

# THE YEAR IN BRIEF: 2018-19 ANNUAL REPORT SUMMARY



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# OUR VISION AND COMMUNITY OUTCOMES TE MOEMOEĀ ME NGĀ HUA A TE HAPORI

The vision and community outcomes that we committed to as part of the 2018-28 Long-Term Plan are:

## MASTERTON/WHAKAORIORI: PROVIDING THE BEST OF RURAL, PROVINCIAL LIVING



### An Engaged and Empowered Community

Masterton/Whakaoriori is a positive, strong, inclusive and self-determining community, with equitable opportunities for everyone.



### Pride in our Identity and Heritage

Masterton/Whakaoriori values the place and role of tangata whenua, and is proud of our cultural identity and heritage.



### A Sustainable and Healthy Environment

Masterton/Whakaoriori has rivers we can swim in and drink from, clean air to breathe, green and blue spaces that we can enjoy and share with future generations.



### A Thriving and Resilient Economy

Masterton/Whakaoriori has a strong, sustainable economy that supports our people and places.



### Efficient and Effective Infrastructure

Masterton/Whakaoriori has high-quality and cost-effective infrastructure that meets the current and future needs of our community.

# KEY HIGHLIGHTS

## NGĀ KAUPAPA TĪPAKO



### AN ENGAGED AND EMPOWERED COMMUNITY

- **POSITIVE AGEING STRATEGY** for the Wairarapa region adopted in May 2019.
- Support for **NEIGHBOURHOOD PLANNING PROJECTS** across the Eastside, Lansdowne, Upper Plain and Solway areas.
- Support for **VILLAGE PLANNING PROJECTS** in Riversdale and Castlepoint.
- Approximately 400 children participated in our **DIGITAL AFTER-SCHOOL LEARNING PROGRAMMES** at the Masterton District Library.
- Our Animal Services team worked with dog owners, the SPCA and wider community to **REHOME 18 DOGS** and **RETURN 191 DOGS TO THEIR OWNERS**.



### PRIDE IN OUR IDENTITY AND HERITAGE

- The Wairarapa Archive's '**100 YEARS 100 LIVES**' book was launched in November 2018.
- **ARTS, CULTURE AND HERITAGE STRATEGY** adopted in June 2019.
- **WAIFEST 2019** was held on 6 February 2019 at Queen Elizabeth Park, with **5,000 - 6,000 ATTENDING**.
- We were involved with and/or funded a number of **LOCAL EVENTS** in 2018-19, including the Block Party 2018, Christmas on Queen 2018, Wings over Wairarapa 2019, and Manga Maha, Awa Kotahi', 'Many streams, one river' multimedia exhibition project.



## A SUSTAINABLE AND HEALTHY ENVIRONMENT

**4.4 BILLION LITRES OF SAFE DRINKING WATER** supplied to the community.

Recertification achieved for our **CERTIFIED EMISSIONS MEASUREMENT AND REDUCTION SCHEME (CEMARS)**.

Phase 1 complete for the **LANSDOWNE RECREATION TRAILS WETLANDS RESTORATION PROJECT**.

**SIX COMMUNITY PLANTING DAYS HELD**, more than 5,000 eco sourced plants and 72 canopy trees planted.



## A THRIVING AND RESILIENT ECONOMY

**WAIRARAPA ECONOMIC DEVELOPMENT STRATEGY** adopted in October 2018.

Phase 1 of the **TOWN CENTRE REVAMP** project completed.

**SECURING OVER \$900,000** through the Provincial Growth Fund, which will enable the Ngā Pūmanawa Tūpuna initiative to get Wairarapa rangatahi work-ready.

Taking our **MY MASTERTON** campaign to the **AUCKLAND HOME SHOW** resulting in one-on-one contact with more than 2,200 Aucklanders.



## EFFICIENT AND EFFECTIVE INFRASTRUCTURE

**UPGRADE OF LIDO POOL** at Trust House Recreation Centre completed.

**PHASE 1 SEISMIC/EARTHQUAKE STRENGTHENING** completed for the Masterton District Library building and the Sir Brian Lochore Grandstand at Memorial Park.

**ROOF REPAIRS AND REPLACEMENTS** completed at Panama Village.

Renewals of **1.9KM OF SEWER MAINS** and **3.6KM OF WATER MAINS**.

Resealed **34.1KM OF ROADWAY** and resurfaced **7.4KM OF FOOTPATH**.

# MAYOR AND CHIEF EXECUTIVE'S FOREWORD KŌRERO WHAKATAKI A TE KOROMATUA ME TE TUMUAKI

E ngā iwi, e ngā karangataha, te iti me te rahi, tēnā koutou, tēnā tātou.

The end of the financial year provides a valuable opportunity to reflect on both achievements and challenges we have faced as a Council. Every year we set targets for our performance. The 2018-19 Annual Report outlines our achievements against targets set for Year 1 of the 2018-28 Long-Term Plan. Performance against these targets, and details of our financial performance are detailed in the full 2018-19 Annual Report.

We spent a lot of time in early 2018 developing the Long-Term Plan and working to understand our community's priorities. As a result, we committed to key projects and work on these projects kicked off in the 2018-19 financial year.

The Town Centre Revamp is one example. After three years of engagement and consultation with the community, the Council adopted the Town Centre Strategy in August 2018. This set the scene for the priority areas for development throughout the Masterton Central Business District. Change isn't easy, and there is understandable caution around what the revamp will mean for our town. We are looking forward to seeing this work, and collaboration with the community and business owners, continue.

We also progressed work on potential future options for Masterton's Town Hall. This is arguably one of the biggest decisions Masterton District Council will make in the near future. To help better inform decision-making we invested in additional research to understand what sort of facility would best suit the needs of our community and the level of demand that exists. We also looked deeper into what such a development was likely to cost. With this additional information to hand, we have decided to test our community's appetite for such investment, and at what level, through a formal consultation.

Other key achievements include investing in a range of existing assets and bringing them up to an acceptable standard for future use. This includes the rejuvenation of Queen Elizabeth Park, earthquake strengthening of the cricket grandstand, upgrading the outdoor pool, and refurbishing various sports facilities, including the Athletics and Cycling Masterton building at the Colin Pugh Sports Bowl and the Douglas Villa clubrooms.

We also reviewed two of our most significant contracts, for parks and open spaces and roading maintenance. Reviewing contracts like these to ensure ratepayers are getting good value for money is a significant task, so it is positive to have completed both reviews and made changes that will have a positive outcome for Masterton.

Collaboration with other Councils has also been crucial as we supported the Greater Wellington Regional Council on community engagement on the Te Kāuru floodplain maps and worked with South Wairarapa and Carterton district councils to review joint bylaws.

On the infrastructure front, it was great to see more than 100 people at the Homebush Wastewater Treatment Plant open day in March 2019. The council is responsible for a lot of 'behind the scenes' work and it's important the community gets to see what is involved in managing 13 million litres of wastewater every day. Towards the end of the financial year we were in the midst of rolling out recycling wheelie bins – another significant service that involves a lot of work behind the scenes.

Two significant achievements were celebrated during the year that will have positive impacts beyond the Masterton district. In November, we were part of the launch of the Wairarapa Economic Development Strategy which focuses on an aspirational goal to offer the best of rural and urban living. And, in February



this year, it was a big moment for Masterton to be named as a refugee resettlement location. The Council supported the community in advocating for this to happen. The opportunity to provide homes for people displaced by war and disaster will have long-lasting positive impacts on the region.

In addition to these positive achievements, the year also brought challenges for both Masterton District Council and the Wairarapa region. News of Taratahi Institute of Agriculture being placed into liquidation was upsetting, and demonstrated the importance of the Wairarapa Economic Development Strategy's focus on training and education.

It's also important to acknowledge the loss of two members of the Masterton community in the aircraft collision south of Hood Aerodrome in June 2019. The accident was a tremendous shock and loss not only to their whānau and friends but also the community.

Events such as this remind us of the importance of our whānau, friends and community. The Masterton community is strong, inclusive and pulls together in times of sadness and crisis. This is a community we can be proud of and one which Masterton District Council strives to serve as effectively and efficiently as possible.



A handwritten signature in black ink, appearing to read 'Lyn Patterson'.

Lyn Patterson,  
Mayor

A handwritten signature in black ink, appearing to read 'Kath Ross'.

Kath Ross,  
Chief Executive

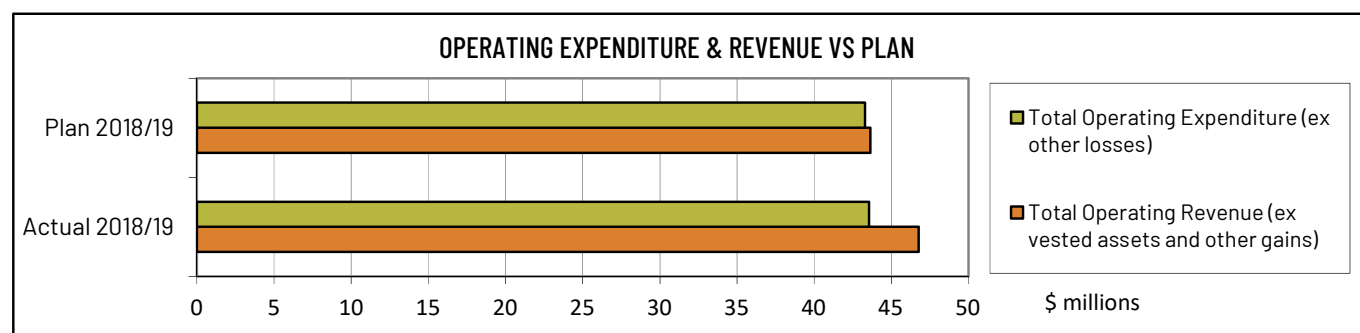
# OUR PERFORMANCE

## Tauāki Paearu Mahi

### FINANCIAL HIGHLIGHTS

The financial result for 2018-19 is close to, or better, than was planned across most activity areas. Operating expenditure, excluding other losses, is \$43.56 million, compared to the \$43.28 million figure in the Long-Term Plan. The accounting surplus is \$2.5 million compared to \$0.38 million. This good result has been achieved largely through higher than expected levels of income from roading subsidies and financial contributions from subdivisions.

The graph below shows the financial performance compared to the Long-Term Plan for 2018-19. In summary, expenditure is close to plan, income is ahead of plan.



Rates revenue made up 61 per cent of operating revenue and rates arrears were 1.3 per cent of the amount levied. The rates arrears reduced both in the value outstanding and in the number of properties with arrears.

The level of subdivision activity and new residential building has remained high during the year. This is seen in financial contributions from developers being \$1.76 million, \$1.1 million more than planned. Income from building consent fees was \$1.13 million, 14 per cent more than planned.

We did \$5.7 million of roading renewal and upgrading work, 20.8 per cent more than planned. Work was carried over from the previous year (kerb renewal contract, streetlighting upgrades), and there were higher costs for some work, such as road marking. We received more subsidy income from the New Zealand Transport Agency than planned to complete the work.

We have spent nearly 84.5 per cent of the capital expenditure programme, including the purchase of a new office building to house the Council's administrative functions (Waiata House). A number of capital projects commenced in 2018-19 and were still in progress at 30 June 2019. These include:

- Library Learning Centre (90 per cent complete, only landscaping work to finish)
- Queen Elizabeth Park rejuvenation – Lake of Remembrance surrounds (50 per cent complete)
- Queen Elizabeth Park grandstand – strengthening, upgrading and extending (70 per cent complete)
- Solway Crescent urbanisation – completing the balance of the length (30 per cent complete).

Two major projects have had project planning and consultation work carried out during the year:

- The Town Centre revamp project involved a number of concept trials (parklets) and design work has been completed on three main upgrade options
- The Civic Centre project has included a market demand study, and costings have been refined for different options, including building new or retaining some portion of the old civic building. Further consultation on options will take place in 2019-20.

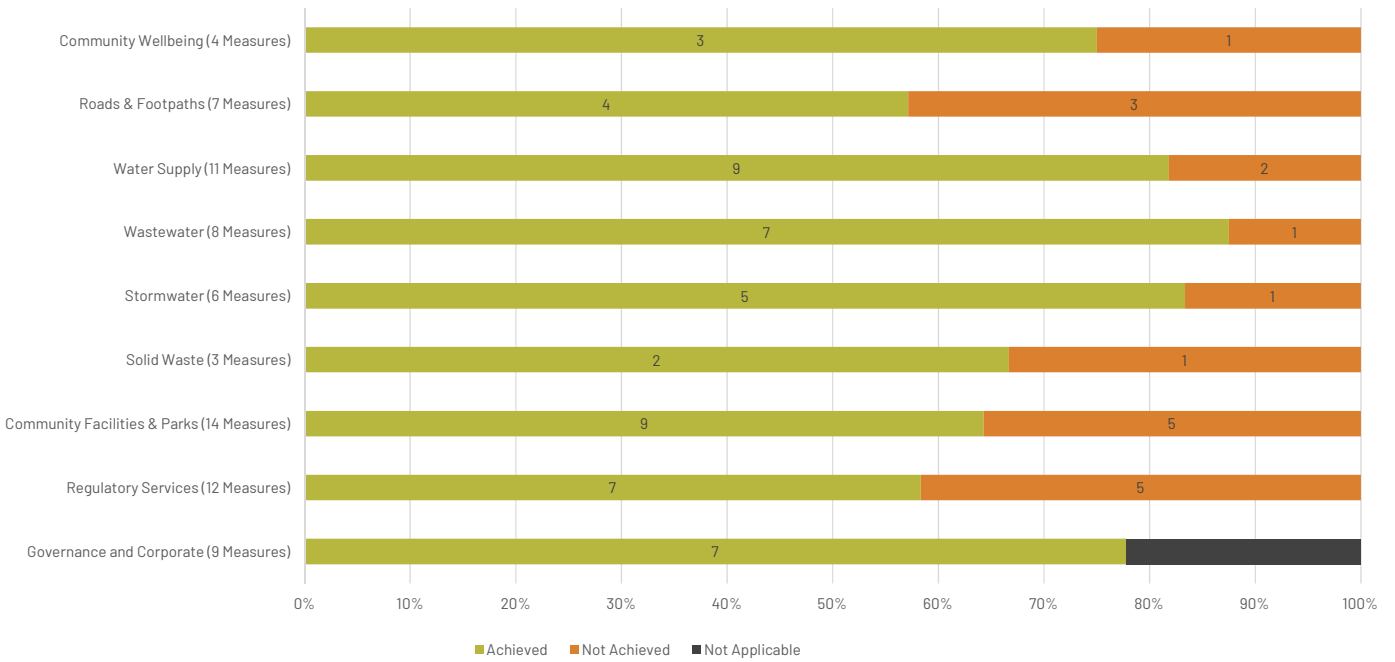


## NON-FINANCIAL PERFORMANCE

Our 2018-28 Long-Term Plan defines the level of service we aim to achieve for each of our nine activity areas. Performance targets are set that help us measure how well we are delivering that level of service. The Long-Term Plan includes 74 performance targets.

The graph below shows that we achieved 53 (71.6 per cent) of our targets and did not achieve 19 (25.7 per cent). Two targets (2.7 per cent) were reported as not applicable. As this is the first year of reporting against the current Long-Term Plan, a meaningful comparison to the previous year is not available. The full performance results are available in the 2018-19 Annual Report.

NON-FINANCIAL PERFORMANCE MEASURES YTD 30 JUNE 2019



# COMMUNITY WELLBEING



2018-19 was year one of implementing the Wellbeing Strategy *He Hiringa Tangata, He Hiringa Whenua* Implementation Plan. *He Hiringa Tangata, He Hiringa Whenua* outlines the Council's vision for each of the four wellbeings – social, cultural, environmental and economic. The three-year Implementation Plan (2018-21) outlines the projects we will deliver as we work towards realising our vision for community wellbeing.

Measures of success in this space include:

- a reduction in the number of air quality exceedances and CO<sub>2</sub> emissions per head of population
- percentage of staff that have completed He Korowai Wairua, MDC's introductory Māori language and tikanga Māori programme
- Masterton Gross Domestic Product (GDP) percentage change relative to Wellington region GDP.

Over 2018-19, we achieved three out of four targeted performance measures. The measure we didn't achieve related to air quality. There were six air quality exceedances during the 2018 calendar year. One day per 12-month period is known as a permissible exceedance.

## KEY HIGHLIGHTS:

DEVELOPMENT AND ADOPTION OF THE  
**WELLBEING STRATEGY**  
IMPLEMENTATION PLAN



COMPLETION OF A REVISED  
  
ARTS, CULTURE AND  
HERITAGE STRATEGY

ADOPTION OF THE WAIRARAPA  
**ECONOMIC DEVELOPMENT STRATEGY**



COMPLETION OF A  
**POSITIVE AGEING STRATEGY**  
AND IMPLEMENTATION PLAN



**HOUSING STOCKTAKE COMPLETED**



COMPLETION OF A

**MOBILE SMOKE SURVEY**



IN MASTERTON'S URBAN AREA

# ROADS, STREETS, FOOTPATHS AND PARKING AREAS



The Council constructs, manages and maintains the road, street and footpath networks including pavements, bridges, traffic services and streetlights throughout the Masterton district. Council also owns and maintains off-street car park spaces and on-street metered time-limit spaces.

Measures of success in this space include:

- customer satisfaction with the condition of the roading network
- quality of ride on sealed local road network
- reduction in the number of serious crashes
- urgent customer service requests responded to within four days
- customer satisfaction with parking services.

Four (57 per cent) of the seven performance measures for this activity were achieved in 2018-19.

We delivered our road resurfacing programme and maintained the quality of the local network. It was pleasing to see a reduction in the number of fatalities and serious injury crashes on our roads. While Council cannot control all the factors that contribute to road crashes, we do have an important role to play.

There was a slight reduction in the number of cyclists recorded using our urban roading network, down 4 per cent compared to the previous year. Four kilometres of shared paths were installed on Upper Plain Road and Gordon Street during 2018-19, creating a better link from lifestyle areas to the two primary schools in the area and to the town. These are likely to encourage more commuter and recreational cycling that may not be captured by the monitoring survey.

A total of 93 per cent of footpaths met or exceeded the defined level of service, 4 per cent less than the target. We know that our community has high expectations for footpaths, and to meet this we have invested an additional \$100,000 for footpath renewals in each year of the 2018-28 Long-Term Plan.

The operating expenditure of \$11.3 million was very close to the level planned. The renewals programme of \$5.3 million was \$500,000 more than planned due to contracts carried over from the previous year, and higher costs on some work such as roadmarking. We continue to use New Zealand Transport Agency's subsidy (57 per cent) for much of our programme, which means we get work done at less cost to ratepayers.





KEY HIGHLIGHTS:

RESEALING OF  
**34.1KM**  
OF ROADWAY

ADOPTION OF A  
**TOWN CENTRE STRATEGY**



RESURFACED  
**7.4KM**  
OF SEALED FOOTPATH



COMPLETION OF PHASE ONE OF THE  
**MASTERTON TOWN CENTRE REVAMP**

# WATER SUPPLIES (URBAN AND RURAL)



The Council provides appropriately treated water to the Masterton urban area and to the Waingawa industrial area. We also provide and maintain the secure distribution system for drinkable water and support the provision of non-drinking and water race supplies in rural areas.

Measures of success in this area include:

- resident satisfaction with drinking water
- reduction in the number of complaints about clarity, taste, pressure etc
- improving our response time for urgent and non urgent callouts
- reduction in the percentage of water lost from Council's reticulation system
- compliance with drinking water standards.

In 2018-19, nine (82 per cent) of the 11 performance measures for this activity were achieved.

We supplied 4.4 billion litres of safe water to urban households during the year. This equates to 609 litres per person per day, six per cent less than the previous year. This reduction was partly due to reduced leakage across the network as a result of our repair and renewal work, as well as higher than average rainfall during the summer.

The number of complaints received about drinking water has dropped by 38 per cent over the past two years.

Response times for non-urgent call outs significantly improved this year, with staff on site within one hour of notification and issues resolved within just under two hours of notification.

There was a slight increase in the percentage of real water loss from Council's reticulation system. Water loss is identified as a key issue in the 2018-28 Long-Term Plan and we will be installing smart water meters over the next two years, which will enable leaks to be identified more easily.

The Long-Term Plan also includes additional funding of \$600,000 each year to repair watermains and prevent leakage – 80 per cent of the work planned for 2018-19 was completed. The remaining 20 per cent of the work is behind schedule due to contractors having limited resources available and added competition for that resource from increased subdivision work in the private sector.

Operating expenditure for the urban water supply was \$3.5 million compared to a budget of \$3.38 million, 3.7 per cent more than planned due to slightly increased water treatment and pipework maintenance costs.



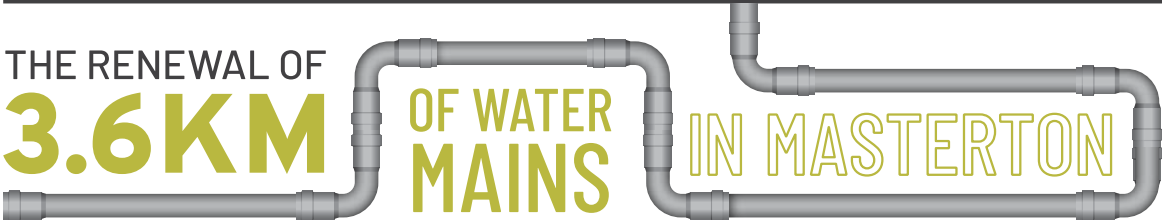




KEY HIGHLIGHTS:

THE SUPPLY OF **4.4** BILLION LITRES OF SAFE DRINKING WATER TO THE COMMUNITY 

 CONTINUED ACCESS PROVIDED TO A SEPARATE **FLUORIDE-FREE** WATER SUPPLY 

THE RENEWAL OF **3.6KM** OF WATER MAINS IN MASTERTON 

  
PREPARATION CONTINUED FOR UPCOMING INSTALLATION OF **SMART WATER METERS**

# WASTEWATER SERVICES



The Council provides systems to collect and dispose of wastewater from residential, commercial and industrial properties in the urban area, the Waingawa industrial area, and at Riversdale, Castlepoint and Tinui.

Measures of success in this area include:

- customer satisfaction with urban wastewater services
- reduction in the total number of complaints related to odour, system faults, blockages etc
- reduction in the time taken to resolve complaints
- compliance with resource consents.

Seven (88 per cent) of the eight performance measures for this activity were achieved in 2018-19.

We delivered our wastewater services in full compliance with resource consent requirements.

The number of complaints about our wastewater service reduced by almost half compared to the previous year. This is a great result for us. In 2018, Council committed to taking responsibility for all private lateral sewer connection pipes. This has allowed us to address renewal issues and ensure levels of service are maintained, which has resulted in less complaints.

Eighty percent of the planned wastewater pipe renewals in 2018-19 were completed, 10 per cent below the target. This is another area where we face challenges due to a lack of contractor availability given increased subdivision works in the private sector.

Operating costs of Masterton's wastewater system were \$6.34 million compared to the planned level of \$6.65 million, 4.7 per cent less than planned.

## KEY HIGHLIGHTS:



**34 MINUTE** RESPONSE TIME TO NOTIFICATIONS



COMPLAINTS ABOUT WASTEWATER SERVICE  
**REDUCED**

BY ALMOST

**50%**



OPERATING COSTS OF URBAN WASTEWATER SYSTEM  
**REDUCED BY 4.6%**

SWIMMING GRADE OF RUAMĀHANGA RIVER WATER  
**LOW RISK**  
DOWNSTREAM OF HOMEBUSH WASTEWATER TREATMENT PLANT



# STORMWATER



Council provides systems, including use of natural channels and streams, to collect and dispose of stormwater from residential, commercial and industrial properties in the urban area. The stormwater system in the rural area is largely open drains.

Success in this area includes:

- percentage of residents satisfied with stormwater services
- reduction in the number of complaints received about performance of the stormwater system
- reduction in the number of flooding incidents and impact on buildings
- improving our response time in attending a flooding event.

Five (83 per cent) of the six performance measures for this activity were achieved in 2018-19.

We delivered our stormwater systems in full compliance with resource consent requirements.

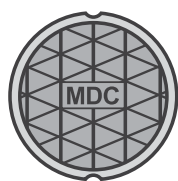
The number of complaints received about the stormwater system dropped by 75 per cent compared to the previous year. This is likely due to there being no significant rain events during 2018-19.

Only 30 per cent of the planned stormwater renewals were completed during the year, 60 per cent behind target. As with water and wastewater, we faced challenges in securing contractors to complete this work, given the limited resource available in the district and competition related to increased subdivision work.

## KEY HIGHLIGHTS:

SUCCESSFULLY UPGRADED  
STORMWATER PIPES IN **JONES PLACE** AND **ALTON GROVE**

UPGRADE OF STORMWATER DRAINS  IN TOTARA STREET AND  LANSDOWNE CRESCENT



UPPER PLAIN CUT-OFF DRAIN  
**CLEANED OUT**



# SOLID WASTE MANAGEMENT



The current refuse collection and transfer station operations, gate fee collection, composting, and recycling services at Nursery Road, and in rural areas, are carried out under performance-based contracts let by competitive tender to the private sector. We own, maintain and manage a main transfer and recycling station (Nursery Road) and three rural transfer stations (Tinui, Castlepoint and Riversdale), including associated buildings and the weighbridge at the urban landfill.

Measures of success in this area include:

- resident satisfaction
- reduced waste to landfill
- reducing number of call backs due to non-collection of official rubbish bags.

Two (67 per cent) of the three performance measures for this activity were achieved in 2018-19.

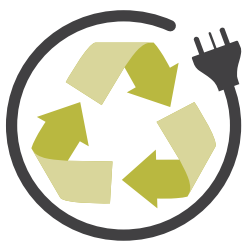
The delivery of our solid waste service was fully compliant with all resource consent requirements.

Despite the number of call-backs for the non-collection of rubbish bags more than doubling compared to the previous year (29 in 2018-19 compared to 13 in 2017-18), the overall number is low relative to the number of properties (9,079) that receive our kerbside and recycling collection service.

Waste volumes transferred to landfill were more than planned, generating 8.5 per cent more revenue from user charges than planned. The direct costs of transporting and dumping that waste are also above the planned levels. The opportunity to purchase clay for cover material for the closed Nursery Road landfill was taken during the year. The \$189,000 cost was not planned but was able to be funded from money built up in prior years for that purpose.

We faced challenges during the year following China's decision to significantly reduce the types of waste and recycling items it accepts. This is significant as China has been the biggest buyer of New Zealand's waste and recyclables. Other South East Asian countries have also banned many waste and recyclable products from entering their countries.

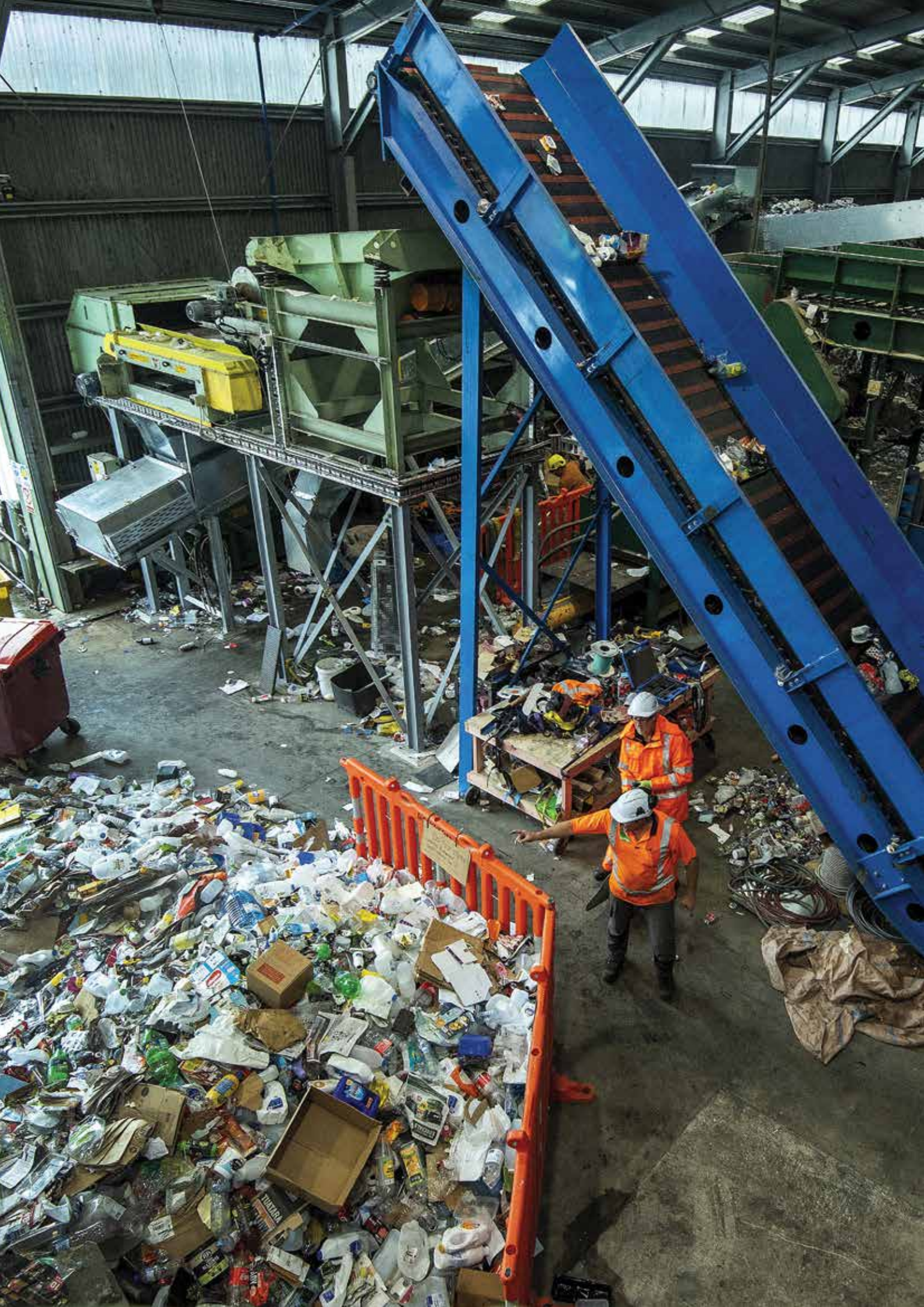
## KEY HIGHLIGHTS:



**ESTABLISHED  
E-WASTE  
SERVICES**

PREPARED FOR ROLLOUT OF  
**KERBSIDE  
WHEELIE BINS  
FOR RECYCLING**





# COMMUNITY FACILITIES AND PARKS



The Council provides and supports community services and facilities to contribute to the social, economic, environmental and cultural strength of the Masterton district. It includes community services (economic development, arts and culture), the library and archive, Council-owned property, parks, reserves and sportsfields, the Recreation Centre, cemeteries and the Masterton Airport (Hood Aerodrome).

Measures of success across this area include:

- providing funding to support community groups
- resident satisfaction with natural environment, library services, parks and reserves, and recreation centre
- number of library items available online
- occupancy of the Mawley Park camping ground
- elderly units fully occupied
- playgrounds meeting safety standards
- annual usage levels of Hood Aerodrome.

Nine (64 per cent) of the 14 performance measures for this activity were achieved in 2018-19.

We continued to increase the library and archive activities, programmes, and events delivered to our community. This included information and community support services, such as Justice of the Peace and Digital Inclusion for Seniors, outreach visits to rest homes, after school digital programming, a knitting and craft group, and new book clubs.

Our Summer Reading Programme was a success once again with positive feedback from parents and numbers participating similar to the previous year.

There appeared to be a decline in the number of people using the library space and in website visitor numbers. A new people counting system was implemented in May 2018 to improve the accuracy of recording visitor numbers to the library. This year's result will provide us with a more accurate baseline for the future. Recording of website visits was interrupted due to the implementation of the new website and online catalogue.





KEY HIGHLIGHTS:

RAN SUCCESSFUL  
**WAIFEST**  
 &  
**CHRISTMAS**  
**ON QUEEN**  
 EVENTS

**220** SPARK JUMP MODEMS DISTRIBUTED

WINGS OVER WAIRARAPA

**DIGITAL INCLUSION FOR SENIORS**  
 TRAINING WAS PROVIDED

COMPLETED PURCHASE OF  
**WAIATA HOUSE**

COMPLETED PHASE ONE  
**EARTHQUAKE STRENGTHENING OF THE LIBRARY**

**ROOF REPAIRS AND REPLACEMENTS COMPLETED AT PANAMA VILLAGE**

**SEISMIC STRENGTHENING OF THE POOL HALL DUCTING**

REPAIR AND STRENGTHENING OF  
**HYDROSLIDE CHUTE**

# REGULATORY SERVICES

## MANA WHAKARITERITE



Council provides regulatory services in order to sustainably manage development and protection of natural and physical resources and to protect the safety and wellbeing of the community. Services across this area include resource management and planning, building services, environmental health and alcohol licensing, parking control, animal services and bylaws and civil defence and emergency management.

Success in these areas include:

- processing of resource consents, building consents and LIMs processed within legislative timeframes
- progress on addressing earthquake risk buildings
- completion of alcohol license inspections
- improving on the time taken to respond to noise complaints and animal services-related complaints
- customer satisfaction with animal control services.

Seven (58 per cent) of the 12 performance measures for this activity were achieved in 2018-19.

The Animal Services team continued to work hard during the year to ensure that impounded dogs were returned to their owners or, where that wasn't possible, rehomed.

There was a slight decrease in the overall number of dog attacks, although the number of attacks on people (as opposed to attacks on animals) increased. During the year we have focused on education and engaged with the community about dog safety and to promote responsible ownership.

We completed 236 inspections or verifications across food premises, personal services businesses and alcohol licensed premises, to ensure they were operating safely and responsibly and in accordance with national legislation and local bylaws.

Resource consent applications increased by 48 per cent compared to the previous year. There was a five per cent drop in the number of building consents received overall, but more inspections were required. Inspections increased by 77 per cent, with 4,653 completed in 2018-19 compared to 2,617 in the previous year. Despite the increased workload, 96 per cent of building consents and 100 per cent of resource consents were processed on time.







KEY HIGHLIGHTS:

**761**   
BUILDING CONSENTS PROCESSED

WITH AN AVERAGE PROCESSING TIME OF  
**12 DAYS** 

 **94** DOG OWNERS ACHIEVED  
RESPONSIBLE  
DOG OWNER  
STATUS 

**64** ALCOHOL LICENSES  
WERE CHECKED  
ON-SITE 

**18** DOGS  
REHOMED  **191** DOGS  
RETURNED TO THEIR OWNERS 

# FINANCIAL SUMMARY

## SUMMARY STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

for the year ended 30 June 2019 - Masterton District Council

This statement shows the revenue Council received and what was spent on delivering services during the year. Overall Council has achieved a surplus higher than budget for the year, mainly due to higher capital revenues received from capital contributions, NZTA subsidies and assets vested from new subdivisions.

REVENUE	Actual 2018/19 \$000	Plan 2018/19 \$000	Actual 2017/18 \$000
Rates revenue	29,399	29,395	27,744
Other operating revenue	16,199	13,543	15,183
Finance revenue	1,174	698	765
Capital revenue incl vested assets & valuation gains	1,778	21	5,120
<b>TOTAL REVENUE</b>	<b>48,550</b>	<b>43,657</b>	<b>48,812</b>
<b>EXPENSES</b>			
Finance costs	2,638	2,598	2,615
Depreciation & amortisation	11,889	11,734	11,275
All Other Expenses	29,030	28,948	27,328
Other losses (including write offs on disposal)	2,457	-	1,116
<b>TOTAL EXPENSES</b>	<b>46,013</b>	<b>43,280</b>	<b>42,334</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>2,537</b>	<b>377</b>	<b>6,477</b>
Income Tax Expense	-	-	-
<b>NET SURPLUS/(DEFICIT) AFTER TAX</b>	<b>2,537</b>	<b>377</b>	<b>6,477</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>			
Increase/(decrease) in asset valuations	-	-	13,303
Change in value of financial assets at fair value through comprehensive revenue & expense	-	-	(4)
<b>TOTAL COMPREHENSIVE INCOME AND EXPENSE</b>	<b>2,537</b>	<b>377</b>	<b>19,776</b>

### EXPLANATION OF THE MAJOR VARIANCES

**Other operating revenue** - is \$2.64m or 19.5% more than planned. This is due to financial contributions from developers being \$1.1m more and NZTA roading subsidies were \$0.7m more than planned. Building consents revenue and solid waste transfer station charges were also above the level planned.

**Capital revenue** - This includes \$1.37m of new assets vested in the Council from new subdivisions.

**All Other Expenses** - had overs and unders against Plan but overall were within 1% of the Plan.

**Other losses** - these are revaluation losses on financial instruments and writing down the value of assets replaced during the year. No budget was allowed for these costs.

**Increase/(decrease) in asset valuations** - land and buildings were revalued last year.

## SUMMARY STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2019 - Masterton District Council

What we own and what we owe to other people is summarised below.

	Actual 2018/19 \$000	Plan 2018/19 \$000	Last Year 2017/18 \$000
Current assets	17,067	11,224	19,104
Non-current assets	771,828	768,082	766,760
<b>TOTAL ASSETS</b>	<b>788,895</b>	<b>779,306</b>	<b>785,864</b>
Current liabilities	13,391	9,015	17,491
Non-current liabilities	50,544	54,831	45,950
Ratepayers' equity	724,960	715,460	722,423
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>788,895</b>	<b>779,306</b>	<b>785,864</b>

### EXPLANATION OF THE MAJOR VARIANCES ARE:

Current assets - more financial assets are held as short-term investments than planned.

Current liabilities - there is a higher level of payables at balance date than anticipated in the Plan.

Non-current liabilities - not borrowing externally (instead using internal funds) means lower non-current liabilities than planned.

## SUMMARY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2019 - Masterton District Council

Changes in equity shows the movement in the net assets that ratepayers own. The growth in special funds and restricted reserves is a result of greater financial contributions and less capital expenditure being drawn from these funds than planned.

	Total 2018/19 \$000	Plan 2018/19 \$000	Last Year 2017/18 \$000
Equity at the beginning of the year	722,423	715,083	702,647
Total Comprehensive Revenue & Expense	2,537	377	19,776
<b>EQUITY AT THE END OF THE YEAR</b>	<b>724,960</b>	<b>715,460</b>	<b>722,423</b>
Comprising:			
Retained earnings (ratepayers' equity)	429,928	429,668	428,175
Revaluation reserves	266,830	266,158	267,234
Special funds & restricted reserves	28,202	19,634	27,013
<b>EQUITY AT THE END OF THE YEAR</b>	<b>724,960</b>	<b>715,460</b>	<b>722,423</b>

## SUMMARY STATEMENT OF CASHFLOWS

for the year ended 30 June 2019 - Masterton District Council

The following table summarises how the Council generated and used cash during the respective financial years. Operating activities were above the level planned due to higher revenue. Investing activities variance from Plan is due to use of internal borrowing for capital projects. The Plan for cash flow from financing activities anticipated borrowing \$3.4m externally which didn't occur (as per above).

	Actual 2018/19 \$000	Plan 2018/19 \$000	Last Year 2017/18 \$000
Net cash flow from operating activities	16,296	12,070	12,880
Net cash flow from investing activities	(19,545)	(15,010)	(1,187)
Net cash flow from financing activities	(2,027)	1,388	(7,028)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(5,276)</b>	<b>(1,552)</b>	<b>4,665</b>
Cash and cash equivalents at beginning of the year	9,505	8,965	4,840
<b>CASH, CASH EQUIVALENTS AND BANK ACCOUNTS AT THE END OF THE YEAR</b>	<b>4,229</b>	<b>7,413</b>	<b>9,505</b>

## SUMMARY STATEMENT OF CAPITAL EXPENDITURE

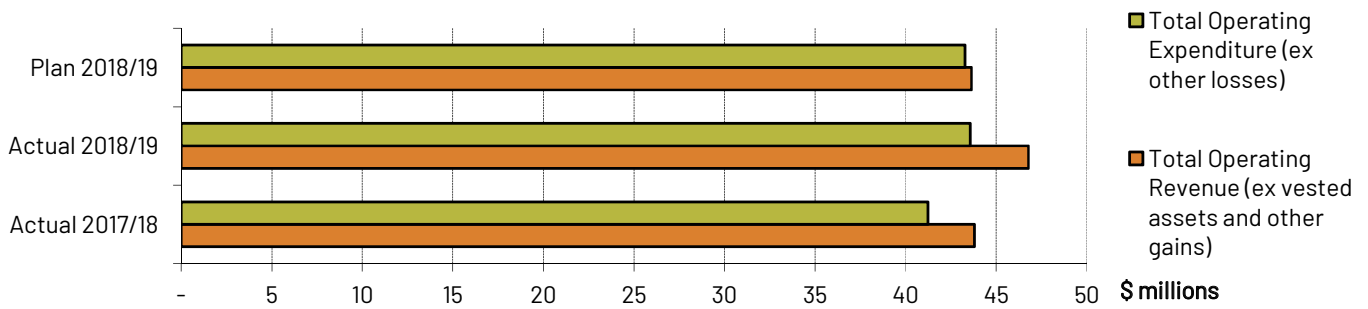
for the year ended 30 June 2019 - Masterton District Council

The table below shows a capital expenditure total of \$16.84 million against a Plan of \$18.31 million.

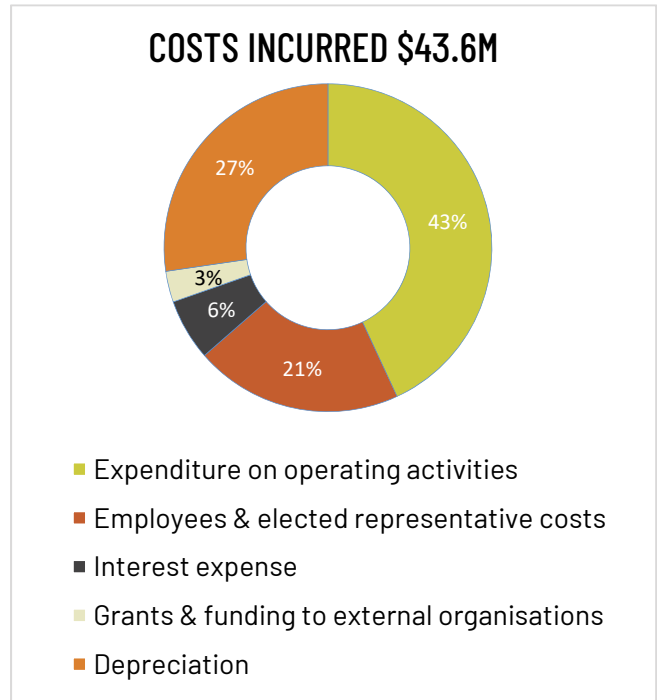
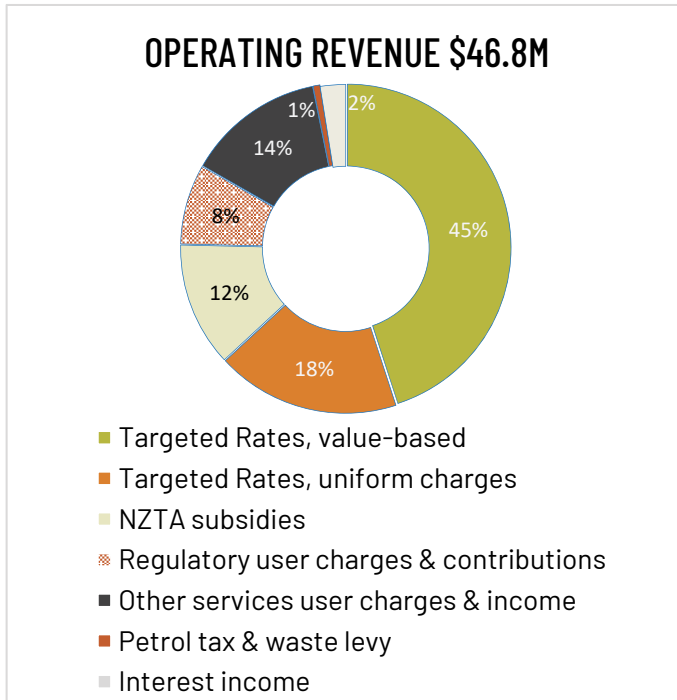
	Actual 2018/19 \$000	Plan 2018/19 \$000	Last Year 2017/18 \$000
Roading renewals programme	3,834	3,719	2,820
Other roading, streetlighting & footpaths	1,879	2,044	1,191
Town centre renewal project	221	510	179
Water supply renewals	1,595	1,888	1,254
Wastewater treatment & disposal renewals	214	680	174
Sewerage network renewals	791	1,200	1,013
Stormwater upgrades	25	330	115
Riversdale & Castlepoint sewerage schemes	74	75	44
Solid waste management projects	79	905	16
Parks, Reserves & Sports facilities upgrades	969	2,717	1,265
Recreation Centre renewals	636	453	97
District Building & Civic Centre	4,026	1,360	400
Airport upgrades & renewals	57	365	11
Other property	209	757	266
Library books & other capital	656	684	238
Other assets	213	619	325
Vested Assets	1,367	-	4,566
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>16,845</b>	<b>18,306</b>	<b>13,973</b>

Note: explanation of variances against Plan can be found in Note 31 in the Annual Report.

## OPERATING REVENUE & EXPENDITURE (EXCLUDING OTHER GAINS & LOSSES)



Note: The two graphs below exclude vested assets and other gains and losses.



63% of revenue came from rates. The Council sets targeted rates, split between urban and rural wards and uses both land value and capital value of properties to base the rates payable. Uniform charges are also used to spread a portion of the costs of Council services across properties, also on a targeted basis.

NZTA subsidies were above the planned level, while regulatory income was 7.9% of total revenue (\$3.7m) versus the planned 5.2% (\$2.4m)

Not included in the graph above is income of \$1.37m which recognised the value of vested assets taken over by the Council from developers of subdivisions.

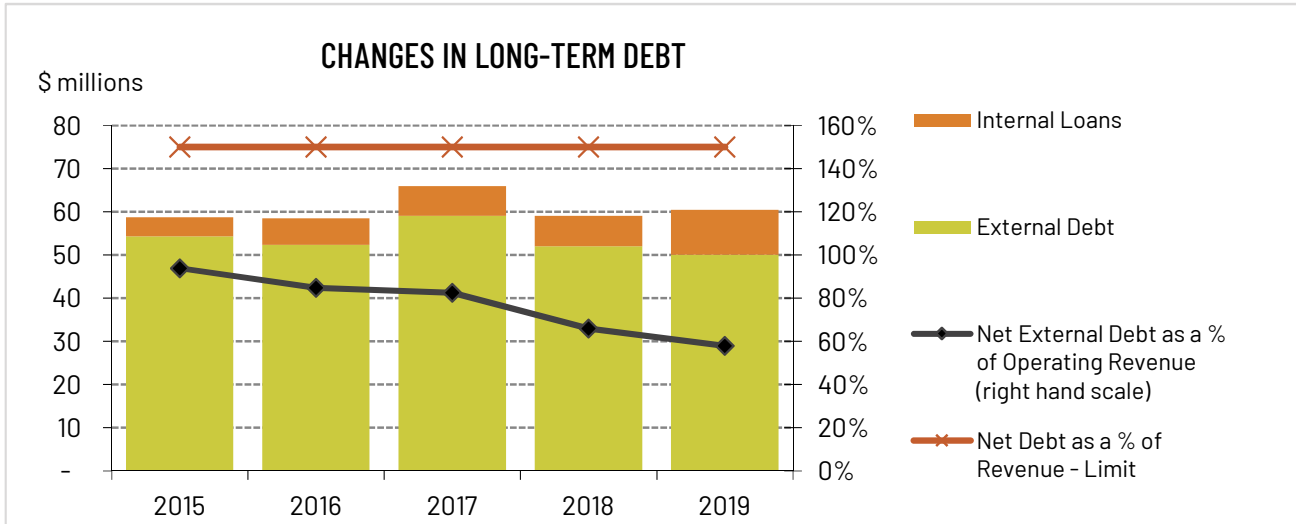
Council incurs costs to provide services necessary for the district to function. These include maintenance of infrastructure for water supply and waste services, roads and footpaths, sporting and recreational facilities and Council property.

Personnel costs at 20.5% of total operating costs compare to the planned level of 20.8%. Overall operating expenditure was very close to the planned level of \$43.3m.

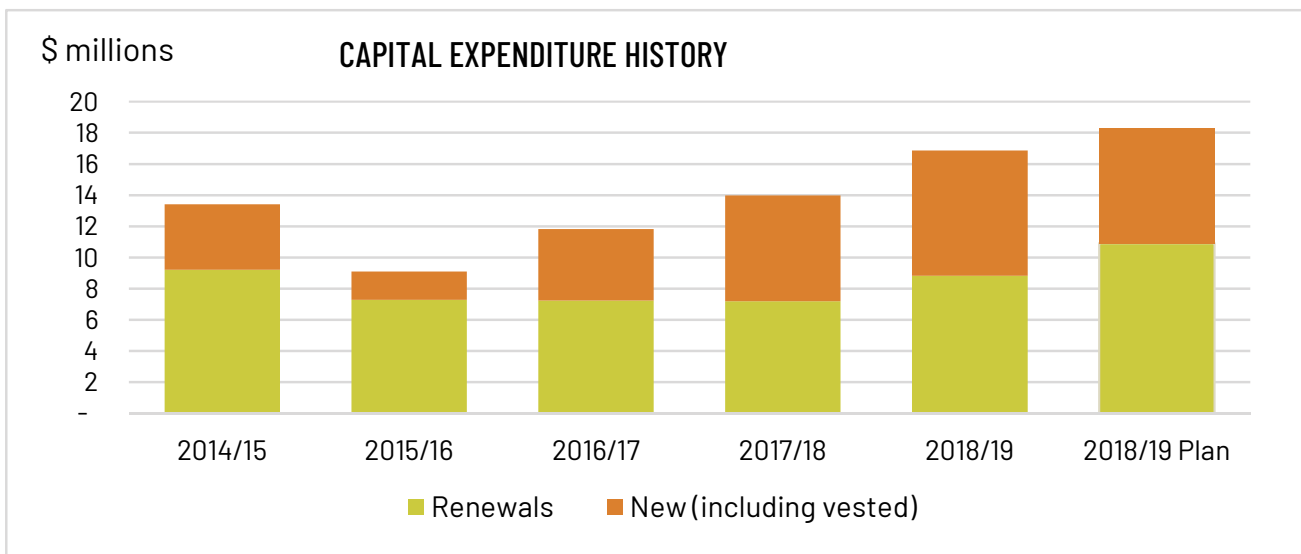
Interest expense of \$2.6m is close to last year and the level planned.

## LONG-TERM DEBT

The graph below shows the changes in the Council's long-term debt over the last five years. We have made planned repayments and we used internal loans to fund the 2018/19 capital project work which was planned as loan funded. Interest rate risk is managed by using swaps to fix a portion of the debt portfolio. The Council policy maximum is for net debt not to exceed 150% of operating revenue. Net debt is defined as external debt, less any financial assets (excluding trade and other receivables).



## CAPITAL EXPENDITURE



The Council has consistently spent money on renewals at between \$7m and \$9m. Renewals is expenditure to maintain or extend the life of existing assets and is generally funded from depreciation reserves (ex rates) and roading subsidies. New asset capital expenditure includes the balance of the purchase of Waiata House (\$3.6m) and assets vested in the Council from subdivision development (\$1.4m).

# INDEPENDENT AUDITOR'S REPORT

## TO THE READERS OF MASTERTON DISTRICT COUNCIL'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

The summary of the annual report was derived from the annual report of the Masterton District Council (the District Council) for the year ended 30 June 2019.

The summary of the annual report comprises the following summary statements on pages 12 and 26 to 30:

- the summary statement of financial position as at 30 June 2019;
- the summaries of the statement of financial performance, statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended 30 June 2019;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary measuring progress against performance measures.

## OPINION

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS 43: Summary Financial Statements.

## SUMMARY OF THE ANNUAL REPORT

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

## THE FULL ANNUAL REPORT AND OUR AUDIT REPORT THEREON

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2019 in our auditor's report dated 30 October 2019.

## COUNCIL'S RESPONSIBILITY FOR THE SUMMARY OF THE ANNUAL REPORT

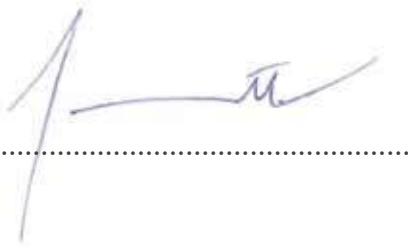
The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS 43: Summary Financial Statements.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out 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.

Other than in our capacity as auditor, we performed a limited assurance engagement related to the District Council's Debenture Trust Deed which is compatible with those independence requirements. Other than this engagement, we have no relationship with, or interests in, the District Council.



A handwritten signature in blue ink, appearing to read 'John Whittal', is positioned above a horizontal dotted line.

John Whittal,  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand  
18 November 2019



# ABOUT THIS SUMMARY

This Summary Annual Report has been extracted from the full annual report to give an overview of the Council's operations as a legal entity for the year to 30 June 2019. The full Annual Report contains detailed information about our finances and service performance and was adopted by Council and approved for issue on the 30 October 2019.

This summary has been prepared in accordance with PDE FRS 43: Summary Financial Statements. It cannot be expected to provide as complete an understanding as provided by the full financial report of the financial and service performance, financial position and cash flow of the Council.

The full financial statements for the year ended 30 June 2019 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

They comply with NZ PBE IPSAS Tier 1, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. The functional and presentation currency of Council is New Zealand dollars. Although the full financial statements are rounded to the nearest dollar, the summary report is rounded to the nearest thousand dollars.

Masterton District Council confirms that all other statutory requirements relating to the Annual Report have been complied with.

Audit New Zealand has audited the full financial statements.

This Summary Annual Report was authorised for issue by the Mayor and Chief Executive on 18 November 2019.

A copy of the full Annual Report can be obtained from the Council offices at 161 Queen Street, from our website [www.mstn.govt.nz](http://www.mstn.govt.nz) or by calling us on 06 370 6300.

## EVENTS AFTER BALANCE DATE

There have been no events after balance date that have had a material bearing on the financial statements.







## PHONE

06 370 6300 Monday to Friday 8am - 5pm  
06 378 8400 after hours (5pm-8am and weekends)

## EMAIL

[mdc@mstn.govt.nz](mailto:mdc@mstn.govt.nz)

## CALL INTO

Masterton District Council  
161 Queen Street, Masterton  
8am - 4.30pm

## WRITE TO

Masterton District Council  
PO Box 444, Masterton 5840

[WWW.MSTN.GOV.T.NZ](http://WWW.MSTN.GOV.T.NZ)