



Our reference
F19/13/03-D21/26182

8 December 2022

Ordinary Meeting of Council

Notice is hereby given that the Ordinary Meeting of Council will be held in the **Council Chambers, Stratford District Council, 63 Miranda Street, Stratford** on **Tuesday 13 December 2022** at 3.30pm.

Timetable for 13 December 2022 as follows:

1.30pm	Workshop for Councillors - Long Term Plan Roadmap - Communication and Engagement
3.15pm	Afternoon tea for Councillors
3.30pm	Ordinary Meeting of Council

Yours faithfully

Sven Hanne
Chief Executive

2022 - Agenda - Ordinary - December

13 December 2022 03:30 PM



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AGENDA

Ordinary Meeting of Council



F22/55/05 – D22/41897

Date: 13 December 2022 at 3.30 PM
Venue: Council Chambers, 63 Miranda Street, Stratford

1. Welcome

- 1.1 **Opening Karakia**
D21/40748 Page 8
- 1.2 **Health and Safety Message**
D21/26210 Page 9

2. Apologies

3. Announcements

4. **Declarations of Members Interest**
Elected members to declare any real or perceived conflicts of interest relating to items on this agenda.

5. **Attendance Schedule**
Attendance schedule for Ordinary and Extraordinary Council meetings.

6. Confirmation of Minutes

- 6.1 **Ordinary Meeting of Council – 8 November 2022**
D22/43776 Page 11

Recommendation

THAT the minutes of the Ordinary Meeting of Council held on Tuesday 8 November 2022 be confirmed as a true and accurate record.

/
Moved/Seconded

A request was made by the Chairman of the Audit and Risk Committee to amend the date for the March Audit and Risk Meeting from 21 March 2022 to 14 March 2022. This will replace the workshop scheduled for this day and begin at 1pm. Two errors also need correcting as below.

Recommendation

THAT the amendments to the Meeting Schedule (Item 9) be approved as follows:

- Audit and Risk Committee Meeting – 21 March 2022 - change to 1.00pm, Tuesday 14 March 2022.
- Workshop – 14 March 2022 – cancel.
- Policy and Services Committee – 25 April 2023 – amend to 18 April 2022 (due to ANZAC Day)
- Ordinary Meeting – Tuesday 10 May – be amended to correct date of Tuesday 9 May 2022.

/
Moved/Seconded

6.1.1 Public Forum Notes – 8 November 2022
D22/43787 Page 19

The notes from the Public Forum held on Tuesday 8 November are attached for Council's information.

6.2 **Policy and Services Committee – 22 November 2022**
D22/46085 Page 21

Recommendations

1. THAT the unconfirmed minutes of the Policy and Services Committee meeting held on Tuesday 22 November 2022 be received.
2. THAT the recommendations in the minutes of the Policy and Services Committee meeting held on Tuesday 22 November 2022 be adopted.

/
Moved/Seconded

6.3 **Farm and Aerodrome Committee – 6 December 2022**
D22/47547 Page 28

Recommendations

1. THAT the unconfirmed minutes of the Farm and Aerodrome Committee meeting held on Tuesday 6 December 2022 be received.
2. THAT the recommendations in the minutes of the Audit and Risk Committee meeting held on Tuesday 6 December 2022 be adopted.

/
Moved/Seconded

6.4 **Audit and Risk Committee – 6 December 2022**
D22/47533 Page 34

Recommendations

1. THAT the unconfirmed minutes of the Audit and Risk Committee meeting held on Tuesday 6 December 2022 be received.
2. THAT the recommendations in the minutes of the Audit and Risk Committee meeting held on Tuesday 6 December 2022 be adopted.

/
Moved/Seconded

6.5 Sport New Zealand Rural Travel Fund – 15 November 2022
D22/44421 Page 42

Recommendations

1. THAT the unconfirmed minutes of the Sport New Zealand Rural Travel Fund Assessment Committee meeting held on Tuesday 15 November 2022 be received.
2. THAT the recommendations in the minutes of the Sport New Zealand Rural Travel Fund Assessment Committee meeting held on Tuesday 15 November 2022 be adopted.

/
Moved/Seconded

7. District Mayor's Report
D22/42672 Page 45

Recommendation

THAT the report be received.

/
Moved/Seconded

8. Decision Report – Triennial Agreements
D22/48402 Page 51

Recommendations

1. THAT the report be received.
2. THAT the District Mayor be authorised to sign the Triennial Agreement for the Taranaki Region on behalf of the Stratford District Council.
3. THAT the District Mayor be authorised to sign the Triennial Agreement for the Manawatū-Whanganui Region on behalf of the Stratford District Council.

Recommended Reason

The Stratford District Council is required to enter into Triennial Agreements for both regions and the proposed agreements are fit for purpose.

/
Moved/Seconded

9. [Decision Report – Adopt Annual Report 2021/22](#)
D22/46541 Page 71

Recommendations

1. THAT the report be received.
2. THAT the Annual Report 2021/22 be received and approved for adoption, subject to any further changes as requested by Deloitte, the independent auditors.
3. THAT the Mayor and the Chief Executive be given authority to sign the Annual Report, incorporating any late, minor, changes that may be required by Deloitte.
4. THAT the Chief Executive be authorised to publish a Summary Annual Report once the Audit Report to the Summary Report has been received from Deloitte.

Recommended Reason

Section 98A of the Local Government Act 2002 requires Council to adopt the Annual Report 2021/22 by 31 December 2022. The audited Annual Report gives the community transparency on the Council's performance for the year. It is a statutory requirement for a local authority to, within one month after the adoption of its Annual Report; make publicly available a summary of the information contained in its Annual Report.

/
Moved/Seconded

10. [Information Report – Percy Thomson Trust – Annual Report 2021/22](#)
D22/45865 Page 205

Recommendation

THAT the Percy Thomson Trust Annual Report for the year ended 30 June 2022 be received.

Recommended Reason

The Percy Thomson Trust is a Council Controlled Organisation of the Stratford District Council and the audit of their Annual Report for the year ended 30 June 2022 was completed by Deloitte.

/
Moved/Seconded

11. [Questions](#)

12. [Closing Karakia](#)
D21/40748 Page 205



Our reference
F19/13/03-D21/40748

Karakia

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

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



Our reference
F19/13/03-D22/17082

Health and Safety Message

In the event of an emergency, unless guided to an alternative route by staff, please exit through the main entrance. Once outside the building please move towards the War Memorial Centre congregating on the lawn area outside the front of the council building.

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

5. Attendance schedule for 2022 Ordinary and Extraordinary Council meetings.

Date	25/10/22	8/11/22	13/12/22								
Meeting	F	O	O								
Neil Volzke	✓	✓									
Steve Beck	✓	✓									
Grant Boyde	✓	✓									
Annette Dudley	✓	✓									
Jono Erwood	✓	✓									
Ellen Hall	✓	✓									
Amanda Harris	✓	✓									
Vaughan Jones	✓	✓									
Min McKay	✓	✓									
John Sandford	✓	✓									
Clive Tongaawhikau	✓	✓									
Mathew Watt	✓	✓									

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

MINUTES

Ordinary



F22/55/05 – D22/43776

Date: Tuesday 8 November 2022 at 3.30 PM
Venue: Council Chambers, 63 Miranda Street, Stratford

Present

The District Mayor N C Volzke (the Chairman), the Deputy Mayor M McKay, Councillors S J Beck, G W Boyde, A M C Dudley, J M S Erwood, E E Hall, A K Harris, V R Jones, W J Sandford, C M Tongaawhikau, M J Watt

In attendance

The Chief Executive – Mr S Hanne, the Director – Community Services – Ms K Whareaitu, the Acting Director Assets – Mr S Bowden, the Director – Environmental Services – Mr B Sutherland and the Director – Corporate Services – Mrs T Radich, the Committee Advisor and Executive Assistant – Mrs E Bishop, the Communications Manager – Ms G Gibson, the Corporate Accountant – Mrs C Craig (*part meeting*), the Community Development Officer – Mrs A Kingston (*part meeting*), the Community Development Officer – Mrs V Fischer (*part meeting*), the HR & Governance Officer – Mrs C Reynolds (*part meeting*), the Graduate Asset Engineer – Ms K van Hout (*part meeting*), 1 member of the public and 1 member of the media (Stratford Press)

1. Welcome

The District Mayor welcomed Elected Members, staff, members of the public and the media to the meeting.

1.1 Opening Karakia D21/40748 Page 4

The opening karakia was read.

1.2 Health and Safety Message D21/26210 Page 5

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

2. Apologies

An apology was noted from the Director – Assets – Mrs V Araba.

Recommendation

THAT the apology be noted.

HALL/BOYDE
Carried
CL/22/109

3. Announcements

There were no announcements.

4. Declarations of Members Interest

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

5. Attendance Schedule

Attendance schedule for Ordinary and Extraordinary Council meetings.

6. Confirmation of Minutes

6.1 First Meeting of Council – 25 October 2022
D22/41719 Page 11

Recommendation

THAT the minutes of the First (Inaugural) Meeting of Council held on Tuesday 25 October 2022 be confirmed as a true and accurate record.

TONGAAWHIKAU/ERWOOD
Carried
CL/22/110

7. Decision Report - Adoption of Standing Orders

D22/41898 Page 19

Recommendations

1. THAT the report be received.

VOLZKE/SANDFORD
Carried
CL/22/111

2. THAT the 2022 Local Government New Zealand Standing Orders be adopted as tabled, with the following amendments:

- a. Provisions for meetings by audio visual link – **Yes** ~~Ne~~

BOYDE/McKAY
Carried
CL/22/112

- b. Casting vote for the Chairperson – **Yes** ~~Ne~~

SANDFORD/HARRIS
Carried
CL/22/113

- c. Default for speaking and moving motions:

i. ~~A (formal)~~

ii. ~~B (medium)~~

iii. **C (informal)**

BOYDE/BECK
Carried
CL/22/114

Recommended Reason

Good local governance requires us to ensure that the way in which we undertake public decision-making is open, transparent, and fair. Council standing orders aim to achieve this.

The Chief Executive noted that if council did not adopt the 2022 Standing Orders today then as it was a legal requirement for council to have active standing orders the current standing orders would remain in place.

Questions/Points of Clarification:

- It was noted that if a link failure occurred during a meeting attended by audio visual link the elected member would be noted as present but their departure time would be recorded. It was clarified that the quorum is held within the room so a link failure would not affect the ability of the meeting to continue.
- It was noted there was an inconsistency with some headings having English then Te Reo and then vice versa.
- It was noted that council could review and amend the standing orders at any time.
- It was clarified that the chairperson had rarely had to use their casting vote in the past but would be needed if there was a 6/6 split.

The Graduate Asset Engineer and HR & Governance Administrator left the meeting at 3.40pm

Points noted in discussion:

- The Deputy Mayor noted her support for the inclusion of audio visual ability. This has been well utilised over the past three years with COVID, illnesses and other family commitments. This has been permitted under the pandemic preparedness notice which was no longer in force.
- Councillor Sandford noted his support for the inclusion of the chairpersons casting vote. This has not been used much in the past but the chairperson is the best person to gauge what they have heard around the meeting.
- Councillor Boyde noted his support for Option 3 – Informal for speaking and moving motions as this allowed for good discussion and debate and to include everyone in the meeting. He noted this could be readdressed if required.

8. **Decision Report - Adoption of Code of Conduct**

D22/42215 Page 233

Recommendations

1. THAT the report be received.

VOLZKE/WATT
Carried
CL/22/115

2. THAT the 2022 Local Government New Zealand Code of Conduct be adopted, ~~including/excluding~~ the ability of an independent investigator to make a binding rule.

VOLZKE/HARRIS
Carried
CL/22/116

Recommended Reason

The 2022 Code of Conduct, which has been developed after consultation with councils, contains several changes to previous versions and is the result of ongoing, collective, industry-wide learning and improvements.

The Chief Executive noted that the current Code of Conduct would remain in place until council adopted a new version. This document governs how councillors interact with each other.

The District Mayor noted that the Code of Conduct was produced by Local Government New Zealand through a rigorous process including legal oversight from Simpson Grierson. He noted it was important to stick to a conventional set of rules within a code of conduct. He noted the inclusion of an independent investigator removes political pressure with the decision sitting with the investigator.

Questions/Points of Clarification:

- It was clarified that the investigator has the ability to make recommendations which will include consultation with other parties and various other steps before arrangements are put in place. The inclusion of this rule will commit council to the investigator making a binding ruling. This does remove the ownership of the process from council and protects relationships and provides a better opportunity to recover from the event.

9. [Decision Report - Adoption of 2022/23 Meeting Schedule](#)

D22/42258 Page 291

Recommendations

1. THAT the report be received.

VOLZKE/JONES
Carried
CL/22/117

2. THAT Council confirm the 2022/23 Meeting Schedule as presented.

McKAY/SANDFORD
Carried
CL/22/118

Recommended Reason

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

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

10. [Decision Report - Committee Appointments](#)

D22/42219 Page 300

Recommendations

1. THAT the report be received.

JONES/DUDLEY
Carried
CL/22/119

2. THAT Council make the appointments to committees and community representations as listed in **Table 1** and **Table 2**.

BOYDE/HARRIS
Carried
CL/22/120

3. THAT Council note the appointments to committees and community representations as listed in **Table 3** and **Table 4**.

McKAY/WATT
Carried
CL/22/121

Recommended Reason

Council committees are established to meet the governance and organisational requirements of the Stratford District Council.

The District Mayor noted that this report showed a summary of the committees that are in place. *Table 1* and *Table 2* are appointments to be confirmed and *Table 3* and *Table 4* were to note the appointments that have already been made.

11. Decision Report - Elected Members Remuneration

D22/42280 Page 307

Recommendations

1. THAT the report be received.

HALL/JONES
Carried
CL/22/122

2. THAT Elected Members choose ~~Option 1~~, **Option 2**, ~~Option 3~~ or propose an alternative option regarding the extra remuneration to councillors for roles with additional responsibilities.

SANDFORD/JONES
Carried
CL/22/123

3. THAT Council agree to advise the Remuneration Authority of council's proposal regarding allocation of remuneration based on the option selected in recommendation 2.

ERWOOD/HARRIS
Carried
CL/22/124

4. THAT Council adopt the updated Elected Members Expenses Policy.

BOYDE/BECK
Carried
CL/22/125

Recommended Reason

The Remuneration Authority allows Council to calculate the remuneration for councillors to recognise roles with additional responsibilities and requires input from Council as how the remuneration pool is to be allocated out.

The policy on Elected Members Expenses clarifies Council's position on elected members expenses and reimbursements.

Questions/Points of Clarification:

- The Corporate Accountant clarified that if the multiplier was changed for the Deputy Mayor remuneration to 1.5 this would amend the table as follows:
 - Deputy Mayor to \$34,435
 - Farm and Aerodrome Chair to \$26,400
 - Sport New Zealand Rural Travel Fund Chair to \$23,875
 - Councillors with no additional responsibility to \$22,957
- It was clarified that the remuneration pool is set by the Remuneration Authority annually and that the allocation to elected members can be reviewed this term.

Points noted in discussion:

- Councillor Sandford noted his support for *Option 2* as he considered the workload at council was spread around fairly well. As it can be reviewed annually then these figures could be amended next year if it was felt necessary. He noted that most councillors were facing a decrease but that the work was not undertaken for the money but for the people.

- Councillor Jones noted Option 2 had worked previously. He noted his disappointment with the remuneration decrease was not due to the extra seat but directed at the remuneration authority only providing a 1.5% increase which did not reflect the workload undertaken by a small council.
- Councillor Hall questioned if the weighting provided in Option 2 accurately reflected the extra work for those roles? Councillor Boyde answered that the hours spent with these roles was not reflected in the remuneration but that was not why he stood for council but rather to serve the community.
- Councillor Sandford clarified that the three additional responsibilities had a fair bit of work but that the Deputy Mayor faced the hardest job including chairing the Policy and Services Committee which certainly deserved additional remuneration. The pool provided does not reflect the work undertaken by all councillors but Option 2 provided a way to acknowledge the extra work undertaken by the chairs.
- Councillor Beck supported *Option 2* as it reflected the extra work undertaken by the chairs, but reiterated that they had not stood for council for the money.
- The District Mayor noted that he felt the Deputy Mayor position was underpaid, as well as all the roles. He understood that the pool was small so if one position was increased then this would affect all roles but that when the pool was reviewed this could be reconsidered.
- Councillor Tongaawhikau supported the District Mayor's comments and noted that the workload on chairs is huge, he noted he would be prepared to take a decrease to increase the chairs remuneration.
- Councillor Erwood reminded councillors to ensure they note the amount of hours that is required of the role with the remuneration authority survey is sent to be completed. Councillor Harris noted that the participant turnout for this survey was dismal and encouraged everyone to take part when it is circulated.
- The District Mayor noted that the key change in the expenses policy was the addition of provision for child care.

The Communications Manager left the meeting at 4.15pm.

12. Decision Report - Christmas Parade Road Closure
D22/42261 Page 320

Recommendations

1. THAT the report be received.

VOLZKE/HALL
Carried
CL/22/126
2. THAT, pursuant to Section 342(1) (b) in accordance with Schedule 10 clause 11(e) of the Local Government Act 1974, Council approves the following road closures on Friday 2 December 2022, between the hours of 4.30pm and 7.30pm for the purpose of the 2022 annual Christmas Parade:
 - Miranda Street between Regan Street and Fenton Street
 - Fenton Street between Portia Street and Broadway (State Highway 3)
 - Broadway (State Highway 3) between Seyton Street and Page Street
3. THAT Council approves the use of Seyton Street, Juliet Street, Celia Street, Orlando Street and Hills Road as the alternative route for SH3 traffic for both northbound and southbound traffic, whilst the Christmas Parade is in progress.

BOYDE/DUDLEY
Carried
CL/22/127

Recommended Reason

In order for the Stratford Business Association to hold its annual Christmas Parade, it is necessary to close the roads listed above. The proposed road closures require formal endorsement by a Council resolution.

The Acting – Director Assets noted there had been no further feedback, or objections received since the report was written.

Points noted in discussion:

- Councillor Dudley noted it was great to see this event return.

The Community Development Officers left the meeting at 4.21pm.

13. District Mayor's Report
D22/42672 Page 333

Recommendation

THAT the report be received.

VOLZKE/HARRIS
Carried
CL/22/128

The District Mayor noted that the opening of Wai o Rua – Stratford Aquatic Centre had been a very special time. Stratford now has a first class facility and he noted his congratulations to all those who were part of the project build.

14. Public Forum Response

Speaker: Michael Carr, Sport Taranaki
Response: Thank for presentation and the update.

- Councillor Sandford requested council be informed when a decision is made on the location of equestrian. The District Mayor noted that he and the Chief Executive attend the Stratford Park committee meetings and would provide updates to council.

15. Questions

- Councillor Hall asked if council was aware that Saturday 5 November was Parihaka Day and asked if they would like her to share information about the day and the significance. She noted that on this day 141 years ago Parihaka had been invaded. Despite being met by women and children Parihaka was plundered with crops and houses destroyed. It is a significant day in our history and the consequences for māori, Parihaka and Taranaki were devastating. It was important to acknowledge this day to be able reflect on it and learn from our past and give love and respect to those who did suffer from this in the past.
- The dress code for council meeting was questioned and noted that this had previously been stated in past code of conducts. This would be discussed with elected members as it was a group matter rather than a governance matter.

16. Closing Karakia
D21/40748 Page 347

The closing karakia was read.

The meeting closed at 4.28pm.

N C Volzke
Chairman

Confirmed this 13th day of December 2022.

N C Volzke
District Mayor

PUBLIC FORUM

Notes



F22/55/05 – D22/43787

Date: Tuesday 8 November 2022 at 3.00 PM
Venue: Council Chambers, 63 Miranda Street, Stratford

Present

The District Mayor N C Volzke (the Chairman), the Deputy Mayor M McKay, Councillors S J Beck, G W Boyde, A M C Dudley, J M S Erwood, E E Hall, A K Harris, V R Jones, W J Sandford, C M Tongaawhikau (*part meeting*), M J Watt

In attendance

The Chief Executive – Mr S Hanne, the Acting Director Assets – Mr S Bowden, the Director – Environmental Services – Mr B Sutherland and the Director – Corporate Services – Mrs T Radich, the Committee Advisor and Executive Assistant – Mrs E Bishop, the Communications Manager – Ms G Gibson, the Community Development Officer – Mrs A Kingston, the Community Development Officer – Mrs V Fischer, Mr M Carr and Mrs J Fleming (Sport Taranaki), one member of the public and 1 member of the media (Stratford Press)

1. Welcome

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

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

2. Speakers

Speaker: Michael Carr – Sport Taranaki update

Points noted in discussion:

- Sport Taranaki has 21 staff and their mission is Taranaki – Active for Life. Their role is to be the advocate for physical activity for wellbeing in the region.
- There are 14 regional sports trust nationally. Sport Taranaki is a sports trust because predominately they were initially there to work with sports but have since evolved to be a leader and facilitator for physical activity and looking at a continuum from play and active sport.
- Sport Taranaki is predominately funded by Sport New Zealand with the three district councils in the region investing towards outcomes as well.
- The Tū Manawa funding is administered by Sport Taranaki with the last couple of funding rounds seeing just under \$30,000 going into the Stratford District. There has been a total of just over \$90,000 allocated to Stratford in the past two years. There are currently four projects underway in Stratford.
- The education programme around healthy active learning has 31 schools working with Sport Taranaki with three in the Stratford District. For this programme advisors go into the schools and help them develop a healthy food and drink policy and a quality experience with physical education. The Stratford participants are Avon, Pembroke and Stratford Primary Schools. The feedback from the schools is that this isn't adding another layer but rather it is accelerating what they are doing with their local curriculum and helps to feed and grow this.
- Janet Flemming is the connector for the Stratford and South Taranaki school and is also the community connector which looks at resources outside of the schools such as rural halls and what other facilities enhance the curriculum.
- The education programme has also seen a play presentation completed at the Stratford Teen Parent unit and providing support for the tough boy and girl challenge which was run by Stratford High School for the surrounding schools.
- The system called REPLAY is where people can gift used sporting equipment which gets repacked and sent out to community members. There have been 60,000 pieces of sports equipment that have been re-gifted to the community to date.

Councillor C M Tongaawhikau joined the meeting at 3.09pm

- In regards to the Spaces and Places – Sport Taranaki is in the process of re-looking at the Taranaki Regional Facilities Strategy with a steering group who Stratford District Council does have members involved in. The Taranaki Equestrian Facilities Plan is also being looked at and this is being combined with Equestrian New Zealand who are also reviewing their strategy and are using the same consultants to identify where the regional home for equestrian will be.
- There is a Taranaki Tough Kid event being held at the Egmont Showgrounds on 2 December which will have 3,000 students taking part. The Taranaki Sports Awards are being held on 18 November 2022 with guest speaker Patrick Gower.

Questions/Points of Clarification:

- It was clarified that the Tūparikino Active Community Hub project has been broken into stages. The racing lease with the New Plymouth District Council has been secured with the project having had to wait for that decision to be made. The next step is working through the detailed master plan that everyone agrees too – there has been an agreement on stage 1. Stage 1 will be the new hockey turf, new astro turf (predominately for football), a pavilion in the centre with changing rooms, a cricket wicket and rectangular fields. The first stage should be underway by October 2023. There is a lot of work happening behind the scenes for this project with 37 stakeholders involved. This will not just be a sports venue but a place where wellbeing and physical activity will be at the centre and a place for the community to get together.
- It was clarified that Sport Taranaki was in negotiations with the previous organisers of the Taranaki Masters Games. It is felt that the masters games are a really important component of people being active for life. They will be establishing a committee to bring the masters games back into this region and are hoping to do this for 2024 and be able to help facilitate and broaden the offerings for the games.
- Councillor Sandford noted the Taranaki Regional Facilities Strategy in 2018 had originally been about centralising and having set places, which then changed and went off on its own direction. He noted equestrian was going to be housed in Hawera and asked if organisations could just say no? Mr Carr noted that this was being undertaken with a networking approach as Taranaki was too small to have multiple offerings of the same thing and looking at what part does Hawera play, what part does the Stratford Park project play? He noted that a lot has changed since 2018 and that districts have the autonomy to do what they wish but Sport Taranaki has been asked to see if there can be a more efficient and methodical way for funding. He noted there were two people connected to the Stratford Park project involved in the coordination of this strategy. He noted that the review of the equestrian strategy was important as part of this and that this had brought the equestrian people together for the first time ever.
- The District Mayor noted the diversity and number of people involved in equestrian and asked how confident Mr Carr was that an arrangement could be facilitated where both parties (Hawera and Stratford Park) would be happy, or could we end up with a document that gives a little bit to everyone and doesn't serve the end game very well? Mr Carr noted that the strategy will be brought back to the regional facilities steering group that all councils, funders, Venture Taranaki and Sport Taranaki sit within. That group will make the recommendation rather than Sport Taranaki. He noted that it looked likely the Taranaki Regional Council would be joining this group. He noted that the 2018 strategy had created a bit of a shopping list and the districts did not feel they got a fair crack at facilities. The feedback from the 2018 document has been provided to the consultants. The consultants are local and they have a better understanding of the region. It is expected it should be finished by April and then recommendations will come to council.

The meeting closed at 3.22pm.

N C Volzke
Chairman

Confirmed this 13th day of December 2022.

N C Volzke
District Mayor

MINUTES

Policy and Services Committee



F22/55/05 – D22/46085

Date: Tuesday 22 November 2022 at 3.00PM
Venue: Council Chambers, 63 Miranda Street, Stratford

Present

The Deputy Mayor – M McKay (the Chairperson), the District Mayor N C Volzke Councillors: S J Beck, G W Boyde, A M C Dudley, J M S Erwood, , A K Harris, V R Jones, M McKay, W J Sandford, C M Tongaawhikau, M J Watt

Via audio visual link: Councillor E E Hall

In attendance

The Chief Executive – Mr S Hanne, the Director Community Services – Ms K Whareaitu, the Acting Director Assets – Mr S Bowden, the Director – Corporate Services – Mrs T Radich, the Director – Environmental Services – Mr B Sutherland, the Committee Advisor and Executive Assistant – Mrs E Bishop, the Communications Manager – Ms G Gibson, the Services Asset Manager – Mr J Cooper (*part meeting*), the Parks and Reserves Officer – Mrs M McBain (*part meeting*), the Community Development Manager – Mr C Julie (*part meeting*), the Graduate Asset Engineer – Ms K van Hout (*part meeting*), the Projects Manager/Engineer – Mr S Taylor (*part meeting*), the Community Development Officer – Mrs V Fischer (*part meeting*), the Community Development Officer – Mrs A Kingston (*part meeting*) and Mrs J Patterson (Venture Taranaki (*part meeting*)).

1. Welcome

The opening karakia was read.

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

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

2. Apologies

An apology was noted for the Director – Assets Mrs V Araba.

Recommendation

THAT the apology be noted.

BOYDE/HARRIS
Carried
P&S/22/150

3. Announcements

The Chief Executive requested that item 11.4 (Monthly Report – Corporate Services) be moved to be the first report under item 11 – Monthly Reports. This was approved.

4. Declarations of members interest

Elected members were asked to declare any real or perceived conflicts of interest relating to items on this agenda. There were no declarations of interest.

5. Attendance Schedule

The Attendance schedule for Policy and Services Committee meetings, including Hearings, was attached.

6. Confirmation of Minutes

6.1 Policy & Services Committee – 27 September 2022
D22/37381 (Open) & D22/37381 (PE) Page 10

Recommendation

THAT the minutes of the Policy and Services Committee Meeting, including the public excluded section, held on Tuesday 27 September 2022 be received.

VOLZKE/SANDFORD
Carried
P&S/22/151

7. Matters Outstanding

D16/47 Page 23

Recommendation

THAT the Matters Outstanding be received.

HARRIS/JONES
Carried
P&S/22/152

The Chief Executive noted the following points:

- The Street Numbering project was a result of being contacted by LINZ a couple of years ago that a number of streets in Stratford were not compliant with street numbering standards. Officers have been working through a number of issues identified and will address the remaining two on this list in the new year.
- Discussions on the old swimming pool complex were put on hold as the new complex was fast tracked due to the government funding received. It was decided that the old complex would be considered as part of the next Annual or Long Term Plan process due to the planning work required, staff availability as a result of the capital work projects and funding requirements.

8. Information Report – Economic Development Quarterly Report – Quarter One

D22/42927 Page 24

Recommendation

THAT the report be received.

ERWOOD/BOYDE
Carried
P&S/22/153

Questions/Points of Clarification:

- It was clarified that the stickers in empty shop windows on Broadway was a council led project that was done in conjunction with the launch of the Stratford 2035 initiative. This has not been re-visited since then and it was noted that it was a costly exercise. Councillor Boyde noted that there were unoccupied buildings with quite a few looking terrible. The Community Development Manager noted

that stickers could be explored alongside the Stratford Business Association and would first look into the costs and what could potentially be done.

Mrs Patterson, Venture Taranaki noted the following points:

- There have been some structural changes at Venture Taranaki recently and a bit of a change in direction in terms of the business plan process.
- The newly formed executive team has Kelvin Wright (Chief Executive), Stacey Hitchcock as the General Manager for Regional Investment, Jenn Patterson as General Manager for Economic Development and Brylee Flutey as General Manager Destination.
- This newly formed, and much smaller team, is now focused very much on the three key sectors (high tech, food and fibre and energy transition) and are in the business planning phase for 2023 onwards. The business plans will be transparent and will show value across the region including jobs created, revenue created, inward investment created and will ensure these are displayed transparently to be able to see where Venture Taranaki is investing and revenue for council's contribution.
- It is envisioned these plans will be finished towards the end of February and will be brought back to council to seek feedback to incorporate into the plans between March and June. These will be launched in June.

Questions/Points of Clarification:

- It was clarified that the app that is being developed to promote exploring Taranaki is in its development phase and forms part of the visitor futures project. This will be a regional app and will encourage people to visit different places around the region and the ability to provide feedback on these places. Stratford will be included in this.
- It was clarified that the \$250,000 Regional Business Partners target on page 32, was the regional target.

Ms Patterson left the meeting at 3.17pm

9. Information Report – Summary of Domains and their Uses
D22/42216 Page 42

Recommendations	
1. <u>THAT</u> the report be received.	BOYDE/DUDLEY Carried <u>P&S/22/154</u>
2. <u>THAT</u> the information contained within the report is duly noted.	HARRIS/BECK Carried <u>P&S/22/155</u>
Recommended Reason	
This report provides information relating to the continued operation and ownership of numerous domains located within the Stratford district. This matter was raised as a discussion point for the during the adoption of Domains Policy at the Policy and Services Committee meeting on 27 September 2022.	

The Property Officer noted that environmental should also have been ticked under section 3- Local Government Act.

Questions/Points of Clarification:

- It was confirmed that the lease for Taranaki Off-Road Incorporated did expire in 2035, it is a ten year lease which may have a right of renewal in it.
- It was confirmed the tennis courts are part of the Midhirst Domain.
- It was clarified that if the incorporations do not submit their financials then officers will contact them.

- The District Mayor noted the request had originally been to provide council with information regarding the domains with the possibility that if the properties were not being used or did not have a function then they could potentially be disposed of. This report has highlighted that in all cases the domains are functioning well for their communities. He felt if any changes were required these would be initiated by the committees.
- Councillor Beck queried the size and boundary of the Croydon Domain. The Chief Executive clarified later in the meeting that the correct land size was 0.426 hectares and the boundary on the map was the neighbouring property. The correct location of the domain was the property on the north eastern side of the intersection.
- Councillor Boyde noted that the use of York Road and Rowan Road domain were fundamentally different from the others. He questioned if the lease was fit for purpose, if the lease was reviewed regularly and if council would be better to dispose of the land. Mr Hanne clarified that these domains could not be sold and if council chose to dispose of them they would go to the crown so there would not be any financial benefits to council. Councillor Boyde suggested these domains could be used to plant trees for carbon but Mr Hanne noted the land area was too small to see financial benefit from trees.

10. Decision Report – Proposed Road Closure – Tāpoi Taranaki Cycle Event
D22/44204 Page 53

Recommendations

1. THAT the report be received.

TONGAAWHIKAU/VOLZKE
Carried
P&S/22/156

2. THAT pursuant to Section 342(1) (b) Schedule 10 clause 11(e) of the Local Government Act 1974, Council approves the closure of the following roads on Saturday 28 January 2023 during the times stated below for the purpose of the Tāpoi Taranaki Round the Mountain Cycle Race:

- Manaia Road from the National Park Boundary to Dawson Falls Lodge between the hours of 09:30am to 12:00 noon;
- Pembroke Road from The Mountain House to the Plateau Carpark between the hours of 11:00 to 13:00.

ERWOOD/DUDLEY
Carried
P&S/22/157

Recommended Reason

The organisers of the cycle race approached Stratford District Council officers in May 2022 seeking our approval to close both Manaia Road and Pembroke Road for the purposes of a round the mountain cycle race which also incorporates four hill climbs. This event replaces the historical Round the Mountain Cycle Challenge, previously organised by Selwyn Brown.

The Acting Director - Assets noted the following points:

- This race is a result of the retirement of the organiser of the previous round the mountain cycle race. Coastal 5 have taken the opportunity to do a similar but different event. This report covers one of the four “pinnacle” hill climb ascents.
- These pinnacle races have restricted numbers, there are 200 registrations for them with 800 registered in total for the other circuits.
- Organisers have held conversation with the Department of Conservation and Iwi regarding access on the Manaia Road and Pembroke Road entrances. An agreement to leave the Stratford Mountain House access road open has been made, but the road to the plateau will be closed.

Questions/Points of Clarification:

- It was clarified that it had been requested to amend the the time of road closure to 9.30am after the application had submitted.

11. Monthly Reports

As approved item 11.4 was received by the committee first.

11.4 Corporate Services Report D22/44132 Page185

Recommendation

THAT the report be received.

JONES/BOYDE
Carried
P&S/22/158

Questions/Points of Clarification:

- Councillor Jones noted that the rate for re-borrowing was going up, he questioned how re-financing would impact council's interest rates? The Director – Corporate Services noted it had been mentioned in the report that it is expected to exceed the budget by around \$200,000 for this financial year as a result of interest rates having been so much lower when the annual plan was set. She noted there were loans maturing in April (currently 1.55%), May (currently 3.47%) and August next year and advice will be sought in terms of what is happening in the economy at these times. It was noted that council had managed its interest rate exposure pretty well over previous years.
- The District Mayor requested that the report being taken to the Audit and Risk Committee on the impact of the water services being taken away from council include clarification on the debt to revenue ratio. Mrs Radich clarified that the debt may remain with council but the net debt will equal out as it will be on-lending to the new entity.

11.1 Assets Report D22/38540 Page 143

Recommendation

THAT the report be received.

SANDFORD/TONGAAWHIKAU
Carried
P&S/22/159

Questions/Points of Clarification:

- Councillor Boyde noted that the \$500,000 spent on Puniwhakau Road shows that the decision made by council around the targeted roading rate for forestry was the best decision to make, however it still indicates that council was behind in making this decision with the amount of money spent on damage caused by forestry.
- The District Mayor agreed with Councillor Boyde and felt this reiterated the fact that there is an excessive amount of money spent on some of these logging roads. The rate that has been put on these properties is still short of covering this expense so a subsidy is still required from everyone else.
- It was clarified that the work undertaken on Salisbury Road was required as a result the detour while works were undertaken on the state highway. Mr Bowden noted that further conversations had been held with the neighbouring councils to provide a business case to Waka Kotahi to cover the costs of any damages caused by diversions which could include road closure due to an accident.

The Director – Corporate Services left the meeting at 3.45pm.

- Councillor Harris noted she had received compliments from residents for the contractors who had been undertaking repair work recently, in particular she noted Geoff Hart and Neil Moratti.
- It was clarified that the Roading Level of Service table should read 2022/23 YTD.

- It was clarified that the road maintenance in the level of service table covers the amount of sealing and metalling done every year which has not started yet.
- It was clarified that the road condition level of service relates to smooth travel is based on traffic volumes on a 24 hour basis, distance travelled and the roughness measured. The roughness survey is completed every other year and within these results consideration is given to the category of the road e.g. a lower category of road can have a rougher surface.
- It was clarified that the feedback from the Youth Council and the community on the Skate Park has been collated and is being looked at as one of council's capital projects. The Projects Manager will be contacting skate park designers to present the feedback and to create a ten year plan with the main questions being how much will this cost, and what can council get for \$100,000. A project plan will be formed from there.
- It was clarified that the fallen tree on Matau Road occurred at night and was from a private property. There was no liability to council.

The Services Asset Manager, the Parks and Reserves Officer, the Project Manager/Engineer and the Graduate Assets Engineer left the meeting at 3.53pm.

11.2 Community Services Report
D22/41460 Page 166

Recommendation

THAT the report be received.

HARRIS/DUDLEY
Carried
P&S/22/160

Questions/Points of Clarification:

- Councillor Harris noted there was only one application in round one of the Sport Rural Travel Fund being Toko School Touch Rugby.
- Councillor Harris noted that Whangamomona Republic Day was to be held on 21 January 2023 with bus tickets being available from the Library and Visitor Information Centre. Bus tickets will be \$10 each and will be available once the passports have arrived.
- The Director – Community Services clarified that the funding received from the Taranaki Electricity Trust had not yet been allocated as officers were awaiting the result of the Better Off Funding Application which included the Victoria Park Drainage.
- The District Mayor noted that he had attended the TET Stadium Committee meeting last week and the rent for the tenant had been discussed. This had been reduced due to the downturn as a result of Covid-19 and the committee was now looking to reinstate that to a market level. The committee receiving higher revenue would reduce financial impact on council.
- The District Mayor noted the ongoing success of the Mayors Taskforce for Jobs and had recently attended a ceremony where the arrangement with FloJo Coffee had been celebrated. This arrangement will see the taskforce providing funding towards barista training costs which will be ongoing when the trainee goes into employment. Next month the forestry course is holding its graduation ceremony with another 10 graduates. This scheme was funded by the taskforce to around \$35,000 and is still going well with a lot of interest. He acknowledged the work of staff who are continuing to promote the scheme.
- Councillor Sandford extended an invitation to councillors to the Positive Ageing Forum on Thursday at 10.30am. He acknowledged the work of the Community Development Officer – Mrs V Fischer in organising this event.

The Community Development Manager and Community Development Officers left the meeting at 3.59pm.

11.3 Environmental Services Report
D22/38341 Page 177

Recommendation

THAT the report be received.

BOYDE/HARRIS
Carried
P&S/22/161

Questions/Points of Clarification:

- It was confirmed that investigations were continuing into the water issues at the Brecon Road subdivision.

12. Questions

There were no questions.

13. Closing Karakia

D21/40748 Page 202

The closing karakia was read.

The meeting closed at 4.01pm.

M McKay
Chairperson

Confirmed this 24th day of February 2022.

N C Volzke
District Mayor

MINUTES

Farm and Aerodrome Committee



F22/55/05– D22/47547

Date: Tuesday 6 December 2022 at 12noon
Venue: Council Chambers, 63 Miranda Street, Stratford

Present

Councillor G W Boyde (the Chairman), the District Mayor N C Volzke, Councillors S J Beck and V R Jones, and Committee Members: the Director Corporate Services – Mrs T Radich, and the Property Officer – Mrs S Flight.

In attendance

Councillors W J Sandford and A K Harris (*via audio visual link*)

The Chief Executive – Mr S Hanne, the Director – Assets – Mrs V Araba, the Director – Environmental Services – Mr B Sutherland, the HR & Governance Administrator – Mrs C Reynolds, the Projects Engineer/Manager – Mr S Taylor (*part meeting*) and one member of the media (Stratford Press).

1. Welcome

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

1.1 Opening Karakia D21/40748 Page 6

The opening karakia was read.

1.2 Health and Safety Message D21/26210 Page 7

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

2. Apologies

Apologies were received from Councillors A M C Dudley, C M Tongaawhikau and the Director – Community Services – Ms K Whareaitu,

Recommendation

THAT the apologies be received.

BOYDE/VOLZKE
Carried
F&A/22/26

3. Announcements

There were no announcements.

4. Declarations of Members Interest

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

5. Attendance Schedule

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

6. Confirmation of Minutes

6.1 Farm and Aerodrome Committee Meeting – 20 September 2022
D22/36048 Page 9

Recommendation

THAT the confirmed minutes of the Farm and Aerodrome Committee Meeting held on Tuesday 20 September 2022 be received.

JONES/VOLZKE
Carried
F&A/22/27

7. Matters Outstanding

D20/11504 Page 15

Recommendation

THAT the matters outstanding be received.

BOYDE/VOLZKE
Carried
F&A/22/28

8. Programme of Works

D20/28552 Page 16

Recommendation

THAT the Programme of Works be received.

BECK/JONES
Carried
F&A/22/29

The Director – Corporate Services noted the draft budget for 1 July 2023 will be presented at the March 2023 Farm and Aerodrome meeting. If there is anything the committee would like to include please let Officers know.

Questions/Points of Clarification:

- It was noted that the Committee Strategic Review which was planned to be undertaken at this meeting has now been postponed to the June 2023 Farm and Aerodrome meeting. As this meeting is the first meeting of this term with a new Councillor appointed to the committee, it has been postponed to allow the new member further understanding before the Committee Strategic Review is completed.

Points noted in discussion:

- As a result of auditors being behind schedule with the annual report, officers have been unable to proceed from the annual report to the annual plan reports for the farm and aerodrome.

9. Decision Report – Stratford Aerodrome – Hangar Site Lease
D22/46317 Page 17

Recommendations

1. THAT the report be received.

BOYDE/JONES
Carried
F&A/22/30

2. THAT the Committee consents to the applicant constructing a new hangar at the Stratford Aerodrome and approve the proposed location.

3. THAT the Committee recommends to Council to grant a new site lease at the Stratford Aerodrome to the applicant to construct a new Hangar, with the rental for the site be set in accordance with the rate currently paid by current leases relative to the Aerodrome.

4. THAT the term of the lease be for a period of 10 years with an option for a further term of up to 10 years.

BOYDE/VOLZKE
Carried
F&A/22/31

Recommended Reason

Currently there are no available hangars to lease at the Aerodrome. A new hangar is required to be constructed to allow the applicant to be based at the Aerodrome.

The Property Officer noted that since the report was published the Stratford Aero club have advised that the quotes for the new hangar have come back quite high, therefore they are now looking at a combined hangar which will determine if the applicant will continue with the build. Approval is still being sought from the committee today.

Questions/Points of Clarification:

- The Chairman queried that in the report states the proposed site for the new hanger is inconsistent with the Aerodrome Management Plan. It also states “this could be a safety issue that would need to be assessed if a further request for a new hanger is made to Council”, do the likes of CAA or Airbiz need to complete this assessment?
- It was clarified that Airbiz attempted to come up with the future strategic plans as it was envisioned one day more space was going to be required. The recommendations were not without argument from aero users. Given that the report is approximately 10 years old, many of the aero users may have changed. It was recommended to refresh the strategic plan. As no budget is currently allocated for such a review it is recommended to refer this to the annual plan process.
- The District Mayor noted his support for the recommendation to approve the location of the new hangar. He wanted to add the brief for the Airbiz consultants for the future strategic plan was to not encroach on the farm as at the time the Council did not own the neighbouring farm, and did not want to forgo any of the existing farm to make room for new hangars. Now that the council owns the neighbouring farm there could be more scope of doing this. He recommended if a future consultant was hired, they should be given more freedom to recommend the best plan.
- Councillor Sandford disagreed in regards to forgoing farm land, as the farm makes more money for the Council. He sought clarification on if development costs for new hangars are incorporated into the cost of ground rental. It was noted that the Council did not have a set price and there were multiple ways to incorporating prices into the rent.
- The Chairman questioned the timeline for the review of the strategic plan for the aerodrome in light that another business may want to establish itself at the aerodrome. It was noted the report could be completed within three to six months from the start of the financial year. The timing of any new business wanting to establish at the aerodrome is currently unknown.

Recommendation

THAT funding for a review of the Strategic Plan for the aerodrome be referred to the Annual Plan process.

VOLZKE/BOYDE
Carried
F&A/22/32

10. Information Report – Risk Review

D22/45991 Page 23

Recommendation

THAT the report be received.

BOYDE/JONES
Carried
F&A/22/33

Recommended Reason

To update the Farm and Aerodrome Committee of changes to both the Farm and Aerodrome Risk Registers and advise the Committee of any incidents in relation to the identified risks.

Points noted in discussion:

- Councillor Jones noted the observation that the description of risk number 8 is specific to the health and safety of a lone worker, however the risk of a farm accident e.g., rolling a motorbike are present for any workers regardless if they are alone or not. The Chairman supported this observation and requested the review of the wording of risk number 8 be added to matters outstanding

11. Quarterly Report – Farm and Aerodrome Financial Report

D22/46227 Page 31

Recommendation

THAT the report be received.

Beck/jones
Carried
F&A/22/34

Recommended Reason

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

The Property Officer noted that the RD Petroleum main construction would be completed 6 December, once the inspection of the site has been completed filling would be able to commence next week.

Questions/Points of Clarification:

- The Chairman sought further clarification on the matters outstanding pertaining to the aerodrome lease. Mrs Flight suggested the boundary of the Aerodrome could be split between the Aerodrome and Farm, however the farmers would not graze it if they had to pay.
- Councillor Jones questioned what was meant when it is stated the Sharemilkers maintain the area, where is the location of the land and if it would be beneficial for the council to lease the land to someone else, or do something else with it. It was noted the land is fenced between the farm and aerodrome and is there as a safety space for emergency run-off of the runway. However it is not mowed as it is not intended as part of the runway. Leasing this land out is not practical, third party taking feed off it would require health and safety pre-qualified contractors.
- The Chairman clarified the Sharemilker could not use the land on weekends or any event days so to graze the land was not simple for them. As it would cost more for a contractor to mow the land it is in the Councils best interest that it is used by the Sharemilkers and he did not believe there was anything in the contract in regards to the Sharemilkers paying half of the lease.
- It was noted that this piece of land was 6 hectares.
- Councillor Jones requested further detail on the land, such as is it beneficial for a third party to cut and carry from the land, what do the Sharemilkers do to maintain the land? Do they keep it short and add fertiliser? It was noted the Sharemilkers make feed from the land.
- Mrs Araba clarified the huge logistical issues if the Council initiated a third party coming into site for health and safety for staff and people using that area. The cost of Downers mowing the land is going to cost more than the Sharemilkers maintaining it.
- Councillor Jones stated that without the facts and figures an accurate assessment cannot be made, what is the difference between someone else maintaining the land compared to the Sharemilker?
- Councillor Beck agreed that there is not much of a cost benefit to the Sharemilker in maintaining the land and that it is a favour to the council. There is not much of a cost benefit to lease to a third party.
- The District Mayor queried the reason for the capital expenditure of 20 water troughs. The Chairman noted that as the newly acquired farmland had previously held a smaller herd the troughs were too small and not fit for purpose. Extras had been put in for the short term, but on occasions they had still run out of water. The expenditure is to protect animal welfare for the future. Some of the old troughs will be used in the calf paddocks, however others will not be useable in the future.

Points noted in discussion:

- The Chairman noted the observation that the Farm Insight Report was very impressive and shows the farm is achieving above average efficiency.

12. Quarterly Report – Health and Safety Update

D22/45983 Page 55

Recommendation

THAT the report be received.

VOLZKE/BECK
Carried
F&A/22/35

Questions/Points of Clarification:

- The Chairman noted the recent incident at the aerodrome was only brought to his attention when he read the report in the paper. He questioned going forward, as the land owner, is there a policy in place that the Council should be one of the first stakeholders notified? It was noted the Property Officer had spoken with the aeroclub and told them the lack of notification was not good enough. However the Aeroclub is a user of the aerodrome and has no operational responsibility and is not responsible for responding to incidents. The responsibility sits between the Council and the user who has the incident, as well as potentially the CAA, so the users need to work directly with the Council.
- The Chairman asked if the CAA are notified of an incident which involves an outside person, shouldn't the Council be notified? It was noted that the Council should be notified, and if the CAA had any fault of the Council, they would have involved the Council with the investigation. It is still questionable why the Council was not notified by the CAA.

- The District Mayor asked if a letter had been sent to anyone in regards to the Council being notified in the case of an incident. It was noted the a verbal discussion had taken place. The District Mayor requested a letter be sent to the Aeroclub giving clear instruction that when they become aware of an incident there is a responsibility to inform council.

13. Questions

There were no questions.

14. Closing Karakia

D21/40748 Page 58

The closing karakia was read.

The meeting closed at 12.47

G W Boyde
Chairman

Confirmed this 21st day of March 2023.

N C Volzke
District Mayor

MINUTES

Audit and Risk Committee



F22/55/05 - D22/47533

Date: Tuesday 6 December 2022 at 2pm
Venue: Council Chambers, 63 Miranda Street, Stratford

Present

Mr P Jones (the Chair), the District Mayor N C Volzke, the Deputy Mayor M McKay, Councillors: G W Boyde, J M S Erwood and V R Jones

In attendance

Councillors: S J Beck, W J Sandford and A K Harris (*via audio visual link*)

The Chief Executive – Mr Sven Hanne, the Director – Community Services – Ms K Whareaitu, the Director Assets – Mrs V Araba, the Director – Corporate Services – Mrs T Raich, the Director Environmental Services – Mr B Sutherland, the Committee Advisor and Executive Assistant – Mrs E Bishop, the Health & Safety/Civil Defence Advisor – Mr M Bestall (*part meeting*), the Corporate Accountant – Mrs C Craig (*part meeting*), the Projects Manager/Engineer – Mr S Taylor (*part meeting*), the Roading Asset Manager – Mr S Bowden and one member of the media (Stratford Press).

Via audio visual link: Pam Thomson and Yan Oon (Deloitte (part meeting))

1. Welcome

The opening karakia was read.

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

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

2. Apologies

Apologies were noted from Councillor A M C Dudley and C M Tongaawhikau.

Recommendation

THAT the apologies be noted.

VOLZKE/ERWOOD
Carried
A&R/22/45

3. Announcements

The Chairman welcomed the auditors from Deloitte. He noted that approval had been given to move item 15 – Correspondence to be considered now. This was to allow representatives of Deloitte to present on the Annual Report and audit process.

Item 15 – Correspondence.

Pam Thomson of Deloitte presented to the Audit and Risk Committee, the auditors report was tabled as correspondence and had been circulated to the Committee. The following points were noted:

- The audit is largely completed, however there are minor points that are still being worked through such as the substantive testing, financial reporting and regulatory matters.
- The Financial Statement Disclosure in regard to the three waters will still be included, however it is awaiting the Auditor General to release the proposed changes.
- The highlighted areas of focus have not changed since the original planning document. The significant risk around property, plant and equipment has been one of the key focuses with increasing costs, supply chain issues and disruptions. Valuations were completed for roading and water assets and discussions held with the valuers with no concerns identified. It is recommended in the future to align the valuations with the year-end especially given the significant movement in prices and inflation over the past 12 months. Not aligning these requires additional procedures to be undertaken by auditors and management to ensure nothing has changed materially.
- It was noted the area of focus – Management’s ability to override controls was not something specific to this council but to do with auditing standards. It is about understanding key controls around reporting processes and following general testing from set and detailed criteria there were no identified material issues.
- Revenue recognition is always considered an important focus, there were no issues that were found.

Questions/Points of Clarification:

- The District Mayor questioned if there was any advice for looking to plan ahead with the Annual Plan with the unknown outcomes of the three waters reform. Ms Thomson noted that auditors appreciated the challenges that councils have and will continue to liaise with the Auditor General on all issues faced by the sector to understand what needs to be done going forward, this can only be done once the bill is accepted and it is known what the various amendments are.

Yan Oon noted the following points in completing the presentation:

- The area of focus relating to the public sector specific procedures is largely determined by the Auditor General and where there are concerns around good practice guidance, specifically around sensitive expenditure, conflicts of interest and severance payments. There were no identified matters or issues but there were a couple of improvement points which will be communicated with management and some best practice examples to refer to.
- The impact of Covid-19 has been an area of focus of for a couple of years now and there are areas that will continue to be impacted, such as the valuation of assets or whether there are changes required for internal controls. There were no identified matters of issue.
- The area of focus for the Statement of Service performance is where council is required to include a statement around the performance framework including in the Long Term Plan. It is important to record performance to ensure council is meeting legislative requirements and that they are consistent with the 2021-2031 Long Term Plan. There were no identified matters of issue.
- The area of focus relating to Climate Change and Natural Hazards relates specifically to the Long Term Plan and if there is a need to consider these in the financial provisions. This has been discussed with management to see what they have done in terms of the long term plan. There were no identified matters of issue.

Ms Thomson concluded the presentation:

- A separate report will be provided to management post signing the financial statements. Based on the report to date there is nothing identified that will have a material impact.
- There is one unadjusted difference relating to the fair value of Percy Thomson Trust investments to be revalued for consolidation purposes to be carried to cost in council’s statements.
- It was confirmed that the Annual Report was on track for adoption by Council on 13 December 2022 and that it was expected an unmodified opinion would be issued.

4. Declarations of Members Interest

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

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

5. Attendance Schedule

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

6. Programme of Works

D21/42807 Page 10

Recommendation

THAT the Audit and Risk Committee's rolling programme of works up to the end of 2023 be received.

BOYDE/VOLZKE
Carried
A&R/22/45

7. Confirmation of Minutes

7.1 Audit and Risk Committee – 20 September 2022

D22/36176 (open) D22/36102 (PE) Page 11

Recommendation

THAT the confirmed minutes of the Audit and Risk Meeting of Council held on Tuesday 20 September 2022 be received.

P JONES/ERWOOD
Carried
A&R/22/45

8. Matters Outstanding

D18/27474 Page 19

Recommendation

THAT the matters outstanding be received.

ERWOOD/McKAY
Carried
A&R/22/45

9. Information Report – Health and Safety
D22/45592 Page 20

Recommendation

THAT the report be received.

V JONES/P JONES
Carried
A&R/22/45

The Health and Safety/Civil Defence Advisor noted there had been a further four incidents at the pool to the end of November.

Questions/Points of Clarification:

- Mr Bestall noted that the lockdown at the library had highlighted the need for an actual procedure for this sort of event to be added to council's emergency procedures.
- The District Mayor noted his concern regarding the situation with Puniwhakau Bridge and Worksafe entering the discussion. He felt if the bridge was deemed as a workplace then would a road be considered a workplace? Mr Hanne noted that subsequent statement had been received from Worksafe requesting progress before the logging company needed to cross over the bridge again. Council was in discussion with Waka Kotahi regarding a legal opinion on worksafe's directive. The District Mayor requested that this issue also be raised with Local Government New Zealand. It was noted that there had been damage made to the bridge in February from the logging company. Additional scaffolding has been added to raise the handrail and consultants had undertaken an inspection of the bridge who have stated in their opinion it is still ok to carry 44 tonne loads as it was strengthened for in 2012. A status update was requested to be added to the matters outstanding. The immense concern over the precedent this complaint could take was noted.
- Councillor Boyde noted that council had not been advised of the incident at the aerodrome and Mr Bestall noted that an incident of this nature should have been communicated to council.
- The Chair requested further clarification on incidents with either no further action required, remedial action proposed or remedial action undertaken.

10. Information Report – Internal Audit 2021/22
D22/45824 Page 24

Recommendation

THAT the report be received.

P JONES/V JONES
Carried
A&R/22/45

Recommended Reason

The Audit and Risk Committee is tasked with reviewing and monitoring the internal audit activities of Council on behalf of elected members.

Questions/Points of Clarification:

- It was noted that the contractor management results were largely due to the specialist skillset required for the contracts reviewed. The Procurement Policy was not applied because it would not have delivered the desired outcome. It has highlighted that there is also a lack of contractual agreements in these cases. The Procurement Policy will be reviewed to ensure council is able to find the right source for the required work and at the same time improves its processes.
- It was noted that eye checks for staff were a recommendation from this report. The Chief Executive noted there were a number of health checks provided to staff, however eye checks were not currently on this list and would require an increased budget which could be discussed during the Annual Plan

process. He noted health checks were undertaken with staff who have regular exposure to high-risk areas. It was noted that the internal audit plan was in the programme of works and would be brought back to this committee.

The Corporate Accountant and Health and Safety/Civil Defence Advisor left the meeting at 3.09pm.

11. Information Report – Capital Works Programme – Key Projects Update – November 2022
D22/44738 Page 39

Recommendation

THAT the report be received and that the Audit and Risk Committee note their appreciation and congratulation to staff for the Transport Choices Funding allocation.

VOLZKE/BOYDE
Carried
A&R/22/45

Recommended Reason

To present an update on the progress of our key capital projects in the 2022/23 financial year.

The Project Manager/Engineer noted that since the report had been printed there had been an announcement regarding the Transport Choices Fund of which Stratford District Council was one of 46 councils to receive funding. This will go towards the town centre, school safety and connecting our community projects and means some long term plans have been brought forward. He noted one of the keys to being successful with this funding was that these projects were already in council's plans. Stratford has also been listed as a flagship project.

Questions/Points of Clarification:

- The District Mayor acknowledged and thanked the staff involved in this funding application as it had little preparation time to submit the application.
- The Chairman questioned what the Chief Executive's confidence was to complete these extra capital works. Mr Hanne noted council had achieved 80% of work in the previous year with the remaining 20% being picked up in the new financial year. He was hopeful that performance would be at a similar level.

12. Information Report – Risk Management
D22/45421 Page 47

Recommendation

THAT the report be received.

ERWOOD/P JONES
Carried
A&R/22/45

Recommended Reason

To provide an update to the Audit and Risk Committee of any significant risks and any incidents or threats in relation to significant risks on Council's risk register, since the last Committee meeting.

The Director – Corporate Services noted that councils were being encouraged to submit on the Future for Local Government Review on their accord with submissions closing on 28 February 2023.

Questions/Points of Clarification:

- It was clarified that submissions for the Resource Management Act reform closed on 30 January 2023. It was noted that the mayors at the recent Zone 3 meeting had signed a letter to the select committee regarding the timeframe and asking for an extension.

13. Information Report – Service Delivery (Section 17a Reviews) Update

D22/46483 Page 62

<p>Recommendation</p> <p><u>THAT</u> the report be received.</p>	<p>McKAY/ERWOOD Carried <u>A&R/22/45</u></p>
<p>Recommended Reason</p> <p>To give an update to the Committee on the status of the Service Delivery (Section 17a) Reviews.</p>	

The Director – Corporate Services noted this report provided an update on these reviews. The first meeting will be held on 13 December 2022 and an update will be provided at each Audit and Risk Committee meeting.

Questions/Points of Clarification:

- The Chairman noted the amount of work that was currently in front of council and questioned if there was a significant benefit in undertaking these reviews? Mrs Radich noted a cost benefit by activity will be undertaken but that these reviews will help guide council through the Long Term Plan. The reviews are worthwhile but the project team will need to be selective about what is reviewed and to what depth.
- It was clarified that the inclusion of Elected Members was raised by Elected Members and would provide them with good insight and an opportunity to participate by asking the questions the community may ask. It was confirmed they will receive good guidance on the process.
- It was clarified that any consultation that arises from this process will be undertaken through the normal consultation process which will include consulting with mana whenua.

The Projects Manager/Engineer left the meeting at 3.27pm.

14. Decision Report – Three Water Reforms – Risk Management

D22/46201 Page 95

<p>Recommendations</p> <p>1. <u>THAT</u> the report be received.</p>	<p>ERWOOD/McKAY Carried <u>A&R/22/45</u></p>
<p>2. <u>THAT</u> the Committee consider the discussion points listed in 7.4 of this report, and decide whether further investigation is required for each.</p>	
<p>Recommended Reason</p> <p>To assist and guide the Committee in managing all aspects of risk in relation to the Three Waters Reform.</p>	

The Director – Corporate Services noted the following points:

- This report was requested by Elected Members to present the financial risks to council with the three waters reforms.
- It is hoped that this committee will provide guidance towards any changes that may need to be considered in the 2022/23 Annual Plan as next year will be the last year with the three waters assets within the plan.
- The four options in 7.4 were just suggestions for the committee to consider.

Questions/Points of Clarification:

- The District Mayor noted his congratulation on this report and that it was one of the most accurate and concise reports that he had read on this subject. He noted that the report highlighted many of the deficiencies and unknowns that there are including the inability to make meaningful decisions when what the future looks like is unknown. He noted that at the recent Rural and Provincial meeting, National's Chris Bishop, had presented and noted that the repeal would very much depend on how far down the track this process was. He had stated the most likely change would be the chance to develop your own bespoke model for the region and potentially neighbouring areas. Mayor Volzke noted that a fairly conservative approach to the options presented must be taken as each of the scenarios presented would result in the assets ownership being transferred from council. He felt to stop funding depreciation would be a bold step.
- Councillor Boyde agreed with the District Mayor and noted that with so many unknowns and potential changes made it very difficult to make decisions. He noted his reservations in making big judgement calls at the moment.
- Deputy Mayor McKay noted the option to charge for the information being requested and asked if council had been charging to date. Mr Hanne noted that the information request had effectively been offset by the Better Off Funding packages which expected councils to engage in good faith with the process. The funding received well exceeds the amount that would have been charged in terms of LGOIMA charges.
- Mrs Radich clarified that with the 'no worse off' review she had presented debt to revenue and other covenants pre-reforms and post reforms under the anticipated scenario that is currently before parliament. This does show a slight worsening of some of councils ratios which may need to be looked into for council to continue to invest in capital works and investment projects. Council could either put a cap on some of its loan funded projects, or allocate some of the no worse off funding to debt but this depends on the funding to debt ratio with the three waters and future loan funded capital expenditure program.
- Mrs Radich clarified that council was still very low in its covenants and at this stage would not require these to be readjusted to borrow for further projects, but extra caution was required.
- The District Mayor noted the original intention was that debt would go to the new entity, however this will now remain on council's balance sheet with the new entity servicing the loan. The Chairman noted that there will not be further clarification until the next water services bill is passed by parliament which should be introduced before Christmas. He noted that all that was certain was that there was change coming and councils needed to prepare themselves and get into the best position possible.
- The Chief Executive noted that funding depreciation had been reduced in the last Annual Plan in light of the reforms to positively impact rates.
- It was noted that the options had been presented to give the committee the opportunity to consider them, however it was decided to not pursue these at this time.

15. Correspondence

Presented during announcements.

16. General Business

There was no general business.

17. Questions

18. Closing karakia

D21/40748 Page 106

The closing karakia was read.

The meeting closed at 3.46pm.

P Jones
Chairman

Confirmed this 21st day of March 2023.

N C Volzke
District Mayor

MINUTES

Sport New Zealand Rural Travel Fund Assessment Committee



F16/1042- D22/44421

Date: Tuesday 15 November 2022 3.30pm

Venue: Committee Room, Stratford District Council, 63 Miranda Street, Stratford

Present

Councillor A K Harris (the Chairman), the District Mayor N C Volzke, Councillor A M C Dudley, Mrs Kerri Dickson, Mr Gary Vincent, Mrs Raeleen Hancock.

In Attendance

HR and Governance Administrator – Mrs Carissa Reynolds (the Committee Secretary).

1. Opening Karakia

The opening karakia was read.

2. Apologies

Apologies were received from Councillor J M S Erwood and Mrs Darleena Christie.

THAT the apologies be received.

VOLSKE/VINCENT
Carried

3. Announcements

- The Chair extended a warm welcome to new member Councillor Dudley and the new committee secretary Mrs Carissa Reynolds.
- The Chair noted the application withdrawal of Toko & Eastern Districts Junior Rugby Football Club, the application will be held until funding round 2 unless a new application is submitted by the organisation.

4. Minutes

4.1 Confirmation of Minutes

THAT the minutes of the Sport New Zealand Rural Travel Fund Assessment Committee meeting held on 5 April 2022 be confirmed as a true and accurate record.

VINCENT/DICKSON
Carried

5. Correspondence

5.1 Inwards

Accountability forms: Stratford Toa Rugby and Football Club, Eastern Districts junior Hockey Club, Eastern Districts RAW Touch Rugby, Toko and Eastern Districts Jnr Rugby & Football Club, Toko School (Touch).

5.2 Outwards

Success emails: Stratford High School (basketball, football and hockey), Toko School (basketball), Stratford Eltham Junior Rugby, Taranaki Diocesan School for Girls (football and hockey), Toko Junior Rugby, Eastern Districts Junior Hockey, Central Rugby, Eastern Districts Netball.

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

HARRIS/DUDLEY
Carried

- Mayor Volzke noted the funding distribution table for Stratford Toa Rugby and Football Club on page 12 was left blank. Although it is stated in their accountability form that \$20 petrol vouchers had been purchased and distributed within the club, there is no way to know who the vouchers were distributed to. Councillor Dudley Agreed.
 - Mrs Dickson noted in the future a list of names and signatures of those who received funds should be received with the accountability forms
 - Mayor Volzke agreed that going forward this information should be requested. The Chair also agreed that as this was the Stratford Toa Rugby and Football Club's first funding received, education on expectations going forward was the best course of action.
 - The HR and Governance Administrator is to contact the Stratford Toa Rugby and Football Club and request for in the future a full list of names, signatures and amount distributed to be included in the accountability form. An example of other clubs accountability forms should be shown to Stratford Toa Rugby and Football Club to communicate how the accountability forms are to be completed, and how others distribute the funds (e.g. participants who live further away received a higher proportion of the funds, although the distribution of funds is at the discretion of Stratford Toa Rugby and Football Club).
- Mayor Volzke noted on the accountability form from ED Raw Touch Rugby 7/15 of those who the funds were distributed live in Rawhitiroa. Councillor Dudley agreed and noted that the families could go to Rawhitiroa School but still live in the Stratford District, as the boarder is close. Mrs Hancock agreed, and noted if the number continued to increase that Rawhitiroa School could apply to the South Taranaki District Council for funding for their children.

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

DUDLEY/VINCENT
Carried

6. Declarations of interest

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

There were no declarations of interest.

7. Consideration of Applications

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

Received August 2022	\$9,500.00
Funds returned	\$Nil
TOTAL	\$9,500.00
<u>Less</u>	
Advertising	\$Nil
TOTAL AVAILABLE FOR DISTRIBUTION	\$9,500.00

7.1 Sport NZ Rural Travel Fund Guidelines

The Sport NZ Rural Travel Fund Guidelines July 2021-June 2024 were attached.

7.2 Application Index

The application index was attached.

7.3 Information Reports

7.3.1 The information report was attached.

The Chair noted as Toko & Eastern Districts Junior Rugby Football Club have withdrawn their application, the amount requested for funding is now only \$500. The Chair also noted that although this only appears a small amount, the total amount for distribution is needed to fund winter sports.

7.3.2 The summary of applications was attached.

7.4 Applications for funding

7.4.1 Toko School (Touch) \$ 500.00

~~7.4.2 Toko & Eastern Districts Junior Rugby Football Club \$ 1,200.00~~

THAT the above funding allocation be approved.

VINCENT/HANCOCK
Carried

- Mrs Hancock noted the difference in numbers on the application form of Toko School. Members equalled 65, participants age groups equalled 65, applicants genders equalled 55. The HR and Governance Administrator noted she had spoken to the contact for Toko School Touch, and she confirmed she had filled in the form using the reasoning of the difference between applicant's vs participants. They had 65 participants but of those only 55 are eligible for funding so only 55 included in the applicant's portion of the application form.
- Mr Vincent noted his disappointment at the lack of applicants this funding round.

8. General Business

- Mayor Volzke noted in the Sport NZ Rural Travel Fund guidelines the committee can allocate 5% for publicity, should the committee look at doing this to increase the funding reach, would the benefit outweigh the cost.
- The HR and Governance Administrator noted current advertising of the opening of funding rounds is two weeks in Central Link featured in the Stratford Press, featured on the Stratford District Council's website and an email to schools and sports groups from the HR and Governance Administrator advising applications have opened.
- The Chair noted that if a sports club and/or school did not find out about funding rounds by the current advertisements, any further advertising was also unlikely to reach them.

9. Next Meeting

- The next round of the Sport New Zealand Rural Travel Fund will open Monday 20 February 2023 and close Friday 17 March 2023. The Assessment Committee meeting will be held on Tuesday 4 April 2023 at 3.30pm.

The meeting closed at 3.55pm.

Councillor A K Harris
Chairman

MONTHLY REPORT

District Mayor



F22/55/04 – D22/48338

To: Council
From: District Mayor
Date: 2 November 2022
Subject: District Mayor Monthly Report – September / October 2022

Recommendation

THAT the report be received.

/
Moved/Seconded

1. Rural and Provincial Sector Meeting

The first Rural and Provincial Sector meeting of this triennium was held last month in Wellington. I attended along with other elected members from around the country. Many of those attending were new to their roles (including Mayors) and many were new to the local government sector. The meeting was a useful networking opportunity complimenting the more formal parts of the meeting that included addresses from LGNZ President Stuart Crosby and LGNZ Chief Executive Susan Freeman-Greene. Other information updates included presentations from Chair of the Future for Local Government Review Panel Jim Palmer, Bryce Davies from IAG Insurance and executives from the Ministry for the Environment.

Mayor Alex Walker was elected as the Sectors representative on the nation council of LGNZ.

2. Zone Three Meeting

The first Zone 3 meeting of this triennium was held last month in Wanganui. I attended along with representatives of 18 other councils across the zone. The agenda was a little light, in that this meeting followed closely after the Rural and Provincial meeting held the week before.

The highlight was a two hour session where each Mayor was given the opportunity to make a presentation about what is good and what is happening in their patch. I was super impressed by the number of great things that are being undertaken by councils across the zone. The diversity and volume of projects and developments tells a very positive story, confirming that local government has been very busy in recent times.

My presentation focussed on the bike park, the pool and other infrastructure projects. The Wai O Rua – Stratford Aquatic Centre certainly drew the attention (and envy) of the audience and the conversations afterwards were very positive and congratulatory.

Mayor Craig Little was elected as the Zone 3 representative on the nation council of LGNZ.

The next Zone meeting is scheduled for March 2023 and will be held in New Plymouth. With such a handy location, it would be great to have a strong contingent of Stratford councillors attend.

3. Trade Graduations

After the cancellation of last year's event, it was great to be able to host the Trade Graduation ceremony again in 2022. The event was very well supported with graduates, employers and family members. Acknowledging the success of these people is an important part of the Mayors Task Force for Jobs programme that seeks to encourage young people to take up trades and other skills training. Finding these opportunities locally is an added bonus that enables our young people to live and work in the district, and contribute to our community in many other ways. Congratulations to those people who have achieved their training goals and my thanks to the employers who have provided the opportunity to our trainees.

4. Blue Light

Last month I attended the Blue Light end of year celebration held in Hawera. This organisation offers great support to Central and South Taranaki's young people who have found themselves in a position where some guidance, supervision or support is needed to help them move ahead in life.

Often not having a driver's license is a key factor holding people back and very frequently it becomes the first the encounter these young folk have with the police and justice system. Obviously, providing them with driver training opportunities can make a huge difference for them and Blue Light delivers this service through its volunteer network.

A key note speaker at the function was a teenage girl from Stratford who told of her life-story and how Blue Light helped her from move from some minor brushes with police to obtain a drivers license and onto an employment-based training position in the early 2023. It was very motivating and rewarding to learn about her experience and a shining example of how early intervention can bring about great outcomes.

5. Huiakama School Jubilee

It was a pleasure to attend the 125th Jubilee Celebration of the Huiakama School. Sometimes it is hard to get your head around the fact that anything could be that old and still going strong, but the Huiakama School definitely is. In my speech I reflected on what life must have been like in the Eastern Districts back in the 1890's when horse and cart, bicycle or on foot were the only transport options. Speaking of the changes that the world has seen during that time also brought some grins, with the odd person or two admitting that calculators, computers and cell phones were still not in common use in their households.

It was a great time for those attending and Huiakama School and community can certainly be proud of their durability and the people who have been educated there. Among those are some amazing characters and as the day went on the stories, embellished somewhat, became more and more entertaining. Congratulations to the local community for putting on such a special event.

6. Business Awards

The Taranaki Chamber of Commerce Business Awards were held in New Plymouth last month. I attended as part of the Taranaki Mayoral Forum and was very pleased that local legend Alan Beck was awarded the Mayoral Forums Award for Excellence. Over many decades, Alan has built up an amazing business that consists of much more than flying helicopters around New Zealand. Less well known is that there is a significant international arm to the business as well, supplying helicopter parts across the world and other related activities. His legendary flying feats involving search and rescue as well as fire fighting add to his list of achievements and made Alan an outstanding candidate to win this award. My congratulations to Alan, Margaret and the team that make up Beck Helicopters.

7. Correspondence

- Stratford Volunteer Fire Brigade Call Outs – November 2022
- Zone 3 – Resource Management Act Press Release
- Submission on Agricultural Emissions Pricing Consultation Document

8. Some Events Attended

- Attended – Off Shore Wind Farm project launch and presentation
- Attended – the Stratford Park Steering Group committee meeting
- Attended – Stratford High School Prizegiving
- Attended – Stratford District Youth Council meeting (x1)
- Attended – Stratford High School Special Needs Assembly
- Attended – Hosted MTFJ Trade Graduation Ceremony
- Attended – Tūtaki Youth MTFJ Partnership Celebration
- Attended - LGNZ Leaders Forum (by zoom)
- Attended – Delivery of Kidzone bicycle prizes
- Attended – Blue Light Graduation Function

- Attended – Huiakama School Jubilee- Guest Speaker
- Attended – Forestry Consenting Rules meeting (with Lawrence Yule by zoom)
- Attended – Rural and Provincial Sector Meeting in Wellington
- Attended – Meeting with Waka Kotahi Board and Chief Executive in Wellington
- Attended – Taranaki Chamber of Commerce Business Excellence Awards
- Attended – Justice of the Peace Training Session
- Attended – Alcohol Licensing Training Webinars (x2)
- Attended – LGNZ Zone Three Meeting in Wanganui
- Attended – A & P Show (staffed public consultation tent)
- Met – with Gillian Campbell CEO at Taranaki base Hospital
- Met – with representatives of Ample Group
- Met – with representatives of the Stratford Park Project
- Met - with Waka Kotahi Regional Director of Relationships Linda Stewart
- Met – with representative of Access Radio
- Radio Interview - More FM (x3)
- Newspaper - Stratford Press Interviews and Articles (multiple)
- Newspaper - Daily News - Interviews (multiple)
- Attended - Regional Mayors and Chairs weekly meeting (x2)
- Attended - Regional Mayors and Chairs meeting with Emergency Services (x1)
- Attended - Council Pre-Agenda meetings (x6)
- Attended - Stratford District Council elected members training and induction (x3)
- Attended - Council Public Forums (x1)
- Attended - Council Workshops (x1)
- Attended - Council Meetings (x3)



N C Volzke JP
District Mayor

Date: 2 December 2022

Stratford Volunteer Fire Brigade Call Outs November 2022

The Stratford Fire Brigade responded to seven calls in November 2022

- 05-11-22 Alarm activation Mitre 10 Fenton Street
- 08-11-22 Investigate rubbish fire Cordelia Street
- 09-11-22 Alarm activation Ministry of Social Development Miranda Street
- 11-11-22 Alarm activation PGG Wrightson Miranda Street
- 14-11-22 Alarm activation Findlay's Florist Broadway
- 18-11-22 Assist ambulance with medical call Celia Street stood down before arrival
- 27-11-22 Assist ambulance with medical call Maryann Rest Home Brecon Road

Government's timing of RMA process submission period questioned

Regional Mayors are astounded that submissions on two significant bills are spanning the Christmas shutdown and busy summer holiday period.

Mayors at this week's Local Government New Zealand (LGNZ) Zone 3 meeting said the timing is a sign that central government has little interest in the views of elected members and communities.

Councils are being asked to provide feedback on The Natural and Built Environment Bill and the Spatial Planning Bill which are integral to the reform of the Resource Management Act. Government's Environment Committee is inviting submissions from 23 November 2022 to 30 January 2023.

Co-chairs Mayors Andy Watson and Craig Little said the Resource Management Act is a huge piece of legislation and under the reforms the current proposal is to replace the RMA with one major piece of legislation, the Natural and Built Environments Act (NBA), and two more minor pieces of legislation: the Spatial Planning Act (SPA) and the Climate Adaptation Act (CAA).

"The two bills have been three years in the making and it does not make sense to now rush the submission period over the busiest time of the year.

The Mayors questioned the timing of the submission period saying it raises real concerns, particularly around the impact this has on local democracy. "It's important our community understands that this timing is going to impede our opportunity to have our say and our community's opportunity to engage in this process.

"The government has acknowledged the system is incredibly complex and will require a long transition period, expected to be roughly 10 years – so why then would they rush the submission period and not take the Christmas/New Year shutdown period into consideration. We need to slow down the process and ensure we take our communities on the journey and get the right outcomes.

"These bills are a once in a generation opportunity and represent a significant change in how we manage the environment. The public need to know the levels of pressure central government is putting on local government.

"We have new Mayors and elected members who are upskilling and bringing themselves up to speed. They need time to understand the consequences of the changes. It is incredibly inappropriate for a Council to be forced to focus its elected member and staff focus on a proposal with such far-reaching impacts at such a time.

"Councils throughout the country as constantly engaging and consulting with their communities, as they are required to do under legislation, yet the very authority that sets that legislation is not following its own rules. We are getting very tired of trying to work in partnership with a government that just won't listen."

The proposed legislation is available to view at www.legislation.govt.nz. Submissions can be made through the New Zealand Parliament website: www.parliament.nz/make-a-submission.



Our reference

18 November 2022

Ministry for the Environment
P O Box 10362
Wellington 6134

Attention: Agricultural Emissions Pricing

Dear Sir/Madam

Submission on Agricultural Emissions Pricing Consultation Document

Stratford District Council would like to thank the Ministry for the Environment and Ministry for Primary Industries for the opportunity to comment on the Agricultural Emissions Pricing Consultation Document.

Stratford District Council has been privy to the submission on this subject developed by the Taranaki Regional Council (TRC) and instead of duplicating their submission provides its full support to the matters raised within TRC's submission.

Once again, we would like to thank you for the opportunity to provide our feedback to this proposal.

Yours faithfully

Neil Volzke
District Mayor

Sven Hanne
Chief Executive

Stratford District
In the heart of Taranaki

63 Miranda Street, PO Box 320, Stratford 4352
Phone: 06 765 6099 | stratford.govt.nz

DECISION REPORT



F2255/04 – D22/48402

To: Council
From: Chief Executive
Date: 13 December 2022
Subject: Triennial Agreements

Recommendations

1. THAT the report be received.
2. THAT the District Mayor be authorised to sign the Triennial Agreement for the Taranaki Region on behalf of the Stratford District Council.
3. THAT the District Mayor be authorised to sign the Triennial Agreement for the Manawatū-Whanganui Region on behalf of the Stratford District Council.

Recommended Reason

The Stratford District Council is required to enter into Triennial Agreements for both regions and the proposed agreements are fit for purpose.

/
Moved/Seconded

1. Purpose of Report

- 1.1 The purpose of this report is to authorise the District Mayor to sign the triennial agreements for the Taranaki and Manawatū-Whanganui regions on behalf of the Stratford District Council.

2. Executive Summary

- 2.1 The existing triennial agreements have been reviewed by all councils covered by them and they are recommended for approval without alteration.

3. Local Government Act 2002 – Section 10

Under section 10 of the Local Government Act 2002, the Council's purpose is to "enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future"

Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:

The Triennial Agreement is an agreement that states how Councils will work together. It supports good quality decision making for the four well-beings on a regional basis.

Social	Economic	Environmental	Cultural
✓	✓	✓	✓

4. Background

- 4.1 The Local Government Act 2002 Section 15 requires every local authority within a region to enter into a Triennial Agreement. This agreement specifies how they intend to conduct themselves in their communications with each other and how they will co-ordinate any inter-jurisdictional activities.
- 4.2 These agreements must be in place by 1 March immediately following each triennial election.
- 4.3 The current agreements were entered into in January 2020. Updated agreements have been provided by the Taranaki Mayoral Forum and Horizons Regional Council.
- 4.4 Should the Council see the need for amendments to the Triennial Agreement then the review process within the agreement would need to be activated.

5. Consultative Process

5.1 Public Consultation - Section 82

There is no requirement for public consultation.

5.2 Māori Consultation - Section 81

There is no requirement for māori consultation as the act specifically identifies the councils within a region as the parties to a triennial agreement.

6. Risk Analysis

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

6.1 There is no specific risk arising from these agreements.

7. Decision Making Process – Section 79

7.1 Direction

	Explain
Is there a strong link to Council’s strategic direction, Long Term Plan/District Plan?	No and this is not the objective of these agreements.
What relationship does it have to the communities current and future needs for infrastructure, regulatory functions, or local public services?	There is no direct link between these agreements and the communities current and future needs for infrastructure, regulatory functions, or local public services although the collaboration fostered within these agreements supports inter-regional collaboration.

7.2 **Data**

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

No additional information is sought or required in this matter.

7.3 **Significance**

	Yes/No	Explain
Is the proposal significant according to the Significance Policy in the Long Term Plan?		
Is it:	No	
• considered a strategic asset; or	No	
• above the financial thresholds in the Significance Policy; or	No	
• impacting on a CCO stakeholding; or	No	
• a change in level of service; or	No	
• creating a high level of controversy; or	No	
• possible that it could have a high impact on the community?	No	

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

7.4 **Options**

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

It is a legal requirement for council to enter a triennial agreement for both of the regions that triennial agreements are presented for in this report. These have been collaboratively developed. Council could attempt to affect changes to either of these agreements, this would trigger the review provisions of the agreements and would require consensus from all councils to affect a change.

Option 1 To authorise the mayor the mayor to sign both triennial agreements

Option 2 Council to identify specific changes it seeks within either or both of the triennial agreements presented and instruct staff and or the mayor to attempt to give effect to these.

7.5 **Financial**

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

There are no direct financial implications arising from these agreements.

7.6 **Prioritisation & Trade-off**

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

These agreements are a legal requirement and have been in place previously. Therefore there is no prioritisation or trade-off required.

7.7 **Legal Issues**

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

There are no inherent legal issues as long as council signs triennial agreements for both regions by 1 March 2023.

7.8 **Policy Issues - Section 80**

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

There are no inherent policy issues as long as council signs triennial agreements for both regions by 1 March 2023.

Attachments:

- Appendix 1** Taranaki Triennial Agreement
Appendix 2 Triennial Agreement Manawātū Whanganui Region



Sven Hanne
Chief Executive

Date 7 December 2022

Appendix 1



Taranaki Triennial Agreement

Purpose

1. The parties to this agreement commit to working for the good governance of their district or region by acting collaboratively and co-operatively to ensure that issues in common are determined in a manner that is inclusive and avoids unnecessary duplication. This agreement will ensure appropriate levels of consultation and co-ordination are maintained between the local authorities of this region, and between individual local authorities as might be notified.

Agreement

2. The parties:

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

Agree to work in good faith together for the good governance and management of their districts and the region.

The Agreement is effective from 1 March 2023 until such time as the Agreement is amended by the agreement of all parties or is renewed following the 2025 local authority elections before 1 March 2026.

3. As signatories to this Agreement each local authority will ensure:
 - a) early notification to affected local authorities, through the distribution of draft documentation, of major policy discussions which may have implications beyond the boundaries of the decision-making authority. This specifically includes new significant activities undertaken by each local authority;
 - b) early notification to all local authorities to invite and enable participation in the identification, delivery and funding of facilities and services where those facilities and services are significant to more than one district.
 - c) opportunities for other local authorities, party to the agreement, to be involved in early consultation on the development of draft annual plans and draft long-term plans and other significant policy consultation processes;
 - d) the application of a 'no surprises' policy whereby early notice will be given over disagreements between local authorities concerning policy or programmes before critical public announcements are made;
 - e) opportunities for involvement by affected local authorities in the development of policies or plans that have inter-jurisdictional or cross boundary implications, including the identification of outcomes and priorities
 - f) that where practicable processes for engaging with communities and agencies in order to identify community outcomes, and prioritise those outcomes, are undertaken jointly or in a collaborative manner which avoids unnecessary duplication,

- g) opportunities for other local authorities, whether party to this agreement or not, to work jointly on the development of strategies and plans for the achievement of identified outcomes and priorities; and
 - h) its intention to share services and staff wherever possible to achieve greater efficiency and effectiveness in the delivery of services and to look to identify, discuss and support shared service arrangements into the future.
 - i) that all local authorities party to this agreement are advised of an individual authority's decisions which are significantly inconsistent with the current triennial agreement or are likely to have consequences that will be significantly inconsistent with the current triennial agreement. Notification to the other parties will be provided to each party as soon as practicable after the decision has been made and will advise of:
 - The inconsistency
 - The reason(s) for the inconsistency
 - Any intention of local authority to seek an amendment to this triennial agreement.
4. Consultation in relation to this agreement will take the following forms:
- a) a meeting of Mayors, regional Chairperson and their Chief Executives will occur at least quarterly;
 - b) meetings between staff as necessary to achieve communication and co-ordination on matters identified in the agreement; and
 - c) opportunities to consider and comment on documentation on policies , programmes or projects.
5. Joint committees between one or more local authorities will be established or continued in line with the requirements of the Schedule 7 clause 30A Local Government Act 2002.

Significant new activities proposed by Taranaki Regional Council

6. If the Taranaki Regional Council or a Taranaki Regional Council controlled organisation proposes to undertake a significant new activity (as provided for under section 16 of the Local Government Act 2002), and the activity is already undertaken or proposed to be undertaken by one or more territorial authorities within the region, the Taranaki Regional Council will discuss the issues involved at one or more of the existing forums, and provide early drafts of proposals to affected territorial authorities for early comment. The Taranaki Regional Council will inform all territorial authorities within the region of the nature of the proposed activity, the scope of the proposal, the reasons for the proposal, and the expected effects of the proposal on the activities of the territorial authorities within the region and the likely costs and benefits of the proposal, so far as these are known at the time.
7. The affected territorial authorities will be given a reasonable period of time to respond to any such proposal. The Taranaki Regional Council will fully consider any submissions and representations on the proposal made by the territorial authorities within the region.

Servicing

8. The parties agree that responsibility for servicing this agreement shall be shared, with responsibility passing from local authority to local authority following the triennial election. Servicing involves:
- a) providing those secretarial services required; and
 - b) acting as a media and communications contact (including the provision of information to the public on request) in relation to matters covered in the agreement.
9. The parties agree that the next local authority responsible for servicing this agreement will be the South Taranaki District Council for the 2019-2022 term, after which it shall pass to the remaining local authorities alphabetically, unless otherwise agreed.

Agreement to review

10. The parties agree to review the terms of this agreement within four weeks of a request by one of the parties made in writing to the local authority delegated responsibility to service the Agreement.

Resolving disagreement

11. In the event of a disagreement over the terms of this agreement the parties agree to refer the issue of disagreement to arbitration for non-binding resolution. If no agreement on an arbitrator is forthcoming a mediator will be appointed by the president of the Taranaki Branch of the New Zealand Law Society.

Authority

12. This agreement is signed on this day, XX of XXXX 2023, by the following on behalf of their respective authorities.

New Plymouth District Council

Neil Holdom Mayor

South Taranaki District Council

Phil Nixon Mayor

Stratford District Council

Neil Volzke Mayor

Taranaki Regional Council

Charlotte Littlewood
Chairperson

Dated: XX XXXX 2023

Triennial Agreement for the Manawatū-Whanganui Region 2022-25

Purpose

The signatories are committed to working together to promote the social, economic, environmental, and cultural wellbeing of their communities—in accordance with principles of sustainable management for current and future generations, and of the Treaty of Waitangi.

The purpose of this Triennial Agreement (the Agreement) is to ensure appropriate communication, coordination and collaboration between local authorities within the Manawatū-Whanganui Region.

This Agreement is established under section 15 of the Local Government Act 2002 (LGA). It is effective until such time as it is either amended by the agreement of all parties or is renewed following the 2025 local authority elections (and no later than 1 March 2026).

Parties

The signatories to this agreement comprise *principal signatories* (those local authorities whose boundaries are completely or primarily encompassed within the Manawatū-Whanganui Region and who primarily identify with that region) and *non-primary signatories* (those local authorities whose boundaries bisect the Manawatū-Whanganui Region but whose principal identification is with another region).

Principal Signatories:

- Manawatū-Whanganui Regional Council (Horizons)
- Horowhenua District Council
- Manawatū District Council
- Palmerston North City Council
- Rangitīkei District Council
- Ruapehu District Council
- Tararua District Council
- Whanganui District Council

Non-primary Signatories:

- Taupō District Council
- Waitomo District Council
- Stratford District Council

This Agreement is binding on all local authorities of the Manawatū-Whanganui Region. It is recognised that non-primary signatories retain discretion over the extent of their involvement, in proportion to the extent to which issues and decisions under consideration affect them.

Working Together

This Agreement focuses on responding to issues and opportunities facing our communities and local environment. The parties agree to work together in good faith for the good governance and sustainable development of their local areas and the region as a whole.

Signatories to this Agreement recognise that obligations to the Treaty of Waitangi, and to provide opportunities for Māori to contribute to local decision-making, extend to regional cooperation and joint decision-making. Central Government, too, has overlapping but distinct priority areas. The parties will seek to collaborate on matters of shared interest.

The wellbeing of our communities and health of our environment are best served by local authorities working together. We face increasingly complex governance issues, many of which cannot be resolved by any one organisation acting alone. Cooperation is necessary to tackle challenges such as:

- Delivering better social outcomes for communities, through affordable housing, well-functioning urban environments, infrastructure, and transport links;
- Improving the resilience of our environment and communities to the effects of climate change;
- Improving the health of our ecosystems and waterways;
- Supporting the development of a vibrant, sustainable regional economy.

The parties value and will maintain open communication, collaboration and trust, applying a 'no surprises' policy by ensuring other parties receive early notification of significant proposals that may affect them and their communities, and of divergent views on proposed decisions before critical public announcements are made.

Collaboration and cooperation between local authorities can yield administrative efficiencies, allowing for better use of available resources and more effective community participation. The parties undertake to work together toward common priorities and community outcomes, and making efficient use of resources, in accordance with LGA s14(1)(e).

While collaboration and cooperation are desirable, the region's communities and landscapes are diverse, and each local authority has the legislative mandate to govern its own area as appropriate.

Governance

The primary mechanism to implement this Agreement is the Manawatū-Whanganui Mayoral Forum (the Mayoral Forum), comprised of the region's Mayors and the Chair of Horizons Regional Council. The Forum will meet quarterly and operate in accordance with its agreed terms of reference, which are attached at Appendix One.

The Manawatū-Whanganui Mayoral Forum will:

- Provide governance oversight of our response to regionally significant challenges;
- Promote understanding and alignment of effort across councils, with central government, and with tangata whenua;
- Advocate for the interests of the region, its councils and communities.

The Mayoral Forum will be supported by the Manawatū-Whanganui Chief Executives Forum. The Chief Executives Forum will:

- Identify and escalate to the Mayoral Forum strategic issues and opportunities for collaboration;
- Report to the Mayoral Forum on the delivery of its agreed actions, work programmes or collaborative projects.

Other groups will support regional coordination:

- The Climate Action Joint Committee is to continue. Terms of Reference are attached at Appendix Two.
- Regional Transport Committee is to continue, as required by s105(2) of the Land Transport Management Act 2003.
- For the avoidance of doubt, Manawatū-Whanganui Civil Defence and Emergency Management Group will continue, as required by s12 of the Civil Defence Emergency Management Act 2002.
- The Accelerate 25 Lead Team will continue to progress regional economic development.
- The Regional Leadership Group, convened by the Ministry for Social Development, will bring together senior officials from central and local government, tangata whenua, and other community groups with a focus on social wellbeing, health, and education.

These arrangements complement other mechanisms for inter-council collaboration, such as Local Government New Zealand, Taituarā, the Association of Local Government Information Management, the Institute of Public Works Engineering Australasia, the Local Authorities Public Relations Network, and the Manawatū-Whanganui Local Area Shared Services CCO (MWLASS).

Recognition of Resolutions by Joint Committees

Within the parameters set through legislation – and acknowledging each local authority’s mandate to govern in its own area – the parties agree to:

- Have particular regard to resolutions made by joint committees in developing policies, determining priorities, and allocating resource;
- Progress to the fullest possible extent actions identified through joint planning and decision-making arrangements.

Servicing and Support

Horizons will host a permanent secretariat to support the Manawatū-Whanganui Mayoral Forum. The secretariat will be funded jointly by participating councils.

Significant New Activities

When a party is considering a major policy initiative or proposal that may have implications for other parties, and unless such disclosure is inconsistent with the Local Government Official Information and Meetings Act 1987 or commercial confidences precludes such disclosure, they will give early notification to the affected parties and share the information with the Mayoral Forum and the Chief Executives Forum.

Horizons Regional Council will provide early advice to the Chief Executives Forum and the Mayoral Forum of any significant new regional council activity, in addition to other requirements specified in LGA s16.

Significant Facilities and Services

The Mayoral Forum and Chief Executives Forum may from time to time explore options for identifying, delivering and funding facilities and services of significance to more than one district. Any Party to this Agreement may raise these issues for consideration.

Consultation in Relation to Resource Management Act 1991 (RMA) Policy and Plans

The following consultation process will apply to the preparation of a new, or change, variation, or review of an existing, regional policy statement, regional plan or district plan by a local authority in the Region:

- The Regional Council will seek the input of territorial authorities, and vice-versa, for the preparation or review of the regional policy statement, or regional or district plan.
- For the regional policy statement or a regional plan, the Regional Council will make the draft version available to all territorial authorities in the Region for discussion and development.
- The parties to this Agreement acknowledge their obligation to act in accordance with the principles of consultation set out in LGA s82.

In addition, the parties agree to cooperate in implementing national policy statements, to ensure alignment of regional and district policies and plans, as well as efficiency of process. The parties undertake to report, through Chief Executives, to the Mayoral Forum on opportunities to share information, jointly commission advice, or otherwise pool effort in order to give effect to national direction within appropriate timeframes and in a practicable way.

Other Agreements

This Agreement does not prevent the Parties from entering into other agreements among themselves or outside the Manawatū-Whanganui region. Any other such agreement should not, however, be contrary to this Agreement.

Resolving Disagreement

All parties to this Agreement are committed to working strenuously, in good faith, to resolve any disagreements that may arise in relation to its application. Where a party has a significant

disagreement with the position of the others, all parties will make every effort to accommodate, acknowledge or at least fairly represent the dissenting view.

In the event of a disagreement over the actions taken to give effect to this Agreement that cannot be successfully resolved by affected parties, the parties agree to refer the issue of disagreement to mediation. Should agreement on a mediator not be possible, a mediator will be appointed by the president of the Manawatū Branch of the Law Society. If mediation is unsuccessful, any of the local authorities affected may ask the Minister of Local Government to make a binding decision on the proposal. The cost of mediation will be met equally by the parties that have agreed to the mediation.

Agreement to Review

This Agreement remains in force until local authorities ratify a new agreement.

Any party may request an amendment to this Agreement by writing to the Chair of the Mayoral Forum at least two weeks before a regular quarterly meeting of the Forum. The Mayoral Forum will review the Agreement no later than the final meeting before triennial local body elections and recommend any changes to the incoming councils.

Any agreed amendment will be referred to each local authority for ratification. No amendment to this Agreement has effect until signed by all parties.

Statutory Requirements

This document is deemed to duly constitute fulfilment of section 14(1)(e), 15 and 16 of the LGA, and Schedule 1 Clause 3A(1) of the RMA.

Authority

This Agreement is signed by the following on behalf of their respective authorities.

Appendix One

Manawatū-Whanganui Mayoral Forum

Terms of Reference

Statement of Purpose

The purpose of the Manawatū-Whanganui Mayoral Forum is to support effective leadership on shared priorities and matters of importance to the region's communities.

It is a joint committee, established in accordance with clauses 30 and 30A of Schedule 7 to the Local Government Act 2002.

Objectives

The Manawatū-Whanganui Mayoral Forum has the following objectives:

- To enable Manawatū-Whanganui councils to work more collaboratively in response to regionally significant challenges and opportunities;
- To provide a forum for engagement between councils, central government, tangata whenua, and other leaders in the region;
- To explore, with iwi and hapū, how governance relationships might be further progressed in future;
- To provide a collective voice to advocate for and raise the profile of these issues and opportunities;
- To increase the effectiveness of local government in meeting the needs of Manawatū-Whanganui communities;
- To develop and implement programmes (including joint plans where appropriate), which are responsive to the needs and expectations of the community; and
- To prepare for institutional changes, such as joint planning arrangements, and oversee preliminary work to inform joint strategies and plans.

Principles

In pursuit of these objectives the Manawatū-Whanganui Mayoral Forum will observe the following principles:

- Establish and maintain close liaison with other local government networks to ensure as far as possible the pursuit of common objectives and the minimisation of duplication;
- Establish and maintain close liaison with Ministers of the Crown and local Members of Parliament;

- Recognise that obligations to the Treaty of Waitangi, and opportunities for Māori to contribute to local decision-making, extend to regional cooperation and joint decision-making;
- Work towards shared positions on issues of mutual concern, formalising these through letters of support, submissions and/or public statements as appropriate;
- Exercise its functions with due regard to the tangata whenua and cultural diversity of the community;
- Establish processes for reporting back to its respective councils and communities.

Powers

The Manawatū-Whanganui Mayoral Forum does not have the power to legally bind any council to any act or decision, unless that act or decision has been agreed to by decision of that council. Within that context, the parties agree to:

- Have particular regard to the recommendations of the Committee in developing policies, determining priorities, and allocating resource;
- Progress, to the fullest possible extent, actions identified through joint planning and decision-making arrangements.

The Manawatū-Whanganui Mayoral Forum shall have the power to:

- Make submissions and undertake advocacy to external organisations on matters germane to the Committee's objectives;
- Engage with key agencies and neighbouring regions on matters relating to the Committee's objectives;
- Recommend to the parties actions that materially contribute to attainment of the Committee's objectives;
- Receive any grant or subsidy;
- Receive financial contributions from member authorities, as may be mutually determined and acceptable to individual local authorities; and
- Determine and make payments from its funds for any or all of the purposes of its objects.

Council decisions on the Mayoral Forum's recommendations

Where a Council makes specific decisions on the Manawatū-Whanganui Mayoral Forum's recommendations, these will be reported to the Mayoral Forum. Where the decision is materially different from the Mayoral Forum's recommendation the report will set out the reasons for that decision.

Membership

Membership shall be open to the eight councils wholly or primarily within the Manawatū-Whanganui Region (Horowhenua District Council, Palmerston North City Council, Manawatū District Council, Rangitīkei District Council, Whanganui District Council, Ruapehu District Council, Tararua District Council, Manawatū-Whanganui Regional Council (Horizons)).

Each member council shall be represented by its Mayor (or Chair in the case of the Regional Council) and supported by its Chief Executive. On occasions where the Mayor or Chair cannot attend, a council may be represented by its Deputy Mayor or Chair.

The Mayoral Forum will have the power to co-opt other members on a permanent and/or issues basis.

Election of Chair

The Manawatū-Whanganui Mayoral Forum shall select a Chair and Deputy Chair at the first meeting immediately following the Triennial Elections. These appointments may be reviewed after a period of 18 months.

The Chair selected will preside at all meetings of the Mayoral Forum.

The Mayoral Forum may appoint spokespersons from its membership for issues being considered, in which case each member council agrees to refer all requests for information and documents to the duly appointed spokespersons.

Meetings

Meetings will be held quarterly at Regional House in Palmerston North, unless otherwise advised.

Special meetings may be called at the request of members.

The secretariat will prepare an agenda for Mayoral Forum meetings in consultation with the Chair and the Chief Executives Forum.

Agendas for meetings will be issued and minutes will be taken and circulated.

Approved minutes and approved final reports and papers will be made available via Horizons' website and a Microsoft Teams portal.

Quorum

The quorum will consist of four members (half the number of members including vacancies).

Meetings may be held in person or by other means (such as audiovisual link) as the Committee agrees and where permissible under New Zealand law and the standing orders of the parties.

Decision making

The practice of the Forum will be to determine issues before it by consensus.

If the consensus is to determine issues by voting, the determination shall be determined by a majority of votes of members attending the meeting.

Remuneration and expenses

Each party shall be responsible for remunerating its representative on the Committee.

Standing Orders

The Committee shall apply the standing orders of Manawatū-Whanganui Regional Council.

Duration of the Joint Committee

In accordance with clause 30(7) of Schedule 7 of the Local Government Act 2002, the Manawatū-Whanganui Mayoral Forum is not deemed to be discharged following each triennial local government election.

Secretariat

The Manawatū-Whanganui Mayoral Forum will appoint Manawatū-Whanganui Regional Council to carry out the secretariat function on such terms and conditions as it shall decide for the discharge of duties, including the taking of minutes and the keeping of any books and accounts and attending to any other business of the forum.

Variations to this Agreement

Amendments to this agreement may be required from time to time. Changes will be approved by the parties, on the recommendation of the Mayoral Forum.

Appendix Two

Climate Action Joint Committee

Manawatū-Whanganui Region

Terms of Reference

Statement of Purpose

The purpose of the Climate Action Joint Committee is to support a coordinated response to climate change across the councils and communities of the Manawatū-Whanganui Region.

It is established in accordance with clauses 30 and 30A of Schedule 7 to the Local Government Act 2002.

Objectives

The Climate Action Joint Committee's operating objectives are to:

- Collaborate on action to build organisational, community, and regional resilience in the face of climate change;
- Make use of available environmental, social, cultural and economic research, skills and capabilities to leverage opportunities and mitigate the impacts of climate change;
- Develop a climate action plan, including recommended actions for councils to contribute to mitigation of greenhouse gas emissions and to support community resilience to the effects of climate change
- Work collectively as a region to engage with Central Government, including any actions to deliver on responsibilities under the National Adaptation Plan and Emissions Reduction Plan, and to support a Just Transition for our region;
- Promote consistent and effective leadership, advocacy, communication and engagement on climate change issues to enable individual and collaborative action;
- Champion the integration of partner strategies, programmes, and plans and encourage partnerships with iwi and others in central and local government, health, education, youth, NGOs and business;
- Oversee implementation of agreed joint projects;
- Share climate change evidence and guidance to inform council work programmes and support explicit consideration of climate change impacts in decisions; and
- Monitor and report annually on implementation of the joint action plan.

Powers

The Climate Action Joint Committee does not have the power to legally bind any council to any act or decision, unless that act or decision has been agreed to by decision of that council. Within that context, the parties agree to:

- Have particular regard to the recommendations of the Committee in developing policies, determining priorities, and allocating resource;
- Progress, to the fullest possible extent, actions identified through joint planning and decision-making arrangements.

The Climate Action Joint Committee shall have the power to:

- Receive regular monitoring reports and presentations on the matters relevant to the Committee's objectives;
- Develop, adopt, and progress a joint climate action plan;
- Make of submissions and undertake advocacy to external organisations on matters germane to the Committee's objectives;
- Engage with key agencies and neighbouring regions on matters relating to the Committee's objectives;
- Recommend to the parties actions that materially contribute to attainment of the Committee's objectives;
- Receive any grant or subsidy;
- Receive financial contributions from member authorities, as may be mutually determined and acceptable to individual local authorities; and
- Determine and make payments from its funds for any or all of the purposes of its objects.

Council decisions on the Joint Committee's recommendations

Where a Council makes specific decisions on the Climate Action Joint Committee's recommendations, these will be reported to the Joint Committee by its delegate. Where the decision is materially different from the Joint Committee's recommendation the report will set out the reasons for that decision.

Committee Membership

The Committee consists of the following members:

- The Mayor/Chair or designated delegate of each local authority within the Manawatū-Whanganui Region (total 8 members); and
- Up to eight non-Councillor members, to represent the views of Tangata Whenua. These appointments will be made by Horizons on the recommendation of iwi leaders, taking into consideration their skills, attributes or knowledge that will assist the work of the Committee.

This Committee may invite advisers to attend relevant portions of the Committee's business.

Election of Co-Chairs

The committee will elect Co-Chairs by the system described in clause 25(4) Schedule 7 of the Local Government Act 2002.

The governance group will have two Co-Chairs:

- A Councillor member of the group, and
- A Tangata Whenua member of the group.

Each Co-Chair shall preside on an alternate basis. If a Co-Chair is absent from a meeting at which they are scheduled to be the presiding member, the other Co-Chair shall preside at the meeting.

Meetings

The Committee will sit at least twice each year.

Special meetings may be called at the request of members.

Agendas for meetings will be issued and minutes will be taken and circulated.

Approved minutes and approved final reports and papers will be made available via Horizons' website and a Microsoft Teams portal.

Quorum

The quorum will consist of:

- Half of the members if the number of members (including vacancies) is an even number; or
- A majority of members if the number of members (including vacancies) is an odd number.

Non-elected positions to which no appointment has been made are not considered to be vacancies for the purposes of forming a quorum.

Meetings may be held in person or by other means (such as audiovisual link) as the Committee agrees where permissible under New Zealand law and the standing orders of the parties.

Decision making

The practice of the Forum will be to determine issues before it by consensus.

If the consensus is to determine issues by voting, the determination shall be determined by a majority of votes of members attending the meeting.

Remuneration and Expenses

Each party shall be responsible for remunerating its representative on the Committee.

Tangata whenua members shall be eligible for compensation for Joint Committee activity including travel and attendance at meetings.

Standing Orders

The Committee shall apply the standing orders of Manawatū-Whanganui Regional Council.

Duration

In accordance with clause 30(7) of Schedule 8 of the Local Government Act 2002, the Climate Action Joint Committee is not to be discharged following each triennial local government election.

Variations to this Agreement

Amendments to this agreement may be made by resolution of the Manawatū-Whanganui Mayoral Forum, on the recommendation of the Climate Action Joint Committee.

DECISION REPORT



F22/55 – D22/46541

To: Council
From: Director – Corporate Services
Date: 13 December 2022
Subject: Adopt Annual Report 2021/22

Recommendations

1. THAT the report be received.
2. THAT the Annual Report 2021/22 be received and approved for adoption, subject to any further changes as requested by Deloitte, the independent auditors.
3. THAT the Mayor and the Chief Executive be given authority to sign the Annual Report, incorporating any late, minor, changes that may be required by Deloitte.
4. THAT the Chief Executive be authorised to publish a Summary Annual Report once the Audit Report to the Summary Report has been received from Deloitte.

Recommended Reason

Section 98A of the Local Government Act 2002 requires Council to adopt the Annual Report 2021/22 by 31 December 2022. The audited Annual Report gives the community transparency on the Council's performance for the year. It is a statutory requirement for a local authority to, within one month after the adoption of its Annual Report; make publicly available a summary of the information contained in its Annual Report.

/
Moved/Seconded

1. Purpose of Report

- 1.1 The purpose of this report is to receive, consider, and approve for adoption the Annual Report for the year ended 30 June 2022 and to authorise the publication of a Summary Annual Report.

2. Executive Summary

- 2.1 The Annual Report 2021/22 is the annual document that summarises the performance of the Council in the following aspects:
 - Financial performance – including financial statements, compliance with financial benchmarks, individual Activity cost of service statements, and a summary of variations to the Long-Term Plan 2021-31.
 - Non-Financial performance – performance measures and outcomes for the year by activity, and a summary of non-financial performance measures that were not met.
 - Confirmation from Deloitte that the Annual Report complies with appropriate legislation and standards (not yet available).

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

2.2 In September 2022, a draft Annual Report and a summary of the highlights was presented to the Audit and Risk Committee. Updates from that report are presented below:

- Total Revenue \$28,929,000
- Total Expenditure \$21,152,000
- Total Rates Revenue \$14,192,000
- Waka Kotahi Subsidy \$4,522,000
- Total Capital Expenditure \$24,375,000
- Of the 98 non-financial performance measures, 61% (60) were achieved, with 36% (35) not achieved or information has not (or cannot) be provided to verify outcome, and 3% (3) were not applicable for differing reasons.

2.3 The Annual Report is audited by Deloitte to provide Council with assurance on compliance with the Local Government Act 2002, the Local Government (Financial Reporting and Prudence) Regulations 2014, and the Public Benefit Entity Standards Reduced Disclosure Regime, and is audited in accordance with the Auditor-General’s Auditing Standards. The annual audit is a legislative requirement and we can not opt out of this process.

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

3. Local Government Act 2002 – Section 10

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

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

4. Background

4.1 This is the first year Council has experienced a completely new audit firm, with Deloitte, previously Audit New Zealand. This has come with its own challenges and opportunities. In terms of challenges, some of the auditors have appeared to be unfamiliar with local government and/or the Stratford District, in comparison to the previous auditors, presenting a sharp learning curve. This requires a lot of explaining, and additional information having to be provided which has proved to be a much more time-consuming audit exercise than in previous years. The auditors also operate different processes and have different requirements for financial disclosures. However, the change has come with some benefits in that the auditors have been able to make some suggestions for process improvements that may not have been picked up by the previous auditors due to their familiarisation with Council processes.

4.2 At this stage, Deloitte have not raised any significant issues. Although the valuation of Council assets has taken up a considerable amount of time and prolonged the audit, it is expected that Council’s approach to not revalue infrastructure assets, except for applying an inflation adjustment of 8% for roading assets, will be accepted.

5. Consultative Process

5.1 Public Consultation - Section 82

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

5.2 Māori Consultation - Section 81

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

6. Risk Analysis

Refer to the Council Risk Register - available on the Council website.

- Does this report cover any issues that relate to any risks on the Council Risk Register, and if so which risks and what are the impacts and likelihood of eventuating?
- Does this report cover any issues that may lead to any new risks that are not on the Council Risk Register, and if so, provide some explanation of any new identified risks.
- Is there a legal opinion needed?

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

7. Decision Making Process – Section 79

7.1 Direction

	Explain
Is there a strong link to Council's strategic direction, Long Term Plan/District Plan?	Yes, the Annual Report compares the actual activities and the actual performance of Council for the year ended 30 June 2022 with the intended activities and the intended level of performance as set out in year 1 of the Council's 2021–2031 Long Term Plan.
What relationship does it have to the communities current and future needs for infrastructure, regulatory functions, or local public services?	It provides a snapshot of the Council's financial position, and gives a view as to Council's financial sustainability in order to meet the current and future infrastructure needs.

7.2 Data

- Do we have complete data, and relevant statistics, on the proposal(s)?
- Do we have reasonably reliable data on the proposals?
- What assumptions have had to be built in?

Refer to the Annual Report 2021/22 attached to this report – **Appendix 1**.

7.3 **Significance**

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

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

7.4 **Options**

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

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

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

The recommended option is to approve the recommendations to adopt the Annual Report 2021/22, subject to any minor changes as requested by Deloitte, and approve the other recommendations in this report.

However, if Council does not agree to adopt the Annual Report, there is limited time to make any changes, in order to comply with the legislative reporting timeframe. Note – any further changes done at Council's request (rather than at the request of auditors) will require additional audit review by Deloitte. *Note: There is no financial penalty for not adopting the Annual Report by the legislative timeframe.*

7.5 **Financial**

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

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

The total audit fee proposed for the 2021/22 audit (including disbursements) is \$126,018 (excl GST) – an increase of 8% on the previous year.

Deloitte have indicated that the agreed audit fee is insufficient to cover the cost of the audit and that some of this may have to be covered by Council. Any such proposal by auditors will be strongly contested against.

7.6 **Prioritisation & Trade-off**

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

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

7.7 **Legal Issues**

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

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

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

7.8 **Policy Issues - Section 80**

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

N/A

Attachments

Appendix 1 Annual Report 2021/22



Tiffany Radich
Director – Corporate Services



[Approved by]
Sven Hanne
Chief Executive

Date 7 December 2022

APPENDIX 1

**2021/22
Annual
Report**

Message 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 (90% agreed), a safe place (93% agreed), and offering a healthy lifestyle (92% 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 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.

The outcomes have been refined to reflect what is important to Stratford. These are then used to provide direction and inform Council on service delivery and use of resources. These community outcomes are:

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

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

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

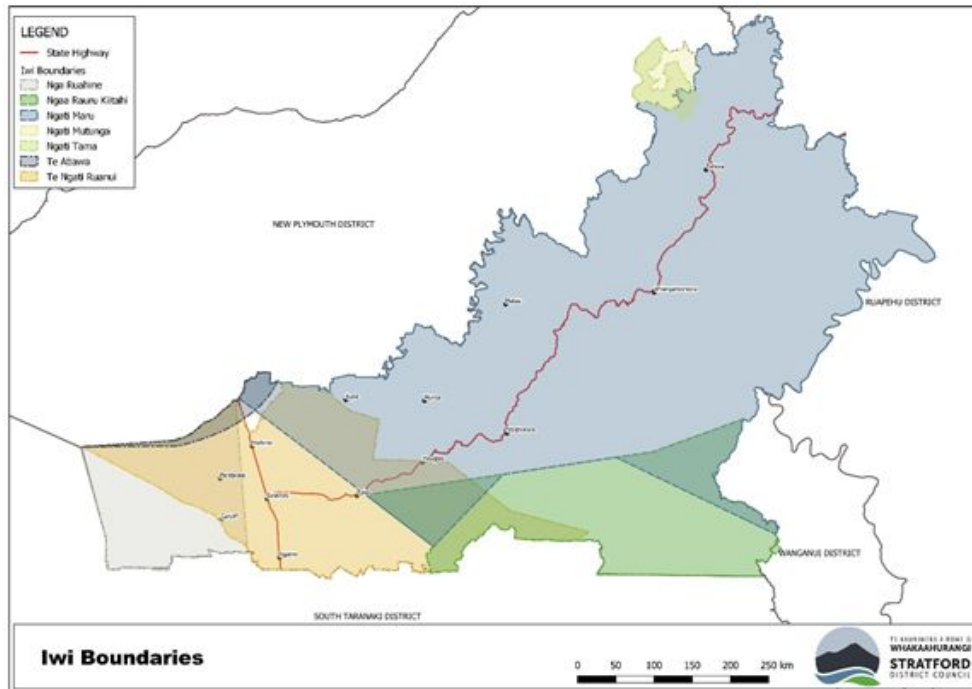
The group of activities meet the purpose of the Local Government four well-beings as follows:

Activities	Cultural	Social	Economic	Environmental
Recreation and Facilities	✓	✓	✓	✓
Democracy	✓		✓	✓
Community Development	✓		✓	✓
Environmental Services		✓	✓	✓
Roading			✓	✓
Stormwater		✓		✓
Wastewater		✓		✓
Solid Waste		✓		✓
Water Supply		✓		✓

Opportunities for Māori Contribution to Decision-Making Process

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

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



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

STATUTORY

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

SIGNIFICANCE AND ENGAGEMENT

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

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

INTERNAL CAPACITY

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

WORKING TOGETHER

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

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

GOVERNANCE

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

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

District Profile

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

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

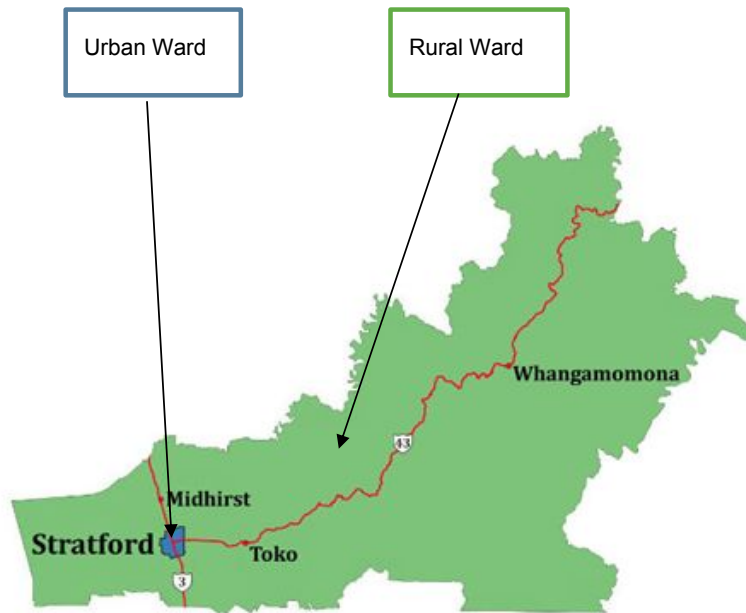
Covering approximately 2,170 square kilometres, it has four distinct regions:

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

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

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

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



The Stratford District Council is 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

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

DISTRICT MAYOR

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

URBAN WARD

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

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

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

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

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

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

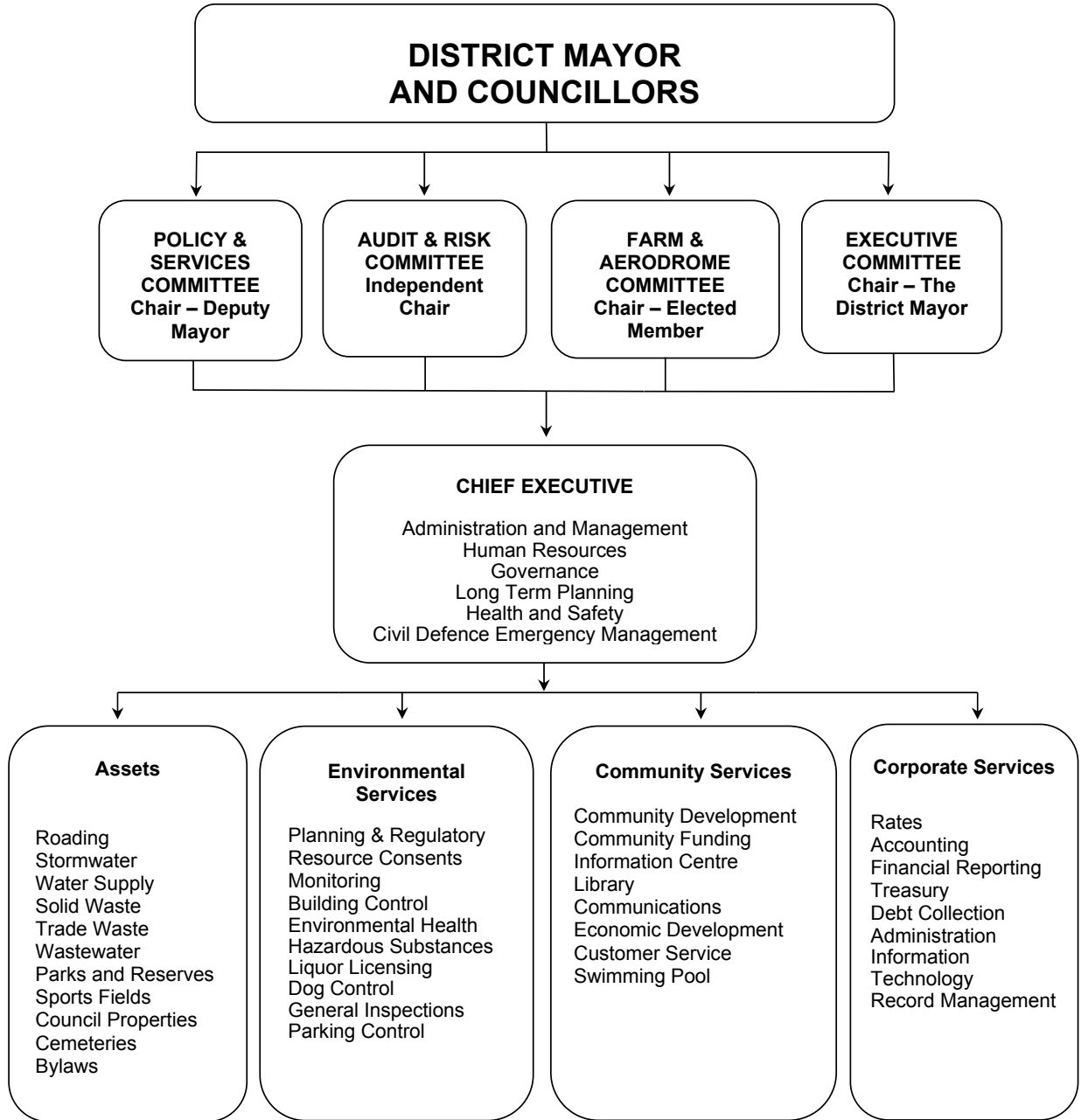
RURAL WARD

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

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

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

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



Standing Committee Membership

As at 30 June 2022

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

- * Chairperson
● Member of Committee

Highlights

The purpose of this Annual Report is to outline the financial performance for the 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	
Rating units within Stratford District Council at the end of the preceding financial year (30 June 2021)	
- Number of Rateable Assessments	4,846
- Total Number of Rating Units	5,190
Valuations of the district (including non rateable)	
- Land Value of Rating Units	\$2,197,243,650
- Improvements	\$1,498,122,850
- Total Capital Value of Rating Units	\$3,695,366,500
Statistical Information	
	30 June 2022
Land Area	2170 sq km
Population (as at June 2022)	10,120
Rates per rateable assessment	\$2,929
Public Debt / Term Liabilities	\$32,200,000
Debt per Head of Population	\$3,182
Debt per Rateable Assessment	\$6,645
Debt Servicing as a Percentage of Total Revenue (limit is < 10%)	1.91%
Full Time Equivalent Staff at 30 June 2022	59
Roads - 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-Jun-22 Actual \$000	30-Jun-22 Budget \$000	30-Jun-21 Actual \$000
Revenue			
- Rates	14,192	13,950	13,437
- All Other Revenue	14,737	15,440	16,609
Total Revenue	28,930	29,389	30,046
Total Operating Expenditure	21,153	19,985	19,926
Net Surplus (Deficit)	7,777	9,404	10,120
Capital Expenditure	24,375	28,535	13,121
Working Capital (excludes current portion of debt repayment which will be refinanced immediately)	6,706		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
Debt	Net debt as a % of total annual revenue	<130%	84%	64%
Income & Affordability	% 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

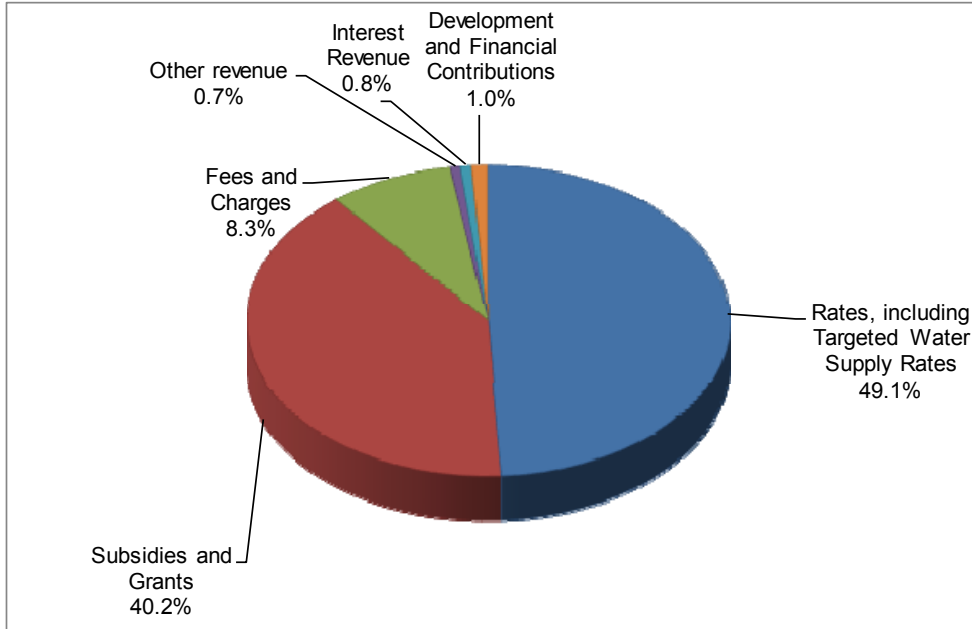
The Net Surplus of \$7,777,000 is made up of capital revenue including the following:

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

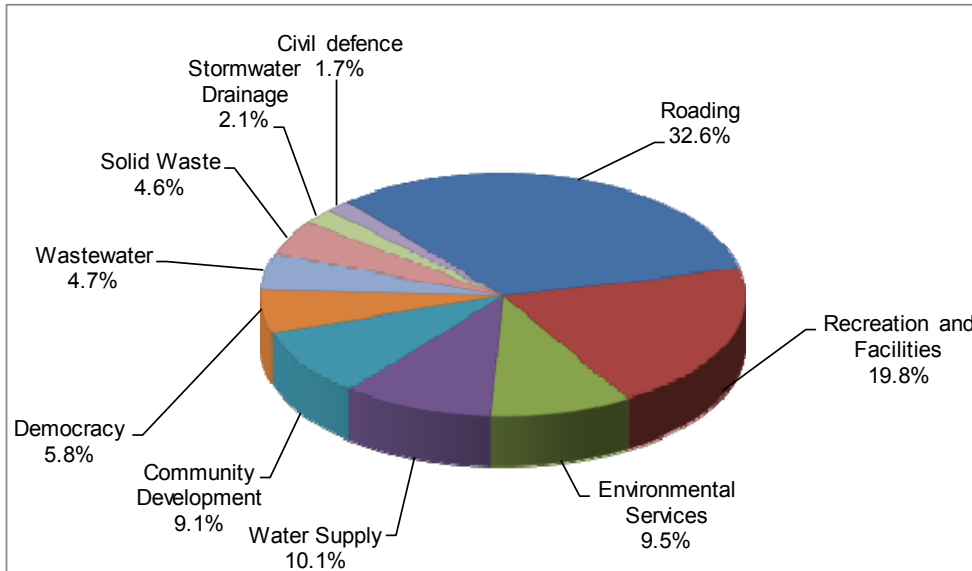
In addition, part of roading depreciation is funded from reserves (government subsidised portion). In 2021/22, this made up \$1,614,000 of total depreciation.

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	Net Budget	Variance	Variance
	\$000	\$000	\$000	%
Net Operating Cost				
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%)
Total	13,445	11,569	(1,877)	(16%)
Capital Expenditure				
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, 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%)
Total	24,375	28,603	4,228	15%

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 over budget 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.



His Worship the Mayor
N C Volzke
13 December 2022



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

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

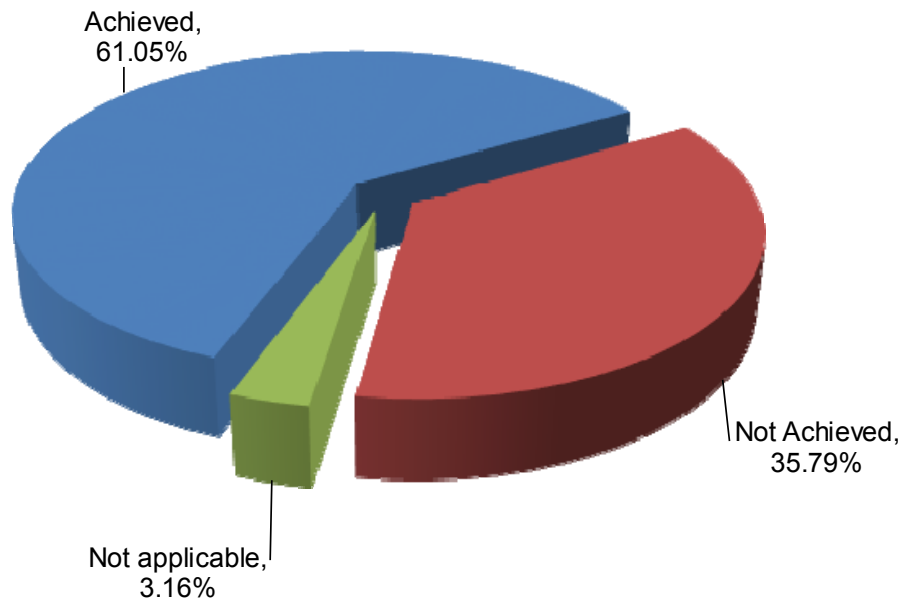
In the activities that follow, performance reporting against the **Targets** will be detailed as follows:

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

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	
The aerodrome meets the needs of users	A high level of satisfaction amongst the users with the condition and maintenance of the aerodrome.	>70%	Not Achieved – 50% (2020/21 Achieved – 74%)	Annual Aerodrome user survey
		<i>Two responses to survey (out of 33 sent out)</i>		
The aerodrome is used by the Stratford community and visitors	Number of aircraft movement during the year	>3,500	Not Achieved –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	Operating Expenditure	106	98
24	Revenue	24	27
81	Net Cost of Service	82	72
	EXPENDITURE		
74	Operating Costs	73	66
6	Depreciation	6	6
25	Allocated Overheads	27	26
105	Total Operating Expenditure	106	98
-	Capital Expenditure	-	-
105	Total Expenditure	106	98
	FUNDED BY:		
24	Charges for Services	24	27
24	Total Revenue	24	27
86	General Rates	71	70
-	Transfer from Depreciation Reserve	-	-
-	Other Funding	1	1
110	Total Funding	96	98

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	
To provide facilities that are well maintained and utilised.	Buildings legally requiring a Building WoF have a current Building WoF at all times.	100%	Achieved – 100% (2020/21 Achieved - 100%)	Building WoF records
	Annual booking of War Memorial Centre.	>500	Not Achieved – 379 (2020/21 Not Achieved – 441)	Booking records
	<i>Only 379 bookings due to Covid-19 closures</i>			
To provide suitable housing for the elderly.	Annual booking of Centennial Restrooms.	>200	Achieved - 246 (2020/21 Achieved – 209)	Booking records
	Percentage of Customer satisfaction.	>89%	Not Achieved – 73% (2020/21 Achieved – 93%)	Annual User Survey
	<i>Tenants were unhappy with the grounds and maintenance.</i>			
To provide clean, well maintained toilet facilities.	Annual Occupancy rate.	>95%	Achieved – 100% (2020/21 Achieved – 100%)	Tenancy records.
	Percentage of Stratford District residents satisfied with overall level of service of toilets.	>80%	Not Achieved – 68% (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	Operating Expenditure	958	907
42	Revenue	34	51
993	Net Cost of Service	924	856
	EXPENDITURE		
445	Operating Costs	321	306
8	Interest	10	16
451	Depreciation	495	455
131	Allocated Overheads	132	130
1,036	Total Operating Expenditure	958	907
16	Principal Loan Repayments	18	29
422	Capital Expenditure	204	673
1,473	Total Expenditure	1,180	1,609
	FUNDED BY:		
42	Charges for Services	34	51
42	Total Revenue	34	51
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
1,260	Total Funding	1,130	1,609

Pensioner Housing

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

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	Achieved – 57,670 (2020/21 New Measure)	Monthly statistics from Koha
	% of library users satisfied with library services.	>80%	Achieved – 97% (2020/21 Achieved – 98.87%)	Annual Residents Survey
	Number of people participating in library events and programmes	>1,200	Achieved – 2,436 (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	Operating Expenditure	753	733
15	Revenue	13	14
686	Net Cost of Service	740	719
	EXPENDITURE		
405	Operating Costs	442	428
18	Interest	18	17
65	Depreciation	83	78
213	Allocated Overheads	210	210
701	Total Operating Expenditure	753	733
33	Principal Loan Repayments	33	30
76	Capital Expenditure	-	-
810	Total Expenditure	786	764
	FUNDED BY:		
15	Charges for Services	13	14
15	Total Revenue	13	14
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
838	Total Funding	793	764

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	
To provide parks, sports fields and other open spaces that meet community demand	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%	Achieved – 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.				
Safe playgrounds are provided	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.		
Foot Bridges are safe.	All foot bridges meet NZ Safety standards.	No Result (Biennial Review)	Not Achieved (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-about 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	Operating Expenditure	820	699
8	Revenue	8	9
690	Net Cost of Service	812	690
	EXPENDITURE		
475	Operating Costs	534	468
5	Interest	6	6
94	Depreciation	146	93
125	Allocated Overheads	134	131
698	Total Operating Expenditure	820	699
9	Principal Loan Repayments	10	12
1,466	Capital Expenditure	495	144
2,173	Total Expenditure	1,325	854
	FUNDED BY:		
8	Charges for Services	8	9
8	Total Revenue	8	9
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
2,323	Total Funding	1,241	854

Cemeteries

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

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	
The pool complex will be a safe place to swim.	Number of reported accidents, possible accidents and similar incidents pa.	<80	Achieved - 25 (2020/21 Achieved –44)	Reported monthly to Council.
	Compliance with NZS5826:2010 NZ Pool Water Quality Standards.	100%	Achieved – 100% (2020/21 Achieved – 100%)	Water quality register.
	PoolSafe accreditation is met	100%	Achieved – 100% (2020/21 New Measure)	
That the pool facilities meet demand.	Percentage of pool users are satisfied with the pool.	>80%	Not Achieved – 77% (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	Not Achieved – 39,789 (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	Operating Expenditure	1,289	1,208
211	Revenue	170	231
845	Net Cost of Service	1,119	977
	EXPENDITURE		
718	Operating Costs	845	759
-	Interest	116	122
122	Depreciation	120	122
215	Allocated Overheads	208	205
1,056	Total Operating Expenditure	1,289	1,208
-	Principal Loan Repayments	213	221
4,856	Capital Expenditure	14,295	16,700
5,912	Total Expenditure	15,797	18,130
	FUNDED BY:		
211	Charges for Services	170	231
211	Total Revenue	170	231
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
6,014	Total Funding	15,861	18,130

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	
To provide Democracy services in accordance with statutory deadlines.	Agendas and associated reports for all scheduled meetings are available to interested parties in accordance with statutory timeframes.	100%	Achieved – 100% (2020/21 Achieved – 100%)	Meeting Register.
	All Council meetings are publicly notified in accordance with statutory timeframes.	100%	Achieved – 100% (2020/21 Achieved – 100%)	Meeting Register.
Opportunities for the community to participate in decision making is widely publicised	The community is satisfied with how Council keeps them informed.	>80%	Not Achieved – 65% (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>		

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

Project	Category	Budget 2021/22	Actual 2021/22	Notes
<i>Computers and peripherals</i>	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.
<i>Vehicle Replacements</i>	Replacements	\$38,000	\$47,605	Two vehicles were required to be replaced this year.
<i>Miscellaneous Equipment</i>	Replacements	\$20,000	\$0	Not required
<i>Furniture Replacements</i>	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	Operating Expenditure	1,233	1,178
-	Revenue	-	-
1,148	Net Cost of Service	1,233	1,178
	EXPENDITURE		
478	Operating Costs	535	505
670	Allocated Overheads	698	673
1,148	Total Operating Expenditure	1,233	1,178
	FUNDED BY:		
1,101	UAGC	1,147	1,144
-	Other Funding	26	34
1,101	Total Funding	1,173	1,178

Corporate Support

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

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	
Event Development that supports and encourages community engagement	Deliver or facilitate community events	>5	Achieved – 32 • (2020/21 Achieved – 12)	Number of events held are recorded
	Percentage of residents feeling a sense of community.	>80%	Not Achieved – 71% (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	Operating Expenditure	624	429
37	Revenue	38	21
615	Net Cost of Service	586	409
EXPENDITURE			
525	Operating Costs	502	306
128	Allocated Overheads	122	123
652	Total Operating Expenditure	624	429
FUNDED BY:			
37	Charges for Services	38	21
37	Total Revenue	38	21
411	UAGC	438	407
247	Grants	261	-
-	Other Funding	5	2
695	Total Funding	742	429

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%	Achieved – 38 support engagements (2020/21 New Measure)	5 start up clinics
	Mentor matches made as requested	100%	Achieved (2020/21 New Measure)	Venture Taranaki quarterly reports
<i>Enterprise Partnership and Engagement</i>	Review the Economic Development Strategy	Achieved	Achieved – 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	Operating Expenditure	600	618
-	Revenue	-	-
444	Net Cost of Service	600	618
EXPENDITURE			
281	Operating Costs	446	466
163	Allocated Overheads	154	152
444	Total Operating Expenditure	600	618
FUNDED BY:			
221	General Rates	313	305
43	Subsidies / Grants	-	-
221	UAGC	313	305
-	Other Funding	6	8
486	Total Funding	632	618

Council Projects

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

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	Not Achieved – 7,900 (2020/21 Not Achieved – 7,712)	AA customer count records
	Percentage customers are satisfied.	>80%	Achieved – 96% (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	Operating Expenditure	216	266
65	Revenue	52	62
222	Net Cost of Service	164	204
EXPENDITURE			
173	Operating Costs	110	157
4	Depreciation	-	4
111	Allocated Overheads	106	104
287	Total Expenditure	216	266
FUNDED BY:			
65	Charges for Services	52	62
65	Total Revenue	52	62
221	General Rates	201	198
-	Other Funding	4	5
286	Total Funding	257	266

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

1.5 Projects and Other Programmes

Project	Category	Budget 2021/22	Actual 2021/22	Notes
Farm				
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	Operating Expenditure	2	2
3	Revenue	3	3
(2)	Net Cost of Service	(1)	(1)
EXPENDITURE			
-	Operating Costs	-	-
2	Allocated Overheads	2	2
2	Total Expenditure	2	2
FUNDED BY:			
3	Charges for Services	3	3
3	Total Revenue	3	3
-	General Rates	(1)	(1)
-	Other Funding	-	-
3	Total Funding	2	2

Farm

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

Rental Properties

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

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	
To process applications within statutory timeframes.	Percentage of building consent applications processed within 20 days.	100%	Not Achieved – 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%	Not Achieved – 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%	Not Achieved – 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>			
To retain registration as a Building Consent Authority.	Current registration.	Confirmed	Achieved – Registration current, low risk 2 yearly cycle (2020/21 Achieved)	Current IANZ Certification
To process LIMs within statutory timeframes	% of LIMs processed within timeframes.	100%	Achieved – 100% 55 of 55 (2020/21 Achieved – 100%, 59 of 59)	Council Records
Service meets customer expectations.	Percentage of customers using building consent processes are satisfied with the service provided	>80%	Not Achieved – 48% (2020/21 Not Achieved – 65%)	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 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	Operating Expenditure	1,006	761
361	Revenue	485	280
540	Net Cost of Service	521	481
	EXPENDITURE		
655	Operating Costs	710	472
246	Allocated Overheads	296	289
901	Total Operating Expenditure	1,006	761
	FUNDED BY:		
361	Charges for Services	485	280
361	Total Revenue	485	280
304	UAGC	467	466
-	Other Funding	11	15
665	Total Funding	963	761

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	
To promote the sustainable management and use of land and public spaces.	To undertake a comprehensive review of the district plan, with notification no later than 2018/19.	Not applicable	Not Applicable (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	Not Achieved (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>			
To process resource consents within statutory timeframes.	% of non notified applications processed within 20 working days.	100%	Not Achieved – 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%	Achieved – 0 notified consent applications (2020/21 Achieved – 0 notified consent)	Council records
Service customer meets expectations.	% of s223 and s224 applications processed within 10 working days.	100%	Achieved – 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%	Not Achieved – 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	-	-
144	Net Cost of Service	161	187
EXPENDITURE			
47	Operating Costs	53	81
97	Allocated Overheads	108	106
144	Total Operating Expenditure	161	187
FUNDED BY:			
170	UAGC	183	182
-	Other Funding	4	5
170	Total Funding	187	187

Resource Consents

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

Community Health & Safety

1.1 What We Do

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

Health Act and Food Act

The Council:

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

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

Sale and Supply of Alcohol Act

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

Parking and other Bylaw compliance

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

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

Animal Control

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

This covers:

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

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

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

1.2 Why We Do It

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

This activity contributes to the community outcomes of:

- Enabling Economy
- Sustainable Environment

1.3 Significant Negative Effects

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

1.4 Statement of Service Provision

Level of Service	Performance Measure	Year 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%	Achieved – 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%	Achieved – 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%	Not Achieved – 94.2% 33 of 35 inspected (2020/21 Achieved – 100% 29 of 29 inspected)	Council Records
	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.			
	Percentage of applications processed within 25 working days (excluding hearings).	100%	Achieved – 100% 87 of 88 applications (1 hearing) (2020/21– Achieved 100% 87 of 87 applications)	Council Records
<i>To monitor and enforce bylaws.</i>	Percentage of complaints responded to within 2 hours.	100%	Achieved – 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%	Achieved – 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%	Not Achieved – 98% 225 of 228 complaints (2020/21 Not Achieved – 99%, 320 of 324 complaints)	Council Records
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.				

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	Operating Expenditure	167	166
32	Revenue	36	30
132	Net Cost of Service	131	136
EXPENDITURE			
86	Operating Costs	89	89
78	Allocated Overheads	78	76
164	Total Operating Expenditure	167	166
FUNDED BY:			
32	Charges for Services	36	30
32	Total Revenue	36	30
140	UAGC	132	132
-	Other Funding	3	4
172	Total Funding	171	166

Alcohol Licensing

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

Parking and other Bylaws

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

Animal Control

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

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	
<i>To maintain effective emergency capability</i>	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	Not Achieved – 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>		
<i>To ensure the Stratford District Emergency Operations Centre is fit for purpose</i>	Annual capability audit undertaken (externally) and quarterly system checks undertaken (internally).	Achieved	Achieved (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	Operating Expenditure	362	333
-	Revenue	-	-
256	Net Cost of Service	362	333
	EXPENDITURE		
103	Operating Costs	178	163
-	Depreciation	-	-
153	Allocated Overheads	184	170
256	Total Operating Expenditure	362	333
	FUNDED BY:		
231	UAGC	326	325
-	Other Funding	7	9
231	Total Funding	333	333

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	407.0
<i>Unsealed km</i>	205.7	0.01	205.8
Total	585.1	57.6	612.8

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

1.2 Why We Do It

Council is the road controlling authority under the Local Government Act 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	Not Achieved – 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%	Not Achieved – 63% (2020/21 – Not Applicable)	RAMM Rating Report
		Rural ≥91%	Achieved 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%	Achieved – 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%	Achieved – 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%	Achieved – 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%	Achieved – 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%	Not Achieved – 39% (2020/21 – Not Achieved – 65.28%)	Annual Customer Survey
	<i>No specific reasons given from the survey. Very generic comments.</i>			
	Footpaths	>80%	Not Achieved – 61% (2020/21 Not Achieved – 70.11%)	Annual Customer 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

Project	Category	Budget 2021/22	Actual 2021/22	Notes
<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 Roading activities is below:

Roading

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
6,382	Operating Expenditure	6,640	6,413
4,019	Revenue	4,687	5,689
2,363	Net Cost of Service	1,953	725
EXPENDITURE			
3,486	Operating Costs	3,557	3,350
-	Interest	-	2
2,732	Depreciation	2,910	2,885
164	Allocated Overheads	173	176
6,382	Total Operating Expenditure	6,640	6,413
-	Principal Loan Repayments	-	3
4,159	Capital Expenditure	4,720	5,763
10,539	Total Expenditure	11,360	12,179
FUNDED BY:			
211	Charges for Services	165	243
3,808	Waka Kotahi (NZTA) Financial Assistance	4,522	5,446
4,019	Total Revenue	4,687	5,689
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
10,539	Total Funding	11,358	12,179

Business Unit

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

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	
Stormwater system protects property from impacts of flooding.	System adequacy			Reporting against corporate CRM system. Note: specific category to be set up for flooding – to separate between residential & commercial buildings and include count of habitable floors flooded (residential only).
	The number of flooding events that occur in a territorial authority district. "Flooding" in this context means stormwater entering a habitable floor	0	Achieved – 0 – No flooding events meeting the criteria (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	Achieved – 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	Achieved – 0 – No flooding events meeting the criteria (2020/21 Achieved – 0 - No flooding events meeting the criteria)	
Discharge Compliance	Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: <ul style="list-style-type: none"> Abatement notices Infringement notices Enforcement orders, and Convictions received by the territorial authority in relation to those resource consents	N/A	Not Applicable (2020/21 Not Applicable)	Council does not hold discharge consents for discharge from its stormwater system.
Response Times	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	1 hour	Achieved – 0 (2020/21 Achieved – 0 – No flooding events meeting the criteria)	Work order tracking/reporting through Council's Infrastructure asset management system.
Customer Satisfaction	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.	<8	Achieved – 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	Operating Expenditure	446	363
-	Revenue	-	-
325	Net Cost of Service	446	363
	EXPENDITURE		
61	Operating Costs	68	63
15	Interest	15	22
130	Depreciation	232	146
119	Allocated Overheads	131	132
325	Total Operating Expenditure	446	363
28	Principal Loan Repayments	28	41
22	Capital Expenditure	69	305
375	Total Expenditure	543	709
	FUNDED BY:		
329	UAGC	357	356
50	Transfer from Depreciation Reserves	33	94
-	Loan Funding - Capital	64	252
-	Other Funding	5	7
379	Total Funding	459	709

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	
Wastewater is managed without risk to public health.	System and adequacy - The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	<5	Achieved – 0.37 (2020/21 Achieved – 0)	Reporting against corporate CRM system.
	Discharge compliance - Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of <ul style="list-style-type: none"> Abatement notices Infringement notices Enforcement orders; and Convictions, Received by the territorial authority in relation to those resource consents.	0	Achieved - 0 (2020/21 Achieved – 0)	Consent & compliance documentation.
Fault response times	Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:			
	Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site; and	1 hour	Not Achieved – 2 hours 21 minutes (2020/21 Achieved – 54 minutes)	Work order tracking/reporting through Council's Infrastructure asset management system.
	Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.	8 hours	Achieved – 5 hours 31 minutes (2020/21 Achieved – 4 hours 40 minutes)	Work order tracking/reporting through Council's Infrastructure asset management system.
Customer satisfaction	The total number of complaints received by the territorial authority about any of the following: <ul style="list-style-type: none"> Sewage odour Sewerage system faults Sewerage system blockages, and The territorial authority's response to issues with its sewerage system, Expressed per 1000 connections to the territorial authority's sewerage system.	<5	Not Achieved – 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.
Trade Waste complaints response times	Attendance time: from the time that Council receives notification to the time that a Trade Waste Officer arrives on site.	<2 working days	Achieved (2020/21 New Measure)	Work order tracking/reporting through Assetfinda Authority
Trade Waste consent processing	Percentage of trade waste consent applications processed within 15 working days.	100%	Not Achieved – 50% 1 of 2 applications (2020/21 New Measure)	
				<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	
<i>Pipework Increase</i>	<i>Capacity</i>	Level of Service	\$150,000	\$82,619	Re-lining of Broadway complete, balance currently being reprogrammed.
<i>Step/aerate renewals</i>	<i>treatment</i>	Replacements	\$30,000	\$12,929	Complete
<i>Infiltration renewals</i>		Level of Service	\$150,000	\$7,281	The 3 year network investigation and pipelining contract was not tendered until June 2022.
<i>Treatment Plant Upgrade</i>		Level of Service	\$500,000	\$105,021	Sample programming has commenced
<i>Infiltration Renewals</i>		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	Operating Expenditure	1,001	1,058
71	Revenue	57	73
840	Net Cost of Service	945	985
	EXPENDITURE		
382	Operating Costs	312	452
24	Interest	26	42
269	Depreciation	410	311
235	Allocated Overheads	253	254
911	Total Operating Expenditure	1,001	1,058
44	Principal Loan Repayments	48	76
423	Capital Expenditure	235	1,013
1,378	Total Expenditure	1,285	2,147
	FUNDED BY:		
71	Charges for Services	57	73
71	Total Revenue	57	73
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
1,378	Total Funding	1,285	2,147

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	
<i>The levels of waste generated are reducing.</i>	Waste to landfill per household (municipal kerbside collection only)	<600kg	Achieved – 493kg (2020/21 Achieved – 509kg)	Landfill invoices & transactions.
	Percentage (by weight) of council controlled waste stream that is recycled (municipal kerbside collection only).	>20%	Achieved – 21.5% (2020/21 Not Achieved – 24 target was >25%%)	Recycling facility invoices & transactions.
<i>The waste collection service meets the needs of the community.</i>	Percentage of customers satisfied with the service provided.	>80%	Achieved – 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	Operating Expenditure	988	883
127	Revenue	153	108
801	Net Cost of Service	835	776
	EXPENDITURE		
729	Operating Costs	789	682
21	Interest	20	20
30	Depreciation	29	30
147	Allocated Overheads	150	152
926	Total Operating Expenditure	988	883
(14)	Landfill Aftercare Costs	2	7
38	Principal Loan Repayments	36	36
-	Capital Expenditure	7	-
950	Total Expenditure	1,033	926
	FUNDED BY:		
127	Charges for Services	153	108
127	Total Revenue	153	108
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
950	Total Funding	1,032	926

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	
Water is safe to drink.	The extent to which the local authority's drinking water supply complies with: Part 4 of the drinking water standards (bacterial compliance criteria), and	100%	Stratford – Achieved – 100% Midhurst – Achieved – 100% Toko – Achieved – 100% (2020/21 Stratford – Achieved 100% Midhurst – Achieved 100% Toko – Achieved 100%)	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 Stratford – Achieved 100% Midhurst – Achieved 100% Toko – Achieved 100%)	
	Maintenance of the reticulation network - The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).	<25%	Stratford Achieved – 10.8% Midhurst Achieved – 13.9% Toko- Not Achieved – 27.0% (2020/21 Stratford – Achieved 20.2% Midhurst – Not Achieved 36.9% Toko – Achieved 18.3%)	
	<i>Water leak in Toko on SH43 berm that went undetected for an extended period of time.</i>			
A reliable water supply is provided.	Fault Response Times – Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:			
	Attendance for urgent call-outs: from the time that council receives notification to the time that service personnel reach the site.	1 hour	Not Achieved – 1 hour 4 minutes (2020/21 Achieved – 31 minutes)	Work order tracking/reporting through Council's Infrastructure asset management system.
	Resolution of urgent call-outs: from the time that council receives notification to the time the service personnel confirm resolution of the fault or interruption.	8 hours	Achieved – 3 hours 12 minutes (2020/21 Achieved – 5 hours 7 minutes)	Work order tracking/reporting through Council's Infrastructure asset management system.
	<i>Due to Covid-19 related staff shortages.</i>			

	Attendance for non-urgent call-outs: from the time that council receives notification to the time that service personnel confirm resolution of the fault or interruption	2 working days	Achieved – 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	Achieved – 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	Achieved – 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	Achieved - 0 (2020/21 Achieved – 0)	
Water has a pleasant taste and odour.	Customer Satisfaction - Total number of complaints received for: <ul style="list-style-type: none"> • Drinking water clarity • Drinking water taste • Drinking water odour • Drinking water pressure or flow • Continuity of supply • Council's response to any of these issues expressed per 1000 connections to council's networked reticulation system.	<32	Achieved: - 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	Not Achieved: 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.
	<i>327 average across all three supplies.</i>			

Water flow and pressure is appropriate for its intended use.	Water pressure at 50 properties within the water supply zone, including any that have complained about pressure and or flow meets council specifications (flow>10l/min & pressure>350kpa)	100%	Achieved –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.
Water supply meets fire fighting requirements.	Fire hydrants meet NZFS Code of Practice conditions regarding supply.	100%	Achieved – 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	Operating Expenditure	2,159	1,836
453	Revenue	420	376
1,183	Net Cost of Service	1,739	1,460
	EXPENDITURE		
631	Operating Costs	754	736
162	Interest	184	170
368	Depreciation	721	429
475	Allocated Overheads	500	501
1,636	Total Operating Expenditure	2,159	1,836
321	Principal Loan Repayments	363	336
1,274	Capital Expenditure	3,952	2,474
3,230	Total Expenditure	6,474	4,645
	FUNDED BY:		
453	Charges for Water Usage	420	376
453	Total Revenue	420	376
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
3,230	Total Funding	6,475	4,645

Council Controlled Organisation

Percy Thomson Trust

1.1 Background

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

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

1.2 Nature and Scope of Activities

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

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

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

Council provides administration services to the Trust.

1.3 Why We Do It

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

1.5 Statement of Service Provision

Level of Service	Performance Measure	Year 1 – 2021/22		How Measured
		Target	Actual	
Delivery of art exhibitions	Deliver proposed art exhibitions which will include local, regional and at least 1 National:	Deliver proposed art exhibitions which will include local, regional and at least 1 National.	<p>Achieved:</p> <p><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>National –</p> <ol style="list-style-type: none"> <i>1. Looking Forward PCANZ</i> <i>2. Marti Friedlander</i> <i>3. Matariki – Stephen Chadwick</i> <p>Regional –</p> <ol style="list-style-type: none"> <i>1. Town and Country – Embroidery Exhibition</i> <i>2. Anthony Davies – Printmaking, a passage of time series</i> <i>3. Nga Aho – Toi o Taranaki Ki te Tonga Collective</i> <i>4. We all think we're good people</i> 	Art Gallery Records

			Local – 1. Stratford Art Society 2. The Art of Resilience – Celebrating 20 years of Percy Thomson Gallery 3. Shakespeare – Experience the Bard 4. 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	Not Achieved - 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>		
Development and maintenance of arboretum	Develop and maintain the arboretum to the standards in the Facilities Management Contract.	Develop and maintain the arboretum to the standards in the Facilities Management Contract.	Achieved (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
Delivery of Herbarium	Explore alternative options to achieve this measure.	To be reset following the conclusion of the 2021/22 review.	Not Achieved (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>		

1.6 Cost of Services Statement

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

Percy Thomson Trust

Actual 2020/21 \$000		Actual 2021/22 \$000	Budget 2021/22 \$000
284	Operating Expenditure	288	291
95	Revenue	73	108
189	Net Cost of Service	215	183
	- EXPENDITURE		
204	Operating Costs	208	211
80	Depreciation	80	80
284	Total Operating Expenditure	288	291
	- FUNDED BY:		
95	User Charges	73	108
95	Total Revenue	73	108
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
284	Total Funding	288	291

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	2021/22	2020/21	2021/22	2020/21
		\$000	\$000	\$000	\$000	\$000
Revenue						
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	2,438	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
Total Revenue	5	28,929	29,390	30,046	29,070	30,157
Expenses						
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
Total Expenses		21,152	19,985	19,926	21,369	20,128
SURPLUS/(DEFICIT) BEFORE TAX		7,777	9,404	10,120	7,701	10,029
Income Tax Expense	10	-	-	-	-	-
SURPLUS/(DEFICIT) AFTER TAX		7,777	9,404	10,120	7,701	10,029
Other Comprehensive Revenue and Expense						
<i>Items that will not be reclassified to surplus / (deficit)</i>						
Fair value movement of listed and unlisted shares	21	(135)	-	9	(135)	9
Property, Plant and Equipment Revaluations	21	54,587	7,708	37,875	54,587	37,875
Total Other Comprehensive Revenue and Expense		54,452	7,708	37,884	54,452	37,884
Total Comprehensive Revenue and Expense		62,229	17,113	48,004	62,154	47,913
Total Comprehensive Revenue and Expense attributable to:						
Stratford District Council		62,229	17,113	48,004	62,154	47,913
		62,229	17,113	48,004	62,154	47,913
<p><i>The accompanying notes form part of these financial statements. Explanations of significant variances against budget are provided in note 29.</i></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
Assets						
Current Assets						
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		72	-	13	72	13
Other Financial Assets	14	40	-	32	65	82
Total Current Assets		12,208	13,884	15,536	12,762	15,971
Non-Current Assets						
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
Total Non-Current Assets		456,978	370,523	383,717	459,234	386,174
Total Assets		469,186	384,407	399,253	471,996	402,145
Liabilities						
Current Liabilities						
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
Total Current Liabilities		14,002	7,665	9,751	14,016	9,771
Non-Current Liabilities						
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
Total Non-Current Liabilities		23,713	32,949	20,270	23,713	20,270
Total Liabilities		37,715	40,614	30,021	37,729	30,041
Equity						
Accumulated Funds	21	197,109	193,974	189,944	198,703	191,609
Reserves	21	234,356	149,818	179,290	235,564	180,496
Total Equity Attributable to Stratford District Council		431,465	343,793	369,234	434,267	372,105
Total Liabilities & Equity		469,186	384,407	399,253	471,996	402,145
<p><i>The accompanying notes form part of these financial statements.</i></p> <p><i>Explanations of significant variances against budget are provided in note 29.</i></p>						

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
Balance at 1 July					
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
Total Equity - Opening Balance	369,233	326,680	321,230	372,105	324,193
Changes in Equity					
Accumulated Funds	7,168	8,622	8,592	7,090	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
Total Comprehensive Revenue and Expense	62,232	17,113	48,003	62,154	47,912
Closing Balance					
Accumulated Funds	197,111	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	8,523	8,206	7,911	8,523	7,911
Asset Revaluation Reserves	226,366	141,612	171,779	227,573	172,986
Total Equity - Closing Balance	431,465	343,793	369,234	434,267	372,105
<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
Cash Flows from Operating Activities						
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		3,918	2,609	2,330	3,955	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)
Net Cash from Operating Activities		15,549	14,310	14,821	15,546	14,801
Cash Flows from Investing Activities						
Proceeds from Sale of Property, Plant and Equipment		-	-	51	-	51
Proceeds from Sale of Investments		7,000	-	3,000	7,150	3,125
Purchase of Property, Plant & Equipment		(24,396)	(28,535)	(12,995)	(24,396)	(13,010)
Acquisition of Investments		(9,000)	-	(13,403)	(9,005)	(13,403)
Net Cash from Investing Activities		(26,396)	(28,535)	(23,347)	(26,251)	(23,237)
Cash Flows from Financing Activities						
Proceeds from Borrowings		10,000	13,821	10,200	10,000	10,200
Repayment of Borrowings (Loans)		-	-	(3,500)	-	(3,500)
Net Cash from Financing Activities		10,000	13,821	6,700	10,000	6,700
Net (Decrease)/Increase in Cash, Cash						
Equivalents and Bank Overdrafts		(847)	(404)	(1,826)	(705)	(1,736)
Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the Year		3,256	1,079	5,082	3,387	5,123
Cash, Cash Equivalents and Bank Overdrafts at the End of the Year	11	2,409	675	3,256	2,682	3,387

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
- Rooding
- 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.

FUNCTION	Revenue		Expenditure		Net Actual	Net Budget	Actual
	Actual \$000	Budget \$000	Actual \$000	Budget \$000	2021/22 \$000	2021/22 \$000	2020/21 \$000
Recreation and Facilities							
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
Sub-Total	443	496	4,222	3,942	3,779	3,445	3,419
Democracy							
Democracy	-	-	1,233	1,178	1,233	1,178	1,148
Corporate Support	102	70	-	-	(102)	(70)	(96)
Sub-Total	102	70	1,233	1,178	1,131	1,108	1,052
Community Development							
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
Sub-Total	855	610	1,949	1,772	1,093	1,164	1,132
Environmental Services							
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
Sub-Total	800	562	2,036	1,774	1,236	1,212	1,218
Civil Defence and Emergency Management							
Civil defence and emergency management	-	-	362	333	362	333	256
Sub-Total	-	-	362	333	362	333	256
Roading	4,687	5,689	6,640	6,413	1,953	723	2,363
Business Unit	392	390	319	391	(73)	1	(36)
Sub-Total	5,079	6,079	6,959	6,804	1,880	724	2,327
Stormwater							
Stormwater	-	-	446	363	446	363	325
Sub-Total	-	-	446	363	446	363	325
Wastewater (Sewerage)							
Wastewater (Sewerage)	57	73	1,001	1,058	945	985	839
Sub-Total	57	73	1,001	1,058	945	985	839
Solid Waste							
Solid Waste	153	108	988	883	835	775	800
Sub-Total	153	108	988	883	835	775	800
Water Supply							
Water Supply	420	376	2,159	1,836	1,739	1,460	1,183
Sub-Total	420	376	2,159	1,836	1,739	1,460	1,183
Total Activity Revenue & Expenditure	7,910	8,374	21,356	19,940	13,445	11,569	12,551
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)
Total Revenue and Operating Expenditure	21,804	21,250	21,356	19,940	(448)	(1,307)	(572)

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)
Total rates	14,192	13,437
<p>Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by Council from other local authorities for services provided by Council for which those other local authorities rate. The annual rates income of the Council for the year ended 30 June 2022 for the purposes of the LGFA Guarantee and indemnity Deed disclosure is shown below:</p>		
	Council and Group Actual 2021/22 \$000	Council and Group Actual 2020/21 \$000
Total Rates	14,192	13,437

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
Total Subsidies and Grants	11,618	11,138	11,631	11,152
There are no unfulfilled conditions and other contingences attached to Waka Kotahi (NZTA) subsidies recognised.				
Sundry Revenue				
	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	-	-	-	-
Total Sundry Revenue	194	140	194	140
Revenue from Exchange and Non-Exchange Transactions				
	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
Total Revenue	28,929	30,046	29,070	30,157

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
Total Gains	4	61	4	61

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
Total Personnel Costs	4,854	4,427	4,971	4,537

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
Total Other Expenses	10,235	10,426	10,255	10,437

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
Interest Revenue				
Interest on term deposits	222	139	262	188
Total Finance Income	222	139	262	188
Finance costs				
Interest on bank borrowings	552	447	552	447
Total finance costs	552	447	552	447
Net finance costs	(330)	(308)	(290)	(259)

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
Components of Tax Expense				
Current Tax Expense	-	-	-	-
Adjustments to Current Tax in Prior Years	-	-	-	-
Deferred Tax Expense	-	-	-	-
Tax Expense	-	-	-	-
Relationship Between Tax Expense and Accounting Surplus				
Surplus/(Deficit) Before Tax	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)
Tax Expense	-	-	-	-

Note 11 Cash and Cash Equivalents and Short Term Deposits

Accounting Policy

Cash and cash equivalents includes cash on hand, deposits held with banks and other short term investments with maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as a current liability in the statement of financial position. 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
Per Statement of Financial Position and Statement of Cash Flows	3,409	3,256	3,684	3,388
Term Deposits Maturing More than Three Months from Date of Acquisition	7,000	6,000	7,250	6,250
Total Cash and Cash Equivalents and Short Term Deposits	10,409	9,256	10,934	9,638
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
Current Portion				
Rates Receivables	369	217	369	217
Other Receivables	1,128	5,828	1,132	5,831
Other Miscellaneous Debtors	190	190	190	190
Receivables prior to impairment	1,687	6,235	1,691	6,238
Less Provision for Impairment	-	-	-	-
Total Current Portion of Receivables	1,687	6,235	1,691	6,238
Non-Current Portion				
Other Receivables	37	19	37	19
Total Non-Current Portion of Receivables	37	19	37	19
Total Receivables	1,724	6,254	1,728	6,257
Total Receivables Comprise:				
<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
Total receivables from non-exchange transactions	1,591	6,121	1,595	6,124
<i>Receivables from exchange transactions</i>				
Other receivables from exchange transactions	133	133	133	133
Total receivables from exchange transactions	133	133	133	133
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
Current Portion					
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
Total Current Portion		40	32	65	82
Non-current Portion					
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
Total Non-current Portion		8,253	8,276	8,680	8,828
Total Other Financial Assets		8,293	8,308	8,745	8,910
<i>Impairment</i>					
There were no impairment provisions for other financial assets. At balance date, none of these financial assets are either past due or impaired.					
<i>Community Loan</i>					
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.					
<i>Listed Shares</i>					
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
Short Term Deposits					
Short term deposits with maturities of 3 months or less		1,000	1,000	1,000	1,000
<i>Average maturity</i>		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>		125 days	116 days	134 days	124 days
<i>Weighted average Effective Interest Rate</i>		2.33%	0.83%	2.32%	0.83%
Total		8,000	7,000	8,250	7,250

Note 15 Property, Plant and Equipment

Accounting Policy

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

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

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

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

Property, plant and equipment are valued as follows:

Class	Method of Valuation
<i>Land</i>	Fair Value
<i>Buildings</i>	Optimised Depreciated Replacement Cost
<i>Roads, Bridges and Footpaths</i>	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.

Management engaged independent valuers, Beca Projects NZ Ltd, to perform a market movement assessment of the roading assets as at 30 June 2022, who issued their findings in a letter dated 8 July 2022.

Management prepared its own fair value calculations based on the valuer's letter to estimate a fair value for roading assets as at 30 June 2022 of \$416.2 million. The Board recognised an increase to the carrying value of roading 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 with the exception of land under roads which is retained at previous values.

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

Public Benefit Entity Revaluation

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:

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

Insurance of Assets

The following information relates to the insurance of Council assets as at 30 June:		
	2022	2021
	\$000	\$000
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>		

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	Cost /	Accumulated	Carrying	Assets	Assets	Disposals /	Transfers	Depreciation	Depreciation	Depreciation	Revaluation	Cost /	Accumulated	Carrying
	Valuation	Depreciation and Impairment	Amount	constructed by Council	transferred to Council	Impairment			Reversed on Revaluation	Reversed on Disposal	Surplus (incl of depreciation reversed on revaluation)	Valuation	Depreciation and Impairment	Amount
	1 July 2020			Current Year								30 June 2021		
2021	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council Operational Assets														
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
Total Operational Assets	21,484	2,285	19,200	530	-	(415)	-	593	-	(317)	-	21,599	2,561	19,038
Council Restricted Assets														
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
Total Restricted Assets	21,353	654	20,699	6,673	-	-	(49)	468	-	-	-	27,979	1,121	26,858
Council Infrastructure Assets														
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
Total Infrastructure Assets	296,074	7,251	288,823	5,882	-	(50)	(18)	3,485	(8,337)	(2)	29,538	331,426	2,396	329,030
Total Council	338,911	10,191	328,722	13,085	-	(464)	(67)	4,546	(8,337)	(319)	29,538	381,005	6,077	374,924
Subsidiaries														
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
Total Subsidiaries Assets	2,088	117	1,971	15	-	-	-	80	-	-	-	2,103	197	1,907
Total Group	340,998	10,308	330,693	13,100	-	(464)	(67)	4,625	(8,337)	(319)	29,538	383,107	6,274	376,831

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
2022		
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
2021		
Water Supply		
- Reticulation and other assets	20,272	30 June 2021
- Treatment plants and facilities	6,049	30 June 2021
Wastewater System		
- Reticulation and other assets	23,725	30 June 2021
- Treatment plants and facilities	3,389	30 June 2021
Stormwater System	14,858	30 June 2021
Roads and Footpaths	383,879	30 June 2021

Depreciation and Amortisation Expense by Group of Activity

	Council	
	Actual 2021/22 \$000	Actual 2020/21 \$000
Directly attributable depreciation and amortisation by group of activity		
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
Total directly attributable depreciation and amortisation by group of activity	5,246	4,359
Depreciation and amortisation not directly related to group of activities	265	267
Total depreciation and amortisation expense	5,511	4,626

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 /	Accumulated	Carrying	Additions	Disposals	Transfers	Current Year	Depreciation	Current Year	Cost /	Accumulated	Carrying						
	Valuation	Amortisation	Amount										Impairment	Reversed on	Amortisation	Valuation	Amortisation	Amount
		and											Charges	Disposal		and	Impairment	
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						
Total	1,298	801	497	30	-	-	-	-	75	1,328	876	452						
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						
Total	1509	944	565	60	(265)	(5)	-	(225)	82	1298	801	497						
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 2021/22 \$000	Actual 2020/21 \$000	Actual 2021/22 \$000	Actual 2020/21 \$000
Current Portion				
<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
Total	4,900	3,931	4,909	3,945
<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
Total	313	3,570	313	3,570
Total Current Portion	5,213	7,501	5,222	7,515

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

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
Current Portion				
Annual Leave	282	243	287	249
Total Current Portion	282	243	287	249
Non-Current Portion				
Retirement Gratuities	-	52	-	52
Total Non-Current Portion	-	52	-	52
Total Employee Entitlements	282	295	287	301

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
Current Portion				
Committed cash advance facility	-	-	-	-
Secured Loans	8,500	2,000	8,500	2,000
Total Current Portion	8,500	2,000	8,500	2,000
Non-Current Portion				
Secured Loans	23,700	20,200	23,700	20,200
Total Non-Current Portion	23,700	20,200	23,700	20,200
Total Borrowings	32,200	22,200	32,200	22,200

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
Total Borrowings	32,200	22,200	32,200	22,200

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
Current					
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	-
Total Current borrowings				8,500	2,000
Non-current					
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
Total non-current borrowings				23,700	20,200
Total Borrowings				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 2021/22 \$000	Actual 2020/21 \$000	Actual 2021/22 \$000	Actual 2020/21 \$000
Accumulated Funds - 1 July	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	7,776	10,120	7,700	10,029
Balance at 30 June	197,108	189,944	198,702	191,609
Restricted Reserves - 1 July	775	650	775	650
Transfers to:				
Accumulated Funds	-	(37)	-	(37)
Transfers from:				
Accumulated Funds	344	162	344	162
Balance at 30 June	1,119	775	1,119	775
Fair Value through other comprehensive revenue and expense - 1 July	(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
Balance at 30 June	(536)	(401)	(536)	(401)
Council Created Reserves - 1 July	7,138	5,734	7,138	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
Balance at 30 June	7,406	7,138	7,405	7,138
Asset Revaluation Reserves - 1 July	171,779	133,904	172,986	135,111
Revaluation Gains/(Losses)	54,587	37,875	54,587	37,875
Balance at 30 June	226,366	171,779	227,573	172,986
Total Other Reserves - 30 June	234,356	179,290	235,564	180,496
Asset Revaluation Reserves consist of:				
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
Total	226,366	171,779	227,572	172,986

Note 21 Equity continued

Purpose of Each Reserve Fund

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

- Council Created Reserves
- Restricted Reserves
- Targeted Rate Reserves

The purposes of the reserves are as follows:

Council Created Reserves

General Renewals Reserve

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

Roading Renewals Reserve

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

Contingency Reserve

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

Asset Sales Proceeds Reserve

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

Staff Gratuities Reserve

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

Mayor's Relief Fund Reserve

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

Turf Replacement Reserve

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

Restricted Reserves

Elsie Fraser Bequest Reserve

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

RMA/Financial Contributions Reserve

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

Targeted Rate Reserves

Water Supply, Solid Waste and Wastewater Reserves

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

Reserve Fund Movements

		Balance	Transfers	Transfers	Balance
		1 July 2021	into fund	out of fund	30 June 2022
		\$000	\$000	\$000	\$000
2022	Activities to which the reserve relates				
Restricted Reserves					
Elsie Fraser Bequest Reserve	Pensioner Housing	51	33	-	84
Financial Contributions Reserve	All activities	723	311	-	1,034
Total		774	344	-	1,118
2022					
		Balance	Transfers	Transfers	Balance
		1 July 2021	into fund	out of fund	30 June 2022
		\$000	\$000	\$000	\$000
Council Created /Targeted Rate Reserves					
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
Total		7,140	5,976	(5,708)	7,408
2021					
		Balance	Transfers	Transfers	Balance
		1 July 2020	into fund	out of fund	30 June 2021
		\$000	\$000	\$000	\$000
Restricted Reserves					
Elsie Fraser Bequest Reserve	Pensioner Housing	66	22	(37)	51
Financial Contributions Reserve	All activities	583	140	-	723
Total		649	162	(37)	774
2021					
		Balance	Transfers	Transfers	Balance
		1 July 2020	into fund	out of fund	30 June 2021
		\$000	\$000	\$000	\$000
Council Created and Targeted Rate Reserves					
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
Total		5,735	5,094	(3,691)	7,140

Note 22 Commitments

	Council		Group	
	Actual	Actual	Actual	Actual
	2021/22	2020/21	2021/22	2020/21
	\$000	\$000	\$000	\$000
Financial Commitments				
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	-	-	-	-
Total	16,422	23,744	16,505	23,744
Operating Leases as a Lessor				
Not later than one year	3	3	3	35
Later than one year and not later than five years	12	12	12	80
Later than five years	66	69	66	69
Total	81	84	81	184
Capital Commitments				
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	-	-	-	-
Total	9,666	18,266	9,666	18,266

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.		
<u>Related party transactions required to be disclosed</u>		
	Actual 2021/22 \$000	Actual 2020/21 \$000
Percy Thomson Trust		
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
<u>Key Management Personnel Compensation</u>		
	Actual 2021/22	Actual 2020/21
<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
	356,274	350,675
<i>Senior Management Team, including the Chief Executive</i>		
Full time equivalent members	5	5
<i>Remuneration</i>	853,600	859,000
Total full time equivalent personnel	16	16
Total key management personnel remuneration	1,209,874	1,209,675

Note 25 Remuneration

	Actual 2021/22 \$	Actual 2020/21 \$
Chief Executive		
The Chief Executive of Stratford District Council was appointed under section 42 of the Local Government Act 2002 as from 5 January 2017, 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>		
Total Chief Executive Remuneration	242,902	263,610
Council employee remuneration by band	30 June 2022	30 June 2021
<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 - \$219,999	0	0
\$220,000 - \$240,000	1	1
Total employees	92	74
Council Employee Numbers	30 June 2022	30 June 2021
Number of employees (at 30 June)	Actual	Actual
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.		
Full-time equivalent employees		
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 legislation received royal assent from the Governor-General on xx xxx 2022. The impact of these reforms will mean that the Council will no longer deliver three waters services or own the assets required to deliver these services. It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 July 2024. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement.

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
FINANCIAL ASSETS				
Amortised Cost (2021: Loans and receivables)				
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
Total	19,842	23,118	20,371	23,503
Fair value through surplus and deficit (2021: Fair value through other comprehensive revenue and expense)				
Other financial assets:				
Bonds and Other Investments	-	-	427	552
Listed shares	547	681	547	681
Total	547	681	974	1,233
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
Payables and deferred revenue	4,900	3,931	4,909	3,945
Borrowings:				
Secured loans	32,200	22,200	32,200	22,200
Total	37,100	26,131	37,109	26,145

Note 29 Explanation of Significant Variances Between Actual and Budget

Explanations for major variations from Council's estimated figures in the 2021/22 Annual 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

- Road 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
Income from Fees:		
Licence Applications	35,213	36,502
Liquor Licensing Authority Levies	60	703
Total Income	35,273	37,205
Expenditure:		
Licensing Inspectors	52,526	50,522
District Licensing Committee Fees	5,167	2,896
Liquor Licensing Authority Levies	-	1,035
Other operating Costs Relating to Enforcement	1,303	2,418
Total Expenditure	58,996	56,871
<i>This information is provided in accordance with Regulation 19 of the Sale and Supply of Alcohol (Fees) Regulations 2013. This regulation requires Territorial Authorities to prepare a report detailing income from fees, and licencing costs under the Act. This information must be publicly available.</i>		

Note 31 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)
Sources of operating funding				
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
Total operating funding (A)	17,730	18,271	18,749	17,991
Applications of operating funding				
Payment to staff and suppliers	13,631	14,731	14,596	14,857
Finance costs	665	447	477	552
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	14,296	15,178	15,073	15,409
Surplus (deficit) of operating funding (A-B)	3,434	3,093	3,676	2,582
Sources of capital funding				
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	-	-	-	-
Total sources of capital funding (C)	19,306	18,478	24,462	20,920
Applications of capital funding				
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	-	-
Total applications of capital funding (D)	22,740	21,571	28,138	23,506
Surplus (deficit) of capital funding (C-D)	(3,434)	(3,093)	(3,676)	(2,586)
Funding balance ((A-B) + (C-D))	0	0	0	-4

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 (\$000)	Actual 2020/21 (\$000)	Long Term Plan 2021/22 (\$000)	Actual 2021/22 (\$000)
Sources of operating funding				
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
Total operating funding (A)	4,181	4,524	3,686	3,704
Applications of operating funding				
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	-	-	-	-
Total applications of operating funding (B)	3,594	3,779	3,147	3,332
Surplus (deficit) of operating funding (A-B)	588	745	537	372
Sources of capital funding				
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	-	-	-	-
Total sources of capital funding (C)	16,002	6,226	17,066	14,800
Applications of capital funding				
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	-	-	-	-
Total applications of capital funding (D)	16,590	6,972	17,603	15,172
Surplus (deficit) of capital funding (C-D)	(588)	(745)	(537)	(372)
Funding balance ((A-B) + (C-D))	0	0	0	-1

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

	Long Term Plan 2018 for 2020/21 (\$000)	Actual 2020/21 (\$000)	Long Term Plan 2021/22 (\$000)	Actual 2021/22 (\$000)
Sources of operating funding				
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
Total operating funding (A)	5,366	5,419	5,750	5,569
Applications of operating funding				
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	-	-	-	-
Total applications of operating funding (B)	3,953	3,936	3,913	4,045
Surplus (deficit) of operating funding (A-B)	1,413	1,483	1,837	1,523
Sources of capital funding				
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	-	-
Total sources of capital funding (C)	1,812	3,434	3,675	2,746
Applications of capital funding				
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	-	-	-	-
Total applications of capital funding (D)	3,225	4,918	5,512	4,270
Surplus (deficit) of capital funding (C-D)	(1,413)	(1,483)	(1,837)	(1,524)
Funding balance ((A-B) + (C-D))	0	0	0	0

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)
Sources of operating funding				
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
Total operating funding (A)	2,104	1,934	1,836	1,928
Applications of operating funding				
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	-	-	-	-
Total applications of operating funding (B)	1,660	1,268	1,407	1,438
Surplus (deficit) of operating funding (A-B)	444	666	429	490
Sources of capital funding				
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	-	-	-	-
Total sources of capital funding (C)	433	953	1,544	3,171
Applications of capital funding				
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	-	-	-	-
Total applications of capital funding (D)	878	1,619	1,973	3,660
Surplus (deficit) of capital funding (C-D)	(444)	(666)	(429)	(489)
Funding balance ((A-B) + (C-D))	0	0	0	0

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)
Sources of operating funding				
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
Total operating funding (A)	981	959	1,022	1,045
Applications of operating funding				
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	-	-	-	-
Total applications of operating funding (B)	624	641	747	591
Surplus (deficit) of operating funding (A-B)	357	318	275	454
Sources of capital funding				
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	-	-	-	-
Total sources of capital funding (C)	392	38	724	147
Applications of capital funding				
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	-	-	-	-
Total applications of capital funding (D)	749	355	998	600
Surplus (deficit) of capital funding (C-D)	(357)	(318)	(274)	(454)
Funding balance ((A-B) + (C-D))	0	0	0	1

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)
Sources of operating funding				
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
Total operating funding (A)	373	329	363	362
Applications of operating funding				
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	-	-	-	-
Total applications of operating funding (B)	248	195	217	214
Surplus (deficit) of operating funding (A-B)	125	134	146	148
Sources of capital funding				
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	-	-	-	-
Total sources of capital funding (C)	98	(28)	212	36
Applications of capital funding				
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	-	-	-	-
Total applications of capital funding (D)	223	106	358	184
Surplus (deficit) of capital funding (C-D)	(125)	(134)	(146)	(148)
Funding balance ((A-B) + (C-D))	0	0	0	0

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)
Sources of operating funding				
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
Total operating funding (A)	842	847	890	944
Applications of operating funding				
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	-	-	-	-
Total applications of operating funding (B)	834	897	853	959
Surplus (deficit) of operating funding (A-B)	7	(50)	37	(15)
Sources of capital funding				
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	-	-	-	-
Total sources of capital funding (C)	(42)	(38)	(36)	(36)
Applications of capital funding				
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	-	-	-	-
Total applications of capital funding (D)	(34)	(88)	-	(51)
Surplus (deficit) of capital funding (C-D)	(7)	50	(36)	15
Funding balance ((A-B) + (C-D))	0	0	0	0

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)
Sources of operating funding				
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
Total operating funding (A)	2,450	2,510	2,547	2,682
Applications of operating funding				
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	-	-	-	-
Total applications of operating funding (B)	2,450	2,532	2,547	2,710
Surplus (deficit) of operating funding (A-B)	-	(22)	-	(28)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	-	-
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	160	176	189	193
Increase (decrease) in reserves	(160)	(198)	(189)	(220)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	-	(22)	-	(27)
Surplus (deficit) of capital funding (C-D)	-	22	-	27
Funding balance ((A-B) + (C-D))	0	0	0	(1)

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)
Sources of operating funding				
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
Total operating funding (A)	1,270	1,396	1,887	2,377
Applications of operating funding				
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	-	-	-	-
Total applications of operating funding (B)	1,068	1,797	1,759	1,891
Surplus (deficit) of operating funding (A-B)	202	(401)	128	486
Sources of capital funding				
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	-	-	-	-
Total sources of capital funding (C)	(97)	2	1,200	(3)
Applications of capital funding				
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	-	-	-	-
Total applications of capital funding (D)	106	(399)	1,328	482
Surplus (deficit) of capital funding (C-D)	(202)	401	(128)	(485)
Funding balance ((A-B) + (C-D))	0	0	0	1

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)
Sources of operating funding				
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
Total operating funding (A)	1,550	1,939	2,109	2,343
Applications of operating funding				
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	-	-	-	-
Total applications of operating funding (B)	1,540	2,084	2,101	2,395
Surplus (deficit) of operating funding (A-B)	9	(145)	8	(52)
Sources of capital funding				
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	-	-	-	-
Total sources of capital funding (C)	(2)	-	(2)	(2)
Applications of capital funding				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	-	-	-	-
Increase (decrease) in reserves	7	(145)	6	(54)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	7	(145)	6	(54)
Surplus (deficit) of capital funding (C-D)	(9)	145	(8)	52
Funding balance ((A-B) + (C-D))	0	0	0	0

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

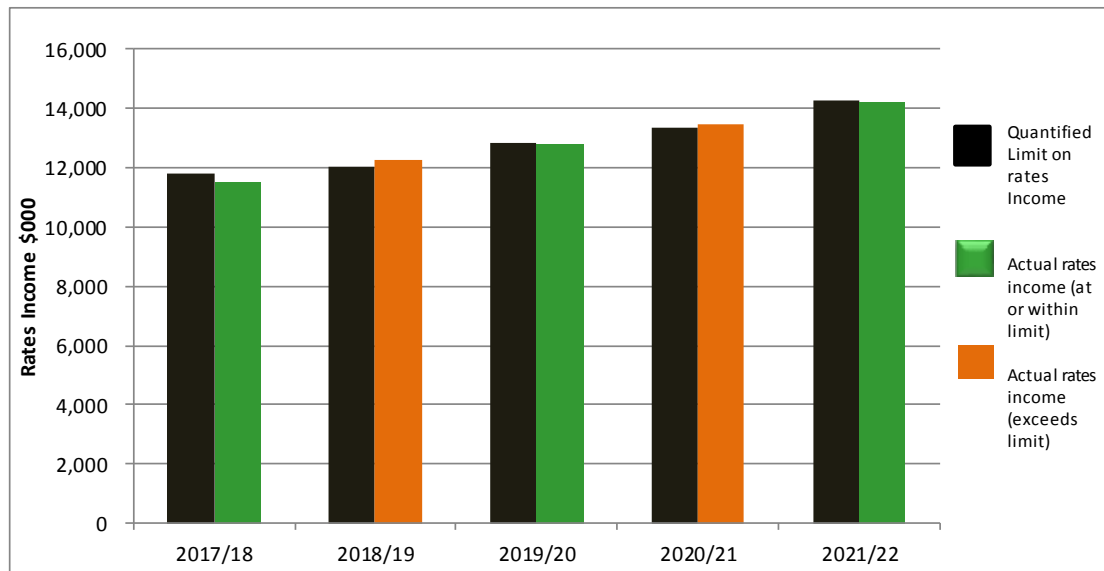
The council meets the rates affordability benchmark if –

- 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

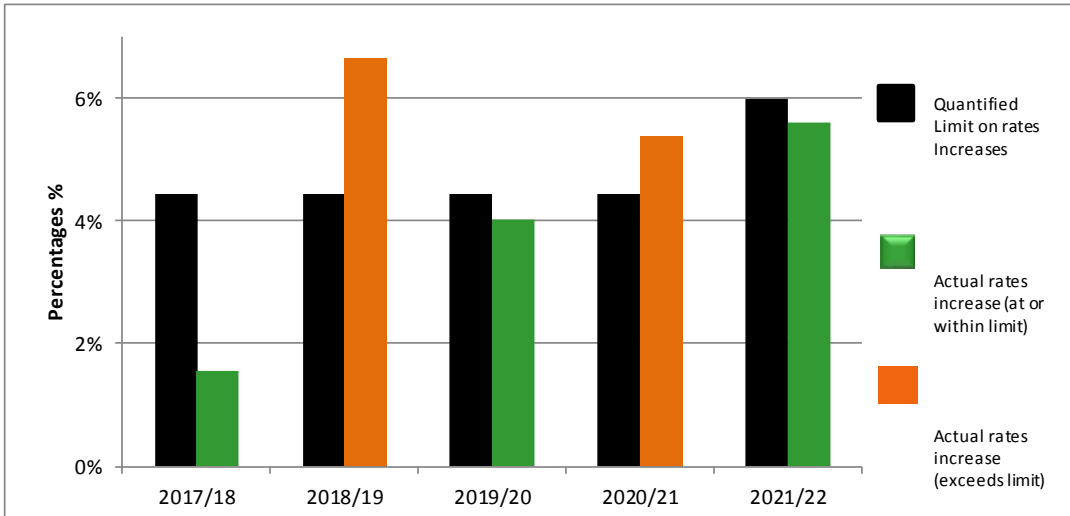
The following graph compares the Council's actual total rates income with the quantified limit on rates income as per the LTP 2021 which is 6% (previous years was the previous years rates plus 4.45%).

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.



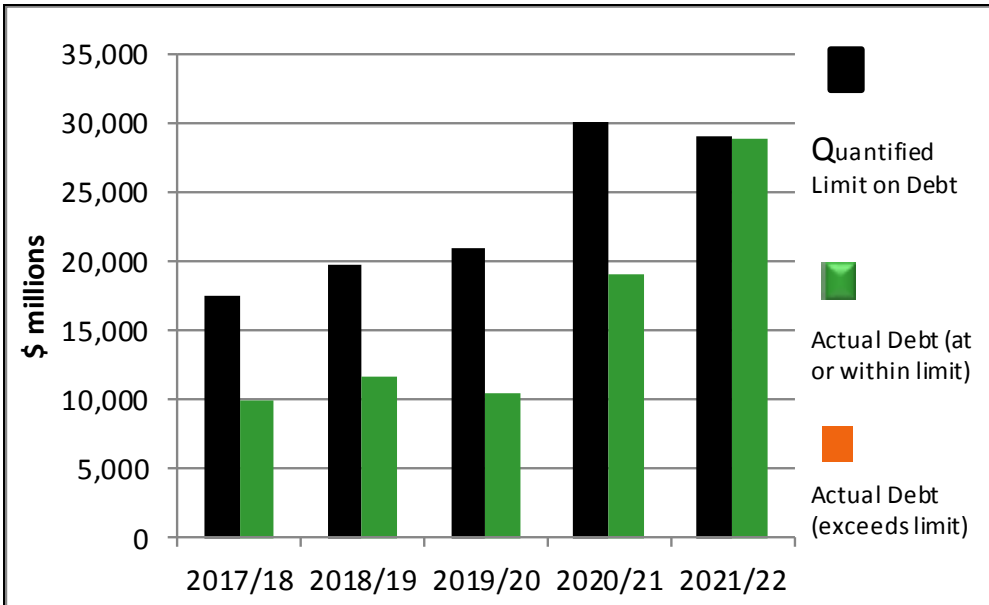
Rates (increases) affordability

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%.



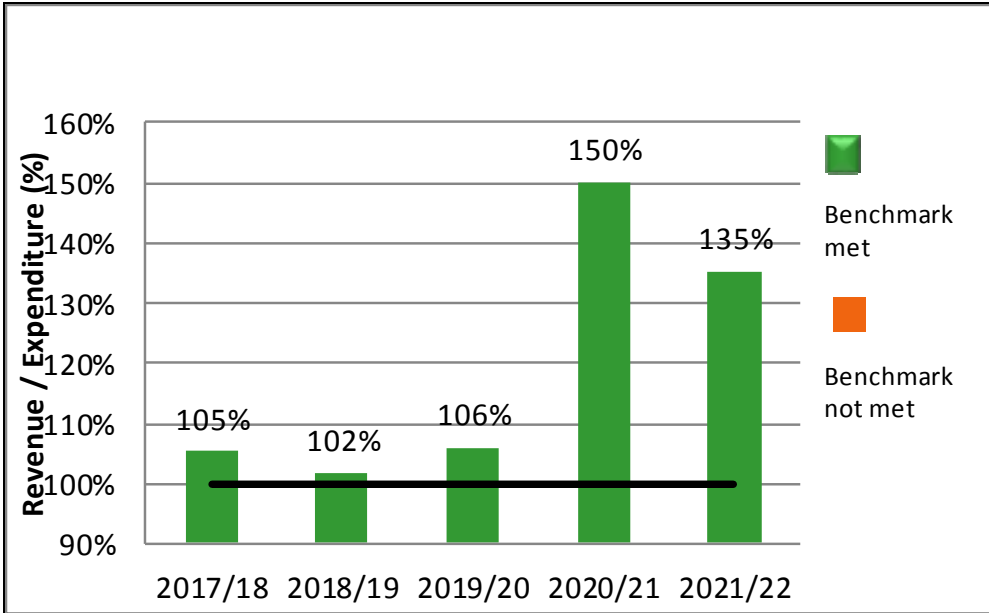
Debt affordability benchmark

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.



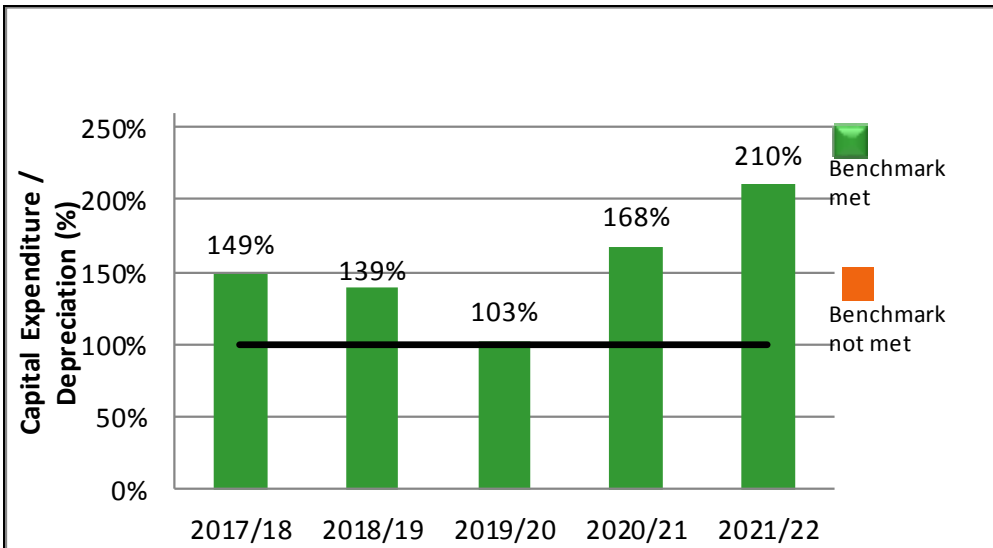
Balanced budget benchmark

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

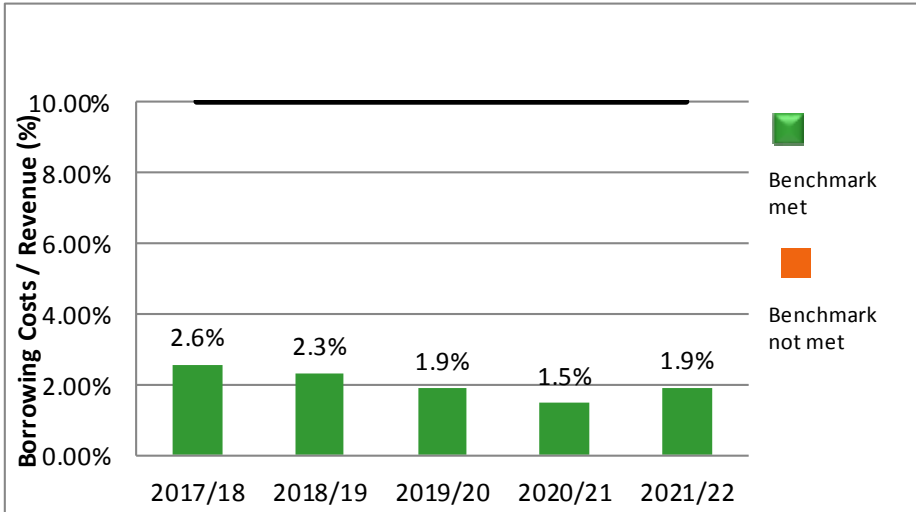
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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).

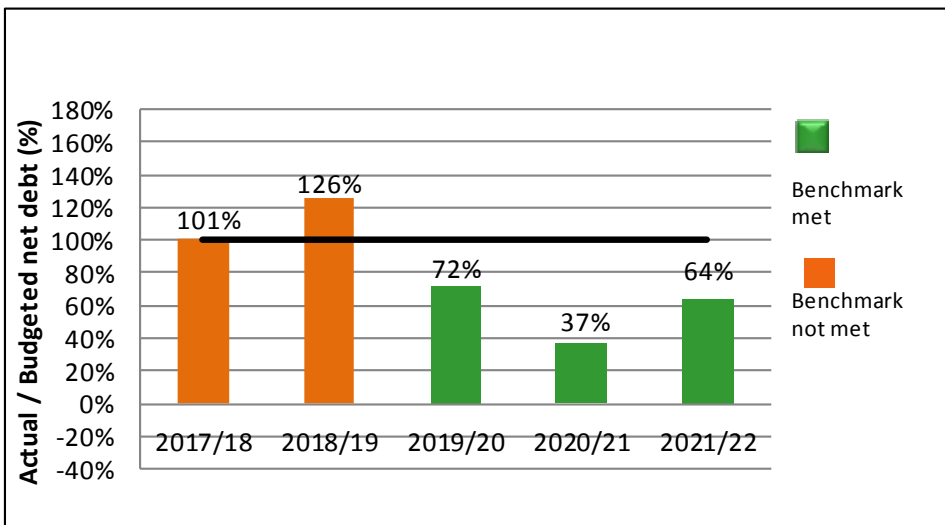
Because Statistics New Zealand projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or is less than 10% of its revenue.



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.

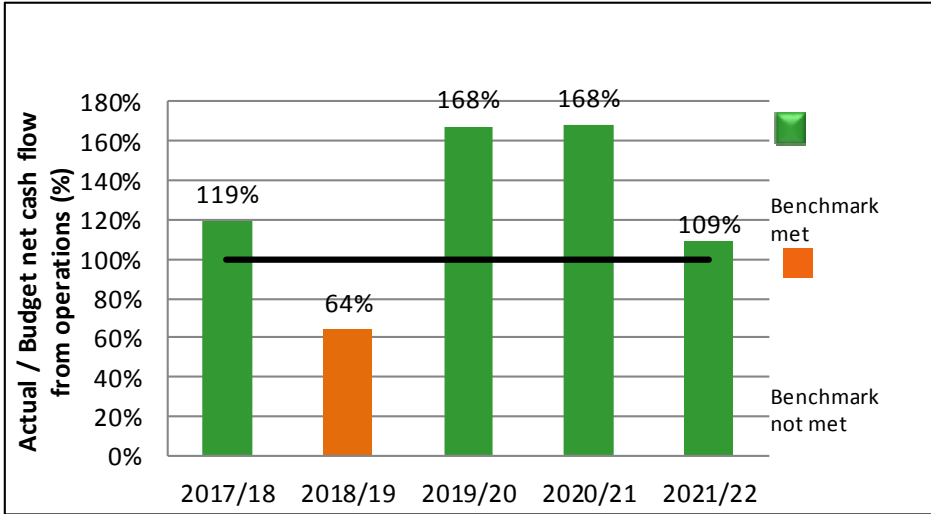


Prior years have been updated to reflect correct values.

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.



Audit Report

INFORMATION REPORT



F22/55/04 – D22/45865

To: Council
From: Corporate Accountant
Date: 13 December 2022
Subject: Percy Thomson Trust – Annual Report 2021/22

Recommendation

THAT the Percy Thomson Trust Annual Report for the year ended 30 June 2022 be received.

Recommended Reason

The Percy Thomson Trust is a Council Controlled Organisation of the Stratford District Council and the audit of their Annual Report for the year ended 30 June 2022 was completed by Deloitte.

_____/_____
Moved/Seconded

1. Purpose of Report

To present the Annual Report for the year ended 30 June 2022 for Percy Thomson Trust to Council. This report must be delivered to the shareholders (Council) within 3 months after the end of each financial year (30 September) and requires the Auditor's Report to be included. However due to Covid-19, legislation was passed on 8 July 2021 to extend the statutory reporting timeframes for Council Controlled Organisations to 30 November 2022. The Report was delivered to Council (Chief Executive and District Mayor) on 30 November 2022, via email.

2. Executive Summary

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

Revenue for the year was higher than budget, due to the \$49,000 profit on the sale of a proportionate property ownership share. External grant funding was less than budget primarily due to the reduction of grant funding available to the Trust at the moment, and revenue from commissionable sales was less than budget. This is a direct result of the lower than anticipated number of visitors to the gallery during the year, primarily due to the effects of Covid-19. Total expenditure was in line with budget.

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

- The number of visitors to the gallery was only 14,646, compared to the target of 20,000. Last year there were 24,334 visitors
- The trust is still looking at an alternative way to deliver the herbarium, this will be done in conjunction with the review of the arboretum that will take place in the 2022/23 year, and the Windsor Park Reserve Management Plan.

3. Local Government Act 2002

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

4. Background

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

5. Information Summary

5.1 Trustee and Staff Changes

There were no changes to the Trustees during the year.

Rhonda Bunyan resigned in January 2022 after six years as Gallery Director. Laura Campbell was appointed as the new Gallery Director, and is making her own mark in taking the gallery forward.

5.2 Exhibitions

During the year the gallery was fully booked for exhibitions, however due to COVID-19, and the lockdowns, the gallery and Percy's Place were closed for a short period. Some of the exhibitions that were able to be delivered were *Matariki – Stephen Chadwick; Town and Country embroidery exhibition, and The Art of Resilience – celebrating 20 years of Percy Thomson Gallery.*

Exhibitions that were unable to be delivered due to Covid-19 were the Taranaki Textile and Dale Copeland exhibitions, however the Marti Friedlander exhibition was extended for a further two weeks as the Auckland gallery was not open to receive it.

The gallery is now booked well into 2023, and includes local and national exhibitions.

5.3 Financial Statements

The Trust had a net deficit of \$76,000 (after accounting for depreciation) for the 2021/22 financial year, compared to a budgeted deficit \$79,000.

This was primarily due to the reduction in external funding and commissions that were received during the year, however was offset by the gain on the sale of the financial asset. Total financial assets reduced from \$602,000 last year to \$452,000 at 30 June 2022. Grants and subsidies received during the year were \$13,000, compared to a budget of \$43,000, and made up of Creative New Zealand funding, and Covid-19 wage subsidies. Other funding anticipated did not eventuate.

6. Strategic Alignment

6.1 Direction

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

6.2 Annual Plan and Long Term Plan

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

6.3 District Plan

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

6.4 Legal Implications

There are no legal implications.

6.5 Policy Implications

There are no policy implications

Attachments:

Appendix 1 - Percy Thomson Trust Annual Report



Christine Craig
Corporate Accountant



[Endorsed by]
Tiffany Radich
Director – Corporate Services



[Approved by]
Sven Hanne
Chief Executive

Date: 7 December 2022

Appendix 1



PERCY THOMSON TRUST

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

**PERFORMANCE REPORT
FOR THE YEAR ENDED
30 JUNE 2022**

PERCY THOMSON TRUST

PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2022

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PERCY THOMSON TRUST – CHAIRMAN'S REPORT

For the year ended 30 June 2022

On behalf of the Trust, it is my pleasure to present the report for the twelve months ended 30 June 2022. The period was again dominated by the effects of the Covid-19. The 2021 year saw a resurgence from the Covid effects in the 2020 year however this wasn't sustained into 2022. Further comments are made below.

The year was also significant for the transition from Rhonda Bunyan to Laura Campbell as Gallery Director. Laura has picked up the legacy left by Rhonda and is making her own mark in taking the Gallery forward.

Work is continuing on enhancing the visitor experience to the arboretum and on refocusing the remit for a herbarium in our remit.

Financials

The overall operating position was affected by the reduced visitor numbers, affecting commissions from art sales and from shop takings, and by lower interest rates affecting investment returns. Grant income was at the same level as 2021 although below more traditional levels.

One of the Trust's investments was sold which saw the realisation of its capital gain. This offset the lower than budgeted grant income and left an overall cash surplus of \$4,000 after adding back the non-cash depreciation amount of \$80,000, compared to the cash deficit of \$11,000 in 2021, after adding back the non-cash depreciation.

The Financial Position as shown in the "Statement of Financial Position" shows the total Trust Equity of \$2,798,000 – a decrease of \$76,000 being \$80,000 in depreciation partially offset by the \$4,000 cash surplus.

Gallery Operations

As noted above, visitor numbers were significantly reduced as a result of the effects of Covid-19 in the community. In particular we were not able to hold opening events for new exhibitions. These are generally an important promotion activity giving each exhibition an important fillip. As part of an antidote to do additional effort has been put into promoting the gallery, exhibitions and individual art works through social media and the web site. We are seeing direct benefits from this and are expecting for this to be sustained into the future.

The exhibition programme has continued to be innovative and thought provoking and offering a valuable outlet for local artists.

Investment Funds and Cash Balances

The Investment portfolio of the Trust is summarised as follows:

Category	Book Value @ 30/6/22	Book Value @ 30/6/21
Bank Balances	275,000	132,000
Trading Bank Term Deposits	250,000	250,000
Bonds	55,000	155,000
Commercial Property through Proportionate Ownership Schemes and Property Investment Funds	397,000	447,000
Total	\$977,000	\$984,000

The reduction in bonds is from the maturity of two bond holdings. We also began to review the property investment holdings and sold one investment to start rebalancing the portfolio and to crystallise a capital gain. The funds from these maturities/sales is reflected in the funds in our bank accounts.

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

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

Further, in seeking such investments particular criteria included:

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

The breakdown of these investments is:

Property held by Investment Fund	Original Investment (as per Statement of Financial Position)	Market Value (as at Balance Date of the investments of 31 March 2022)	Market Value (as at Balance Date of the investments of 31 March 2021)	Cash Income Return on Original Investment	Summary of Tenancies
Bush Road, Albany, Auckland – light industrial	125,000	330,420	288,284	7.80%	- Thermo Fisher Scientific – 100%
Osterley Way, Manukau, Auckland – office building	50,000	75,319	79,282	9.25%	- IRD – 98% - Other – 2%
Todd Park, Porirua, Wellington – light office/industrial complex	72,000	130,678	104,371 (Net of sale proceeds in 2022 year)	7.58%	- Placemakers 16.38% - NZ Post (exHannah's) 10.36% - Hexatronic 18.63% - Anderson & Flowers 12.53% - Mitsubishi Motors 15.86% - Fusion Interiors 10.63% - Conroy Removals 6.36% - Downer NZ 4.32% - NZ Post 2.82% - Whanau Manaaki Kindergarten 1.77% - Other 0.34%
Cameron Road, Tauranga – Office building and retail	50,000	59,398	58,694	7.80%	- Tauranga City Council 55.11% - IRD 38.33% - Other (3) – retail & office 6.56%
Centuria NZ Industrial Fund – light industrial mainly in Auckland (Name change from Augusta Industrial Fund)	100,000	176,385 (Net tangible asset backing)	133,000	6.50%	The 48 tenants in 21 properties across three cities but weighted 73% to Auckland include Toll, Repco, Linfox, Fujitsu, Fletcher Building Steel Group, Macpac, Vulcan Steel, and Halls Refrigeration Transport (Icepak), D&H Steel Construction, Graphic Packaging, and TCI NZ. Overall occupancy is 96%.
Total	\$397,000	\$772,200	\$663,361	Average 7.61%	
		(16.4% increase)	(33.3% increase)		

The returns reflect a strong increase over the year. This reflects the strength of the property market and the rental profile of individual properties. With recent renewals of tenancies there is a notable reflection of this in the property values. However, rising interest rates generally should show a slowing in future medium term growth rates.

The Trustees have sought input from Craigs Investment Partners to review the Investment Portfolio and to chart an ongoing strategy. Recommendations from this review will be brought forward in due course for consideration.

Building Works

We continue to have some annoying issues with the roof, although the major leaks have been remedied. Consultation on whether or not substantive work is required will be sought in the current year.

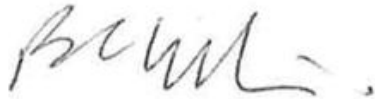
Other Responsibilities

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

Summary

I particularly acknowledge the work of the trustees, Laura, our Gallery Director, Amy, the Gallery assistant, Christine Craig and her team at the Council for administrative support, and the volunteers without whom the operation of the gallery would become most difficult.

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



Bruce Ellis
Chairman

PERCY THOMSON TRUST – ENTITY INFORMATION

Legal name

Percy Thomson Trust (the Trust).

Type of entity and legal basis

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

The Trust's purpose or mission

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

Structure of the Trust's operations, including governance arrangements

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

Main sources of the Trust's cash and resources

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

Outputs

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

PERCY THOMSON TRUST – BOARD

Chairman: Bruce Ellis

Trustees: Jim Clarkson
Helen Cloke
Deborah Clough
Christine Craig
Doug Robinson
Gloria Webby

PERCY THOMSON TRUST – STAFF

As at 30 June 2022

Gallery Director – Laura Campbell

Part-time Gallery Assistants

- Bill Davies
- Donna Hitchcock
- Carina McQueen
- Gayleen Schrider
- Amy Taunt
- Jacqueline McCluggage

PERCY THOMSON TRUST – PERFORMANCE

STATEMENT OF SERVICE PERFORMANCE

NATURE AND SCOPE OF ACTIVITIES

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

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

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

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

OBJECTS OF THE TRUST

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

- to receive the Thomson Arboretum, the Thomson Herbarium and the Thomson Gallery and to be responsible for the on-going establishment and maintenance of an arboretum, herbarium and art gallery in Stratford;
- to manage the Trust Facilities and to create, acquire, promote, exhibit and manage the collections for the benefit of the inhabitants of the Stratford District and the public generally;
- to endeavour to achieve the objectives the Council sets for the delivery of services in respect of the Trust Facilities as negotiated and set out in the Statement of Intent;
- to implement the Council's policy as revised from time to time for the development and enhancement of the Trust Facilities with an emphasis on Stratford and in accordance with the Charter, Business Plan and Strategic Plan;
- to provide advice to the Council on the Council's long term policy for the development of gallery services in Stratford;
- to establish exhibition programmes and education policies for the Trust Facilities;
- to develop acquisition, de-accession and collection development policies for the Trust;
- to provide all financial, administration, marketing, technology and services required for the Trust Facilities;
- to determine charges for viewing or using any of the Trust Facilities and the Collections with a view to generating appropriate revenue and encouraging public enjoyment and utilisation of the Trust Facilities and Collections;
- to house and care for any art collections, antiquities or other articles acquired by, loaned, created or otherwise made available to the Trust and particularly to preserve and maintain the Collections (subject to any de-accession policies developed by the Trustees);
- to lease land or other assets where the Trustees determine that such land or other assets can be used in conjunction with the Trust Facilities or to promote the objectives of the Trust;
- to solicit and raise funds and carry out such activities as are necessary or conducive for the carrying out and giving effect to the objects of the Trust.
- to encourage and foster liaison and co-operative activities with related facilities, particularly those in the Stratford district; and
- generally to do all acts, matters and things that the Trustees consider may advance the objects of the Trust.

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

PERCY THOMSON TRUST – PERFORMANCE

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

Level of Service	Performance Measures	Actual 2021/22	Target 2021/22
Delivery of art exhibitions	Deliver proposed art exhibitions which will include local, regional and at least 1 National.	<p><i>Achieved:</i> All exhibitions were able to be delivered during Covid-19 restrictions, however there was a reduction in visitor numbers.</p> <p>Art exhibitions that were delivered throughout the year included the following:</p> <p>National –</p> <ol style="list-style-type: none"> 1. Looking Forward PCANZ 2. Marti Friedlander 3. Matariki – Stephen Chadwick <p>Regional –</p> <ol style="list-style-type: none"> 1. Town and Country – Embroidery Exhibition 2. Anthony Davies – Printmaking, a passage of time series 3. Nga Aho – Toi o Taranaki Ki te Tonga Collective 4. We all think we're good people <p>Local –</p> <ol style="list-style-type: none"> 1. Stratford Art Society 2. The Art of Resilience – Celebrating 20 years of Percy Thomson Gallery 3. Shakespeare – Experience the Bard 4. Super 18 Day Pop up exhibition <p>(2020/21) – Achieved)</p>	Deliver proposed art exhibitions which will include local, regional and at least 1 National.
	Number of visitors to the Gallery to be not less than 20,000 per year.	<p><i>Not Achieved:</i> There were 14,646 visitors for the year, primarily due to the restrictions on social gatherings and peoples' reluctance to attend these spaces.</p> <p>(2020/21 – Achieved – 24,314)</p>	>20,000
Development and maintenance of arboretum	Develop and maintain the arboretum to the standards in the facilities management contract	<p><i>Achieved:</i> The arboretum has been maintained by Stratford District Council on behalf of the Trust, and meets the standards as set out in the Facilities Management Contract. The planting programme was also maintained, and continued on in conjunction with the plantings/replacement of native trees.</p> <p>(2020/21) - Achieved)</p>	Develop and maintain the arboretum to the standards in the Facilities Management Contract
Delivery of Herbarium	Explore alternative options to achieve this measure	<p><i>Not Achieved:</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.</p> <p>(2020/21 – Not achieved – The trust continue to look for an alternative arrangement to deliver the herbarium via a third party, it is expected that the herbarium will be delivered online in the 2021/22 year)</p>	To be reset following the conclusion of the 2021/22 review.

PERCY THOMSON TRUST – PERFORMANCE



PERCY THOMSON TRUST – PERFORMANCE



PERCY THOMSON TRUST – FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE FOR YEAR ENDED 30 JUNE 2022

	Note	Actual 2021/22 \$000	Budget 2021/22 \$000	Actual 2020/21 \$000
Revenue				
Funding from central or local government	1	50	95	50
Revenue from non-governmental sources for providing goods or services		44	63	44
Donations, fundraising and other similar revenue	1	13	-	13
Interest, dividends and other investment revenue		40	54	49
Other revenue	1	66	-	38
Total Revenue		212	212	194
Expenses				
Employee related costs	2	117	104	111
Costs related to providing goods or services	2	84	107	85
Other expenses	2	87	80	88
Total Expenses		288	291	284
Deficit from operations		(76)	(79)	(90)
Deficit for the year		(76)	(79)	(90)

Explanations of significant variances against budget are detailed in note 9.



B Ellis
CHAIRMAN



C Craig
TRUSTEE

PERCY THOMSON TRUST – FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	Actual 2021/22 \$000	Budget 2021/22 \$000	Actual 2020/21 \$000
Assets				
Current Assets				
Bank accounts and cash	3	275	34	132
Debtors and prepayments	3	4	10	3
Investments	3	275	250	300
Total Current Assets		554	294	435
Non-Current Assets				
Property, plant and equipment	4	1,832	1,897	1,907
Non-current investments	3	427	727	552
Total Non-Current Assets		2,259	2,624	2,459
Total Assets		2,813	2,918	2,894
Liabilities				
Current Liabilities				
Creditors and accrued expenses	3	9	5	15
Employee costs payable	3	6	2	6
Total Current Liabilities		15	7	21
Total Liabilities		15	7	21
Total Assets less Total Liabilities (Net Assets)		2,798	2,911	2,873
Accumulated Funds				
Capital contributed by owners or members	5	0.1	0.1	0.1
Accumulated Surpluses or (deficits)	5	1,591	1,704	1,666
Reserves	5	1,207	1,207	1,207
Total Accumulated Funds		2,798	2,911	2,873

The Trust Board is approved and authorised to issue the financial statements on 30 November 2022.



B Ellis
CHAIRMAN



C Craig
TRUSTEE

PERCY THOMSON TRUST – FINANCIAL STATEMENTS

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	Actual 2021/22 \$000	Actual 2020/21 \$000
Cash Flows from Operating Activities			
<i>Cash was received from:</i>			
Funding from central or local government		50	50
Receipts from non-governmental sources for providing goods or services		44	44
Donations, fundraising and other similar receipts		13	13
Interest, dividends and other investment revenue		40	48
Other revenue		17	38
Net GST		(2)	(1)
<i>Cash was applied to:</i>			
Payments to Suppliers and Employees		(213)	(203)
Net Cash Flows used in Operating Activities		(51)	(11)
Cash Flows from Investing and Financing Activities			
<i>Cash was received from:</i>			
Receipts from the sale of investments		199	125
<i>Cash was applied to:</i>			
Payments to acquire property, plant and equipment		(5)	(15)
Net Cash flow from Investing and Financing Activities		194	110
Net Increase in Cash		143	90
Add opening bank accounts and cash		132	41
This is presented by : Bank Accounts and Cash	3	275	132

PERCY THOMSON TRUST

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2022

ACCOUNTING POLICIES APPLIED

Basis of Preparation

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

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

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

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

Goods and Services Tax

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

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Grants

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

Sale of goods

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

Commission on Sales

Commission on exhibition sales and Percy Place sales is retained by the Trust, with the remaining proceeds passed on to the seller of the artworks. Revenue includes only amounts received and receivable by the Trust on its own account, not the amounts collected for the principal. Revenue is recognised when receivable.

Sale of services

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

Interest revenue

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

Employee related costs

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

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

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

Advertising, marketing, administration, and other costs

These are expensed when the related service has been received.

Bank accounts and cash

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

Debtors

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

Investments

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

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

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

Property, plant, and equipment

Property, plant, and equipment is initially recorded at cost or valuation, less accumulated depreciation and impairment losses. The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties. The fair value of the buildings was determined from market based evidence using the cost approach, reflecting the cost to construct assets of comparable utility and age, adjusted for obsolescence.

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

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

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

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

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

Revaluation

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

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

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

Revaluation increases and decreases will be transferred to equity.

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

Employee costs payable

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

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

Income tax

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

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

Budget figures

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

Tier 2 PBE Accounting Standards applied

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

CHANGES IN ACCOUNTING POLICIES

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

PERCY THOMSON TRUST – NOTES TO THE PERFORMANCE REPORT

1. Analysis of Revenue

	Actual 2021/22 \$000	Actual 2020/21 \$000
Funding from central or local government		
- Stratford District Council	50	50
Donations, fundraising and other similar revenue		
Grant - Taranaki Electricity Trust	-	3
Grant - Toi Foundation	-	10
Creative New Zealand Funding	12	-
Wages subsidy	1	-
Total donations, fundraising and other similar revenue	13	13
There are no unfulfilled conditions and other contingences attached to grants recognised.		
Other Revenue		
- Commission Sales	17	38
- Gain on sale of financial assets	49	-
Total Other Revenue	66	38

2. Analysis of Expenses

Analysis of Expenses

	Actual 2021/22 \$000	Actual 2020/21 \$000
Employee related costs		
Salaries and Wages	115	109
Kiwisaver Contributions	3	3
Decrease in Employee Entitlements	(1)	(1)
Total employee related costs	117	111
Costs related to providing goods or services		
Property expenses	18	20
Art Gallery expenses	43	43
Other operating expenses	23	22
Total costs related to providing goods or services	84	85
Other expenses		
Audit Fees for Financial Statement Audit	7	8
Depreciation	80	80
Total other expenses	87	88

PERCY THOMSON TRUST – NOTES TO THE PERFORMANCE REPORT

3. Analysis of Assets and Liabilities

Current Assets

Bank Accounts and Cash

Cheque Account - TSB

Actual 2021/22 \$000	Actual 2020/21 \$000
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275	132
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Debtors and Prepayments

GST Refundable

-	1
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Sundry Debtors

4	2
---	---

Total Debtors and Prepayments

4	3
---	---

Investments

Bonds

Auckland International Airport - 4.28% - matures 09/11/2022

25	-
----	---

Fonterra Co-op Group - 4.33% - mature 20/10/2021

-	50
---	----

Other Investments

Term Deposit TSB Bank - 2.20% - mature 4/12/2022

250	250
-----	-----

Total Investments

275	300
-----	-----

Non-current Investments

Bonds

ASB Bank Ltd - 4.20% - matures 24/02/2022

-	50
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Meridian Energy Ltd - 4.88% - matures 20/03/2024

30	30
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Auckland International Airport - 4.28% - matures 09/11/2022

-	25
---	----

Other Investments

Proportionate Ownership - Albany, Auckland

50	50
----	----

Proportionate Ownership - Manukau, Auckland

50	50
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Proportionate Ownership - Porirua, Wellington

72	122
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Proportionate Ownership - Albany, Auckland

75	75
----	----

Proportionate Ownership - Tauranga

50	50
----	----

Proportionate Ownership - Henderson, Auckland

100	100
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Total Non Current Investments

427	552
-----	-----

Creditors and Accrued Expenses

Creditors

1	3
---	---

Income received in advance

-	1
---	---

Accrued Expenses

8	11
---	----

Total Creditors and Accrued Expenses

9	15
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Employee Costs Payable

Annual Leave

6	6
---	---

Total Employee Costs Payable

6	6
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PERCY THOMSON TRUST – NOTES TO THE PERFORMANCE REPORT

4. Property, Plant and Equipment

Cost or Valuation	Buildings at revalued amount	Land at revalued amount	Plant and Equipment at Cost	Total
	\$000	\$000	\$000	\$000
As at 1 July 2021	1,749	235	115	2,099
Additions	-	-	5	5
Disposals	-	-	-	-
Revaluation increase	-	-	-	-
As at 30 June 2022	1,749	235	120	2,104

Accumulated Depreciation	Buildings at revalued amount	Land at revalued amount	Plant and Equipment at Cost	Total
	\$000	\$000	\$000	\$000
Balance at 1 June 2021	144	-	48	192
Eliminated on disposals of assets	-	-	-	-
Depreciation expense	73	-	7	80
Balance at 30 June 2022	217	-	55	272

Balance as at 30 June 2022	1,532	235	65	1,832
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Balance as at 30 June 2021	1,605	235	67	1,907
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The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties. The fair value of the buildings was determined from market-based evidence using the cost approach, reflecting the cost to construct assets of comparable utility and age, adjusted for obsolescence.

5. Accumulated Funds

	Actual 2021/22 \$000	Actual 2020/21 \$000
Opening Equity		
Contributed Capital	0.1	0.1
Revaluation Reserve	1,207	1,207
Accumulated Surpluses	1,667	1,757
Total Opening Balance	2,875	2,965
Movements during the year		
Surplus (Deficit)	(76)	(90)
Revaluation during the year	-	-
Total	(76)	(90)
Closing Equity		
Contributed Capital	0.1	0.1
Revaluation Reserve	1,207	1,207
Accumulated Surpluses	1,591	1,667
Total Closing Equity	2,798	2,873

PERCY THOMSON TRUST – NOTES TO THE PERFORMANCE REPORT

6. Commitments and Contingencies

	Actual 2021/22 \$000	Actual 2020/21 \$000
Financial Commitments		
* Percy Thomson Trust will provide building space in the Complex for Sgt Peppers to operate, for the period to 1 June 2022, to 31 May 2023, with two further rights of renewal of one year each.	14	13
* Percy Thomson Trust will provide building space in the Complex for Juffermans Surveyors Ltd to operate, for the period to 12 April 2026, with two further rights of renewal of three years each.	68	86
* Percy Thomson Trust will provide land outside the Complex for NZ Post to use as a box lobby, for the period to 31 May 2024.	2	1
Total	84	100
Operating Leases as a Lessor		
Not later than one year	33	32
Later than one year and not later than five years	51	68
Later than five years	-	-
Total operating leases as a lessor	84	100

Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (last year – nil).

7. Related Party Transactions

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

Trustees that have a relationship with Stratford District Council:

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

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

	Actual 2021/22 \$000	Actual 2020/21 \$000
Stratford District Council		
Grant received from the Council	50	50
Rent received from Council for the Information Centre (lease terminated February 2021)	-	12
Fees paid to Council for administration services	21	21

PERCY THOMSON TRUST – NOTES TO THE PERFORMANCE REPORT

8. Events After the Balance Sheet Date

There were no significant events after balance date.

9. Explanations of major variances against budget

Explanations for major variances from the Trust's budgeted figures in the 30 June 2022 Statement of Intent are as follows:

Statement of Financial Performance

- Revenue from gallery hire and commissions was slightly less than budget, however given the restrictions around Covid, this was expected.
- Revenue from interest income is less than budget, due to the very low market rates, also affected by the economy and Covid.
- Revenue from grants was less than budget due to the current market situation, however the Trust are pro-actively seeking alternative sources of grant funding.
- During the year the Trust sold a share in the Proportionate Ownership investment, which resulted in a net gain of \$49,000.

Statement of Financial Position

- The cash balance was higher than budget due to the maturity of bonds, and the sale of a share in the Porirua Proportionate Ownership investment.

10. Comparatives

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year layout.

PERCY THOMSON TRUST – AUDIT REPORT



Independent Auditor's Report

To the readers of Percy Thomson Trust's financial statements and performance information for the year ended 30 June 2022

The Auditor-General is the auditor of Percy Thomson Trust (the Trust). The Auditor-General has appointed me, Pam Thompson using the staff and resources of Deloitte Limited to carry out the audit of the financial statements and performance information of the Trust on her behalf.

Opinion

We have audited:

- the financial statements of the Trust on pages 10 to 20, that comprise the statement of financial position as at 30 June 2022, the statement of financial performance, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on pages 6 to 7.

In our opinion:

- the financial statements of the Trust on pages 10 to 20:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2022; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Standard; and
- the performance information of the Trust on pages 6 to 7 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2022.

Our audit was completed on 30 November 2022. This is the date at which our opinion is expressed. The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trust Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

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

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

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



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

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

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

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

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

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

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

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

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

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

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

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trust Board.

Deloitte.

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Trust Board is responsible for the other information. The other information comprises the information included on pages 1 to 5, 8 to 9 but does not include the financial statements and the performance information, and our auditor's report thereon.

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

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

Independence

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

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



Pam Thompson
Deloitte Limited
On behalf of the Auditor-General
Wellington, New Zealand



Our reference
F19/13/03-D21/40748

Karakia

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

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