%
Water Supply	3,952	2,474	(1,478)	(60%)
Wastewater	235	1,013	778	77%
Solid Waste	7	0	(7)	N/A
Parks and Reserves and Cemeteries	501	144	(357)	(248%)
Recreation and Facilities	14,499	17,035	2,536	15%
Community Development	198	1,683	1,485	0%
Corporate	193	186	(7)	(4%)
<b>Total</b>	<b>24,375</b>	<b>28,603</b>	<b>4,228</b>	<b>15%</b>

## Net Operating Costs

### Recreation and Facilities

Civic Amenities is over budget due to the need to relocate CCTV cameras following demolition of the bell tower.

Parks and Reserves is over budget due to unbudgeted repairs and maintenance and ongoing operating costs related to the Bike Park.

The TSB Pool Complex is over budget due to the reduced revenue resulting from various closures in addition to increased energy and staff costs.

### Roading

The Net operating cost of Roothing is overbudget due to the reduction in funding from Waka Kotahi (NZTA) for both maintenance and capital expenditure.

### Stormwater

Stormwater is over budget due to the increased depreciation from the revaluation.

### Solid Waste

Solid Waste is over budget due to the increased cost of bin repairs, and additional costs of disposal.

### Water Supply

Water Supply is over budget due to the increased depreciation from the revaluation; together with the necessity to use consultants to ensure full compliance in the activity where necessary.

## Capital Expenditure

Total capital expenditure was under budget by \$4,228,000. Although there were unders and overs across the Council Activities, the Swimming Pool (under Recreation and Facilities), contributed most to the variance. This is a result of not completing the new swimming pool within the year as originally anticipated in the LTP 2021-31. Also, council set aside \$1,200,000 for the purchase of property for a residential subdivision which wasn't spent by 30 June 2022. Negotiations have



taken place and the funds will be carried forward to 2022/23.

The implications of the variance for new projects that are funded by loans is that Council will have rated in the 2021/22 year for interest on the expenditure. If a project was expected to be completed in 2021/22, then Council will have also rated for 50% of the depreciation.

### **Roading**

Expenditure is under budget due to the reduction of funding from Waka Kotahi (NZTA) for renewal work, after the Long Term Plan was adopted.

### **Stormwater**

Expenditure was under budget, and has been carried forward to 2022/23, due to resourcing constraints.

### **Water Supply**

Expenditure is over budget as the delivery of the second trunkmain project was accelerated, and there was also a project cost escalation.

### **Wastewater**

Expenditure is under budget due to the late start of the Diatomix Upgrade project, and other projects that will be carried forward to 2022/23, all due to the shortage of resources.

### **Parks, Reserves and Cemeteries**

This over-expenditure is primarily due to cost of the new bike park, which was completed and opened in October 2021. This project was entirely grant funded.

### **Recreation and Facilities**

This expenditure was under budget as the pool project was carried over to 2022/23, and due for completion in October 2022.

### **Community Development**

This is under budget as the funding set aside for the residential subdivision has been carried over to 2022/23 while negotiations continue to take place.

# Statement of Compliance

## Compliance

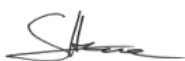
The Council and management of Stratford District Council confirm that all the statutory requirements in relation to the Annual Report as outlined the Local Government Act 2002, have been complied with.



### **Neil Volzke**

His workshop the Mayor

13 December 2022



### **Sven Hanne**

Chief Executive

13 December 2022



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

### Disclosure of significant negative effects on well-being

The Council is required to identify and disclose any activities undertaken to promote specific community well-beings which have potentially significant adverse effects for other outcomes.

# Performance Reporting

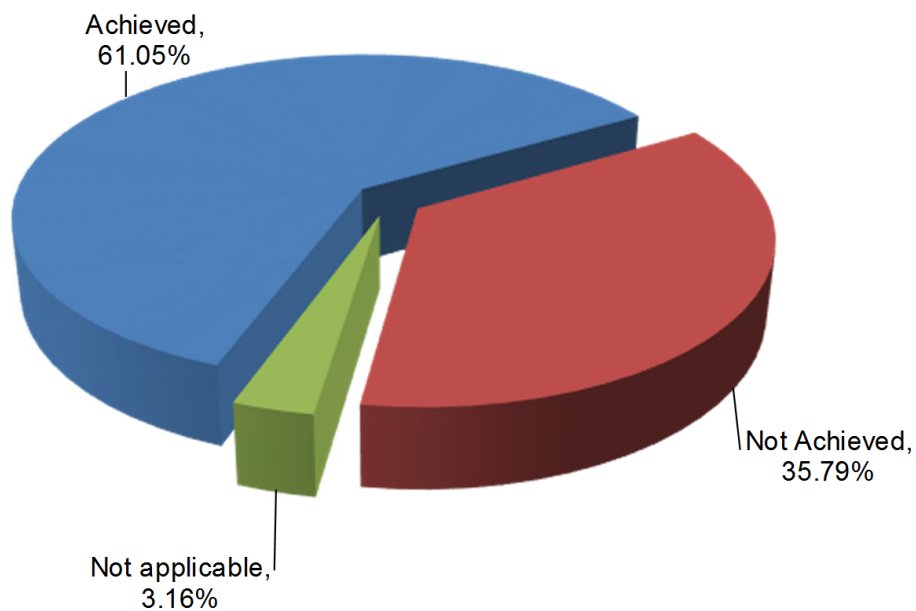
In the activities that follow, performance reporting against the Targets will be detailed as follows:

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

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

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

## Performance Measures Pie Chart





# Recreation and Facilities



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# Recreation and Facilities

## Aerodrome

### 1.1 What We Do

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

### 1.2 Why We Do It

This activity contributes to the community outcomes of:

- Connected Communities.
- Enabling Economy.

### 1.3 Significant Negative Effects

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

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

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

### 1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 1 – 2021/22		How Measured
		Target	Actual	
<i>The aerodrome meets the needs of users</i>	A high level of satisfaction amongst the users with the condition and maintenance of the aerodrome.	>70%	<b>Not Achieved</b> – 50% (2020/21 Achieved – 74%)	Annual Aerodrome user survey
		<i>Two responses to survey (out of 33 sent out)</i>		
<i>The aerodrome is used by the Stratford community and visitors</i>	Number of aircraft movement during the year	>3,500	<b>Not Achieved</b> –1,606 (2020/21 New Measure)	Annual AIMM compliance reporting
		<i>Total aircraft movements for 2021/2022 was 1,606, this was due to Covid-19.</i>		

### 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 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
105	<b>Operating Expenditure</b>	106	98
24	<b>Revenue</b>	24	27
<b>81</b>	<b>Net Cost of Service</b>	<b>82</b>	<b>72</b>
	<b>EXPENDITURE</b>		
74	Operating Costs	73	66
6	Depreciation	6	6
25	Allocated Overheads	27	26
<b>105</b>	<b>Total Operating Expenditure</b>	<b>106</b>	<b>98</b>
-	Capital Expenditure	-	-
<b>105</b>	<b>Total Expenditure</b>	<b>106</b>	<b>98</b>
	<b>FUNDED BY:</b>		
24	Charges for Services	24	27
<b>24</b>	<b>Total Revenue</b>	<b>24</b>	<b>27</b>
86	General Rates	71	70
-	Transfer from Depreciation Reserve	-	-
-	Other Funding	1	1
<b>110</b>	<b>Total Funding</b>	<b>96</b>	<b>98</b>

## Civic Amenities

### 1.1 What We Do

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

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

### 1.2 Why We Do It

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

This activity contributes to the achievement of the District's civic, social and cultural needs.

This activity contributes to the community outcomes of:

- Vibrant Community
- Connected Communities

### 1.3 Significant Negative Effects

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

### 1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 1 – 2021/22		How Measured
		Target	Actual	
<b>To provide facilities that are well maintained and utilised.</b>	Buildings legally requiring a Building WoF have a current Building WoF at all times.	100%	<b>Achieved – 100%</b> (2020/21 Achieved - 100%)	Building WoF records
	Annual booking of War Memorial Centre.	>500	<b>Not Achieved – 379</b> (2020/21 Not Achieved – 441)	Booking records
	<i>Only 379 bookings due to Covid-19 closures</i>			
	Annual booking of Centennial Restrooms.	>200	<b>Achieved - 246</b> (2020/21 Achieved – 209)	Booking records
<b>To provide suitable housing for the elderly.</b>	Percentage of Customer satisfaction.	>89%	<b>Not Achieved – 73%</b> (2020/21 Achieved – 93%)	Annual User Survey
	<i>Tenants were unhappy with the grounds and maintenance.</i>			
	Annual Occupancy rate.	>95%	<b>Achieved – 100%</b> (2020/21 Achieved – 100%)	Tenancy records.
<b>To provide clean, well maintained toilet facilities.</b>	Percentage of Stratford District residents satisfied with overall level of service of toilets.	>80%	<b>Not Achieved – 68%</b> (2020/21 Achieved – 82.99%)	Annual Residents Survey
	<i>Responses to the survey mainly expressed dissatisfaction with the vandalism and cleanliness of the public toilets.</i>			

## 1.5 Projects and Other Programmes

Project	Category	Budget 2021/22	Actual 2021/22	Notes
Stratford 2035	Level of Service	\$482,500	\$34,758	This budget was for a number of projects, which were still being planned and prioritised.
War Memorial Centre - Kitchen and cabinetry upgrade.	Level of Service	\$20,000	\$7,519	Fittings were ordered and a deposit paid, however project was not completed due to delay in materials and a labour shortage.
War Memorial Centre – Appliance Upgrade	Level of Service	\$9,500	\$4,336	Commercial dishwasher delivered after 30 June 2022.
TET Multisport Sport Centre	Level of Service	\$50,000	\$49,430	Heating in the stadium was upgraded and a new oven was installed.
Centennial Rest Rooms – Various r	Replacements	\$8,000	\$7,160	Appliances were replaced where necessary.
Civic Amenities – Storage Shed	Replacements	\$70,000	\$43,301	The old shed was demolished and work had commenced on a replacement shed.
Civic Amenities – Demolish Bell Tower	Replacements	\$30,000	\$52,042	Actual costs were over budget due to the health and safety requirements to ensure the work could be undertaken safely.

## 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 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
1,036	<b>Operating Expenditure</b>	958	907
42	<b>Revenue</b>	34	51
<b>993</b>	<b>Net Cost of Service</b>	<b>924</b>	<b>856</b>
	<b>EXPENDITURE</b>		
445	Operating Costs	321	306
8	Interest	10	16
451	Depreciation	495	455
131	Allocated Overheads	132	130
<b>1,036</b>	<b>Total Operating Expenditure</b>	<b>958</b>	<b>907</b>
16	Principal Loan Repayments	18	29
422	Capital Expenditure	204	673
<b>1,473</b>	<b>Total Expenditure</b>	<b>1,180</b>	<b>1,609</b>
	<b>FUNDED BY:</b>		
42	Charges for Services	34	51
<b>42</b>	<b>Total Revenue</b>	<b>34</b>	<b>51</b>
695	General Rates	630	621
16	Targeted Rates	19	17
54	Depreciation Funded from Reserves	227	210
45	Transfers from Depreciation Reserves	118	140
343	Grants and Donations	-	-
66	Loan Funding - Capital	96	562
-	Other Funding	6	8
<b>1,260</b>	<b>Total Funding</b>	<b>1,130</b>	<b>1,609</b>



## Pensioner Housing

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
107	<b>Operating Expenditure</b>	115	114
68	<b>Revenue</b>	72	72
<b>39</b>	<b>Net Cost of Service</b>	<b>43</b>	<b>42</b>
	<b>EXPENDITURE</b>		
26	Operating Costs	31	32
1	Interest	1	1
33	Depreciation	33	33
47	Allocated Overheads	50	49
<b>107</b>	<b>Total Operating Expenditure</b>	<b>115</b>	<b>114</b>
1	Principal Loan Repayments	1	1
-	Capital Expenditure	-	-
<b>108</b>	<b>Total Expenditure</b>	<b>116</b>	<b>115</b>
	<b>FUNDED BY:</b>		
68	Charges for Services	72	72
<b>68</b>	<b>Total Revenue</b>	<b>72</b>	<b>72</b>
22	General Rates	24	23
18	Transfers from Depreciation Reserves	18	19
-	Other Funding	1	1
<b>108</b>	<b>Total Funding</b>	<b>115</b>	<b>115</b>

## Library

### 1.1 What We Do

The Stratford District Library is co-located with the Visitor Information Centre (i-SITE) which sees a vibrant, community hub situated in the town centre, Prospero Place. The library provides physical and digital access to a collection of lending material and information resources in a welcoming environment intended for community activities, leisure, social interaction, and study. It promotes creativity and learning through the delivery of public programmes and the provision of support facilities such as the Wi-Fi network and access to equipment and technology.

### 1.2 Why We Do It

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

This activity contributes to the community outcomes of:

- Vibrant community
- Connected communities

### 1.3 Significant Negative Effects

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

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 1 – 2021/22		How Measured
		Target	Actual	
<i>To provide a library service which meets the needs of and is being used by Stratford District residents</i>	Number of items (including digital) issued annually	>40,000	<b>Achieved – 57,670</b> (2020/21 New Measure)	Monthly statistics from Koha
	% of library users satisfied with library services.	>80%	<b>Achieved – 97%</b> (2020/21 Achieved – 98.87%)	Annual Residents Survey
	Number of people participating in library events and programmes	>1,200	<b>Achieved – 2,436</b> (2020/21 New Measure )	Internal attendance records

## 1.5 Projects and Other Programmes

There were no future projects associated with the Library activity.

## 1.6 Cost of Services Statement

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

### Library

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
701	<b>Operating Expenditure</b>	753	733
15	<b>Revenue</b>	13	14
<b>686</b>	<b>Net Cost of Service</b>	<b>740</b>	<b>719</b>
	<b>EXPENDITURE</b>		
405	Operating Costs	442	428
18	Interest	18	17
65	Depreciation	83	78
213	Allocated Overheads	210	210
<b>701</b>	<b>Total Operating Expenditure</b>	<b>753</b>	<b>733</b>
33	Principal Loan Repayments	33	30
76	Capital Expenditure	-	-
<b>810</b>	<b>Total Expenditure</b>	<b>786</b>	<b>764</b>
	<b>FUNDED BY:</b>		
15	Charges for Services	13	14
<b>15</b>	<b>Total Revenue</b>	<b>13</b>	<b>14</b>
609	General Rates	593	585
32	Depreciation Funded from Reserves	42	45
70	Loan Funding - Capital	-	-
79	Grants and Donations	104	79
33	Transfer from Depreciation Reserves	33	30
-	Other Funding	8	11
<b>838</b>	<b>Total Funding</b>	<b>793</b>	<b>764</b>

## Parks, Reserves & Cemeteries

### 1.1 What We Do

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

- (i) 36.7 hectares of passive reserves:
  - Gardens, lawns, trees, and amenity street plantings
  - 2 neighbourhood parks and 3 playgrounds
- (ii) 10 hectares of urban active reserves comprising:
  - 2 croquet greens
  - 6 netball/tennis courts
  - 4 rugby fields
  - 1 cricket wicket
  - 2 soccer fields
  - 2 hockey fields
- (iii) 9.4 hectares of cemeteries
  - 5.1 hectares in 2 operating cemeteries
  - 4.3 hectares in 5 closed cemeteries
- (iv) 14km of walkway including 9 foot bridges.
- (v) 5.4 hectares in 19 esplanade reserves.
- (vi) Accessory structures and buildings:
  - Grandstand at Victoria Park
  - Toilet block at Victoria Park
  - Croquet pavilion at Victoria Park
  - Memorial Gates at Victoria Park
  - Malone Gates at King Edward Park
  - Netball shelters at King Edward Park
  - Stratford Gateway Structures (2)
  - Skate park at Victoria Park
  - Children's Bike Park at Victoria Park
  - Pump Track at Victoria Park
  - Half basketball court at Victoria Park
- (vii) 34.3 hectares in rural domains and reserves.

### 1.2 Why We Do It

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

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

This activity contributes to the community outcomes of:

- Connected communities
- Sustainable environment

### 1.3 Significant Negative Effects

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

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 1 – 2021/22		How Measured
		Target	Actual	
<b>To provide parks, sports fields and other open spaces that meet community demand</b>	Number of complaints and requests for service.	<40	Not Achieved – 141 (2020/21 Not Achieved – 51)	Reporting against corporate CRM system.
	The community are becoming more accepting of putting through Customer Request Management Systems (CRMS), knowing the issue will be taken care of straight away. However, many of the CRMS were duplicates of the same concerns and many CRMS were unfounded in their complaint.			
	Percentage of Stratford residents satisfied with:			Annual Residents Survey
	Parks;	>80%	<b>Achieved</b> – 92% (including walkways) (2020/21 Achieved – 94%)	
	Sports fields; and	>80%	Achieved – 83% (2020/21 Achieved – 88%)	
Cemeteries.	>80%	Not Achieved – 70% (2020/21 Achieved – 82%)		
Responses to the survey mainly expressed dissatisfaction with the maintenance of the cemetery grounds.				
<b>Safe playgrounds are provided</b>	All playgrounds meet NZ Safety Standards.	No Result (Biennial Review)	Not Achieved (2020/21 - Not Applicable – was completed in June 2020)	Biennial playground inspection report and records provided from weekly and quarterly compliance checks by contractor.
		Inspections were delayed and not completed before June 2022, due to internal miscommunication between the Roding and Parks team, as the inspection of the playground equipment has been included in the Roding Contract.		
<b>Foot Bridges are safe.</b>	All foot bridges meet NZ Safety standards.	No Result (Biennial Review)	<b>Not Achieved</b> (2020/21 -Not Applicable – was completed in June 2020)	Biennial bridge inspection Report
		Inspections were delayed and not completed before June 2022, due to internal miscommunication between the Roding and Parks team, as the inspection of the footbridges has been included in the Roding Contract.		

## 1.5 Projects and Other Programmes

Project	Category	Budget 2021/22	Actual 2021/22	Notes
Children's Bike Park	Level of Service	\$0	\$446,959	Funding from the Provincial Growth Fund was utilised to complete this project, which also included a half basketball court, a pump track and public toilets.
Broadway Round-a-bout Gardens	Level of Service	\$60,000	\$0	This project was on hold while Council liaised with community groups on the town centre plan.
Walkway – Trees of Significance	Level of Service	\$35,000	\$30,000	Ongoing discussion with iwi regarding information to go on the signs.
Whangamomona Camp Ground – Septic Tank Installation	Level of Service	\$47,000	\$1,301	Currently looking at a new location for the dump station and effluent bed, to ensure compliance with new regulations.
Carrington Walkway	Replacements	\$0	\$11,073	The Eastern Loop staircase was replaced and a section of retaining wall required replacement, both as a result of safety risks.

## 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 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
698	<b>Operating Expenditure</b>	820	699
8	<b>Revenue</b>	8	9
<b>690</b>	<b>Net Cost of Service</b>	<b>812</b>	<b>690</b>
	<b>EXPENDITURE</b>		
475	Operating Costs	534	468
5	Interest	6	6
94	Depreciation	146	93
125	Allocated Overheads	134	131
<b>698</b>	<b>Total Operating Expenditure</b>	<b>820</b>	<b>699</b>
9	Principal Loan Repayments	10	12
1,466	Capital Expenditure	495	144
<b>2,173</b>	<b>Total Expenditure</b>	<b>1,325</b>	<b>854</b>
	<b>FUNDED BY:</b>		
8	Charges for Services	8	9
<b>8</b>	<b>Total Revenue</b>	<b>8</b>	<b>9</b>
785	General Rates	703	693
9	Transfer (to) from Reserves	29	59
49	Loan Funding - Capital	43	97
(10)	Transfer (to) Turf Replacement Reserve	(10)	(10)
1,482	Grants and Donations	447	-
-	Sale of assets / insurance proceeds	16	-
-	Other Funding	5	7
<b>2,323</b>	<b>Total Funding</b>	<b>1,241</b>	<b>854</b>

## Cemeteries

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
201	<b>Operating Expenditure</b>	181	183
116	<b>Revenue</b>	122	92
<b>85</b>	<b>Net Cost of Service</b>	<b>59</b>	<b>90</b>
<b>EXPENDITURE</b>			
133	Operating Costs	116	118
7	Depreciation	7	7
61	Allocated Overheads	58	58
<b>201</b>	<b>Total Operating Expenditure</b>	<b>181</b>	<b>183</b>
-	Capital Expenditure	7	-
<b>201</b>	<b>Total Expenditure</b>	<b>188</b>	<b>183</b>
<b>FUNDED BY:</b>			
116	Charges for Services	122	92
<b>116</b>	<b>Total Revenue</b>	<b>122</b>	<b>92</b>
95	General Rates	89	87
-	Transfer from Depreciation Reserves	-	-
-	Transfers from Reserves - Capital	7	-
-	Other Funding	2	3
<b>211</b>	<b>Total Funding</b>	<b>220</b>	<b>183</b>

## Pool Complex

### 1.1 What We Do

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

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

### 1.2 Why We Do It

Council owns the pool to provide aquatic recreation for its residents and visitors. Council has historically adopted the role of provider of a swimming pool complex for the district as there has been no alternative provider.

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

This activity contributes to the community outcomes of:

- Vibrant Community
- Connected Communities
- Enabling Economy

### 1.3 Significant Negative Effects

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

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

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

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

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

### 1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 1 – 2021/22		How Measured
		Target	Actual	
<b>The pool complex will be a safe place to swim.</b>	Number of reported accidents, possible accidents and similar incidents pa.	<80	<b>Achieved - 25</b> (2020/21 Achieved –44)	Reported monthly to Council.
	Compliance with NZS5826:2010 NZ Pool Water Quality Standards.	100%	<b>Achieved – 100%</b> (2020/21 Achieved – 100%)	Water quality register.
	PoolSafe accreditation is met	100%	<b>Achieved – 100%</b> (2020/21 New Measure)	
<b>That the pool facilities meet demand.</b>	Percentage of pool users are satisfied with the pool.	>80%	<b>Not Achieved – 77%</b> (2020/21 Achieved – 85.37%)	Annual residents survey.
	<i>Key areas of concern from survey respondents included Covid-19 restrictions, cost of entry being too high, and opening hours not being sufficient for their needs.</i>			
	Number of pool admissions per annum.	>55,000	<b>Not Achieved – 39,789</b> (2020/21 Not Applicable – Target was suspended due to upgrades – 37,598 admissions)	Reported monthly to Council.
<i>Due to Covid closures and Covid restrictions on leisure swimming during the year.</i>				

## 1.5 Projects and Other Programmes

Project	Category	Budget 2021/22	Actual 2021/22	Notes
Pool Development	Level of Service	\$16,700,000	\$14,295,205	As at 30 June 2022, this project was 92% complete. In addition to Provincial Growth Funding, further grant funding was received from Toi Foundation, Taranaki Electricity Trust and Lottery Grants Boards totalling \$1.88 million.

## 1.6 Cost of Services Statement

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

### Pool Complex

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
1,056	<b>Operating Expenditure</b>	1,289	1,208
211	<b>Revenue</b>	170	231
<b>845</b>	<b>Net Cost of Service</b>	<b>1,119</b>	<b>977</b>
	<b>EXPENDITURE</b>		
718	Operating Costs	845	759
-	Interest	116	122
122	Depreciation	120	122
215	Allocated Overheads	208	205
<b>1,056</b>	<b>Total Operating Expenditure</b>	<b>1,289</b>	<b>1,208</b>
-	Principal Loan Repayments	213	221
4,856	Capital Expenditure	14,295	16,700
<b>5,912</b>	<b>Total Expenditure</b>	<b>15,797</b>	<b>18,130</b>
	<b>FUNDED BY:</b>		
211	Charges for Services	170	231
<b>211</b>	<b>Total Revenue</b>	<b>170</b>	<b>231</b>
948	General Rates	981	967
-	Loan funding - capital	10,640	11,000
4,856	Grants and Donations	3,849	5,700
-	Transfers from Depreciation Reserves	213	221
-	Other Funding	8	10
<b>6,014</b>	<b>Total Funding</b>	<b>15,861</b>	<b>18,130</b>





**Democracy**



TE KAUNIHERA Ā ROHE O  
**WHAKAAHURANGI**  
**STRATFORD**  
DISTRICT COUNCIL

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# Democracy

## 1.1 What We Do

### Democracy

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

### Corporate Support

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

## 1.2 Why We Do It

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

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

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

This activity contributes to the community outcomes of:

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

## 1.3 Significant Negative Effects

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

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 1 2021/22		How Measured
		Target	Actual	
<b>To provide Democracy services in accordance with statutory deadlines.</b>	Agendas and associated reports for all scheduled meetings are available to interested parties in accordance with statutory timeframes.	100%	<b>Achieved – 100%</b> (2020/21 Achieved – 100%)	Meeting Register.
	All Council meetings are publicly notified in accordance with statutory timeframes.	100%	<b>Achieved – 100%</b> (2020/21 Achieved – 100%)	Meeting Register.
<b>Opportunities for the community to participate in decision making is widely publicised</b>	The community is satisfied with how Council keeps them informed.	>80%	<b>Not Achieved – 65%</b> (2020/21 – New Measure)	Annual Residents Survey
		<i>Responses mainly expressed dissatisfaction with accessibility to local newspaper, which is one of Councils key communication methods. Secondary to this some comments suggested improving website navigation.</i>		

<b>Ensure accountability documents are prepared and meet statutory requirements.</b>	The Annual Report, Annual Plan and Long Term Plan meet statutory deadlines and receive an unmodified audit opinion.	Achieved	<b>Achieved</b> (2020/21 Achieved)	Audit Opinion.
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## 1.5 Projects and Other Programmes

Project	Category	Budget 2021/22	Actual 2021/22	Notes
Computers and peripherals	Replacements	\$128,000	\$76,352	The balance of the funds are carried over to the new year for the purchase of equipment for various projects that were held up this year due to Covid-19 and contract negotiations.
Vehicle Replacements	Replacements	\$38,000	\$47,605	Two vehicles were required to be replaced this year.
Miscellaneous Equipment	Replacements	\$20,000	\$0	Not required
Furniture Replacements	Replacements	\$3,000	\$3,126	Complete.

## 1.6 Cost of Services Statement

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

### Democracy

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
1,148	<b>Operating Expenditure</b>	1,233	1,178
-	<b>Revenue</b>	-	-
<b>1,148</b>	<b>Net Cost of Service</b>	<b>1,233</b>	<b>1,178</b>
	<b>EXPENDITURE</b>		
478	Operating Costs	535	505
670	Allocated Overheads	698	673
<b>1,148</b>	<b>Total Operating Expenditure</b>	<b>1,233</b>	<b>1,178</b>
	<b>FUNDED BY:</b>		
1,101	UAGC	1,147	1,144
-	Other Funding	26	34
<b>1,101</b>	<b>Total Funding</b>	<b>1,173</b>	<b>1,178</b>

## Corporate Support

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
-	<b>Operating Expenditure</b>	-	-
96	<b>Revenue</b>	102	70
<b>(96)</b>	<b>Net Cost of Service</b>	<b>(102)</b>	<b>(70)</b>
	<b>EXPENDITURE</b>		
	Operating Costs		
490	- Chief Executive's Department	634	568
894	- Corporate Services Department	843	800
(1,384)	Allocated Overheads	(1,477)	(1,368)
-	<b>Total Operating Expenditure</b>	-	-
176	Capital Expenditure	193	189
<b>176</b>	<b>Total Expenditure</b>	<b>193</b>	<b>189</b>
	<b>FUNDED BY:</b>		
96	Charges for Services	102	70
<b>96</b>	<b>Total Revenue</b>	<b>102</b>	<b>70</b>
(71)	UAGC	(70)	(70)
176	Transfer from Depreciation Reserves	193	189
<b>201</b>	<b>Total Funding</b>	<b>225</b>	<b>189</b>



# Community Development



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**WHAKAAHURANGI**  
**STRATFORD**  
DISTRICT COUNCIL

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# Community Development

## Community Services

### 1.1 What We Do

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

Examples of the current community services activities include:

- Facilitating the Positive Ageing Group and Youth Council
- Coordinating the promotion of school holiday activities
- Administration of community funds including Sport NZ Rural Travel Fund and Creative New Zealand Funding Scheme
- Working with community groups to identify the outcomes they want for the community
- Working in partnership with regional agencies to support the well-being of the community
- Providing community events such as Summer Nights and war memorial commemorations.

### 1.2 Why We Do It

This activity contributes to the district's well-being by the Council maintaining a general overview of trends in the social well-being of the district. The aim is to actively involve people in building their own sustainable and resilient communities and initiating, usually in conjunction with others, action for enhancement whenever it considers that to be necessary, appropriate and practical.

This activity contributes to the community outcomes of:

- Vibrant community
- Connected communities

### 1.3 Significant Negative Effects

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

### 1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 1 – 2021/22		How Measured
		Target	Actual	
<b>Event Development that supports and encourages community engagement</b>	Deliver or facilitate community events	>5	<b>Achieved – 32</b> • (2020/21 Achieved – 12)	Number of events held are recorded
	Percentage of residents feeling a sense of community.	>80%	<b>Not Achieved – 71%</b> (2020/21 Achieved – 91%)	Annual Residents Survey
		<i>Responses to the survey mainly expressed concern around the presentation of the main street, roading network related comments, better maintenance of outdoor facilities and requests to deliver more events/activities.</i>		

### 1.5 Projects and Other Programmes

There were no projects associated with the Community Services activity.

## 1.6 Cost of Services Statement

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

### Community Services

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
652	<b>Operating Expenditure</b>	624	429
37	<b>Revenue</b>	38	21
<b>615</b>	<b>Net Cost of Service</b>	<b>586</b>	<b>409</b>
	<b>EXPENDITURE</b>		
525	Operating Costs	502	306
128	Allocated Overheads	122	123
<b>652</b>	<b>Total Operating Expenditure</b>	<b>624</b>	<b>429</b>
	<b>FUNDED BY:</b>		
37	Charges for Services	38	21
<b>37</b>	<b>Total Revenue</b>	<b>38</b>	<b>21</b>
411	UAGC	438	407
247	Grants	261	-
-	Other Funding	5	2
<b>695</b>	<b>Total Funding</b>	<b>742</b>	<b>429</b>

## Economic Development

### 1.1 What We Do

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

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

### 1.2 Why We Do It

Council provides this service to enable growth in population, increase employment opportunities, and promote the district as a destination for business and visitors. This works towards enabling a local economy that is prosperous.

This activity contributes to the community outcomes of:

- Vibrant Community
- Enabling Economy

### 1.3 Significant Negative Effects

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

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 1 – 2021/22		How Measured
		Target	Actual	
<i>To support and promote the economic growth of the district.</i>	Number of client interactions with Venture Taranaki's Business Advisory Service	100%	<b>Achieved</b> – 38 support engagements (2020/21 New Measure)	5 start up clinics
	Mentor matches made as requested	100%	<b>Achieved</b> (2020/21 New Measure)	Venture Taranaki quarterly reports
<i>Enterprise Partnership and Engagement</i>	Review the Economic Development Strategy	Achieved	<b>Achieved</b> – first draft has been completed (2020/21 New Measure)	Year 1 only – Strategy approved by Council

## 1.5 Projects and Other Programmes

Project	Category	Budget 2021/22	Actual 2021/22	Notes
<i>Final Development for Council-led subdivision at Pembroke Road.</i>	Level of Service	\$1,200,000	\$6,025	Council in active negotiations at 30 June 2022 to purchase one strategically important property.

## 1.6 Cost of Services Statement

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

### Economic Development

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
444	<b>Operating Expenditure</b>	600	618
-	<b>Revenue</b>	-	-
<b>444</b>	<b>Net Cost of Service</b>	<b>600</b>	<b>618</b>
<b>EXPENDITURE</b>			
281	Operating Costs	446	466
163	Allocated Overheads	154	152
<b>444</b>	<b>Total Operating Expenditure</b>	<b>600</b>	<b>618</b>
<b>FUNDED BY:</b>			
221	General Rates	313	305
43	Subsidies / Grants	-	-
221	UAGC	313	305
-	Other Funding	6	8
<b>486</b>	<b>Total Funding</b>	<b>632</b>	<b>618</b>



## Council Projects

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
80	<b>Operating Expenditure</b>	-	13
-	<b>Revenue</b>	-	-
<b>80</b>	<b>Net Cost of Service</b>	<b>-</b>	<b>13</b>
	<b>EXPENDITURE</b>		
-	Operating Costs	-	-
80	Interest	-	13
<b>80</b>	<b>Total Operating Expenditure</b>	<b>-</b>	<b>13</b>
<b>3,736</b>	Principal Loan Repayments	6	12
94	Capital Expenditure	6	1,200
<b>3,911</b>	<b>Total Expenditure</b>	<b>12</b>	<b>1,225</b>
	<b>FUNDED BY:</b>		
(3)	General Rates	26	25
2,779	Sale of sections - capital	-	-
94	Loan Funding - Capital	6	1,200
<b>2,869</b>	<b>Total Funding</b>	<b>32</b>	<b>1,225</b>

## Information Centre

### 1.1 What We Do

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

### 1.2 Why We Do It

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

This activity contributes to the community outcomes of:

- Vibrant community
- Enabling economy

### 1.3 Significant Negative Effects

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

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 1 – 2021/22		How Measured
		Target	Actual	
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 users of AA Agency Service is measured.	>10,000	<b>Not Achieved – 7,900</b> (2020/21 Not Achieved – 7,712)	AA customer count records
	Percentage customers are satisfied.	>80%	<b>Achieved – 96%</b> (2020/21 Achieved – 95.72%)	Annual Residents Survey

## 1.5 Projects and Other Programmes

There were no projects associated with the Information Centre activity.

## 1.6 Cost of Services Statement

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

### Information Centre

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
287	<b>Operating Expenditure</b>	216	266
65	<b>Revenue</b>	52	62
<b>222</b>	<b>Net Cost of Service</b>	<b>164</b>	<b>204</b>
	<b>EXPENDITURE</b>		
173	Operating Costs	110	157
4	Depreciation	-	4
111	Allocated Overheads	106	104
<b>287</b>	<b>Total Expenditure</b>	<b>216</b>	<b>266</b>
	<b>FUNDED BY:</b>		
65	Charges for Services	52	62
<b>65</b>	<b>Total Revenue</b>	<b>52</b>	<b>62</b>
221	General Rates	201	198
-	Other Funding	4	5
<b>286</b>	<b>Total Funding</b>	<b>257</b>	<b>266</b>

## Rental & Investment Properties

### 1.1 What We Do

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

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

This activity covers the following:

**Farm** - manage 160 hectares of land (132 hectares milkable) on a 50/50 share milking basis.

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

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

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

## 1.2 Why We Do It

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

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

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

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

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

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

This activity contributes to the community outcomes of:

- Enabling Economy

## 1.3 Significant Negative Effects

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

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

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

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 1 – 2021/22		How Measured
		Target	Actual	
<b>Maximum profits from the farm are returned to Council.</b>	Milk production is maximised	>150,000kg/ms	<b>Achieved</b> – <b>154,000kgs/ms</b> (2020/21 Achieved – 150,918kgs)	Milk Supplier's Statements issued by Fonterra
<b>The Council is meeting national Environmental Standards</b>	The Council farm's Environmental Plan is reviewed annually	Achieved	<b>Achieved</b> (2020/21 New Measure)	Report to Farm and Aerodrome Committee
<b>Leased property is safe and fit for purpose.</b>	Number of complaints from tenants.	<5	<b>Achieved – 1</b> (2020/21 Achieved – 2)	Reporting against corporate CRM system.

## 1.5 Projects and Other Programmes

Project	Category	Budget 2021/22	Actual 2021/22	Notes
<b>Farm</b>				
Landscaping and Riparian Planting	Level of Service	\$3,500	\$3,486	Complete
Yard Upgrade	Level of Service /Replacements	\$0	\$127,876	A new yard and entranceway were constructed, together with the installation of a roof on the AI area.
Install In-Shed Feed System	Level of Service	\$53,000	\$54,192	Complete
New Storage Facility	Level of Service	\$8,000	\$6,013	Complete
Install New Free-standing Fireplace	Level of Service	\$8,500	\$0	This project was brought forward and completed in 2020/21 year.

## 1.6 Cost of Services Statement

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

### Holiday Park

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
2	<b>Operating Expenditure</b>	2	2
3	<b>Revenue</b>	3	3
(2)	<b>Net Cost of Service</b>	(1)	(1)
<b>EXPENDITURE</b>			
-	Operating Costs	-	-
2	Allocated Overheads	2	2
2	<b>Total Expenditure</b>	2	2
<b>FUNDED BY:</b>			
3	Charges for Services	3	3
3	<b>Total Revenue</b>	3	3
-	General Rates	(1)	(1)
-	Other Funding	-	-
3	<b>Total Funding</b>	2	2

## Farm

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
340	<b>Operating Expenditure</b>	442	378
606	<b>Revenue</b>	732	489
<b>(267)</b>	<b>Net Cost of Service</b>	<b>(290)</b>	<b>(111)</b>
<b>EXPENDITURE</b>			
205	Operating Costs	300	243
47	Interest	43	45
34	Depreciation	40	33
54	Allocated Overheads	59	57
<b>340</b>	<b>Total Operating Expenditure</b>	<b>442</b>	<b>378</b>
219	Principal Loan Repayments	175	61
154	Capital Expenditure	192	73
<b>712</b>	<b>Total Expenditure</b>	<b>809</b>	<b>512</b>
<b>FUNDED BY:</b>			
606	Charges for Services	732	489
<b>606</b>	<b>Total Revenue</b>	<b>732</b>	<b>489</b>
(53)	General Rates	(51)	(50)
116	Loan Funding - Capital	172	73
11	Sale of Assets/Insurance proceeds	-	-
27	Transfer (to) from Reserves	(49)	-
<b>707</b>	<b>Total Funding</b>	<b>805</b>	<b>512</b>

## Rental Properties

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
69	<b>Operating Expenditure</b>	65	66
32	<b>Revenue</b>	30	35
<b>38</b>	<b>Net Cost of Service</b>	<b>35</b>	<b>31</b>
<b>EXPENDITURE</b>			
13	Operating Costs	8	9
17	Depreciation	17	17
39	Allocated Overheads	40	39
<b>69</b>	<b>Total Operating Expenditure</b>	<b>65</b>	<b>66</b>
-	Capital Expenditure	-	-
<b>69</b>	<b>Total Expenditure</b>	<b>65</b>	<b>66</b>
<b>FUNDED BY:</b>			
32	Charges for Services	30	35
<b>32</b>	<b>Total Revenue</b>	<b>30</b>	<b>35</b>
36	General Rates	30	29
-	Other Funding	2	2
<b>68</b>	<b>Total Funding</b>	<b>62</b>	<b>66</b>



# Environmental Services



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# Environmental Services

## Building Services

### 1.1 What We Do

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

### 1.2 Why We Do It

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

This activity contributes to the community outcomes of:

- Enabling Economy
- Sustainable Environment

### 1.3 Significant Negative Effects

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

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

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

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 1 – 2021/22		How Measured
		Target	Actual	
<b>To process applications within statutory timeframes.</b>	Percentage of building consent applications processed within 20 days.	100%	<b>Not Achieved</b> – 98.6%, 355 out of 360 – (2020/21 Not Achieved 96%, 293 out of 306 building consents)	Council Records
	<i>High volume of building consents applications at unprecedented levels</i>			
	Percentage of inspection requests completed within 24 hours of request	100%	<b>Not Achieved</b> – 97.2%, 1,219 out of 1,256 (2020/21 Not Achieved – 98% 1,034 out of 1054)	Council Records
	<i>Inspection booking requests were for more than 24 hrs before inspection being required</i>			
	Percentage of code compliance certificate applications determined within 20 working days	100%	<b>Not Achieved</b> – 90%, 190 out of 211 – (2020/21 Achieved – 100% 172 out of 172)	Council Records
	<i>Large volumes of work and software integration upgrades implemented to provide more visibility.</i>			
<b>To retain registration as a Building Consent Authority.</b>	Current registration.	Confirmed	<b>Achieved</b> – Registration current, low risk 2 yearly cycle (2020/21 Achieved)	Current IANZ Certification
<b>To process LIMs within statutory timeframes</b>	% of LIMs processed within timeframes.	100%	<b>Achieved</b> – 100% 55 of 55 (2020/21 Achieved – 100%, 59 of 59)	Council Records
<b>Service meets customer expectations.</b>	Percentage of customers using building consent processes are satisfied with the service provided	>80%	<b>Not Achieved</b> – 48% (2020/21 Not Achieved – 65%)	Annual Residents Survey
		<i>This is likely due to higher than usual resourcing pressure and a very high target for a regulatory and enforcement based function.</i>		

## 1.5 Projects and Other Programmes

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



## 1.6 Cost of Services Statement

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

### Building Control

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
901	<b>Operating Expenditure</b>	1,006	761
361	<b>Revenue</b>	485	280
<b>540</b>	<b>Net Cost of Service</b>	<b>521</b>	<b>481</b>
	<b>EXPENDITURE</b>		
655	Operating Costs	710	472
246	Allocated Overheads	296	289
<b>901</b>	<b>Total Operating Expenditure</b>	<b>1,006</b>	<b>761</b>
	<b>FUNDED BY:</b>		
361	Charges for Services	485	280
<b>361</b>	<b>Total Revenue</b>	<b>485</b>	<b>280</b>
304	UAGC	467	466
-	Other Funding	11	15
<b>665</b>	<b>Total Funding</b>	<b>963</b>	<b>761</b>

## Planning and Bylaws

### 1.1 What We Do

This activity covers:

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

### 1.2 Why We Do It

All of the above functions are required by legislation.

This activity contributes to the community outcomes of:

- Sustainable Environment
- Enabling Economy

### 1.3 Significant Negative Effects

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

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

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

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 1 – 2021/22		How Measured
		Target	Actual	
<b>To promote the sustainable management and use of land and public spaces.</b>	To undertake a comprehensive review of the district plan, with notifications within statutory timeframes.	Not applicable	<b>Not Applicable</b> (2020/21 Not Applicable)	Reports to Council
	To undertake a systematic review of bylaws and related policies as they reach their statutory review dates.	100% within review timeframes	<b>Not Achieved</b> (2020/21 Not Applicable)	Reports to Council
	<i>One policy has not been reviewed within the statutory timeframe. The policy is the Local Approved Products Policy which is jointly held with New Plymouth District Council.</i>			
<b>To process resource consents within statutory timeframes.</b>	% of non notified applications processed within 20 working days.	100%	<b>Not Achieved</b> – 96% 79 of 82 applications. (2020/21 Achieved – 100%, 70 of 70 applications)	Council records
	<i>This is due to receiving an unusually high number of applications.</i>			
	% of notified applications processed within legislated timeframes for notification, hearings and decisions.	100%	<b>Achieved</b> – 0 notified consent applications (2020/21 Achieved – 0 notified consent)	Council records
<b>To process resource consents within statutory timeframes.</b>	% of s223 and s224 applications processed within 10 working days.	100%	<b>Achieved</b> – 100% 53 of 53 applications (2020/21 Achieved – 100% 42 of 42 applications)	Council records
	Percentage of customers using resource consent processes are satisfied with the service provided	>80%	<b>Not Achieved</b> – 70% (2020/21 Not Achieved – 64%)	Council Records
		<i>This is likely due to higher than usual resourcing pressure and a very high target for a regulatory and enforcement based function.</i>		

## 1.5 Projects and Other Programmes

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

## 1.6 Cost of Services Statement

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

### District Plan and Bylaws

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
144	Operating Expenditure	161	187
-	Revenue	-	-
<b>144</b>	<b>Net Cost of Service</b>	<b>161</b>	<b>187</b>
<b>EXPENDITURE</b>			
47	Operating Costs	53	81
97	Allocated Overheads	108	106
<b>144</b>	<b>Total Operating Expenditure</b>	<b>161</b>	<b>187</b>
<b>FUNDED BY:</b>			
170	UAGC	183	182
-	Other Funding	4	5
<b>170</b>	<b>Total Funding</b>	<b>187</b>	<b>187</b>

### Resource Consents

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
225	Operating Expenditure	241	202
97	Revenue	97	76
<b>128</b>	<b>Net Cost of Service</b>	<b>144</b>	<b>126</b>
<b>EXPENDITURE</b>			
124	Operating Costs	132	95
101	Allocated Overheads	109	106
<b>225</b>	<b>Total Operating Expenditure</b>	<b>241</b>	<b>202</b>
<b>FUNDED BY:</b>			
97	Charges for Services	97	76
<b>97</b>	<b>Total Revenue</b>	<b>97</b>	<b>76</b>
145	UAGC	121	120
-	Other Funding	4	5
<b>243</b>	<b>Total Funding</b>	<b>222</b>	<b>202</b>

## Community Health & Safety

### 1.1 What We Do

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

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

The Council:

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

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

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

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

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

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

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

#### ***Animal Control***

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

This covers:

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

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

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

### 1.2 Why We Do It

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

This activity contributes to the community outcomes of:

- Enabling Economy
- Sustainable Environment

### 1.3 Significant Negative Effects

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

### 1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 1 – 2021/22		How Measured
		Target	Actual	
<i>To fulfil obligations to improve, promote and protect public health.</i>	Percentage of premises registered under the Food Act, Health Act, Beauty and Tattoo Bylaw, to be inspected for compliance.	100%	<b>Achieved</b> – 100% - 94 out of 94 (2020/21 Not Achieved – 99%)	Council Records
	Health nuisance and premise complaints are responded to within 1 working day.	100%	<b>Achieved</b> – 100% 11 out of 11 complaints (2020/21 Achieved – 100%, 18 out of 18 complaints)	Council Records
<i>To fulfil obligations as a District Licensing Committee.</i>	Percentage of licensed premises inspected.	100%	<b>Not Achieved</b> – 94.2% 33 of 35 inspected (2020/21 Achieved – 100% 29 of 29 inspected)  Two premises were not inspected, one premises in the process of total reconstruction and the other was not open after three attempts to undertake and inspection.	Council Records
	Percentage of applications processed within 25 working days (excluding hearings).	100%	<b>Achieved</b> – 100% 87 of 88 applications (1 hearing) (2020/21– Achieved 100% 87 of 87 applications)	Council Records
	Percentage of complaints responded to within 2 hours.	100%	<b>Achieved</b> – 100% 278 of 278 complaints] (2020/21 Not Achieved – 99%, 275 of 278 complaints)	Council Records
<i>To ensure dogs are controlled.</i>	Percentage of known dogs registered.	95%	<b>Achieved</b> – 97.5% 2,081 of 2,135 dogs (2020/21 Not Achieved – 97%, 2,039 of 2,086 dogs – target was 98%)	Council Records
	Percentage of dog attack/wandering dog complaints responded to within an hour.	100%	<b>Not Achieved</b> – 98% 225 of 228 complaints (2020/21 Not Achieved – 99%, 320 of 324 complaints)  The Council's after hours service did not achieve a small number of call-outs on time. ( 228) calls were received and 3 were over time. This was due to an officer being on another call-out.	Council Records

### 1.5 Projects and Other Programmes

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

## 1.6 Cost of Services Statement

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

### Food and Health

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
164	<b>Operating Expenditure</b>	167	166
32	<b>Revenue</b>	36	30
<b>132</b>	<b>Net Cost of Service</b>	<b>131</b>	<b>136</b>
<b>EXPENDITURE</b>			
86	Operating Costs	89	89
78	Allocated Overheads	78	76
<b>164</b>	<b>Total Operating Expenditure</b>	<b>167</b>	<b>166</b>
<b>FUNDED BY:</b>			
32	Charges for Services	36	30
<b>32</b>	<b>Total Revenue</b>	<b>36</b>	<b>30</b>
140	UAGC	132	132
-	Other Funding	3	4
<b>172</b>	<b>Total Funding</b>	<b>171</b>	<b>166</b>

### Alcohol Licensing

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
110	<b>Operating Expenditure</b>	111	109
37	<b>Revenue</b>	35	33
<b>73</b>	<b>Net Cost of Service</b>	<b>76</b>	<b>77</b>
<b>EXPENDITURE</b>			
57	Operating Costs	59	58
53	Allocated Overheads	52	51
<b>110</b>	<b>Total Operating Expenditure</b>	<b>111</b>	<b>109</b>
<b>FUNDED BY:</b>			
37	Charges for Services	35	33
<b>37</b>	<b>Total Revenue</b>	<b>35</b>	<b>33</b>
80	UAGC	75	74
-	Other Funding	2	3
<b>117</b>	<b>Total Funding</b>	<b>112</b>	<b>109</b>

## Parking and other Bylaws

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
137	Operating Expenditure	145	128
-	Revenue	1	1
<b>137</b>	<b>Net Cost of Service</b>	<b>144</b>	<b>127</b>
<b>EXPENDITURE</b>			
62	Operating Costs	68	50
75	Allocated Overheads	77	78
<b>137</b>	<b>Total Operating Expenditure</b>	<b>145</b>	<b>128</b>
<b>FUNDED BY:</b>			
-	Charges for Services	1	1
-	<b>Total Revenue</b>	<b>1</b>	<b>1</b>
141	UAGC	124	123
-	Other Funding	3	4
<b>140</b>	<b>Total Funding</b>	<b>128</b>	<b>128</b>

## Animal Control

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
205	Operating Expenditure	205	221
141	Revenue	146	142
<b>64</b>	<b>Net Cost of Service</b>	<b>59</b>	<b>80</b>
<b>EXPENDITURE</b>			
100	Operating Costs	106	122
1	Interest	1	1
4	Depreciation	3	5
100	Allocated Overheads	95	93
<b>205</b>	<b>Total Operating Expenditure</b>	<b>205</b>	<b>221</b>
<b>2</b>	Principal Loan Repayments	2	2
-	Capital Expenditure	-	-
<b>208</b>	<b>Total Expenditure</b>	<b>207</b>	<b>223</b>
<b>FUNDED BY:</b>			
141	Charges for Services	146	142
<b>141</b>	<b>Total Revenue</b>	<b>146</b>	<b>142</b>
59	UAGC	78	77
-	Loan funding	-	-
-	Other Funding	4	5
<b>200</b>	<b>Total Funding</b>	<b>228</b>	<b>223</b>

# Civil Defence and Emergency Management

## 1.1 What We Do

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

## 1.2 Why We Do It

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

This activity contributes to the community outcomes of:

- Sustainable Environment
- Connected Communities

## 1.3 Significant Negative Effects

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

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 1 – 2021/22		How Measured
		Target	Actual	
<b>To maintain effective emergency capability</b>	Recruit, train and maintain a pool of staff and volunteers capable of responding to an emergency event. Number of people trained to at least Foundational level	>40	<b>Not Achieved</b> – 39 (2020/21 New Measure)	Takatu Records
		<i>Staff numbers in key positions remain lower than desirable with further training required. Current Volunteer base sits at 39, down from 47 a year ago. All records are up to date in Takatu.</i>		
<b>To ensure the Stratford District Emergency Operations Centre is fit for purpose</b>	Annual capability audit undertaken (externally) and quarterly system checks undertaken (internally).	Achieved	<b>Achieved</b> (2020/21 New Measure)	Council Records

## 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 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
256	<b>Operating Expenditure</b>	362	333
-	<b>Revenue</b>	-	-
<b>256</b>	<b>Net Cost of Service</b>	<b>362</b>	<b>333</b>
<b>EXPENDITURE</b>			
103	Operating Costs	178	163
-	Depreciation	-	-
153	Allocated Overheads	184	170
<b>256</b>	<b>Total Operating Expenditure</b>	<b>362</b>	<b>333</b>
<b>FUNDED BY:</b>			
231	UAGC	326	325
-	Other Funding	7	9
<b>231</b>	<b>Total Funding</b>	<b>333</b>	<b>333</b>



# Roading



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# Roading

## 1.1 What We Do

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

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

	Rural	Urban	Total
<i>Sealed km</i>	349.4	57.6	<b>407.0</b>
<i>Unsealed km</i>	205.7	0.01	<b>205.8</b>
<b>Total</b>	<b>585.1</b>	<b>57.6</b>	<b>612.8</b>

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

## 1.2 Why We Do It

Council is the road controlling authority under the Local Government Act 2002 with responsibility for all local roads in the area. It provides an integrated, safe, responsive and sustainable local land transport system for the District. This is a fundamental requirement for every District.

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

This activity contributes to the community Outcomes of:

- Connected communities
- Enabling economy

## 1.3 Significant Negative Effects

### Negative Effects

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

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

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

**Social, economic & cultural** –Road closures have the potential to negatively impact the community's social, economic and cultural well-being. Unplanned road closures are usually the result of environmental events and can be of concern, particularly for isolated rural communities. When this happens, every effort is made to have the road or alternative routes open as soon as possible. Planned road closures are generally not a significant problem as they are well notified to affected parties and council works with event organisers to reduce the impact of closures of popular routes.

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

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

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 1 – 2021/22		How Measured
		Target	Actual	
To provide a safe roading network.	Road safety - The reduction from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	A reduction of at least 1	<b>Not Achieved</b> – increase of 5 (2020/21 – Achieved)	Police CAS Database
		<i>Increase of 5 (6 crashes compared to 1 in previous year)</i>		
To provide a well-maintained roading network.	Road Condition – The average quality of ride on sealed road network, measured by smooth travel exposure.	Urban – ≥83%	<b>Not Achieved</b> – Urban – 63% (2020/21 – Not Applicable)	RAMM Rating Report
		Rural – ≥91%	<b>Achieved</b> Rural – 94% (2020/21 – Not Applicable)	
	<i>Further investigation required to find out which urban road category appears to be rougher. This could lead to a greater focus on repairs to the urban network.</i>			
	Road maintenance – The percentage of the sealed road network that is resurfaced.	≥5%	<b>Achieved</b> – 6.1% (2020/21 – Not Achieved – 4.95%)	RAMM Rating Report
	Road maintenance – The percentage of the unsealed road network that has been metal dressed.	≥7%	<b>Achieved</b> – 11.5% (2020/21 – Not Achieved – 1%)	RAMM Report
	Footpaths - The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority’s relevant document (annual plan, activity management plan, asset management plan, annual works programme or long term plan)	>70%	<b>Achieved</b> – 89% (2020/21 Achieved – 89% - target was >84%)	RAMM Report
	Response to service requests - The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan (note: this information is actually held in the asset management plan not the long term plan).	>88%	<b>Achieved</b> – 100% (2020/21 Achieved – 100%)	RAMM Report. Spreadsheet until connectivity is established between RAMM and Customer Service Requests
To provide a well maintained roading network.	Percentage of residents who are satisfied with:			
	Roading Networks	>80%	<b>Not Achieved</b> – 39% (2020/21 – Not Achieved – 65.28%)	Annual Residents Survey
	<i>No specific reasons given from the survey. Very generic comments.</i>			
	Footpaths	>80%	<b>Not Achieved</b> – 61% (2020/21 – Not Achieved – 70.11%)	Annual Residents Survey
<i>Mainly complaints about the narrow footpaths. There is a 30 year plan to widen these footpaths.</i>				

## 1.5 Projects and Other Programmes

<i>Project</i>	<i>Category</i>	<i>Budget 2021/22</i>	<i>Actual 2021/22</i>	<i>Notes</i>
<i>Unsealed Road Metalling</i>	Replacements	\$840,000	\$534,671	Complete
<i>Sealed Road Resurfacing</i>	Replacements	\$1,100,000	\$1,072,834	Complete
<i>Drainage Renewals</i>	Replacements	\$700,000	\$699,544	Complete
<i>Pavement Rehabilitation</i>	Replacements	\$750,000	\$536,419	Complete
<i>Structure Component Replacement</i>	Replacements	\$835,000	\$1,078,369	This was over budget due to the replacement of a large culvert on Monmouth Road, which was nominated as a shovel ready project through MBIE's Economic Stimulus Package. However, the funding offered was not sufficient to cover the cost of the culvert, therefore it was done as part of council's renewals programme, as MBIE insisted it was to be completed.
<i>Traffic Services</i>	Replacements	\$113,000	\$35,402	Complete
<i>Footpath Renewals</i>	Replacements	\$170,000	\$170,000	Complete
<i>Low cost/low risk safety improvements</i>	Replacements	\$830,000	\$0	Budget was carried over for road safety projects.
<i>Sealed Road Resurfacing – Special Purpose Roads</i>	Replacements	\$60,000	\$5,620	Deferred to 2022/23
<i>Special Purpose – Traffic Services Renewals</i>	Replacements	\$0	\$15,996	Complete
<i>Special Purpose – Drainage</i>	Replacements	\$0	\$12,330	Complete
<i>Special Purpose – Low cost low risk safety</i>	Level of Service	\$15,000	\$0	Project on hold to put towards a meaningful project in 2022/23.
<i>Road to Zero</i>	Level of Service	\$0	\$475,238	This was carried forward from the previous year.
<i>Walking and Cycling Strategy</i>	Level of Service	\$350,000	\$0	Funding request was declined by Waka Kotahi.

## 1.6 Cost of Services Statement

The detailed financial summary for Roothing activities is below:

### Roothing

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
6,382	<b>Operating Expenditure</b>	6,640	6,413
4,019	<b>Revenue</b>	4,687	5,689
<b>2,363</b>	<b>Net Cost of Service</b>	<b>1,953</b>	<b>725</b>
<b>EXPENDITURE</b>			
3,486	Operating Costs	3,557	3,350
-	Interest	-	2
2,732	Depreciation	2,910	2,885
164	Allocated Overheads	173	176
<b>6,382</b>	<b>Total Operating Expenditure</b>	<b>6,640</b>	<b>6,413</b>
-	Principal Loan Repayments	-	3
4,159	Capital Expenditure	4,720	5,763
<b>10,539</b>	<b>Total Expenditure</b>	<b>11,360</b>	<b>12,179</b>
<b>FUNDED BY:</b>			
211	Charges for Services	165	243
3,808	Waka Kotahi (NZTA) Financial Assistance	4,522	5,446
<b>4,019</b>	<b>Total Revenue</b>	<b>4,687</b>	<b>5,689</b>
3,010	Targeted Rates	3,231	3,203
1,448	Depreciation funded from Reserves	1,614	1,611
1,397	Transfers from Reserves - Capital	1,976	2,088
762	Grants - Capital	-	-
(96)	Transfer from (to) reserves	(157)	(558)
-	Loan Funding - Capital	-	137
-	Other Funding	7	9
<b>10,539</b>	<b>Total Funding</b>	<b>11,358</b>	<b>12,179</b>

### Business Unit

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
292	<b>Operating Expenditure</b>	319	391
328	<b>Revenue</b>	392	390
<b>(36)</b>	<b>Net Cost of Service</b>	<b>(73)</b>	<b>1</b>
<b>EXPENDITURE</b>			
110	Operating Costs	119	182
5	Depreciation	4	6
177	Allocated Overheads	196	202
<b>292</b>	<b>Total Operating Expenditure</b>	<b>319</b>	<b>391</b>
<b>FUNDED BY:</b>			
327	In-house Services - NZTA Assisted	390	390
1	Charges for Services	2	-
<b>328</b>	<b>Total Revenue</b>	<b>392</b>	<b>390</b>
(16)	General Rates	(10)	(10)
-	Other Funding	8	10
<b>312</b>	<b>Total Funding</b>	<b>390</b>	<b>391</b>



# Stormwater



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# Stormwater

## 1.1 What We Do

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

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

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

The Stratford District Council manages around 6.7km of stormwater pipes, and 1.9km of open channels/drains in the Stratford urban area. Council is also responsible for approximately 70 metres of 450mm culvert in Midhirst.

## 1.2 Why We Do It

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

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

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

This activity contributes to the community outcomes of:

- Sustainable Environment
- Enabling Economy

## 1.3 Significant Negative Effects

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

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

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

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



## 1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 1 – 2021/22		How Measured
		Target	Actual	
<b>Stormwater system protects property from impacts of flooding.</b>	System adequacy			Reporting against corporate CRM system. Note: specific category to be set up for flooding – to separate between residential & commercial buildings and include count of habitable floors flooded (residential only).
	The number of flooding events that occur in a territorial authority district. “Flooding” in this context means stormwater entering a habitable floor	0	<b>Achieved</b> – 0 – No flooding events meeting the criteria (2020/21 Achieved – 0 - No flooding events meeting the criteria)	
	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority’s stormwater system.)	0	<b>Achieved</b> – 0 – No flooding events meeting the criteria (2020/21 Achieved – 0 - No flooding events meeting the criteria)	
	For each flooding event, the number of buildings in the central business zone affected by flooding.	0	<b>Achieved</b> – 0 – No flooding events meeting the criteria (2020/21 Achieved – 0 - No flooding events meeting the criteria)	
<b>Discharge Compliance</b>	Compliance with the territorial authority’s resource consents for discharge from its stormwater system, measured by the number of: <ul style="list-style-type: none"> <li>Abatement notices</li> <li>Infringement notices</li> <li>Enforcement orders, and</li> <li>Convictions</li> </ul> received by the territorial authority in relation to those resource consents	N/A	<b>Not Applicable</b> (2020/21 Not Applicable)	Council does not hold discharge consents for discharge from its stormwater system.
<b>Response Times</b>	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	1 hour	<b>Achieved</b> – 0 (2020/21 Achieved – 0 – No flooding events meeting the criteria)	Work order tracking/reporting through Council’s Infrastructure asset management system.
<b>Customer Satisfaction</b>	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority’s stormwater system.	<8	<b>Achieved</b> – 0 (2020/21 – Achieved - 5)	Reporting against corporate CRM system.

## 1.5 Projects and Other Programmes

Project	Category	Budget 2021/22	Actual 2021/22	Notes
<i>Pipework Capacity Increase</i>	Level of Service	\$135,000	\$63,787	Balance of work to be completed in 2022/23
<i>Safety Improvements</i>	Level of Service	\$117,370	\$0	Resource consent requirements increased the scope of works, and also costs, so will be carried forward to 2022/23.
<i>Reticulation Renewals</i>	Replacements	\$53,000	\$5,477	Design completed, yet to go out for tender.

## 1.6 Cost of Services Statement

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

### Stormwater

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
325	<b>Operating Expenditure</b>	446	363
-	<b>Revenue</b>	-	-
<b>325</b>	<b>Net Cost of Service</b>	<b>446</b>	<b>363</b>
	<b>EXPENDITURE</b>		
61	Operating Costs	68	63
15	Interest	15	22
130	Depreciation	232	146
119	Allocated Overheads	131	132
<b>325</b>	<b>Total Operating Expenditure</b>	<b>446</b>	<b>363</b>
28	Principal Loan Repayments	28	41
22	Capital Expenditure	69	305
<b>375</b>	<b>Total Expenditure</b>	<b>543</b>	<b>709</b>
	<b>FUNDED BY:</b>		
329	UAGC	357	356
50	Transfer from Depreciation Reserves	33	94
-	Loan Funding - Capital	64	252
-	Other Funding	5	7
<b>379</b>	<b>Total Funding</b>	<b>459</b>	<b>709</b>



# Wastewater



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## Wastewater (Sewerage)

### 1.1 What We Do

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

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

### 1.2 Why We Do It

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

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

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

This activity contributes to the community outcomes of:

- Sustainable Environment
- Enabling Economy

### 1.3 Significant Negative Effects

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

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

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

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

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

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

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 1 – 2021/22		How Measured
		Target	Actual	
<b>Wastewater is managed without risk to public health.</b>	<b>System and adequacy</b> - The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	<5	<b>Achieved</b> – 0.37 (2020/21 Achieved – 0)	Reporting against corporate CRM system.
	<b>Discharge compliance</b> - Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of <ul style="list-style-type: none"> <li>Abatement notices</li> <li>Infringement notices</li> <li>Enforcement orders; and</li> <li>Convictions,</li> </ul> Received by the territorial authority in relation to those resource consents.	0	<b>Achieved</b> - 0 (2020/21 Achieved – 0)	Consent & compliance documentation.
<b>Fault response times</b>	Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:			
	<b>Attendance time:</b> from the time that the territorial authority receives notification to the time that service personnel reach the site; and	1 hour	<b>Not Achieved</b> – 2 hours 21 minutes (2020/21 Achieved – 54 minutes)	Work order tracking/reporting through Council's Infrastructure asset management system.
	<i>Staff resourcing due to Covid-19 related staff shortages.</i>			
	<b>Resolution time:</b> from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.	8 hours	<b>Achieved</b> – 5 hours 31 minutes (2020/21 Achieved – 4 hours 40 minutes)	Work order tracking/reporting through Council's Infrastructure asset management system.
<b>Customer satisfaction</b>	The total number of complaints received by the territorial authority about any of the following: <ul style="list-style-type: none"> <li>Sewage odour</li> <li>Sewerage system faults</li> <li>Sewerage system blockages, and</li> <li>The territorial authority's response to issues with its sewerage system,</li> </ul> Expressed per 1000 connections to the territorial authority's sewerage system.	<5	<b>Not Achieved</b> – 7.4 (2020/21 Achieved – 0)	Reporting against corporate CRM system.
	Due to sewer overflows caused by stormwater ingress as well as foreign objects causing blockages.			
<b>Trade Waste complaints response times</b>	Attendance time: from the time that Council receives notification to the time that a Trade Waste Officer arrives on site.	<2 working days	<b>Achieved</b> (2020/21 New Measure )	Work order tracking/reporting through Assetfinda
<b>Trade Waste consent processing</b>	Percentage of trade waste consent applications processed within 15 working days.	100%	<b>Not Achieved</b> – 50% 1 of 2 applications (2020/21 New Measure)	Authority
	<i>One application wasn't completed within 15 days was due to the time it took for samples to be analysed and reported. The application template has now been amended to allow Council to put it on hold for such occurrences.</i>			

## 1.5 Projects and Other Programmes

Project	Category	Budget 2021/22	Actual 2021/22	Notes	
Pipework Increase	Capacity	\$150,000	\$82,619	Re-lining of Broadway complete, balance currently being reprogrammed.	
Step/aerate renewals	treatment	Replacements	\$30,000	\$12,929	Complete
Infiltration renewals	Level of Service	\$150,000	\$7,281	The 3 year network investigation and pipelining contract was not tendered until June 2022.	
Treatment Plant Upgrade	Level of Service	\$500,000	\$105,021	Sample programming has commenced	
Infiltration Renewals	Replacements	\$183,000	\$27,414	The 3 year network investigation and pipelining contract was not tendered until June 2022.	

## 1.6 Cost of Services Statement

The detailed financial summary for Wastewater activity is shown below.

### Wastewater (Sewerage)

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
911	<b>Operating Expenditure</b>	1,001	1,058
71	<b>Revenue</b>	57	73
<b>840</b>	<b>Net Cost of Service</b>	<b>945</b>	<b>985</b>
	<b>EXPENDITURE</b>		
382	Operating Costs	312	452
24	Interest	26	42
269	Depreciation	410	311
235	Allocated Overheads	253	254
<b>911</b>	<b>Total Operating Expenditure</b>	<b>1,001</b>	<b>1,058</b>
44	Principal Loan Repayments	48	76
423	Capital Expenditure	235	1,013
<b>1,378</b>	<b>Total Expenditure</b>	<b>1,285</b>	<b>2,147</b>
	<b>FUNDED BY:</b>		
71	Charges for Services	57	73
<b>71</b>	<b>Total Revenue</b>	<b>57</b>	<b>73</b>
889	Targeted Rates	979	936
(50)	Transfer from (to) Reserves	(44)	36
385	Transfer (to) from Depreciation Reserves	88	289
82	Loan Funding - Capital	195	800
-	Other Funding	10	13
<b>1,378</b>	<b>Total Funding</b>	<b>1,285</b>	<b>2,147</b>

# Solid Waste

## 1.1 What We Do

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

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

## 1.2 Why We Do It

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

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

This activity contributes to the community outcomes of:

- Sustainable Environment
- Enabling Economy

## 1.3 Significant Negative Effects

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

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

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

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

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 1 – 2021/22		How Measured
		Target	Actual	
<b>The levels of waste generated are reducing.</b>	Waste to landfill per household (municipal kerbside collection only)	<600kg	<b>Achieved</b> – 493kg (2020/21 Achieved – 509kg)	Landfill invoices & transactions. Recycling facility invoices & transactions.
	Percentage (by weight) of council controlled waste stream that is recycled (municipal kerbside collection only).	>20%	<b>Achieved</b> – 21.5% (2020/21 Not Achieved – 24 target was >25%)	
<b>The waste collection service meets the needs of the community.</b>	Percentage of customers satisfied with the service provided.	>80%	<b>Achieved</b> – 83% (2020/21 Not Achieved – 89% Target was >90%)	Annual Residents Survey

## 1.5 Projects and Other Programmes

Project	Category	Budget 2021/22	Actual 2021/22	Notes
Transfer Station Security Camera system	Level of Service	\$0	\$6,842	Required due to complaints regarding charging for wastes received, to enable verification of such complaints.

## 1.6 Cost of Services Statement

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

### Solid Waste

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
926	<b>Operating Expenditure</b>	988	883
127	<b>Revenue</b>	153	108
<b>801</b>	<b>Net Cost of Service</b>	<b>835</b>	<b>776</b>
	<b>EXPENDITURE</b>		
729	Operating Costs	789	682
21	Interest	20	20
30	Depreciation	29	30
147	Allocated Overheads	150	152
<b>926</b>	<b>Total Operating Expenditure</b>	<b>988</b>	<b>883</b>
(14)	Landfill Aftercare Costs	2	7
38	Principal Loan Repayments	36	36
-	Capital Expenditure	7	-
<b>950</b>	<b>Total Expenditure</b>	<b>1,033</b>	<b>926</b>
	<b>FUNDED BY:</b>		
127	Charges for Services	153	108
<b>127</b>	<b>Total Revenue</b>	<b>153</b>	<b>108</b>
702	Targeted Rates	767	756
19	UAGC	19	19
38	Transfer (to) from Depreciation Reserves	36	36
64	Transfers from (to) Reserves	51	-
-	Other Funding	6	8
<b>950</b>	<b>Total Funding</b>	<b>1,032</b>	<b>926</b>





# Water Supply



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# Water Supply

## 1.1 What We Do

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

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

## 1.2 Why We Do It

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

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

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

This activity contributes to the community outcomes of:

- Sustainable Environment
- Enabling Economy

## 1.3 Significant Negative Effects

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

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

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

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

## 1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 1 – 2021/22		How Measured
		Target	Actual	
<b>Water is safe to drink.</b>	The extent to which the local authority's drinking water supply complies with:			
	Part 4 of the drinking water standards (bacterial compliance criteria), and	100%	Stratford – Achieved 100% Midhurst – Achieved 100% Toko – Achieved 100% (2020/21)	Plant & reticulation performance records in water outlook. Includes water quality sampling programme records as well as any plant non-performances.
	Part 5 of the drinking water standards (protozoal compliance criteria).	100%	Stratford – Achieved 100% Midhurst – Achieved 100% Toko – Achieved 100% (2020/21)	
	<b>Maintenance of the reticulation network</b> - The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).	<25%	Stratford – 10.8% Midhurst – 13.9% Toko – 27.0% (2020/21)	
<i>Water leak in Toko on SH43 berm that went undetected for an extended period of time.</i>				
<b>A reliable water supply is provided.</b>	<b>Fault Response Times</b> – Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:			
	Attendance for urgent call-outs: from the time that council receives notification to the time that service personnel reach the site.	1 hour	<b>Not Achieved</b> – 1 hour 4 minutes (2020/21 Achieved – 31 minutes)	Work order tracking/reporting through Council's Infrastructure asset management system.
	<i>Due to Covid-19 related staff shortages.</i>			
Resolution of urgent call-outs: from the time that council receives notification to the time the service personnel confirm resolution of the fault or interruption.	8 hours	<b>Achieved</b> – 3 hours 12 minutes (2020/21 Achieved – 5 hours 7 minutes)	Work order tracking/reporting through Council's Infrastructure asset management system.	

	Attendance for non-urgent call-outs: from the time that council receives notification to the time that service personnel confirm resolution of the fault or interruption	2 working days	<b>Achieved</b> – 27 hours 33 minutes (2020/21 Achieved – 8 hours 50 minutes)	Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System
	Resolution of non-urgent call-outs: from the time that council receives notification to the time the service personnel confirm resolution of the fault or interruption	5 working days	<b>Achieved</b> – 46 hours 40 minutes (2020/21 Achieved-17 hours 26 minutes)	Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System
	Number of unplanned disruptions:			
	Minor * (between 5 and 50 connections affected)	<6	<b>Achieved</b> – 3 (2020/21 Not Achieved - 6 Target was <5)	Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System
	Major * (more than 50 connections affected)	<3	<b>Achieved</b> - 0 (2020/21 Achieved – 0)	Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System
<b>Water has a pleasant taste and odour.</b>	<b>Customer Satisfaction</b> - Total number of complaints received for: <ul style="list-style-type: none"> <li>• Drinking water clarity</li> <li>• Drinking water taste</li> <li>• Drinking water odour</li> <li>• Drinking water pressure or flow</li> <li>• Continuity of supply</li> <li>• Council's response to any of these issues</li> </ul> expressed per 1000 connections to council's networked reticulation system.	<32	<b>Achieved:</b> - 7.6 (2020/21 Achieved -6)	Reporting against corporate CRM system.
	Note: This is understood to be limited to supplied properties within the water supply zones.			
	Demand management - The average consumption of drinking water per day per resident within the district (in litres).	<275	<b>Not Achieved:</b> Stratford – 346 litres Midhurst – 371 litres Toko – 265 litres (2020/21 Achieved Stratford – 180 litres Midhurst – 200 litres Toko –157 litres)	Calculated from production records ex SCADA/Water Outlook, deducting commercial users as per water meter records as well as any other non-residential use and losses (as per bench loss), divided by number of residential connections and average number of residents per property.
327 average across all three supplies.				

<b>Water flow and pressure is appropriate for its intended use.</b>	Water pressure at 50 properties within the water supply zone, including any that have complained about pressure and or flow meets council specifications (flow>10l/min & pressure>350kpa)	100%	<b>Achieved</b> –100% 50 properties tested for water pressure and flow - all passed (2020/21 54 properties tested for water pressure and flow - all passed – 100%)	Pressure and flow to be measured at a minimum of 50 properties per annum. Test results recorded by handheld device directly into asset management system against property's point of supply. Where test at tap inside property fails, test will be repeated at point of supply (toby/meter box) to isolate problems with private pipework from public network. Customer is advised if problem with internal plumbing.
<b>Water supply meets fire fighting requirements.</b>	Fire hydrants meet NZFS Code of Practice conditions regarding supply.	100%	<b>Achieved</b> – 38 hydrants were tested and all 38 passed the test – 100%. (2020/21 Achieved – 43 hydrants were tested and all 43 passed the test – 100%.)	Flow & pressure testing carried out by council contractor and or NZ Fire Service to NZ Fire Fighting Code of Practice standards.

## 1.5 Projects and Other Programmes

Project	Category	Budget 2021/22	Actual 2021/22	Notes
<i>Water Meter Upgrade – change existing to electronic meters</i>	Level of Service	\$258,000	\$61,130	200 meters have been procured, and will be installed in 2022/23.
<i>Electronic water reading software</i>	Level of Service	\$91,500	\$34,249	Complete
<i>Zoning</i>	Level of Service	\$30,000	\$129,726	Complete
<i>Second Trunkmain</i>	Level of Service	\$1,400,000	\$3,276,264	This project is 80% complete, and partly funded from a central government grant and work was advanced from 2022/23 year's budget.
<i>Laterals</i>	Replacements	\$30,600	\$0	Not required this year.
<i>Stratford Street Work Rider Mains</i>	Replacements	\$255,000	\$147,493	Some works completed this year, the balance is carried over to 2022/23 for Surrey Street and part of Broadway.
<i>Toko Street Work Rider Mains</i>	Replacements	\$15,000	\$9,614	Complete.
<i>Infrastructure General – Stratford</i>	Replacements	\$25,000	\$35,776	Complete
<i>Infrastructure General – Midhirst</i>	Replacements	\$3,000	\$0	Not required this year.
<i>Pipe Bridge Renewal</i>	Replacements	\$0	\$29,221	This was for an unplanned failure of the pipe bridge suspension system on Brecon Road.
<i>Patea Delivery Line</i>	Replacements	\$0	\$25,930	This expenditure is for finalising the design of the raw water delivery line and the grit tank. The final design will then be independently reviewed before proceeding with procurement, which will commence once the second trunkmain is completed.

<i>Infrastructure General – Toko</i>	Replacements	\$1,500	\$2,847	Complete
<i>Stratford reservoir</i>	Replacements	\$30,000	\$14,464	Some work was done, however the cleaning requirement and methodology will be determined in 2022/23.
<i>Midhirst Reservoir</i>	Replacements	\$15,000	\$0	The cleaning requirement and methodology will be determined in 2022/23.
<i>Toko Reservoir</i>	Replacements	\$5,000	\$5,301	Complete
<i>Membranes</i>	Replacements	\$150,000	\$129,890	Complete
<i>Meter Replacements</i>	Replacements	\$50,000	\$43,950	Meters purchased, and will be installed in 2022/23
<i>Midhirst Resource Consent</i>	Replacements	\$100,000	\$6,460	Iwi are reviewing the assessment reports to determine the need for a cultural impact assessment.
<i>Hydrants</i>	Replacements	\$14,800	\$0	No hydrants have needed replacing this year.

## 1.6 Cost of Services Statement

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

### Water Supply

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
1,636	<b>Operating Expenditure</b>	2,159	1,836
453	<b>Revenue</b>	420	376
<b>1,183</b>	<b>Net Cost of Service</b>	<b>1,739</b>	<b>1,460</b>
	<b>EXPENDITURE</b>		
631	Operating Costs	754	736
162	Interest	184	170
368	Depreciation	721	429
475	Allocated Overheads	500	501
<b>1,636</b>	<b>Total Operating Expenditure</b>	<b>2,159</b>	<b>1,836</b>
321	Principal Loan Repayments	363	336
1,274	Capital Expenditure	3,952	2,474
<b>3,230</b>	<b>Total Expenditure</b>	<b>6,474</b>	<b>4,645</b>
	<b>FUNDED BY:</b>		
453	Charges for Water Usage	420	376
<b>453</b>	<b>Total Revenue</b>	<b>420</b>	<b>376</b>
1,481	Targeted Rates	1,488	1,434
321	Transfer from Depreciation Reserves	782	930
-	Grants - Capital	2,151	1,400
(298)	Transfers (to) from Reserves	231	-
1,274	Loan Funding - Capital	1,383	480
-	Other Funding	20	25
<b>3,230</b>	<b>Total Funding</b>	<b>6,475</b>	<b>4,645</b>



# Council Controlled Organisations



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# Council Controlled Organisation

## Percy Thomson Trust

### 1.1 Background

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

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

### 1.2 Nature and Scope of Activities

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

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

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

Council provides administration services to the Trust.

### 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	Year 1 – 2021/22		How Measured
		Target	Actual	
<b>Delivery of art exhibitions</b>	Deliver proposed art exhibitions which will include local, regional and at least 1 National:	Deliver proposed art exhibitions which will include local, regional and at least 1 National.	<p><b>Achieved:</b>  <i>All exhibitions were able to be delivered during Covid-19 restrictions, however there was a reduction in visitor numbers.</i></p> <p><i>Art exhibitions that were delivered throughout the year included the following:</i></p> <p><b>National –</b></p> <ol style="list-style-type: none"> <li>1. <i>Looking Forward PCANZ</i></li> <li>2. <i>Marti Friedlander</i></li> <li>3. <i>Matariki – Stephen Chadwick</i></li> </ol> <p><b>Regional –</b></p> <ol style="list-style-type: none"> <li>1. <i>Town and Country – Embroidery Exhibition</i></li> <li>2. <i>Anthony Davies – Printmaking, a passage of time series</i></li> <li>3. <i>Nga Aho – Toi o Taranaki Ki te Tonga Collective</i></li> <li>4. <i>We all think we're good people</i></li> </ol>	Art Gallery Records



			<b>Local –</b> <b>1.</b> Stratford Art Society <b>2.</b> The Art of Resilience – Celebrating 20 years of Percy Thomson Gallery <b>3.</b> Shakespeare – Experience the Bard <b>4.</b> Super 18 Day Pop up exhibition  (2020/21 Achieved)	
	Number of visitors to the Gallery to be not less than 20,000 per year	>20,000	<b>Not Achieved</b> - 14,646 (2020/21 - Achieved – 24,314)	Door Count
		<i>There were 14,646 visitors for the year, primarily due to the restrictions on social gatherings and peoples' reluctance to attend these spaces</i>		
<b>Development and maintenance of arboretum</b>	Develop and maintain the arboretum to the standards in the Facilities Management Contract.	Develop and maintain the arboretum to the standards in the Facilities Management Contract.	<b>Achieved</b> (2020/21 Achieved) <i>Note: The arboretum has been maintained by Stratford District Council on behalf of the Trust, and meets the standards as set out in the Facilities Management Contract. The planting programme was also maintained, and continued on in conjunction with the plantings/replacement of native trees.</i>	Council Records
<b>Delivery of Herbarium</b>	Explore alternative options to achieve this measure.	To be reset following the conclusion of the 2021/22 review.	<b>Not Achieved</b> (2020/21 - Not Achieved)	Dependent on option selected
		<i>The trust has just reviewed the arboretum, in conjunction with the Windsor Park Reserve Management Plan, and an alternative method of delivery of the herbarium will be undertaken in 2022/23 as a result of the arboretum review.</i>		

## 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 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
284	<b>Operating Expenditure</b>	288	291
95	<b>Revenue</b>	73	108
<b>189</b>	<b>Net Cost of Service</b>	<b>215</b>	<b>183</b>
	<b>- EXPENDITURE</b>		
204	Operating Costs	208	211
80	Depreciation	80	80
<b>284</b>	<b>Total Operating Expenditure</b>	<b>288</b>	<b>291</b>
	<b>- FUNDED BY:</b>		
95	User Charges	73	108
<b>95</b>	<b>Total Revenue</b>	<b>73</b>	<b>108</b>
50	Council Grant	50	50
49	Investment Interest	40	54
-	Gain on revaluation of property, plant and equipment, and sale of financial assets	49	-
91	Transfer from (to) Accumulated Surplus	76	79
<b>284</b>	<b>Total Funding</b>	<b>288</b>	<b>291</b>



# Financial Statements



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**WHAKAAHURANGI**  
**STRATFORD**  
DISTRICT COUNCIL

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# Financial Statements

## Statement of Comprehensive Revenue and Expense for the year ended 30 June 2022

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2021/22 \$000	2021/22 \$000	2020/21 \$000	2021/22 \$000	2020/21 \$000
<b>Revenue</b>						
Rates Revenue	4	14,192	13,950	13,437	14,192	13,437
Subsidies and Grants	5	11,618	12,625	11,138	11,631	11,152
Development and Financial Contributions		300	-	127	300	127
Fees and Charges		2,399	2,563	2,226	2,439	2,275
Interest Revenue	9	222	206	139	262	188
Other revenue - residential sections sales		-	-	2,779	-	2,779
Gains on property, plant and equipment	6	4	-	61	4	61
Other Gains		-	-	-	49	-
Sundry Revenue	5	194	46	140	194	140
<b>Total Revenue</b>	5	<b>28,929</b>	<b>29,390</b>	<b>30,046</b>	<b>29,071</b>	<b>30,157</b>
<b>Expenses</b>						
Personnel Costs	7	4,854	4,819	4,427	4,971	4,537
Depreciation and Amortisation	15 & 16	5,511	4,912	4,626	5,591	4,706
Other expenses	8	10,235	9,777	10,426	10,255	10,437
Finance Costs	9	552	477	447	552	447
<b>Total Expenses</b>		<b>21,152</b>	<b>19,985</b>	<b>19,926</b>	<b>21,369</b>	<b>20,128</b>
<b>SURPLUS/(DEFICIT) BEFORE TAX</b>		<b>7,777</b>	<b>9,404</b>	<b>10,120</b>	<b>7,702</b>	<b>10,029</b>
Income Tax Expense	10	-	-	-	-	-
<b>SURPLUS/(DEFICIT) AFTER TAX</b>		<b>7,777</b>	<b>9,404</b>	<b>10,120</b>	<b>7,702</b>	<b>10,029</b>
<b>Other Comprehensive Revenue and Expense</b>						
<i>Items that will not be reclassified to surplus / (deficit)</i>						
Fair value movement of listed and unlisted shares	21	(135)	-	9	(135)	9
Property, Plant and Equipment Revaluations	21	54,587	7,708	37,875	54,587	37,875
<b>Total Other Comprehensive Revenue and Expense</b>		<b>54,452</b>	<b>7,708</b>	<b>37,884</b>	<b>54,452</b>	<b>37,884</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>62,229</b>	<b>17,113</b>	<b>48,004</b>	<b>62,154</b>	<b>47,913</b>
<b>Total Comprehensive Revenue and Expense attributable to:</b>						
Stratford District Council		62,229	17,113	48,004	62,154	47,913
		<b>62,229</b>	<b>17,113</b>	<b>48,004</b>	<b>62,154</b>	<b>47,913</b>
<p>The accompanying notes form part of these financial statements.            Explanations of significant variances against budget are provided in note 29.</p>						

## Statement of Financial Position as at 30 June 2022

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2021/22	2021/22	2020/21	2021/22	2020/21
		\$000	\$000	\$000	\$000	\$000
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	11	3,409	11,875	3,256	3,684	3,388
Short Term Deposits	11	7,000	-	6,000	7,250	6,250
Receivables	12	1,687	1,049	6,235	1,691	6,238
Inventories	13	-	960	-	-	-
Prepayments		64	-	13	72	13
Other Financial Assets	14	40	-	32	65	82
<b>Total Current Assets</b>		<b>12,200</b>	<b>13,884</b>	<b>15,536</b>	<b>12,762</b>	<b>15,971</b>
<b>Non-Current Assets</b>						
Receivables	12	37	-	19	37	19
Property, Plant and Equipment	15	448,236	369,658	374,924	450,065	376,831
Intangible Assets	16	452	-	497	452	497
Other Financial Assets	14	8,253	865	8,276	8,680	8,828
<b>Total Non-Current Assets</b>		<b>456,978</b>	<b>370,523</b>	<b>383,717</b>	<b>459,234</b>	<b>386,174</b>
<b>Total Assets</b>		<b>469,178</b>	<b>384,407</b>	<b>399,253</b>	<b>471,996</b>	<b>402,145</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Payables and deferred revenue	17	5,213	3,823	7,501	5,222	7,515
Provisions	18	7	7	7	7	7
Employee entitlements	19	282	183	243	287	249
Borrowings	20	8,500	3,652	2,000	8,500	2,000
<b>Total Current Liabilities</b>		<b>14,002</b>	<b>7,665</b>	<b>9,751</b>	<b>14,016</b>	<b>9,771</b>
<b>Non-Current Liabilities</b>						
Provisions	18	13	31	18	13	18
Employee entitlements	19	-	49	52	-	52
Borrowings	20	23,700	32,869	20,200	23,700	20,200
<b>Total Non-Current Liabilities</b>		<b>23,713</b>	<b>32,949</b>	<b>20,270</b>	<b>23,713</b>	<b>20,270</b>
<b>Total Liabilities</b>		<b>37,715</b>	<b>40,614</b>	<b>30,021</b>	<b>37,729</b>	<b>30,041</b>
<b>Equity</b>						
Accumulated Funds	21	197,109	193,974	189,944	198,703	191,609
Reserves	21	234,354	149,818	179,290	235,564	180,496
<b>Total Equity Attributable to Stratford District Council</b>		<b>431,463</b>	<b>343,793</b>	<b>369,234</b>	<b>434,267</b>	<b>372,105</b>
<b>Total Liabilities &amp; Equity</b>		<b>469,178</b>	<b>384,407</b>	<b>399,253</b>	<b>471,996</b>	<b>402,145</b>

The accompanying notes form part of these financial statements.  
 Explanations of significant variances against budget are provided in note 29.

## Statement in Changes of Equity For the Year Ended 30 June 2022

	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2021/22	2021/22	2020/21	2021/22	2020/21
	\$000	\$000	\$000	\$000	\$000
<b>Balance at 1 July</b>					
Accumulated Funds	189,944	185,352	181,353	191,609	183,109
Revaluation of financial assets at fair value through other comprehensive revenue and expense	(401)	-	(410)	(401)	(410)
Reserves / Special Funds	7,911	7,424	6,383	7,911	6,383
Asset Revaluation Reserves	171,779	133,904	133,904	172,986	135,111
<b>Total Equity - Opening Balance</b>	<b>369,233</b>	<b>326,680</b>	<b>321,230</b>	<b>372,105</b>	<b>324,193</b>
<b>Changes in Equity</b>					
Accumulated Funds	7,165	8,622	8,592	7,091	8,500
Revaluation of financial assets at fair value through Other Comprehensive Revenue and Expense	(135)	-	9	(135)	9
Reserves / Special Funds	612	782	1,528	612	1,528
Revaluation reversal of buildings disposed of during year	-	-	-	-	-
Asset Revaluation Reserves	54,587	7,708	37,875	54,587	37,875
<b>Total Comprehensive Revenue and Expense</b>	<b>62,229</b>	<b>17,113</b>	<b>48,003</b>	<b>62,155</b>	<b>47,912</b>
<b>Closing Balance</b>					
Accumulated Funds	197,109	193,974	189,944	198,703	191,609
Revaluation of financial assets at fair value through other comprehensive revenue and expense	(536)	-	(401)	(536)	(401)
Reserves / Special Funds	8,524	8,206	7,911	8,524	7,911
Asset Revaluation Reserves	226,366	141,612	171,779	227,573	172,986
<b>Total Equity - Closing Balance</b>	<b>431,463</b>	<b>343,793</b>	<b>369,234</b>	<b>434,267</b>	<b>372,105</b>
<i>The accompanying notes form part of these financial statements.</i>					

## Statement of Cashflows For the Year Ended 30 June 2022

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2021/22	2021/22	2020/21	2021/22	2020/21
		\$000	\$000	\$000	\$000	\$000
<b>Cash Flows from Operating Activities</b>						
Rates Revenue		14,050	13,950	13,452	14,050	13,452
Interest Received		222	206	139	311	187
Dividends Received		17	-	-	17	-
Development and Financial Contributions		300	-	127	300	127
Subsidies, Grants and Donations		11,618	12,625	8,779	11,631	8,792
Residential section sales and sale of house		-	-	2,779	-	2,779
User Charges and Sundry Revenue		4,055	2,609	2,330	4,088	2,372
Regional Council Rates		1,090	-	971	1,090	971
Payments to Suppliers and Employees		(14,114)	(14,603)	(11,899)	(14,256)	(12,020)
Interest Paid		(552)	(477)	(447)	(552)	(447)
Goods and Services Tax (net)		90	-	(439)	90	(440)
Regional Council Rates		(1,090)	-	(971)	(1,090)	(971)
<b>Net Cash from Operating Activities</b>		<b>15,686</b>	<b>14,310</b>	<b>14,821</b>	<b>15,679</b>	<b>14,801</b>
<b>Cash Flows from Investing Activities</b>						
Proceeds from Sale of Property, Plant and Equipment		-	-	51	-	51
Proceeds from Sale of Investments		6,000	-	3,000	6,150	3,125
Purchase of Property, Plant & Equipment		(24,396)	(28,535)	(12,995)	(24,396)	(13,010)
Acquisition of Investments		(7,137)	-	(13,403)	(7,137)	(13,403)
<b>Net Cash from Investing Activities</b>		<b>(25,533)</b>	<b>(28,535)</b>	<b>(23,347)</b>	<b>(25,383)</b>	<b>(23,237)</b>
<b>Cash Flows from Financing Activities</b>						
Proceeds from Borrowings		10,000	13,821	10,200	10,000	10,200
Repayment of Borrowings (Loans)		-	-	(3,500)	-	(3,500)
<b>Net Cash from Financing Activities</b>		<b>10,000</b>	<b>13,821</b>	<b>6,700</b>	<b>10,000</b>	<b>6,700</b>
<b>Net (Decrease)/Increase in Cash, Cash Equivalents and Bank Overdrafts</b>						
Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the Year		3,256	1,079	5,082	3,388	5,123
<b>Cash, Cash Equivalents and Bank Overdrafts at the End of the Year</b>	11	<b>3,409</b>	<b>675</b>	<b>3,256</b>	<b>3,684</b>	<b>3,388</b>

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

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

# Notes to Financial Statements

## Note 1

### Reporting Entity

The financial statements of the Stratford District Council are for the year ended 30 June 2022.

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:

- Recreation and Facilities
- Democracy
- Community Development
- Environmental Services
- Roding
- Stormwater
- Wastewater (Sewerage)
- Solid Waste
- Water Supply

The group consist of the ultimate parent, Stratford District Council and its subsidiary Percy Thomson Trust (thereafter "the group"). The Council has designated itself and the group as a public benefit for financial reporting purposes and in complying with generally accepted accounting practice (GAAP).

The financial statements of the Council and Group are for the year ended 30 June 2022 and were authorised for issue by Council on 13 December 2022.

### 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 2022**

The following accounting policies which materially affect the measurement of results and financial position have been applied consistently to the year ended 30 June 2022 unless otherwise stated.

### **Summary of significant accounting policies**

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

### **Basis of preparation of the financial statements**

The financial statements of the Council and group have been prepared in accordance with the requirements of the LGA and Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements have been prepared in accordance with and comply with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) and disclosure concessions have been applied. The Council is eligible and has elected to apply the PBE Standards RDR because its expenses are less than \$30 million and it does not have public accountability as defined by XRB A1 Application of the Accounting Standards Framework.

Although council is not publicly accountable, Council has included a separate Cost of Services Statement for each significant activity.

The functional currency of the Council and the group is New Zealand dollars. The investment in subsidiary (Percy Thomson Trust) is at cost, amounting to \$100, in the Council's parent entity financial statement.

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

### **Basis of Consolidation**

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

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

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

### **Presentation Currency and Rounding**

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), other than the remuneration, severance payment and District Licensing Committee disclosures in Notes 25, 26 and 30 respectively. These disclosures are rounded to the nearest dollar.

### **Goods and Services Tax (GST)**

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

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

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



Commitments and contingencies are disclosed exclusive of GST.

## **Budget Figures**

The budget figures are those approved by the council in its 2021 – 2031 Long Term Plan. The budget figures have been prepared in accordance with GAAP, using accounting policies that are consistent with those adopted by the council in preparing these financial statements.

## **Critical Accounting Estimates and Assumptions**

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

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

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

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

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

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

## **Critical Judgements in Applying Accounting Policies**

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2022:

### **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**

Early adoption of PBE IPSAS 41, Financial Instruments, has been applied from 1 July 2021. There is no significant impact to Council and group's reporting as a result of the policy change.

## **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.

There have been no changes to cost allocation methodology this year.

	Revenue		Expenditure		Net Actual	Net Budget	Actual
	Actual	Budget	Actual	Budget	2021/22	2021/22	2020/21
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>FUNCTION</b>							
<b>Recreation and Facilities</b>							
Aerodrome	24	27	106	98	82	71	81
Civic Amenities	34	51	958	907	924	856	993
Pensioner Housing	72	72	115	114	43	41	39
Library	13	14	753	733	740	719	686
Parks and Reserves	8	9	820	699	812	690	690
Cemeteries	122	92	181	183	59	91	85
TSB Pool Complex	170	231	1,289	1,208	1,119	977	845
<b>Sub-Total</b>	<b>443</b>	<b>496</b>	<b>4,222</b>	<b>3,942</b>	<b>3,779</b>	<b>3,445</b>	<b>3,419</b>
<b>Democracy</b>							
Democracy	-	-	1,233	1,178	1,233	1,178	1,148
Corporate Support	102	70	-	-	(102)	(70)	(96)
<b>Sub-Total</b>	<b>102</b>	<b>70</b>	<b>1,233</b>	<b>1,178</b>	<b>1,131</b>	<b>1,108</b>	<b>1,052</b>
<b>Community Development</b>							
Economic Development	-	-	600	618	600	618	444
Community Services	38	21	624	429	586	410	615
Council Projects	-	-	-	13	-	13	80
Information Centre	52	62	216	266	164	204	222
Farm Investment	732	489	442	378	(290)	(111)	(266)
Holiday Park	3	3	2	2	(1)	(1)	(2)
Rental Properties	30	35	65	66	35	31	38
<b>Sub-Total</b>	<b>855</b>	<b>610</b>	<b>1,949</b>	<b>1,772</b>	<b>1,093</b>	<b>1,164</b>	<b>1,132</b>
<b>Environmental Services</b>							
Building Control	485	280	1,006	761	521	481	540
Dog Control	146	142	205	221	59	79	64
District Plan	-	-	161	187	161	187	144
Resource Consents	97	76	241	202	144	126	128
Bylaws	1	1	145	128	144	127	137
Environmental Health	36	30	167	166	131	136	132
Liquor Licensing	35	33	111	109	76	76	73
<b>Sub-Total</b>	<b>800</b>	<b>562</b>	<b>2,036</b>	<b>1,774</b>	<b>1,236</b>	<b>1,212</b>	<b>1,218</b>
<b>Civil Defence and Emergency Management</b>							
Civil defence and emergency management	-	-	362	333	362	333	256
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>362</b>	<b>333</b>	<b>362</b>	<b>333</b>	<b>256</b>
Roading Business Unit	4,687	5,689	6,640	6,413	1,953	723	2,363
Business Unit	392	390	319	391	(73)	1	(36)
<b>Sub-Total</b>	<b>5,079</b>	<b>6,079</b>	<b>6,959</b>	<b>6,804</b>	<b>1,880</b>	<b>724</b>	<b>2,327</b>
<b>Stormwater</b>							
Stormwater	-	-	446	363	446	363	325
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>446</b>	<b>363</b>	<b>446</b>	<b>363</b>	<b>325</b>
<b>Wastewater (Sewerage)</b>							
Wastewater (Sewerage)	57	73	1,001	1,058	945	985	839
<b>Sub-Total</b>	<b>57</b>	<b>73</b>	<b>1,001</b>	<b>1,058</b>	<b>945</b>	<b>985</b>	<b>839</b>
<b>Solid Waste</b>							
Solid Waste	153	108	988	883	835	775	800
<b>Sub-Total</b>	<b>153</b>	<b>108</b>	<b>988</b>	<b>883</b>	<b>835</b>	<b>775</b>	<b>800</b>
<b>Water Supply</b>							
Water Supply	420	376	2,159	1,836	1,739	1,460	1,183
<b>Sub-Total</b>	<b>420</b>	<b>376</b>	<b>2,159</b>	<b>1,836</b>	<b>1,739</b>	<b>1,460</b>	<b>1,183</b>
<b>Total Activity Revenue &amp; Expenditure</b>	<b>7,910</b>	<b>8,374</b>	<b>21,356</b>	<b>19,940</b>	<b>13,445</b>	<b>11,569</b>	<b>12,551</b>
Plus: General Rates & UAGC	7,410	6,854	-	-	(7,410)	(6,854)	(7,025)
Plus: Targeted Rates	6,483	6,022	-	-	(6,483)	(6,022)	(6,097)
<b>Total Revenue and Operating Expenditure</b>	<b>21,804</b>	<b>21,250</b>	<b>21,356</b>	<b>19,940</b>	<b>(448)</b>	<b>(1,307)</b>	<b>(572)</b>

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

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

## Note 4 Rates Revenue

### Accounting Policy

The following policies for rates have been applied:

- Revenue is measured at fair value.
- 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 2021/22 \$000	Council and Group Actual 2020/21 \$000
General rates	7,307	6,928
Targeted rates attributable to activities:		
- metered water supply	420	453
- other water rates - uniform annual charge	1,488	1,481
- wastewater - uniform annual charge	979	888
- solid waste - uniform annual charge	767	702
- roading	3,231	3,009
- community halls	19	16
Rate penalties	102	96
Less rates remissions	(121)	(138)
<b>Total rates</b>	<b>14,192</b>	<b>13,437</b>

Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by Council from other local authorities for services provided by Council for which those other local authorities rate. The annual rates income of the Council for the year ended 30 June 2022 for the purposes of the LGFA Guarantee and indemnity Deed disclosure is shown below:

	Council and Group Actual 2021/22 \$000	Council and Group Actual 2020/21 \$000
<b>Total Rates</b>	<b>14,192</b>	<b>13,437</b>

### 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.

Rates are "written-off":

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

## Note 5 Other Revenue

### Accounting Policy

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

#### ***Development and Financial Contributions***

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

#### ***Waka Kotahi (New Zealand Transport Agency) roading subsidies***

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

#### ***Other grants received***

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

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

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

#### ***Entrance Fees***

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

#### ***Transfer Station Fees***

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

#### ***Sales of Goods and Commission Sales***

Revenue from the sale of goods is recognised when a product is sold to the customer. Commission on exhibition sales and Percy's Place sales is retained by the group, with the remaining proceeds passed onto the seller of the artworks. Revenue includes only amounts received and receivable by the group on its own account, not the amounts collected for the principal. Revenue is recognised when receivable.

#### ***Infringement Fees and Fines***

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

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

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

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

#### ***Interest and Dividends***

Interest revenue is recognised using the effective interest method

Dividends are recognised when the right to receive payment has been established. Dividends are recognised in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment.

## Sale of Land

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

	Council		Group	
	Actual	Actual	Actual	Actual
	2021/22	2020/21	2021/22	2020/21
	\$000	\$000	\$000	\$000
Grants - Toi Foundation	551	1	551	11
Grants - Taranaki Electricity Trust	981	103	981	106
Grants - Other capital contributions	400	15	400	15
Wages subsidies	26	-	27	-
Mayors Taskforce for Jobs	240	228	240	228
Ultrafast Fibre	-	19	-	19
Creative Communities Funding	-	-	12	-
Provincial Growth Fund / MBIE	4,898	6,965	4,898	6,965
Waka Kotahi (NZTA) Rooding Subsidies	4,522	3,808	4,522	3,808
<b>Total Subsidies and Grants</b>	<b>11,618</b>	<b>11,138</b>	<b>11,631</b>	<b>11,152</b>
There are no unfulfilled conditions and other contingences attached to Waka Kotahi (NZTA) subsidies recognised.				
<b>Sundry Revenue</b>				
	Council		Group	
	Actual	Actual	Actual	Actual
	2021/22	2020/21	2021/22	2020/21
	\$000	\$000	\$000	\$000
Petrol Tax	78	81	78	81
Insurance proceeds	16	11	16	11
Sundry revenue	48	-	48	-
Sundry Corporate Services Revenue	52	48	52	48
Gain from sale of investments	-	-	-	-
<b>Total Sundry Revenue</b>	<b>194</b>	<b>140</b>	<b>194</b>	<b>140</b>
<b>Revenue from Exchange and Non-Exchange Transactions</b>				
	Council		Group	
	Actual	Actual	Actual	Actual
	2021/22	2020/21	2021/22	2020/21
	\$000	\$000	\$000	\$000
Exchange transactions	1,532	4,164	1,581	4,213
Non-exchange transactions	27,397	25,883	27,489	25,944
<b>Total Revenue</b>	<b>28,929</b>	<b>30,046</b>	<b>29,070</b>	<b>30,157</b>

## Note 6 Other Gains

	Council		Group	
	Actual	Actual	Actual	Actual
	2021/22	2020/21	2021/22	2020/21
	\$000	\$000	\$000	\$000
Gain on Disposal of Property, Plant and Equipment	4	61	4	61
<b>Total Gains</b>	<b>4</b>	<b>61</b>	<b>4</b>	<b>61</b>

## Note 7 Personnel Costs

### Accounting Policy

#### *Salaries and Wages*

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

#### *Superannuation schemes*

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

	Council		Group	
	Actual	Actual	Actual	Actual
	2021/22	2020/21	2021/22	2020/21
	\$000	\$000	\$000	\$000
Salaries and Wages	4,815	4,364	4,933	4,475
Increase/(Decrease) in Employee Entitlements	39	63	38	62
<b>Total Personnel Costs</b>	<b>4,854</b>	<b>4,427</b>	<b>4,971</b>	<b>4,537</b>

The total paid for defined contribution plan employer contributions was \$127,319 (2020/21: \$118,748), and is included in note 8, under operating expenses.

## Note 8 Other Expenses

### Accounting Policy

#### *Grant Expenditure*

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

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

	Council		Group	
	Actual	Actual	Actual	Actual
	2021/22	2020/21	2021/22	2020/21
	\$000	\$000	\$000	\$000
Losses on Disposal and other sundry expenses	232	122	232	122
Insurance premiums	189	160	200	167
Landfill Aftercare Expenses	2	(14)	2	(14)
Cost of sales - subdivision	-	710	-	710
Operating Expenses	9,812	9,448	9,821	9,452
<b>Total Other Expenses</b>	<b>10,235</b>	<b>10,426</b>	<b>10,255</b>	<b>10,437</b>

## 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 2021/22 \$000	Actual 2020/21 \$000	Actual 2021/22 \$000	Actual 2020/21 \$000
<b>Interest Revenue</b>				
Interest on term deposits	222	139	262	188
<b>Total Finance Income</b>	<b>222</b>	<b>139</b>	<b>262</b>	<b>188</b>
<b>Finance costs</b>				
Interest on bank borrowings	552	447	552	447
<b>Total finance costs</b>	<b>552</b>	<b>447</b>	<b>552</b>	<b>447</b>
<b>Net finance costs</b>	<b>(330)</b>	<b>(308)</b>	<b>(290)</b>	<b>(259)</b>

## Note 10 Tax

### Accounting Policy

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

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

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

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

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

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

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

Both Council and its subsidiary, the Percy Thomson Trust, are exempt from income tax.



	Council		Group	
	Actual	Actual	Actual	Actual
	2021/22	2020/21	2021/22	2020/21
	\$000	\$000	\$000	\$000
<b>Components of Tax Expense</b>				
Current Tax Expense	-	-	-	-
Adjustments to Current Tax in Prior Years	-	-	-	-
Deferred Tax Expense	-	-	-	-
<b>Tax Expense</b>	-	-	-	-
<b>Relationship Between Tax Expense and Accounting Surplus</b>				
Surplus/(Deficit) Before Tax	7,777	10,120	7,701	10,029
Tax at 28%	2,177	2,834	2,156	2,808
Non-deductible Expenses	-	-	-	-
Non-taxable Revenue	(2,177)	(2,834)	(2,156)	(2,808)
<b>Tax Expense</b>	-	-	-	-

## 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. The carrying value of cash at bank and short-term deposits with original maturities less than three months approximates their amortised cost.

	Council		Group	
	Actual	Actual	Actual	Actual
	2021/22	2020/21	2021/22	2020/21
	\$000	\$000	\$000	\$000
Cash at Bank and on Hand	2,409	2,256	2,684	2,388
Term Deposits Maturing Three Months or Less from Date of Acquisition	1,000	1,000	1,000	1,000
<b>Per Statement of Financial Position and Statement of Cash Flows</b>	<b>3,409</b>	<b>3,256</b>	<b>3,684</b>	<b>3,388</b>
Term Deposits Maturing More than Three Months from Date of Acquisition	7,000	6,000	7,250	6,250
<b>Total Cash and Cash Equivalents and Short Term Deposits</b>	<b>10,409</b>	<b>9,256</b>	<b>10,934</b>	<b>9,638</b>

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

## 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.

The Council and group apply the simplified ECL model of recognising lifetime ECL for receivables. In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. Receivables, other than rates, are written-off when there is no reasonable expectation of recovery.

	Council		Group	
	Actual 2021/22 \$000	Actual 2020/21 \$000	Actual 2021/22 \$000	Actual 2020/21 \$000
<b>Current Portion</b>				
Rates Receivables	369	217	369	217
Other Receivables	1,128	5,828	1,132	5,831
Other Miscellaneous Debtors	190	190	190	190
<b>Receivables prior to impairment</b>	<b>1,687</b>	<b>6,235</b>	<b>1,691</b>	<b>6,238</b>
Less Provision for Impairment	-	-	-	-
<b>Total Current Portion of Receivables</b>	<b>1,687</b>	<b>6,235</b>	<b>1,691</b>	<b>6,238</b>
<b>Non-Current Portion</b>				
Other Receivables	37	19	37	19
<b>Total Non-Current Portion of Receivables</b>	<b>37</b>	<b>19</b>	<b>37</b>	<b>19</b>
<b>Total Receivables</b>	<b>1,724</b>	<b>6,254</b>	<b>1,728</b>	<b>6,257</b>
<b>Total Receivables Comprise:</b>				
<i>Receivables from non-exchange transactions</i>				
Rates receivables	369	217	369	217
Other receivables from non-exchange transactions	1,222	5,904	1,226	5,907
<b>Total receivables from non-exchange transactions</b>	<b>1,591</b>	<b>6,121</b>	<b>1,595</b>	<b>6,124</b>
<i>Receivables from exchange transactions</i>				
Other receivables from exchange transactions	133	133	133	133
<b>Total receivables from exchange transactions</b>	<b>133</b>	<b>133</b>	<b>133</b>	<b>133</b>
The Chief Executive approved the write-off of rates receivables during the year under the Local Government (Rating) Act 2002 as follows:				
- Section 90A: \$Nil (2021: Nil)				
- Section 90B: \$Nil (2021: Nil)				

## Note 13 Inventories

### Accounting Policy

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

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

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

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

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

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

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

The write-down of inventory during the year was NIL (2020/21: NIL). There have been no reversals of write-downs (2021: NIL). No inventory is pledged as security for liabilities.

## Note 14 Other Financial Assets

### Accounting Policy

Financial assets (other than shares in subsidiaries) are initially recognised at fair value.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council 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 has transferred substantially all the risks and rewards of ownership.

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

- fair value through surplus or deficit (FVTSD);
- amortised cost; and
- fair value through other comprehensive revenue and expense (FVTOCRE).

The classification of a financial asset depends on the purpose for which the instrument was acquired. Transaction costs are included in the carrying value of the financial asset at initial recognition, unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and group's management model for managing them. A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding, and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

### ***Initial recognition of concessionary loans***

Loans 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. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in surplus or deficit as a grant expense.

### ***Subsequent measurement of financial assets at amortised cost***

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

### ***Subsequent measurement of financial assets at FVTOCRE***

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except expected credit losses (ECL) and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. The Council and group do not hold any debt instruments in this category.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and group designate into this category all equity investments that are not included in its investment fund portfolio, and if they are intended to be held for the medium to long-term.

### ***Subsequent measurement of financial assets at FVTSD***

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Instruments in this category include the Council and group's investment fund portfolio (comprising of listed shares, bonds, and units in investment funds).

### ***Expected credit loss allowance (ECL)***

The Council and group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience and informed credit assessment and including forward-looking information.

The Council and group considers a financial asset to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

	Interest Rate	Council		Group	
		Actual 2021/22 \$000	Actual 2020/21 \$000	Actual 2021/22 \$000	Actual 2020/21 \$000
<b>Current Portion</b>					
Bonds and Other Investments		-	-	25	50
LGFA Borrowers Notes					
Maturity April 2023	1.15%	16	-	16	-
Maturity May 2023	3.06%	24	-	24	-
Maturity April 2022	2.41%	-	32	-	32
<b>Total Current Portion</b>		<b>40</b>	<b>32</b>	<b>65</b>	<b>82</b>
<b>Non-current Portion</b>					
Bonds and Other Investments		-	-	427	552
LGFA Borrowers Notes					
Maturity April 2023	1.15%	-	16	-	16
Maturity May 2023	3.06%	-	24	-	24
Maturity April 2024	0.74%	25	25	25	25
Maturity May 2024	2.13%	32	32	32	32
Maturity April 2025	2.98%	32	32	32	32
Maturity December 2025	0.64%	93	93	93	93
Maturity April 2026	1.62%	16	16	16	16
Maturity April 2026	1.27%	25	25	25	25
Maturity April 2027	3.25%	24	24	24	24
Maturity April 2027	0.98%	16	16	16	16
Maturity April 2027	3.82%	50	-	50	-
Maturity April 2028	3.91%	50	-	50	-
Maturity May 2028	1.72%	25	25	25	25
Maturity May 2031	3.95%	50		50	
Maturity December 2032	1.47%	88	88	88	88
Community Loan - Stratford A & P Association		7,180	7,180	7,180	7,180
Listed Shares		547	681	547	681
<b>Total Non-current Portion</b>		<b>8,253</b>	<b>8,276</b>	<b>8,680</b>	<b>8,828</b>
<b>Total Other Financial Assets</b>		<b>8,293</b>	<b>8,308</b>	<b>8,745</b>	<b>8,910</b>

#### Impairment

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

#### Community Loan

The face value of the community loan is \$7,180,000 (2021: \$7,180,000). The purpose of the loan was to assist the Stratford A and P Association to purchase land to enable development of a multi-purpose facility, focusing on equestrian, motorsport, educational and sporting activities. This loan is secured against land owned by the Association, as a first mortgage.

#### 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 2021/22 \$000	Actual 2020/21 \$000	Actual 2021/22 \$000	Actual 2020/21 \$000
<b>Short Term Deposits</b>				
Short term deposits with maturities of 3 months or less	1,000	1,000	1,000	1,000
<i>Average maturity</i>	90 days	91 days	90 days	91 days
<i>Weighted average Effective Interest Rate</i>	1.90%	0.68%	1.90%	0.68%
Short term deposits with maturities of more than 3 months but less than 12 months	7,000	6,000	7,250	6,250
<i>Average maturity</i>	126 days	116 days	126 days	124 days
<i>Weighted average Effective Interest Rate</i>	2.47%	0.83%	2.46%	0.83%
<b>Total</b>	<b>8,000</b>	<b>7,000</b>	<b>8,250</b>	<b>7,250</b>

## Note 15 Property, Plant and Equipment

### Accounting Policy

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

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

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

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

Property, plant and equipment are valued as follows:

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

### Revaluation

Unless stated, valuations are carried out or reviewed by independent qualified valuers and are carried out at least three yearly. 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 and group's land and building assets have been revalued by Telfer Young (Taranaki) Limited, independent valuers, as at 1 January 2020 at fair value as determined from market-based evidence. Telfer Young have advised that COVID-19 had no impact on these valuations.

Council's infrastructure assets consisting of Stormwater, Waste Water and Water Supply were revalued by Beca Projects NZ Ltd, independent valuers, as at 1 July 2021 in accordance with Financial Reporting Standard (PBE IPSAS 17) and the New Zealand Infrastructure Asset Valuation and Depreciation Guidelines.

A fair value assessment has been performed as at 30 June 2022 for the council and group's land and building assets, infrastructure assets to ensure that the carrying value is not materially different from its fair value.

For roading assets, the Council engaged independent valuers, Beca Projects NZ Ltd, to perform a market movement assessment as at 30 June 2022, who issued their findings in a letter dated 8 July 2022. A fair value calculations based on the valuer's letter is performed to estimate the fair value for roading assets as at 30 June 2022. The Council recognised an increase to the carrying value of roading assets as at 30 June 2022 to ensure that the carrying value materially reflected fair value.

The fair value estimate was determined using a number of significant assumptions which included:

- The rates were based on the 2022 Road Construction Index (RCI).
- The movement in indices were applied to the 2021 valuation figures to provide new estimated replacement costs at 30 June 2022.

The next valuation is expected to be completed as at 30 June 2024

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***

Where the carrying amount of a class of assets is increased as a result of a revaluation, the net revaluation increase is credited to the revaluation reserve. The net revaluation increase shall be recognised in the Statement of Comprehensive Revenue and Expenses to the extent that it reverses a net revaluation decrease of the same class of assets previously recognised in the Statement of Comprehensive Revenue and Expense. A net revaluation decrease for a class of assets is recognised in the Statement of Comprehensive Revenue and Expense, except to the extent that it reverses a revaluation increase previously recognised in the revaluation reserve to the extent of any credit balance existing in the revaluation reserve in respect of the same class of asset.

### ***Impairment***

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

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

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

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

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

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

#### ***Value in use for non-cash generating assets***

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

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

#### ***Value in use for cash-generating assets***

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

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

## **Disposals**

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

## **Subsequent Costs**

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

## **Security**

Council and Group 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:

	<b>Years</b>	<b>Rate</b>
<i>Buildings (including Arboretum)</i>	<b>10-100</b>	<b>1% to 10%</b>
<i>Plant</i>	<b>5-10</b>	<b>10% to 20%</b>
<i>Motor Vehicles</i>	<b>5</b>	<b>20%</b>
<i>Fixtures and Fittings</i>	<b>5-10</b>	<b>10% to 20%</b>
<i>Office Equipment</i>	<b>4-10</b>	<b>10% to 25%</b>
<i>Roading Base course</i>	<b>15-80</b>	<b>1.25% to 6.66%</b>
<i>Roading Seal</i>	<b>2-16</b>	<b>6.25% to 50%</b>
<i>Roading Culverts</i>	<b>20-80</b>	<b>1.25% to 5%</b>
<i>Roading Sumps</i>	<b>80</b>	<b>1.25%</b>
<i>Signs</i>	<b>10</b>	<b>10%</b>
<i>Bridges (including Tunnels)</i>	<b>60-100</b>	<b>1% to 1.66%</b>
<i>Footpaths</i>	<b>20-80</b>	<b>1.25% to 5%</b>
<i>Streetlights</i>	<b>30</b>	<b>3.33%</b>
<i>Stormwater</i>	<b>20-80</b>	<b>1.25% to 5%</b>
<i>Water Supply Treatment</i>	<b>20-120</b>	<b>0.83% to 5%</b>
<i>Water Supply Reticulation</i>	<b>20-120</b>	<b>0.83% to 5%</b>
<i>Wastewater Treatment</i>	<b>40-80</b>	<b>1.25% to 2.5%</b>
<i>Wastewater Reticulation</i>	<b>40-80</b>	<b>1.25% to 2.5%</b>
<i>Street Beautification</i>	<b>10-100</b>	<b>1% to 10%</b>



## ***Insurance of Assets***

The following information relates to the insurance of Council assets as at 30 June:		
	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
The total book value of all Council assets covered by insurance contracts	22,158	20,956
The maximum amount to which insured assets are insured	51,819	48,080
The total book value of all Council assets covered by financial risk-sharing arrangements	60,806	34,633
The total replacement cost of all Council assets covered by financial risk-sharing arrangements	97,576	28,165
Maximum amount available to the Council under financial risk-sharing arrangements	39,030	11,266
Total value of assets that are self-insured	-	-
Value of funds maintained for self-insurance	-	-
<p>In the event of natural disaster, central government may contribute up to 60% towards the restoration of water, drainage, and wastewater assets, and provide a subsidy towards the restoration of roads.</p>		

	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 (excl reversal of accumulated depreciation)	Cost / Valuation	Accumulated Depreciation and Impairment	Carrying Amount
	1 July 2021			Current Year								30 June 2022		
2022	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Council Operational Assets</b>														
Land	8,984	-	8,984	-	-	-	-	-	-	-	-	8,984	-	8,984
Buildings	9,184	799	8,385	341	-	(115)	-	437	-	(6)	-	9,410	1,230	8,180
Surplus Properties	168	-	168	-	-	(16)	-	-	-	-	-	152	-	152
Plant	616	348	267	54	-	-	-	36	-	-	-	670	384	286
Motor Vehicles	347	158	189	62	-	(34)	-	20	-	(24)	-	375	154	221
Furniture/Fittings	491	249	242	10	-	-	-	21	-	-	-	501	270	231
Office Equipment	1,036	614	422	46	-	(1)	-	81	-	-	-	1,081	695	386
Library Books	734	392	342	42	-	-	-	42	-	-	-	776	434	342
Work In Progress - Buildings	21	-	21	43	-	-	-	-	-	-	-	64	-	64
Work In Progress - Land	19	-	19	-	-	-	(19)	-	-	-	-	-	-	-
<b>Total Operational Assets</b>	<b>21,599</b>	<b>2,559</b>	<b>19,038</b>	<b>598</b>	<b>-</b>	<b>(166)</b>	<b>(19)</b>	<b>637</b>	<b>-</b>	<b>(30)</b>	<b>-</b>	<b>22,013</b>	<b>3,167</b>	<b>18,846</b>
<b>Council Restricted Assets</b>														
Land	8,912	-	8,912	-	-	-	-	-	-	-	-	8,912	-	8,912
Buildings	10,842	861	9,981	1,951	-	-	(4)	518	-	-	-	12,789	1,379	11,410
Street Beautification	1,731	260	1,471	-	-	-	-	26	-	-	-	1,731	287	1,444
Rubbish Bins	203	-	203	-	-	-	-	-	-	-	-	203	-	203
Work In Progress - Street Beautification	19	-	19	-	-	-	(19)	-	-	-	-	-	-	-
Work In Progress - Buildings	6,272	-	6,272	12,896	-	-	-	-	-	-	-	19,168	-	19,168
<b>Total Restricted Assets</b>	<b>27,979</b>	<b>1,121</b>	<b>26,858</b>	<b>14,847</b>	<b>-</b>	<b>-</b>	<b>(23)</b>	<b>544</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,803</b>	<b>1,665</b>	<b>41,137</b>
<b>Council Infrastructure Assets</b>														
Water Supply														
- Reticulation and other assets	11,970	661	11,309	902	-	(28)	-	383	(662)	-	7,835	20,680	382	20,298
- Treatment plants and facilities	4,137	474	3,663	244	-	(51)	-	322	(474)	-	10,246	14,576	322	14,254
Wastewater System														
- Reticulation and other assets	7,947	692	7,255	111	-	(8)	-	272	(691)	-	1,826	9,876	273	9,603
- Treatment plants and facilities	2,098	162	1,935	139	-	-	-	137	(162)	-	372	2,609	137	2,472
Stormwater System	8,482	407	8,075	31	-	-	-	232	(406)	-	4,554	13,067	232	12,835
Roading Network	229,320	-	229,320	3,637	-	-	-	2,543	(2,543)	-	23,263	256,220	-	256,220
Land Under Roads	54,384	-	54,384	-	-	-	-	-	-	-	-	54,384	-	54,384
Bridges	11,934	-	11,934	1,078	-	-	-	367	(367)	-	1,185	14,197	0	14,197
Work In Progress - Roading	-	-	-	4	-	-	-	-	-	-	-	4	-	4
Work In Progress - Wastewater Reticulation	-	-	-	7	-	-	-	-	-	-	-	7	-	7
Work In Progress - Wastewater Treatment	1	-	1	-	-	-	(1)	-	-	-	-	-	-	-
Work In Progress - Stormwater	-	-	-	41	-	-	-	-	-	-	-	41	-	41
Work In Progress - Water Treatment	101	-	101	211	-	-	(101)	-	-	-	-	211	-	211
Work In Progress - Water Reticulation	1,052	-	1,052	3,727	-	-	(1,052)	-	-	-	-	3,727	-	3,727
<b>Total Infrastructure Assets</b>	<b>331,426</b>	<b>2,396</b>	<b>329,028</b>	<b>10,132</b>	<b>-</b>	<b>(87)</b>	<b>(1,154)</b>	<b>4,256</b>	<b>(5,305)</b>	<b>-</b>	<b>49,281</b>	<b>389,598</b>	<b>1,346</b>	<b>388,252</b>
<b>Total Council</b>	<b>381,005</b>	<b>6,077</b>	<b>374,924</b>	<b>25,577</b>	<b>-</b>	<b>(253)</b>	<b>(1,196)</b>	<b>5,436</b>	<b>(5,305)</b>	<b>(30)</b>	<b>49,281</b>	<b>454,413</b>	<b>6,178</b>	<b>448,236</b>
<b>Subsidiaries</b>														
Buildings	1,697	143	1,555	-	-	-	-	72	-	-	-	1,697	215	1,482
Land	235	-	235	-	-	-	-	-	-	-	-	235	-	235
Furniture & Fittings	104	45	61	2	-	-	-	5	-	-	-	106	50	56
Office Equipment	14	7	7	3	-	-	-	1	-	-	-	17	8	9
Work in Progress - buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arboretum	51	2	49	-	-	-	-	2	-	-	-	51	4	47
<b>Total Subsidiaries</b>	<b>2,103</b>	<b>197</b>	<b>1,907</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,106</b>	<b>277</b>	<b>1,829</b>
<b>Total Group</b>	<b>383,107</b>	<b>6,274</b>	<b>376,831</b>	<b>25,582</b>	<b>-</b>	<b>(253)</b>	<b>(1,196)</b>	<b>5,516</b>	<b>(5,305)</b>	<b>(30)</b>	<b>49,281</b>	<b>456,519</b>	<b>6,455</b>	<b>450,065</b>

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.

	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 2020			Current Year								30 June 2021		
2021	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Council Operational Assets</b>														
Land	8,998	-	8,998	46	-	(60)	-	-	-	-	-	8,984	-	8,984
Buildings	8,937	390	8,547	247	-	-	-	409	-	-	-	9,184	799	8,385
Surplus Properties	168	-	168	-	-	-	-	-	-	-	-	168	-	168
Plant	600	306	294	16	-	-	-	42	-	-	-	616	348	267
Motor Vehicles	342	159	183	35	-	(30)	-	19	-	(20)	-	347	158	189
Furniture/Fittings	502	286	216	47	-	(58)	-	20	-	(57)	-	491	249	242
Office Equipment	1,217	784	434	86	-	(267)	-	71	-	(240)	-	1,036	614	422
Library Books	702	360	342	32	-	-	-	32	-	-	-	734	392	342
Work In Progress - Buildings	1	-	1	20	-	-	-	-	-	-	-	21	-	21
Work in progress - plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work In Progress - Land	17	-	17	2	-	-	-	-	-	-	-	19	-	19
<b>Total Operational Assets</b>	<b>21,484</b>	<b>2,285</b>	<b>19,200</b>	<b>530</b>	<b>-</b>	<b>(415)</b>	<b>-</b>	<b>593</b>	<b>-</b>	<b>(317)</b>	<b>-</b>	<b>21,599</b>	<b>2,561</b>	<b>19,038</b>
<b>Council Restricted Assets</b>														
Land	8,912	-	8,912	-	-	-	-	-	-	-	-	8,912	-	8,912
Buildings	10,443	415	10,028	399	-	-	-	446	-	-	-	10,842	861	9,981
Street Beautification	1,694	239	1,455	37	-	-	-	21	-	-	-	1,731	260	1,471
Rubbish Bins	203	-	203	-	-	-	-	-	-	-	-	203	-	203
Work In Progress - Street Beautification	68	-	68	-	-	-	(49)	-	-	-	-	19	-	19
Work In Progress - Buildings	34	-	34	6,238	-	-	-	-	-	-	-	6,272	-	6,272
<b>Total Restricted Assets</b>	<b>21,353</b>	<b>654</b>	<b>20,699</b>	<b>6,673</b>	<b>-</b>	<b>-</b>	<b>(49)</b>	<b>468</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,979</b>	<b>1,121</b>	<b>26,858</b>
<b>Council Infrastructure Assets</b>														
Water Supply														
- Reticulation and other assets	11,808	458	11,350	201	-	(39)	-	205	-	(1)	-	11,970	661	11,309
- Treatment plants and facilities	4,065	327	3,738	72	-	-	-	147	-	-	-	4,137	474	3,663
Wastewater System														
- Reticulation and other assets	7,528	494	7,033	420	-	(1)	-	198	-	-	-	7,947	692	7,255
- Treatment plants and facilities	2,097	90	2,007	-	-	-	-	72	-	-	-	2,097	162	1,935
Stormwater System	8,469	278	8,192	23	-	(10)	-	130	-	(1)	-	8,482	407	8,075
Roading Network	195,023	4,901	190,123	4,156	-	-	-	2,382	(7,283)	-	30,141	229,320	-	229,320
Land Under Roads	54,384	-	54,384	-	-	-	-	-	-	-	-	54,384	-	54,384
Bridges	12,529	704	11,826	8	-	-	-	350	(1,054)	-	(603)	11,934	-	11,934
Work in Progress - Roading	18	-	18	-	-	-	(18)	-	-	-	-	-	-	-
Work In Progress - Subdivision - Land under roads	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in Progress - Subdivision - 3 waters	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work In Progress - W/water Reticulation	-	-	-	1	-	-	-	-	-	-	-	1	-	1
Work In Progress - W/water Treatment	-	-	-	1	-	-	-	-	-	-	-	1	-	1
Work In Progress - Water Treatment	-	-	-	101	-	-	-	-	-	-	-	101	-	101
Work In Progress - Water Reticulation	153	-	153	899	-	-	-	-	-	-	-	1,052	-	1,052
<b>Total Infrastructure Assets</b>	<b>296,074</b>	<b>7,251</b>	<b>288,823</b>	<b>5,882</b>	<b>-</b>	<b>(50)</b>	<b>(18)</b>	<b>3,485</b>	<b>(8,337)</b>	<b>(2)</b>	<b>29,538</b>	<b>331,426</b>	<b>2,396</b>	<b>329,030</b>
<b>Total Council</b>	<b>338,911</b>	<b>10,191</b>	<b>328,722</b>	<b>13,085</b>	<b>-</b>	<b>(464)</b>	<b>(67)</b>	<b>4,546</b>	<b>(8,337)</b>	<b>(319)</b>	<b>29,538</b>	<b>381,005</b>	<b>6,077</b>	<b>374,924</b>
<b>Subsidiaries</b>														
Buildings	1,687	70	1,617	10	-	-	-	73	-	-	-	1,697	143	1,555
Land	235	-	235	-	-	-	-	-	-	-	-	235	-	235
Furniture & Fittings	104	40	66	-	-	-	-	5	-	-	-	104	45	61
Office Equipment	11	6	5	3	-	-	-	1	-	-	-	14	7	7
Work in Progress - buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arboretum	49	1	48	2	-	-	-	2	-	-	-	51	2	49
<b>Total Subsidiaries Assets</b>	<b>2,088</b>	<b>117</b>	<b>1,971</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,103</b>	<b>197</b>	<b>1,907</b>
<b>Total Group</b>	<b>340,998</b>	<b>10,308</b>	<b>330,693</b>	<b>13,100</b>	<b>-</b>	<b>(464)</b>	<b>(67)</b>	<b>4,625</b>	<b>(8,337)</b>	<b>(319)</b>	<b>29,538</b>	<b>383,107</b>	<b>6,274</b>	<b>376,831</b>

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 2021/22 \$000	Date of Estimate
<b>2022</b>		
Water Supply		
- Reticulation and other assets	36,127	1 July 2021
- Treatment plants and facilities	20,766	1 July 2021
Wastewater System		
- Reticulation and other assets	28,812	1 July 2021
- Treatment plants and facilities	8,385	1 July 2021
Stormwater System	23,893	1 July 2021
Roads and Footpaths	416,224	30 June 2022
<b>2021</b>		
Water Supply		
- Reticulation and other assets	20,272	30 June 2021
- Treatment plants and facilities	6,049	30 June 2021
Wastewater System		
- Reticulation and other assets	23,725	30 June 2021
- Treatment plants and facilities	3,389	30 June 2021
Stormwater System	14,858	30 June 2021
Roads and Footpaths	383,879	30 June 2021

## Depreciation and Amortisation Expense by Group of Activity

	Council	
	Actual 2021/22 \$000	Actual 2020/21 \$000
<b>Directly attributable depreciation and amortisation by group of activity</b>		
Recreation and Facilities	884	771
Democracy	-	-
Community Development	57	54
Environmental Services	3	4
Roading	2,910	2,732
Stormwater Drainage	232	130
Wastewater (Sewerage)	410	269
Solid Waste	29	30
Water Supply	721	368
<b>Total directly attributable depreciation and amortisation by group of activity</b>	<b>5,246</b>	<b>4,359</b>
Depreciation and amortisation not directly related to group of activities	265	267
<b>Total depreciation and amortisation expense</b>	<b>5,511</b>	<b>4,626</b>

## Note 16 Intangible Assets

### Accounting Policy

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

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

- Software 3-10 years – 10% to 33 1/3%.

#### Council and Group

	Cost / Valuation	Accumulated Amortisation and Impairment	Carrying Amount	Additions	Disposals	Transfers	Current Year Impairment Charges	Depreciation Reversed on Disposal	Current Year Amortisation	Cost / Valuation	Accumulated Amortisation and Impairment	Carrying Amount
2022	1/07/2021			Current Year						30 June 2022		
	\$000	\$000	\$000	\$000	\$000		\$000	\$000	\$000	\$000	\$000	\$000
Work in Progress	-	-	-	-	-	-	-	-	-	-	-	-
Computer Software	1,298	801	497	30	-	-	-	-	75	1,328	876	452
<b>Total</b>	<b>1,298</b>	<b>801</b>	<b>497</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75</b>	<b>1,328</b>	<b>876</b>	<b>452</b>

	Cost / Valuation	Accumulated Amortisation and Impairment	Carrying Amount	Additions	Disposals	Transfers	Current Year Impairment Charges	Depreciation Reversed on Disposal	Current Year Amortisation	Cost / Valuation	Accumulated Amortisation and Impairment	Carrying Amount
2021	1/07/2020			Current Year						30 June 2021		
	\$000	\$000	\$000	\$000	\$000		\$000	\$000	\$000	\$000	\$000	\$000
Work in progress	5	0	5	0	-	(5)	-	-	0	-	-	-
Computer Software	1504	944	560	60	(265)	-	-	(225)	82	1298	801	497
<b>Total</b>	<b>1509</b>	<b>944</b>	<b>565</b>	<b>60</b>	<b>(265)</b>	<b>(5)</b>	<b>-</b>	<b>(225)</b>	<b>82</b>	<b>1298</b>	<b>801</b>	<b>497</b>

All intangible assets referring to above are computer software.

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

## Note 17 Payables and Deferred Revenue

### Accounting Policy

Short-term creditors and other payables are recorded at the amount payable.

	Council		Group	
	Actual	Actual	Actual	Actual
	2021/22	2020/21	2021/22	2020/21
	\$000	\$000	\$000	\$000
<b>Current Portion</b>				
<i>Payables and deferred revenue under exchange transactions:</i>				
Trade Payables and Accrued Expenses	4,540	3,635	4,549	3,648
Deposits and Bonds	231	191	231	191
Revenue Received in Advance	129	105	129	106
<b>Total</b>	<b>4,900</b>	<b>3,931</b>	<b>4,909</b>	<b>3,945</b>
<i>Payables and deferred revenue under non-exchange transactions:</i>				
Other Taxes Payable (GST)	-	329	-	329
Revenue received in advance - PGF and MBIE funding	12	1,766	12	1,766
Revenue received in advance - Three Waters Reform funding	-	1,195	-	1,195
Rates in Advance	301	280	301	280
<b>Total</b>	<b>313</b>	<b>3,570</b>	<b>313</b>	<b>3,570</b>
<b>Total Current Portion</b>	<b>5,213</b>	<b>7,501</b>	<b>5,222</b>	<b>7,515</b>

## 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
	2021/22	2020/21	2021/22	2020/21
	\$000	\$000	\$000	\$000
<b>Current Portion</b>				
Landfill Aftercare Provision	7	7	7	7
<b>Total Current Portion</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Non-current Portion</b>				
Landfill Aftercare Provision	13	18	13	18
<b>Total Non-Current Portion</b>	<b>13</b>	<b>18</b>	<b>13</b>	<b>18</b>
<b>Total Provisions</b>	<b>20</b>	<b>25</b>	<b>20</b>	<b>25</b>
<b>Movements for the Landfill Aftercare provision are as follows:</b>				
	Council		Group	
	Actual	Actual	Actual	Actual
	2021/22	2020/21	2021/22	2020/21
	\$000	\$000	\$000	\$000
Opening Balance	25	56	25	56
Additional Provision Made	-	-	-	-
Amounts used	(5)	(31)	(5)	(31)
<b>Closing Balance 30 June</b>	<b>20</b>	<b>25</b>	<b>20</b>	<b>25</b>

## ***Rural Landfills***

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

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

## ***Stratford Landfill***

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

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

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

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

The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking in to account existing technology and is discounted using a discount rate of 5.0% (2020/21: 5.0%).

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

## Note 19 Employee Entitlements

### Accounting Policy

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

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

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

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

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

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

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

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

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

	Council		Group	
	Actual 2021/22 \$000	Actual 2020/21 \$000	Actual 2021/22 \$000	Actual 2020/21 \$000
<b>Current Portion</b>				
Annual Leave	282	243	287	249
<b>Total Current Portion</b>	<b>282</b>	<b>243</b>	<b>287</b>	<b>249</b>
<b>Non-Current Portion</b>				
Retirement Gratuities	-	52	-	52
<b>Total Non-Current Portion</b>	<b>-</b>	<b>52</b>	<b>-</b>	<b>52</b>
<b>Total Employee Entitlements</b>	<b>282</b>	<b>295</b>	<b>287</b>	<b>301</b>



## 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 2021/22 \$000	Actual 2020/21 \$000	Actual 2021/22 \$000	Actual 2020/21 \$000
<b>Current Portion</b>				
Committed cash advance facility	-	-	-	-
Secured Loans	8,500	2,000	8,500	2,000
<b>Total Current Portion</b>	<b>8,500</b>	<b>2,000</b>	<b>8,500</b>	<b>2,000</b>
<b>Non-Current Portion</b>				
Secured Loans	23,700	20,200	23,700	20,200
<b>Total Non-Current Portion</b>	<b>23,700</b>	<b>20,200</b>	<b>23,700</b>	<b>20,200</b>
<b>Total Borrowings</b>	<b>32,200</b>	<b>22,200</b>	<b>32,200</b>	<b>22,200</b>

#### Security

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

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

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

#### Committed cash advance facility

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

#### Maturity Analysis and Effective Interest Rates

	Council		Group	
	Actual 2021/22 \$000	Actual 2020/21 \$000	Actual 2021/22 \$000	Actual 2020/21 \$000
Less than one year	8,500	2,000	8,500	2,000
Later than one year but not more than five years	15,200	13,200	15,200	13,200
Later than five years	8,500	7,000	8,500	7,000
<b>Total Borrowings</b>	<b>32,200</b>	<b>22,200</b>	<b>32,200</b>	<b>22,200</b>

The weighted average effective interest rate for 2021/22 is 2.51% (2020/21 2.18%).

#### Internal Borrowing

During the 2012/13 year Council made an internal loan to the Water Supply activity, towards the capital costs of the new Stratford Water Treatment Plant. The loan was for \$2,000,000. Interest has been calculated on the balance outstanding as at 1 July 2021 of \$1,350,795 at the weighted average interest rate as at 31 December 2021 of 2.18%. The Water Supply activity has been charged the cost of \$29,447. The sum of \$80,000 was repaid at the end of the year. The balance as at 30 June 2022 is \$1,270,795.

A breakdown of each loan with the LGFA and respective details is listed below:					
	Maturity date	Interest rate 2021/22	Interest rate 2020/21	Actual 2021/22 \$000	Actual 2020/21 \$000
<b>Current</b>					
LGFA Bond issue	April 2022	0.00%	2.81%	-	2,000
LGFA Bond issue	August 2022	2.08%	0.00%	6,000	-
LGFA Bond issue	April 2023	1.55%	0.00%	1,000	-
LGFA Bond issue	May 2023	3.47%	0.00%	1,500	-
<b>Total Current borrowings</b>				8,500	2,000
<b>Non-current</b>					
LGFA Bond issue	April 2023	0.00%	1.55%	-	1,000
LGFA Bond issue	May 2023	0.00%	3.47%	-	1,500
LGFA Bond issue	April 2024	1.14%	-	1,000	1,000
LGFA Bond issue	May 2024	2.53%	2.53%	2,000	2,000
LGFA Bond issue	April 2025	3.38%	3.38%	2,000	2,000
LGFA Bond issue	December 2025	1.04%	0.00%	3,700	3,700
LGFA Bond issue	April 2026	1.67%	0.00%	1,000	1,000
LGFA Bond issue	April 2026	2.02%	0.00%	1,000	1,000
LGFA Bond issue	April 2027	1.38%	0.00%	1,000	1,000
LGFA Bond issue	April 2027	3.65%	3.65%	1,500	1,500
LGFA Bond issue	April 2027	4.17%	0.00%	2,000	-
LGFA Bond issue	May 2028	2.12%	0.00%	1,000	1,000
LGFA Bond issue	May 2028	4.26%	0.00%	2,000	-
LGFA Bond issue	May 2031	4.30%	0.00%	2,000	-
LGFA Bond issue	December 2032	1.87%	0.00%	3,500	3,500
<b>Total non-current borrowings</b>				23,700	20,200
<b>Total Borrowings</b>				32,200	22,200

## Note 21 Equity

### Accounting Policy

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

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

#### **Restricted reserves**

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

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

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

#### **Property revaluation reserve**

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

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

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

	Council		Group	
	Actual	Actual	Actual	Actual
	2021/22	2020/21	2021/22	2020/21
	\$000	\$000	\$000	\$000
<b>Accumulated Funds - 1 July</b>	189,944	181,353	191,609	183,109
Transfers to:				
Restricted Reserves	(344)	(162)	(344)	(162)
Council Created Reserves	(5,976)	(5,094)	(5,976)	(5,094)
Transfers from:				
Council Created Reserves	5,708	3,691	5,708	3,691
Restricted Reserves	-	37	-	37
Revaluation reserve disposal of building	-	-	-	-
Profit / (Loss) for the year	7,777	10,120	7,702	10,029
<b>Balance at 30 June</b>	<b>197,109</b>	<b>189,944</b>	<b>198,703</b>	<b>191,609</b>
<b>Restricted Reserves - 1 July</b>	775	650	775	650
Transfers to:				
Accumulated Funds	-	(37)	-	(37)
Transfers from:				
Accumulated Funds	344	162	344	162
<b>Balance at 30 June</b>	<b>1,119</b>	<b>775</b>	<b>1,119</b>	<b>775</b>
<b>Fair Value through other comprehensive revenue and expense - 1 July</b>	(401)	(410)	(401)	(410)
Loss / gain on sale of financial assets at fair value through other comprehensive income	-	-	-	-
Revaluation Gains/(Losses) on Investments Carried at Fair Value	(135)	9	(135)	9
<b>Balance at 30 June</b>	<b>(536)</b>	<b>(401)</b>	<b>(536)</b>	<b>(401)</b>
<b>Council Created Reserves - 1 July</b>	7,137	5,734	7,137	5,734
Transfer to Income Statement on disposal of Property, Plant and Equipment	-	-	-	-
Transfers to:				
Accumulated Funds	(5,708)	(3,691)	(5,708)	(3,691)
Transfers from:				
Accumulated Funds	5,976	5,094	5,976	5,094
<b>Balance at 30 June</b>	<b>7,405</b>	<b>7,138</b>	<b>7,405</b>	<b>7,138</b>
<b>Asset Revaluation Reserves - 1 July</b>	171,779	133,904	172,986	135,111
Revaluation Gains/(Losses)	54,587	37,875	54,587	37,875
<b>Balance at 30 June</b>	<b>226,366</b>	<b>171,779</b>	<b>227,573</b>	<b>172,986</b>
<b>Total Other Reserves - 30 June</b>	<b>234,355</b>	<b>179,290</b>	<b>235,564</b>	<b>180,496</b>
<b>Asset Revaluation Reserves consist of:</b>				
Operational Assets				
Land	6,576	6,577	6,686	6,687
Buildings	5,150	5,150	6,247	6,247
Restricted Assets				
Wastewater System	8,503	5,451	8,503	5,451
Water System	23,200	3,983	23,200	3,983
Stormwater System	11,042	6,081	11,042	6,081
Roading Network	167,125	139,769	167,125	139,769
Land	3,875	3,875	3,875	3,875
Buildings	895	895	895	895
<b>Total</b>	<b>226,366</b>	<b>171,779</b>	<b>227,573</b>	<b>172,986</b>

## **Note 21    Equity continued**

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

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

- Council Created Reserves
- Restricted Reserves
- Targeted Rate Reserves

The purposes of the reserves are as follows:

#### **Council Created Reserves**

##### ***General Renewals Reserve***

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

##### ***Roading Renewals Reserve***

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

##### ***Contingency Reserve***

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

##### ***Asset Sales Proceeds Reserve***

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

##### ***Staff Gratuities Reserve***

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

##### ***Mayor's Relief Fund Reserve***

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

##### ***Turf Replacement Reserve***

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

#### **Restricted Reserves**

##### ***Elsie Fraser Bequest Reserve***

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

##### ***RMA/Financial Contributions Reserve***

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

## Targeted Rate Reserves

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

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

## Reserve Fund Movements

2022		Balance 1 July 2021 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2022 \$000
Activities to which the reserve relates					
<b>Restricted Reserves</b>					
Elsie Fraser Bequest Reserve	Pensioner Housing	51	33	-	84
Financial Contributions Reserve	All activities	723	311	-	1,034
<b>Total</b>		<b>774</b>	<b>344</b>	<b>-</b>	<b>1,118</b>
2022		Balance 1 July 2021 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2022 \$000
Activities to which the reserve relates					
<b>Council Created /Targeted Rate Reserves</b>					
General Renewal Reserve	All activities	4,108	1,420	(875)	4,653
Contingency Reserve	All activities	505	7	(7)	505
Asset Sale Proceeds Reserve	All activities	1,164	19	-	1,183
Staff Gratuities Reserve	All activities	145	2	(11)	136
Mayor's Relief Fund Reserve	Community	4	0	-	4
Turf Replacement Reserve	Community	31	10	-	41
Stormwater Reserve	Stormwater	343	236	(34)	545
Roading Renewals Reserve	Roading	746	3,077	(3,589)	234
Water Supply Reserve	Water Supply	(262)	717	(1,017)	(562)
Solid Waste Reserve	Waste Management	78	30	(87)	21
Wastewater Reserve	Wastewater	279	458	(88)	649
<b>Total</b>		<b>7,140</b>	<b>5,976</b>	<b>(5,708)</b>	<b>7,408</b>
2021		Balance 1 July 2020 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2021 \$000
Activities to which the reserve relates					
<b>Restricted Reserves</b>					
Elsie Fraser Bequest Reserve	Pensioner Housing	66	22	(37)	51
Financial Contributions Reserve	All activities	583	140	-	723
<b>Total</b>		<b>649</b>	<b>162</b>	<b>(37)</b>	<b>774</b>
2021		Balance 1 July 2020 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2021 \$000
Activities to which the reserve relates					
<b>Council Created and Targeted Rate Reserves</b>					
General Renewal Reserve	All activities	3,256	1,207	(355)	4,108
Contingency Reserve	All activities	505	11	(11)	505
Asset Sale Proceeds Reserve	All activities	1,024	140	-	1,164
Staff Gratuities Reserve	All activities	147	3	(5)	145
Mayor's Relief Fund Reserve	Community	4	-	-	4
Turf Replacement Reserve	Community	20	11	-	31
Stormwater Reserve	Stormwater	258	135	(50)	343
Roading Renewals Reserve	Roading	745	2,845	(2,844)	746
Water Supply Reserve	Water Supply	(708)	384	62	(262)
Waste Management Reserve	Waste Management	147	33	(102)	78
Wastewater Reserve	Wastewater	338	326	(385)	279
<b>Total</b>		<b>5,735</b>	<b>5,094</b>	<b>(3,691)</b>	<b>7,140</b>

## Note 22 Commitments

	Council		Group	
	Actual 2021/22	Actual 2020/21	Actual 2021/22	Actual 2020/21
	\$000	\$000	\$000	\$000
<b>Financial Commitments</b>				
Not later than one year	10,741	19,380	10,773	19,380
Later than one year and not later than five years	5,681	4,363	5,732	4,363
Later than five years	-	-	-	-
<b>Total</b>	<b>16,422</b>	<b>23,744</b>	<b>16,505</b>	<b>23,744</b>
<b>Operating Leases as a Lessor</b>				
Not later than one year	3	3	36	35
Later than one year and not later than five years	12	12	63	80
Later than five years	66	69	66	69
<b>Total</b>	<b>81</b>	<b>84</b>	<b>165</b>	<b>184</b>
<b>Capital Commitments</b>				
Aquatic Centre	3,622	15,317	3,622	15,317
Bike park and pump track	-	321	-	321
Roading network	6,044	2,628	6,044	2,628
Roading network - council subdivision	-	-	-	-
<b>Total</b>	<b>9,666</b>	<b>18,266</b>	<b>9,666</b>	<b>18,266</b>

### ***Non-financial commitments***

- Council is committed to a 50/50 sharemilking agreement with the current sharemilker to 31 May 2027.
- Council is committed to various leases of rental properties for terms ranging up to 33 years with perpetual rights of renewal in two cases.
- Council is committed to a number of leases on reserves to various sports and other community bodies for varying terms.
- Council is committed to ground leases for the aerodrome club buildings, and private hangars for terms of up to 20 years.
- Quotable Value NZ Ltd will provide valuation services to Council for the period to 30 June 2026.
- AA Drivers Licensing have given Council an agency relationship to 30 June 2025.
- 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 2022 there are 6 properties, with 7 facilities, having an approximate value of \$940,000 (2021 - 6 properties with 7 facilities - \$940,000). The estimate has been based on rating valuations for the district that were performed effective August 2020.

## Contingent Liabilities

### **Local Government Funding Agency (LGFA)**

The Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from Standard and Poor's of AAA and a foreign currency rating of AA+. NZLGFA has a local currency rating from Fitch of AA+ and a foreign currency rating of AA.

As at 30 June 2022, the Council is one of 30 local authority shareholders and 38 local authority guarantors of the NZLGFA. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2022, NZLGFA had borrowings totalling \$15,789m (2021: \$13,605m).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

It is not aware of any local authority debt default events in New Zealand; and Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

## Note 24 Related Party Transactions

Related party disclosures have not been made for transactions with related parties that are:

- Within a normal supplier or client/recipient relationship; and
- On terms and conditions no more or less favourable than those that is reasonable to expect the council and group would have adopted in dealing with the party at arm's length in the same circumstances.
- Further, no disclosure has been made for transactions with entities within the council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

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.

**Related party transactions required to be disclosed**

	<b>Actual 2021/22 \$000</b>	<b>Actual 2020/21 \$000</b>
<b>Percy Thomson Trust</b>		
Grant to the Trust from Council	50	50
Rent paid to the Trust for the Information Centre (lease terminated by Council on 28 February 2021)	-	12
Fees paid by the Trust to Council for administration services	21	21

**Key Management Personnel Compensation**

	<b>Actual 2021/22</b>	<b>Actual 2020/21</b>
<i>Councillors</i>		
Full time equivalent members	11	11
<i>Remuneration</i>		
Mayor - N Volzke	87,000	86,276
<i>Councillors:</i>		
J Sandford	26,354	25,965
A Jamieson	36,383	34,953
J Erwood	25,342	24,967
G Boyde	29,143	28,712
R Coplestone	25,342	24,967
G Webby	25,342	24,967
P Dalziel	25,342	24,967
A Harris	25,342	24,967
M McKay	25,342	24,967
V Jones	25,342	24,967
	<b>356,274</b>	<b>350,675</b>
<i>Senior Management Team, including the Chief Executive</i>		
Full time equivalent members	5	5
<i>Remuneration</i>	853,600	859,000
<b>Total full time equivalent personnel</b>	<b>16</b>	<b>16</b>
<b>Total key management personnel remuneration</b>	<b>1,209,874</b>	<b>1,209,675</b>



## Note 25 Remuneration

	Actual 2021/22 \$	Actual 2020/21 \$
<b>Chief Executive</b>		
The Chief Executive of Stratford District Council was appointed under section 42 of the Local Government Act 2002 as from 5 January 2017, then re-appointed for a further five year term from 3 May 2022, and received the following remuneration for the year ended 30 June 2022:		
Salary (2020/21 included a back pay effective from September 2017)	236,029	255,933
Superannuation Subsidy (Kiwisaver)	6,873	7,677
<i>As at 30 June 2022 the annual remuneration package that was being received by the Chief Executive was calculated at \$250,000. This remuneration excludes Kiwisaver contributions.</i>		
<b>Total Chief Executive Remuneration</b>	242,902	263,610
<b>Council employee remuneration by band</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
<i>Total annual remuneration by band</i>		
Less than \$60,000	56	41
\$60,000 - \$79,999	16	15
\$80,000 - \$99,999	10	10
\$100,000 - \$159,999	9	7
\$160,000 - \$239,999	0	0
\$240,000 - \$259,999	1	1
<b>Total employees</b>	<b>92</b>	<b>74</b>
<b>Council Employee Numbers</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
<b>Number of employees (at 30 June)</b>	<b>Actual</b>	<b>Actual</b>
Full-time employees	44	44
Part-time employees (including casual employees)	48	30
Total employees	92	74
NB - A full-time equivalent is determined on the basis of a 40 hour working week.		
<b>Full-time equivalent employees</b>		
Full-time employees	44	44
Part-time employees (in full-time equivalents)	15	14
Total full-time equivalent employees	59	58

## Note 26 Severance Payments

For the year ended 30 June 2022, the Council made one severance payment to employees totalling \$7,000 (2020/21 - two payments totalling \$25,200, the values being \$10,200 and \$15,000).

## Note 27 Events After the Balance Date

Following the announcement by the Local Government Minister on 27 October 2021 regarding central government proceeding with the three waters service delivery reforms using a legislated “all in” approach, Council continues to recognise its three waters assets at 30 June 2022 in accordance with the accounting policies set out in Note 15. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity.

In June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The impact of these proposed reforms, once legislated, will mean that the Council will no longer deliver three waters services or own the assets required to deliver these services. The Water Services Entities Bill had its Third Reading on 7 December 2022 and is awaiting Royal Assent. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

## Note 28 Financial Instruments

The accounting policies for financial instruments have been applied to the line items below:				
	Council		Group	
	Actual 2021/22 \$000	Actual 2020/21 \$000	Actual 2021/22 \$000	Actual 2020/21 \$000
<b>FINANCIAL ASSETS</b>				
<b>Amortised Cost (2021: Loans and receivables)</b>				
Cash and cash equivalents - Cash	3,409	3,256	3,684	3,388
Short Term Deposits	7,000	6,000	7,250	6,250
Receivables	1,687	6,235	1,691	6,238
Community Loan	7,180	7,180	7,180	7,180
LGFA Borrower Notes (2021: classified as held to maturity)	566	447	566	447
<b>Total</b>	<b>19,842</b>	<b>23,118</b>	<b>20,371</b>	<b>23,503</b>
<b>Fair value through surplus and deficit (2021: Fair value through other comprehensive revenue and expense)</b>				
Other financial assets:				
Bonds and Other Investments	-	-	427	552
Listed shares	547	681	547	681
<b>Total</b>	<b>547</b>	<b>681</b>	<b>974</b>	<b>1,233</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Financial liabilities at amortised cost</b>				
Payables and deferred revenue	4,900	3,931	4,909	3,945
Borrowings:				
Secured loans	32,200	22,200	32,200	22,200
<b>Total</b>	<b>37,100</b>	<b>26,131</b>	<b>37,109</b>	<b>26,145</b>

## Note 29 Explanation of Significant Variances Between Actual and Budget

Explanations for major variations from Council's estimated figures in the 2021-2031 Long Term Plan are as follows:

### Statement of Comprehensive Revenue and Expense

Income is less than budget due to the following:

- Revenue from subsidies is less than budget in the roading activity, as Waka Kotahi (NZTA) reduced the amount of expenditure that was subsidised, therefore the full amount of budgeted expenditure was not spent this year.

Other Comprehensive Revenue and Expense

- Roothing infrastructure assets were revalued at fair value as at 30 June 2022, and as there was a significant increase over the carrying amount this has been reflected in these accounts; and the Water Supply, Wastewater and Stormwater infrastructure assets were revalued as at 1 July 2021.

### Statement of Financial Position

- Inventory is less than budget, as the proposed council led subdivision has not yet commenced.
- Property, Plant and Equipment is higher than budget, due to the considerable increase resulting from the revaluations of the infrastructure assets, as above.
- Other financial assets include the loan to the Stratford A & P Association, which was not budgeted for in error.
- Payables are higher than budget due the higher than normal value of trade creditors at year end as a direct result of the extra capital projects in progress.
- Current borrowings are higher than budget due to the additional funds council was required to borrow, for various capital projects being placed on short term maturities, due to advantageous interest rates obtained.
- Non-current borrowings are less than budget at balance date as the new borrowings were placed on short terms, as detailed above.
- Reserves are higher than budget as a result of the revaluation of the infrastructure assets.

## Note 30 District Licensing Committee Disclosure

	2021/22	2020/21
<b><u>Income from Fees:</u></b>		
Licence Applications	35,213	36,502
Liquor Licencing Authority Levies	60	703
<b>Total Income</b>	<b>35,273</b>	<b>37,205</b>
<b><u>Expenditure:</u></b>		
Licencing Inspectors	52,526	50,522
District Licensing Committee Fees	5,167	2,896
Liquor Licencing Authority Levies	-	1,035
Other operating Costs Relating to Enforcement	1,303	2,418
<b>Total Expenditure</b>	<b>58,996</b>	<b>56,871</b>

*This information is provided in accordance with Regulation 19 of the Sale and Supply of Alcohol (Fees) Regulations 2013. This regulation requires Territorial Authorities to prepare a report detailing income from fees, and licencing costs under the Act. This information must be publicly available.*

## **Note 31    Joint Committee – Central Landfill**

During the 2017/18 year the Council agreed with South Taranaki District Council (STDC) and New Plymouth District Council (NPDC) tasked with developing a new landfill and operating it following the closure of the Colson Road Landfill. Each Council's share of capital contributions, distribution of any operating surplus or apportionment of any operating deficit has been agreed as follows: NPDC 66.4%, STDC 27.1% and SDC 6.5%. As at 30 June 2022, no additional capital contributions were made (2020/21: \$0 million).

In November 2018, the Joint Committee made the decision to suspend further development of the Central Landfill. Waste is now being disposed of at Bonny Glen, in the Rangitikei District, under a 35 year contract with Midwest Disposals Ltd who operate the landfill. As there was no alternative use for the proposed central landfill in Taranaki, all capital costs incurred have been written off to surplus or deficit. As at 30 June 2022 there are no funds retained by the Central Landfill Joint Committee for Stratford District Council's share of future operational costs (2020/21 \$1,950).

# Funding Impact Statements

## Funding Impact Statement for the year ended 30 June 2022 (Whole of Council)

	Annual Plan 2020/21	Actual 2020/21	Long Term Plan 2021/22	Actual 2021/22
	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	6,854	7,025	7,245	7,410
Targeted rates	6,467	6,534	6,705	6,885
Subsidies and grants for operating purposes	1,883	2,266	1,984	999
Fees and Charges	2,345	2,225	2,563	2,398
Interest and dividends from investments	139	139	206	222
Local authorities fuel tax, fines, infringement fees, and other receipts	44	81	46	78
<b>Total operating funding (A)</b>	<b>17,730</b>	<b>18,271</b>	<b>18,749</b>	<b>17,991</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	13,631	14,731	14,596	14,857
Finance costs	665	447	477	552
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>14,296</b>	<b>15,178</b>	<b>15,073</b>	<b>15,409</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>3,434</b>	<b>3,093</b>	<b>3,676</b>	<b>2,582</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	5,454	8,872	10,641	10,620
Development and financial contributions	-	127	-	300
Increase (decrease) in debt	10,036	6,700	13,821	10,000
Gross proceeds from sale of assets	3,816	2,779	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>19,306</b>	<b>18,478</b>	<b>24,462</b>	<b>20,920</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	94	1,200	6
- To improve the level of service	17,865	9,631	20,614	19,298
- To replace existing assets	4,044	3,396	6,721	5,070
Increase (decrease) in reserves	831	1,269	(397)	(869)
Increase (decrease) in investments	-	7,180	-	-
<b>Total applications of capital funding (D)</b>	<b>22,740</b>	<b>21,571</b>	<b>28,138</b>	<b>23,506</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(3,434)</b>	<b>(3,093)</b>	<b>(3,676)</b>	<b>(2,586)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-4</b>

### Funding Impact Statement - Note

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

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

## Funding Impact Statement for the year ended 30 June 2022 (Recreation and Facilities)

	Long Term Plan 2018 for 2020/21	Actual 2020/21	Long Term Plan 2021/22	Actual 2021/22
	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	3,622	3,651	3,046	3,090
Targeted rates	14	16	17	19
Subsidies and grants for operating purposes	-	336	79	120
Fees and Charges	532	521	496	443
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	12	-	47	32
<b>Total operating funding (A)</b>	<b>4,181</b>	<b>4,524</b>	<b>3,686</b>	<b>3,704</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	2,341	2,802	2,178	2,362
Finance costs	344	32	161	151
Internal charges & overheads applied	909	945	809	820
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,594</b>	<b>3,779</b>	<b>3,147</b>	<b>3,332</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>588</b>	<b>745</b>	<b>537</b>	<b>372</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	3,771	6,189	5,700	4,296
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	12,231	37	11,366	10,504
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>16,002</b>	<b>6,226</b>	<b>17,066</b>	<b>14,800</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	16,353	6,457	16,877	14,870
- To replace existing assets	92	362	161	131
Increase (decrease) in reserves	145	152	565	172
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>16,590</b>	<b>6,972</b>	<b>17,603</b>	<b>15,172</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(588)</b>	<b>(745)</b>	<b>(537)</b>	<b>(372)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1</b>

## Funding Impact Statement for the year ended 30 June 2022 (Roading)

	Long Term Plan 2018 for 2020/21	Actual 2020/21	Long Term Plan 2021/22	Actual 2021/22
	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties *	(7)	(16)	(10)	(10)
Targeted rates	3,217	3,010	3,203	3,231
Subsidies and grants for operating purposes	1,857	1,887	1,905	1,776
Fees and Charges	293	458	633	480
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	81	19	93
<b>Total operating funding (A)</b>	<b>5,366</b>	<b>5,419</b>	<b>5,750</b>	<b>5,569</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers - see note below	3,602	3,596	3,533	3,677
Finance costs	30	-	2	-
Internal charges & overheads applied	320	340	379	368
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,953</b>	<b>3,936</b>	<b>3,913</b>	<b>4,045</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,413</b>	<b>1,483</b>	<b>1,837</b>	<b>1,523</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,840	2,682	3,541	2,746
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(28)	-	134	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	752	-	-
<b>Total sources of capital funding (C)</b>	<b>1,812</b>	<b>3,434</b>	<b>3,675</b>	<b>2,746</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	2,057	350	479
- To replace existing assets	3,359	2,101	5,413	4,240
Increase (decrease) in reserves	(133)	759	(251)	(450)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>3,225</b>	<b>4,918</b>	<b>5,512</b>	<b>4,270</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,413)</b>	<b>(1,483)</b>	<b>(1,837)</b>	<b>(1,524)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Funding Impact Statement for the year ended 30 June 2022 (Water Supply)

	Long Term Plan 2018 for 2020/21 (\$000)	Actual 2020/21 (\$000)	Long Term Plan 2021/22 (\$000)	Actual 2021/22 (\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	2,099	1,934	1,810	1,908
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	-	25	20
<b>Total operating funding (A)</b>	<b>2,104</b>	<b>1,934</b>	<b>1,836</b>	<b>1,928</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	1,019	631	736	754
Finance costs	361	162	170	184
Internal charges & overheads applied	280	475	501	500
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,660</b>	<b>1,268</b>	<b>1,407</b>	<b>1,438</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>444</b>	<b>666</b>	<b>429</b>	<b>490</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	1,400	2,151
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	433	953	144	1,020
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>433</b>	<b>953</b>	<b>1,544</b>	<b>3,171</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	587	920	1,780	3,578
- To replace existing assets	414	354	695	375
Increase (decrease) in reserves	(124)	345	(502)	(292)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>878</b>	<b>1,619</b>	<b>1,973</b>	<b>3,660</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(444)</b>	<b>(666)</b>	<b>(429)</b>	<b>(489)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Funding Impact Statement for the year ended 30 June 2022 (Waste Water)

	Long Term Plan 2018 for 2020/21	Actual 2020/21	Long Term Plan 2021/22	Actual 2021/22
	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	906	888	936	979
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	73	71	73	57
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	3	-	13	10
<b>Total operating funding (A)</b>	<b>981</b>	<b>959</b>	<b>1,022</b>	<b>1,045</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	368	382	452	312
Finance costs	100	24	42	26
Internal charges & overheads applied	156	235	254	253
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>624</b>	<b>641</b>	<b>747</b>	<b>591</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>357</b>	<b>318</b>	<b>275</b>	<b>454</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	392	38	724	147
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>392</b>	<b>38</b>	<b>724</b>	<b>147</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	485	81	800	188
- To replace existing assets	202	341	213	48
Increase (decrease) in reserves	62	(67)	(15)	365
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>749</b>	<b>355</b>	<b>998</b>	<b>600</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(357)</b>	<b>(318)</b>	<b>(274)</b>	<b>(454)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

## Funding Impact Statement for the year ended 30 June 2022 (Storm Water)

	Long Term Plan 2018 for 2020/21 (\$000)	Actual 2020/21 (\$000)	Long Term Plan 2021/22 (\$000)	Actual 2021/22 (\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	371	329	356	357
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	2	-	7	5
<b>Total operating funding (A)</b>	<b>373</b>	<b>329</b>	<b>363</b>	<b>362</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	118	61	63	68
Finance costs	33	15	22	15
Internal charges & overheads applied	97	119	132	131
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>248</b>	<b>195</b>	<b>217</b>	<b>214</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>125</b>	<b>134</b>	<b>146</b>	<b>148</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	98	(28)	212	36
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>98</b>	<b>(28)</b>	<b>212</b>	<b>36</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	234	-	252	64
- To replace existing assets	58	22	53	5
Increase (decrease) in reserves	(69)	84	52	115
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>223</b>	<b>106</b>	<b>358</b>	<b>184</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(125)</b>	<b>(134)</b>	<b>(146)</b>	<b>(148)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Funding Impact Statement for the year ended 30 June 2022 (Solid Waste)

	Long Term Plan 2018 for 2020/21 (\$000)	Actual 2020/21 (\$000)	Long Term Plan 2021/22 (\$000)	Actual 2021/22 (\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	19	19	19	19
Targeted rates	740	702	756	767
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	83	127	108	153
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	-	8	6
<b>Total operating funding (A)</b>	<b>842</b>	<b>847</b>	<b>890</b>	<b>944</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	644	729	682	789
Finance costs	45	21	20	20
Internal charges & overheads applied	145	147	152	150
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>834</b>	<b>897</b>	<b>853</b>	<b>959</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>7</b>	<b>(50)</b>	<b>37</b>	<b>(15)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(42)	(38)	(36)	(36)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(42)</b>	<b>(38)</b>	<b>(36)</b>	<b>(36)</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	7
- To replace existing assets	32	-	-	-
Increase (decrease) in reserves	(67)	(88)	-	(58)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(34)</b>	<b>(88)</b>	<b>-</b>	<b>(51)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(7)</b>	<b>50</b>	<b>(36)</b>	<b>15</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Funding Impact Statement for the year ended 30 June 2022 (Democracy)

	Long Term Plan 2018 for 2020/21 (\$000)	Actual 2020/21 (\$000)	Long Term Plan 2021/22 (\$000)	Actual 2021/22 (\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	1,003	1,030	1,074	1,077
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	60	96	70	102
Internal charges and overheads recovered	1,376	1,384	1,368	1,477
Local authorities fuel tax, fines, infringement fees, and other receipts	11	-	34	26
<b>Total operating funding (A)</b>	<b>2,450</b>	<b>2,510</b>	<b>2,547</b>	<b>2,682</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	1,800	1,862	1,874	2,012
Finance costs	-	-	-	-
Internal charges & overheads applied	650	670	673	698
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,450</b>	<b>2,532</b>	<b>2,547</b>	<b>2,710</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>-</b>	<b>(22)</b>	<b>-</b>	<b>(28)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	160	176	189	193
Increase (decrease) in reserves	(160)	(198)	(189)	(220)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>-</b>	<b>(22)</b>	<b>-</b>	<b>(27)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>-</b>	<b>22</b>	<b>-</b>	<b>27</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1)</b>

## Funding Impact Statement for the year ended 30 June 2022 (Community Development)

	Long Term Plan 2018 for 2020/21 (\$000)	Actual 2020/21 (\$000)	Long Term Plan 2021/22 (\$000)	Actual 2021/22 (\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	591	647	1,243	1,244
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	43	-	261
Fees and Charges	674	706	623	855
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	-	21	17
<b>Total operating funding (A)</b>	<b>1,270</b>	<b>1,396</b>	<b>1,887</b>	<b>2,377</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	653	1,382	1,224	1,365
Finance costs	104	47	59	43
Internal charges & overheads applied	311	368	476	483
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,068</b>	<b>1,797</b>	<b>1,759</b>	<b>1,891</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>202</b>	<b>(401)</b>	<b>128</b>	<b>486</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(97)	(2,777)	1,200	(3)
Gross proceeds from sale of assets	-	2,779	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(97)</b>	<b>2</b>	<b>1,200</b>	<b>(3)</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	94	1,200	6
- To improve the level of service	-	116	556	192
- To replace existing assets	70	38	-	-
Increase (decrease) in reserves	36	(647)	(428)	284
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>106</b>	<b>(399)</b>	<b>1,328</b>	<b>482</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(202)</b>	<b>401</b>	<b>(128)</b>	<b>(485)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

## Funding Impact Statement for the year ended 30 June 2022 (Environmental Services)

	Long Term Plan 2018 for 2020/21 (\$000)	Actual 2020/21 (\$000)	Long Term Plan 2021/22 (\$000)	Actual 2021/22 (\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	1,064	1,271	1,499	1,505
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	474	668	561	800
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	11	-	49	38
<b>Total operating funding (A)</b>	<b>1,550</b>	<b>1,939</b>	<b>2,109</b>	<b>2,343</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	863	1,178	1,131	1,395
Finance costs	3	1	1	1
Internal charges & overheads applied	674	903	969	997
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,540</b>	<b>2,084</b>	<b>2,101</b>	<b>2,395</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>9</b>	<b>(145)</b>	<b>8</b>	<b>(52)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(2)	-	(2)	(2)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(2)</b>	<b>-</b>	<b>(2)</b>	<b>(2)</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	-	-	-	-
Increase (decrease) in reserves	7	(145)	6	(54)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>7</b>	<b>(145)</b>	<b>6</b>	<b>(54)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(9)</b>	<b>145</b>	<b>(8)</b>	<b>52</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Annual Report Disclosure Statement

Annual report disclosure statement for year ending 30 June 2022.

## 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

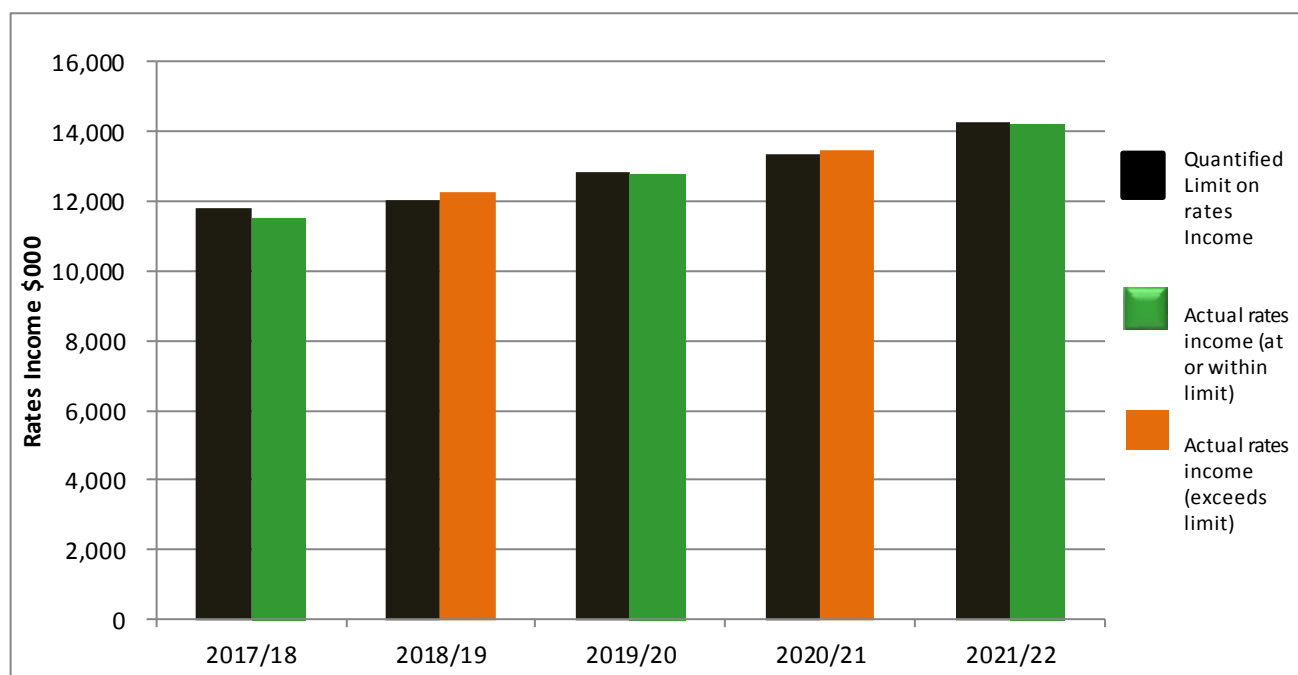
The council meets the rates affordability benchmark if –

- 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

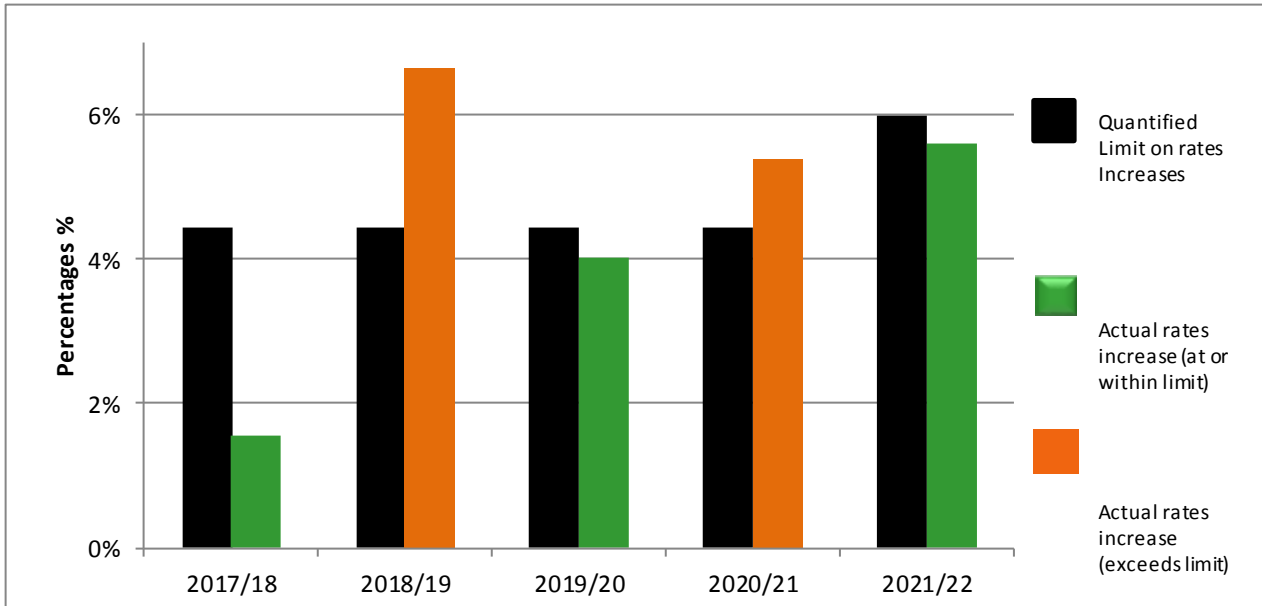
The following graph compares the Council's actual total rates income with the quantified limit on rates income as per the LTP 2021 which is 6% (previous years was the previous years rates plus 4.45%).

The breach in 2020/21 was approved by council as part of the 2018-2028 Long Term Plan and was a result of anticipated higher interest and depreciation expenditure as a result of new capital projects. The limit of \$13,317,000 was exceeded by \$119,000.



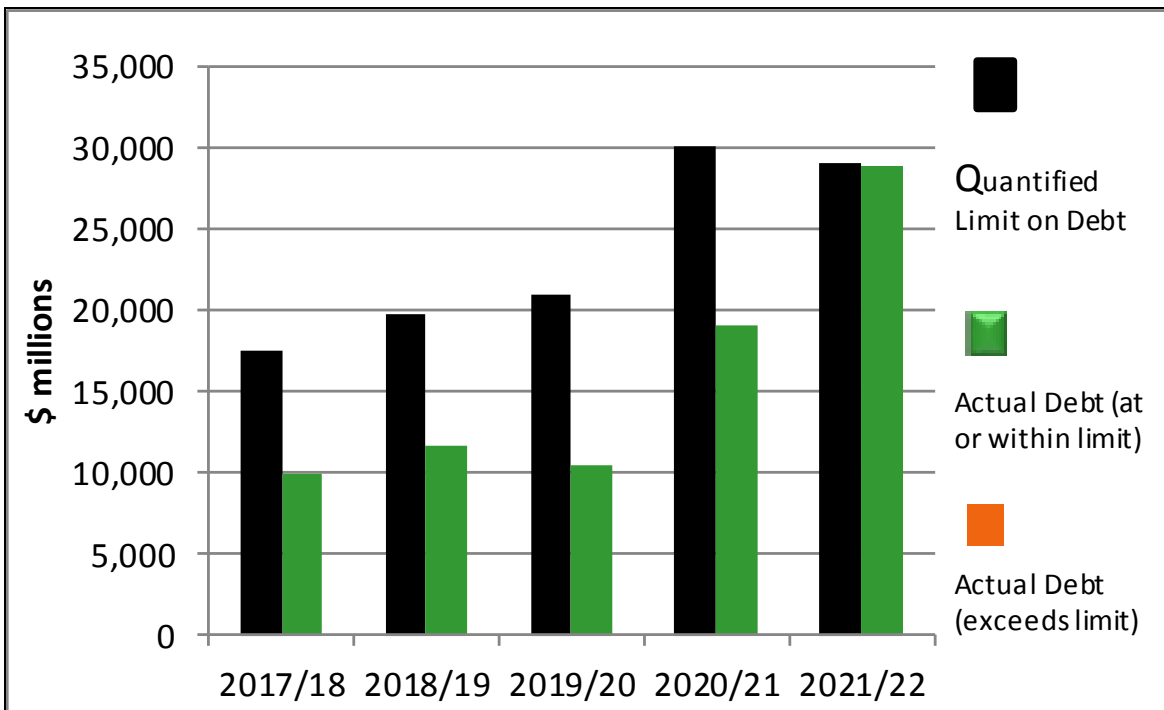
**Rates (increases) affordability**

The following graph compares the year-on-year actual, and the LTP limit (6% in 2021/22 previous year 4.45%), percentage increase in the Council's total rates income. The percentage increase limit is calculated using the increase in income from the previous year. The limit of 4.45% was exceeded in 2020/21 by an actual rates increase of 5.39%.



**Debt affordability benchmark**

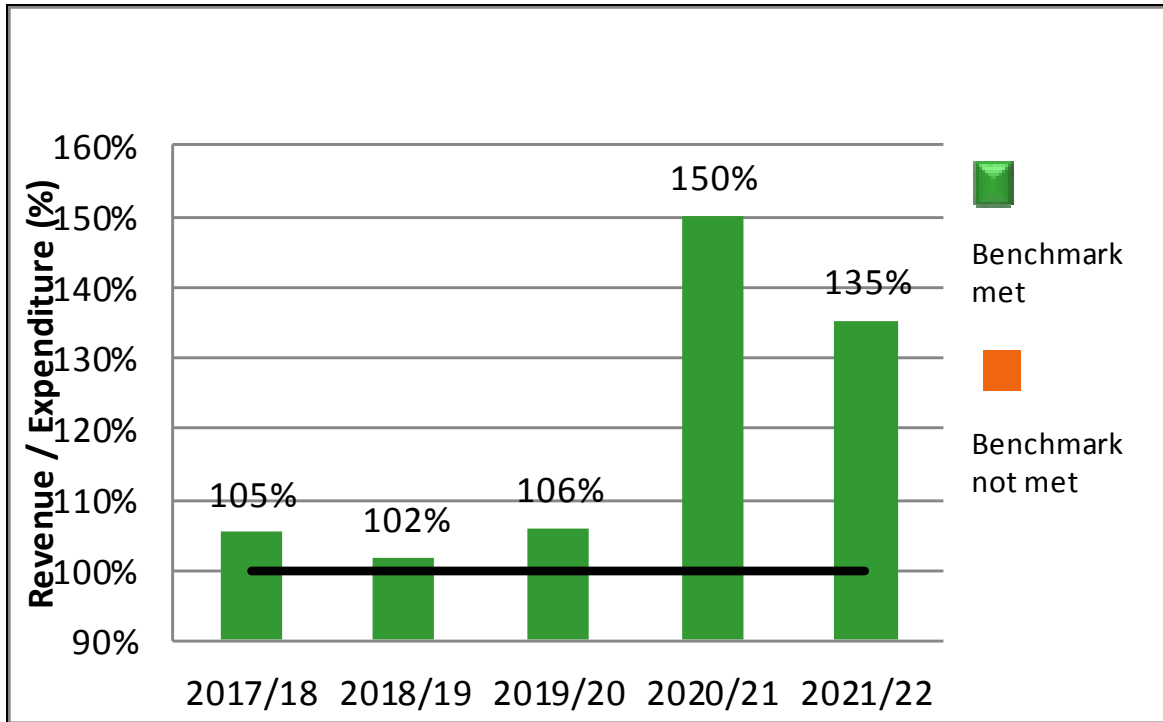
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's Long Term Plan. The quantified limit is net debt (total borrowings minus cash holdings) to operating revenue (excludes vested assets) will be less than 130%, expressed in \$ terms.





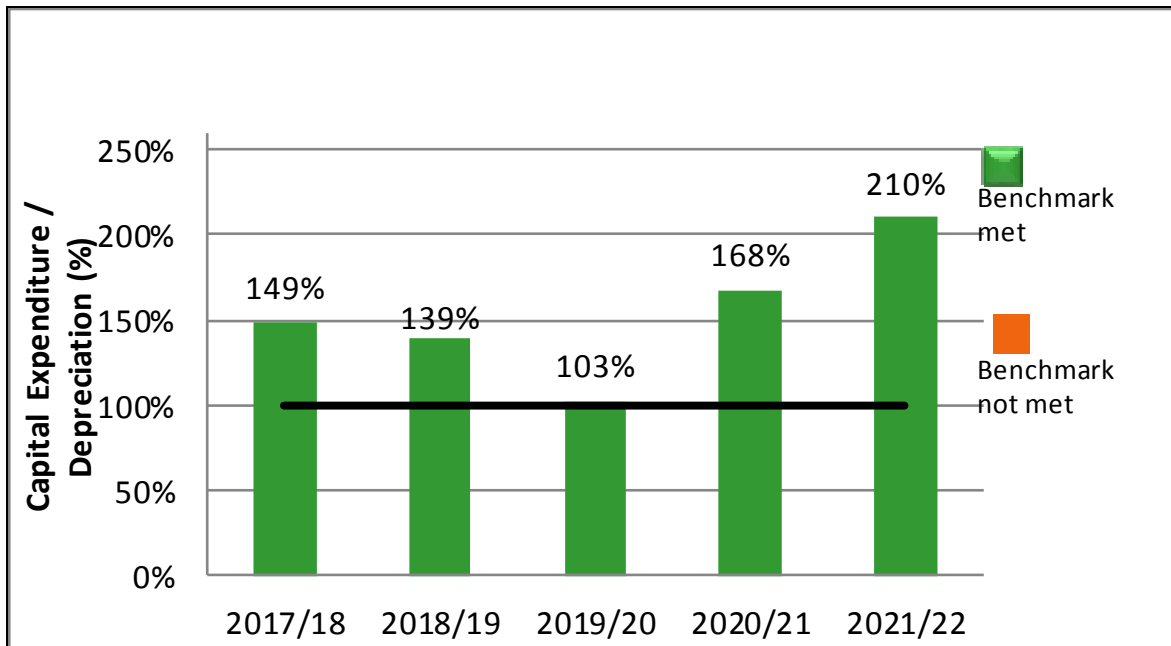
### Balanced budget benchmark

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). Revenue is a lot higher in proportion to expenditure in 2020/21 and 2021/22 due to the high amount of grant funding received and subdivision section sales.



### Essential services benchmark

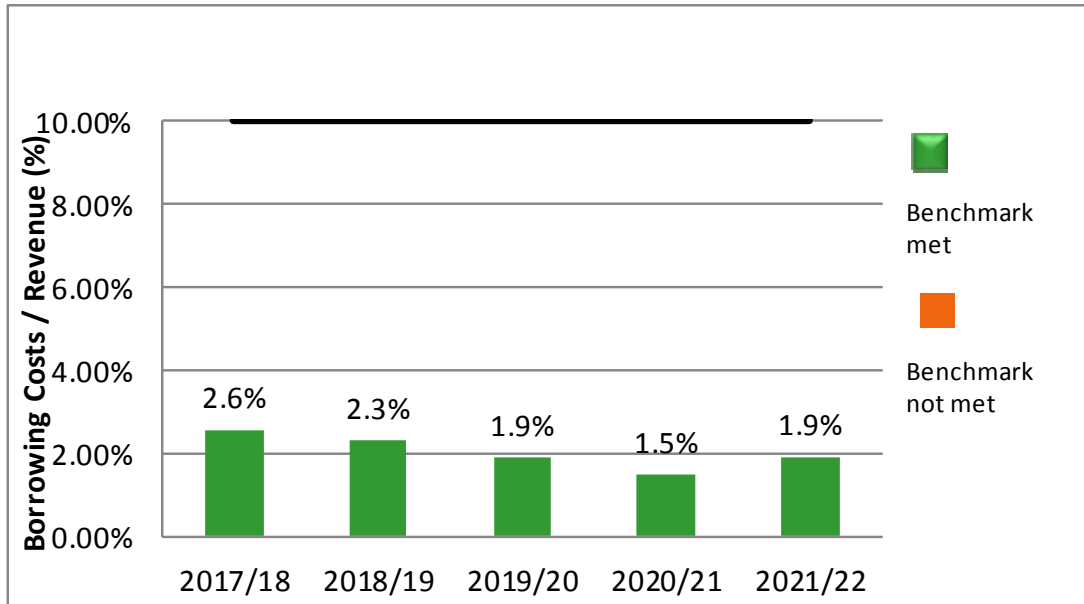
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



## Debt servicing benchmark

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

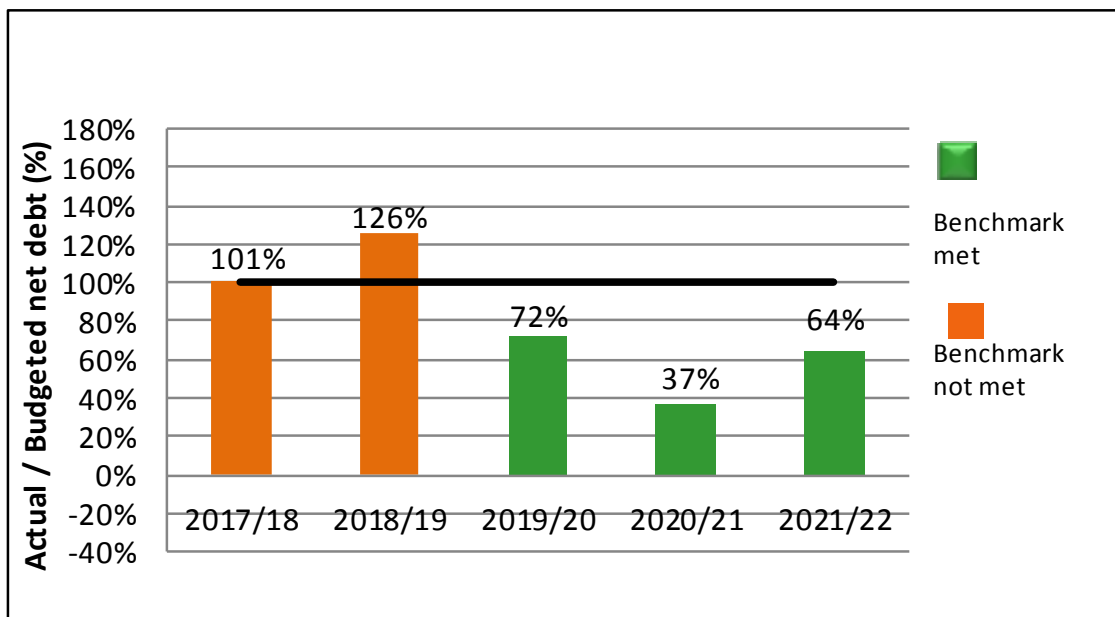
Because Statistics New Zealand projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or is less than 10% of its revenue.



## Debt control benchmark

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

In 2018/19, property asset sales, including subdivision sales, were expected to come through but due to delays, the sales receipts are in 2019/20 and 2020/21.

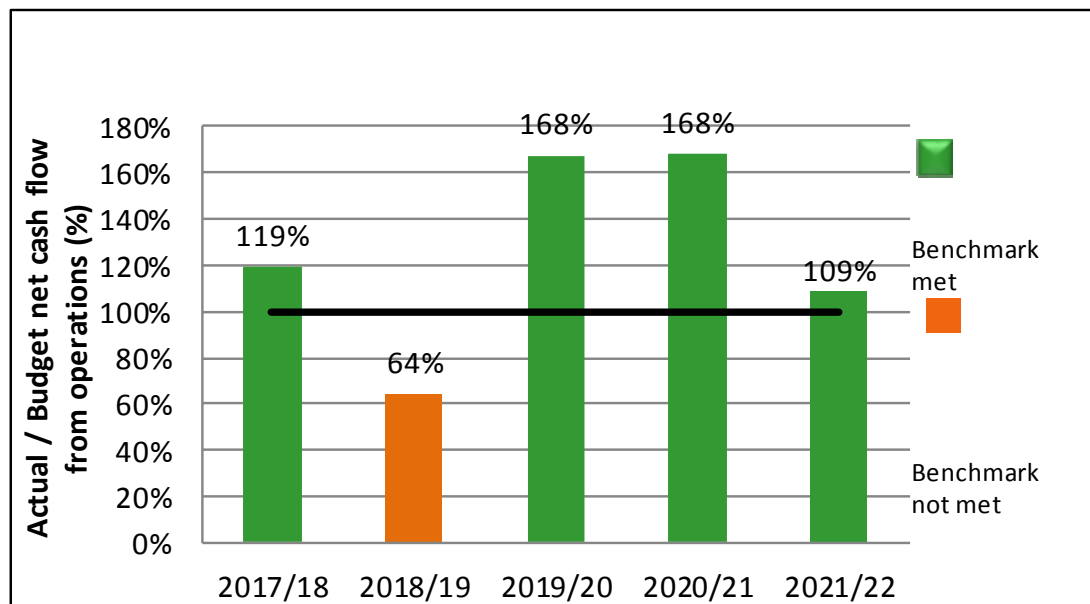


Prior years have been updated to reflect correct values.

## Operations control benchmark

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

In 2018/19 the Council did not achieve the benchmark due to grants revenue of \$4m relating to a capital expenditure project not materialising. This contributed significantly to net cash from operating activities being \$8.4m for the year, instead of the \$5.0m planned.





## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF STRATFORD DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

The Auditor-General is the auditor of Stratford District Council (the 'District Council') and its subsidiary and controlled entity (the Group). The Auditor-General has appointed me, Pam Thompson using the staff and resources of Deloitte Limited 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 13 December 2022. This is the date on which we give our report.

#### **Opinion on the audited information**

In our opinion:

- the financial statements on pages 71 to 112:
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2022;
    - the results of its 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 Reporting Standards.
- the funding impact statement on page 113, 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.
- the statement of service provision (referred to as Performance Reporting) on pages 17 to 68:
  - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2022, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;

- 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 114 to 122 , 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 114 to 122, 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 123 to 127, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

## **Emphasis of matter - The Government's three waters reform programme**

Without modifying our opinion, we draw attention to note 27 on page 110, which outlines that, in June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The impact of these proposed reforms, once legislated, will mean that the Council will no longer deliver three waters services or own the assets required to deliver these services. The Water Services Entities Bill had its Third Reading on 7 December 2022 and is awaiting Royal Assent. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

## **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 auditor's 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 audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

Our responsibilities arise from the Public Audit Act 2001.

#### **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 and 69 to 70, 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, and we do not express any form of audit opinion or assurance conclusion thereon.

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

#### **Independence**

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International 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 carried out an assurance engagement on trustee reporting, which is compatible with those independence requirements. Other than this engagement we have no relationship with or interests in the District Council or its subsidiary and controlled entity.

A handwritten signature in black ink that reads "Pam Thompson". The signature is written in a cursive, slightly slanted style.

**Pam Thompson**  
for Deloitte Limited  
On behalf of the Auditor-General  
Hamilton, New Zealand