

THE YEAR IN BRIEF: 2019/20 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

- Increased voter turnout for the 2019 local elections, bucking the national trend
- Started work to develop a new engagement framework for iwi, hapū, marae and hapori Māori
- Opened Te Puna Ako, our Library Learning Centre, providing a space for shared learning
- Worked with youth to design our skate park revamp
- Delivered 480 programmes at Masterton District Library
- Worked with dog owners, the SPCA and the wider community to rehome 23 dogs and return 152 dogs to their owners.



PRIDE IN OUR IDENTITY AND HERITAGE

- Launched *He Hiringa Akoranga*, a new Te Reo me ōna Tikanga programme for staff.
- Launched the online Public Art Trail to promote public art in Masterton.
- Held Waifest 2020 on 6 February 2020 at Queen Elizabeth Park, with over 5,000 attending.
- Funded and/or were involved with a number of local events, including the Block Party 2019 and new events for Halloween, which attracted almost 2,000 participants.



A SUSTAINABLE AND HEALTHY ENVIRONMENT

- Supplied 4.4 billion litres of safe drinking water to the community.
- Commenced work on a Climate Change Action Plan for the district that will help to prioritise actions.
- Converted all streetlights to energy efficient LEDs.
- Began installation of smart water meters.
- Progressed the development of wetlands at the Homebush Wastewater Treatment Plant.



A THRIVING AND RESILIENT ECONOMY

- Released an immediate response package to support our community through the initial stages of COVID-19, and worked with other Wairarapa councils on the development of a recovery plan.
- Processed 119 resource consents and 695 building consents.
- Achieved accreditation to verify National Food Programme premises under the Food Act.
- Completed detailed designs for lower Queen Street and Park Street improvements.
- Progressed work on a Wairarapa Water Resilience Strategy.



EFFICIENT AND EFFECTIVE INFRASTRUCTURE

- Upgraded historic Queen Elizabeth Park grandstand.
- Completed Stage 5 of the Queen Elizabeth Park rejuvenation project, with a path that circles the park lake, and improvements to Memorial Drive.
- Renewed 1.7km of sewer mains and 3.9km of water mains.
- Resealed 28km of roadway and resurfaced 3.1km of footpath.
- Reviewed speed limits across our roading network to improve the safe use of our roads.
- Upgraded stormwater drains in five locations across the urban area.

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.

Masterton District Council continued to deliver positive outcomes for our community over the 12 months to the end of June. We judge our performance based on measures that we set at the start of every financial year. It's always heartening to report achievement on these measures, and how they influence improvements within our community.

COVID-19 has impacted our community, and our council work, significantly. We had to adapt to the changing environment and reset our priorities, focusing on work that had to be done and putting aside some work that wasn't urgent.

We dealt with the immediate impact well, working with our neighbouring councils and our health and welfare partners to keep our community informed. All essential services, such as water supply, roading, and animal control, continued to operate through the COVID-19 restrictions. We also managed a flood event during this period.

The challenge has produced positive outcomes, such as the development of Ko Wairarapa Tenei, a COVID-19 response for iwi, developed and being implemented by iwi, and joint working groups to support Wairarapa's rebound from COVID-19. It has also encouraged different ways of working that we've adopted to improve our service delivery to the community.

In October 2019 we welcomed new elected members to the council table following a successful local government election. Masterton's voter turnout increased from 44.6 per cent in the 2016 election to 49 per cent, bucking the national downward trend. All elected members, new and returning, completed an intensive induction programme.

We've progressed our big projects, finalising designs for the redevelopment of lower Queen Street, between Jackson and Bannister Streets, and refining options for a multi-purpose civic centre. We also supported our community to come up with a plan for revamping our skatepark, which led to a successful bid for Government funding.

Upgrades to the cricket grandstand in Queen Elizabeth Park and the Lido pool were completed in late 2019, which we celebrated with our community in December. Construction of Te Puna Ako, the library learning centre, continued, with the completed facility opened to the public in June 2020. We also had the official blessing of Waiata House, with staff moving into the facility in August 2019. The rejuvenation of the Queen Elizabeth Park Lake of Remembrance surrounds was completed before the end of June 2020.

Progress on environmental improvements has continued with successful plantings days, collaboration with Greater Wellington Regional Council and NIWA enabling new technology to measure air quality, all of our streetlights being changed to energy-efficient LED lights, the start of water meter installation throughout the town, and the roll-out of recycling wheelie bins.

We've added to the cultural fabric of our community through numerous initiatives, such as the digital public art trail, another successful Waifest event, and launching a new Te Reo me ōna Tikanga (the Māori language and its customers) programme for council staff.

On top of all the positive and completed projects, we've continued to deliver business-as-usual services such as processing the equivalent of a Land Information Memorandum for every day of the year, more than two building consents for every day of the year, and completing urbanisation work in Solway Crescent.

Our teams resealed 3.1 kilometres of footpaths, 28 kilometres of roads, delivered 4.4 billion litres of safe drinking water, renewed 3.9 kilometres of water mains, and upgraded stormwater drains in five locations around town. The strength of the local economy is evident in the value of assets the council has had vested from subdivisions, and financial contributions received from developers.

The Council's financial performance has been sound. We have stayed within the planned levels of operating expenditure and exceeded the planned operating revenue. The operating surplus of \$6.57 million includes the \$5.1 million of assets vested from subdivision developers.

It's safe to say it's been another busy, and successful year. But one that looked very different to what we initially planned.

Thank you for working with us as we navigated that challenges we faced.



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

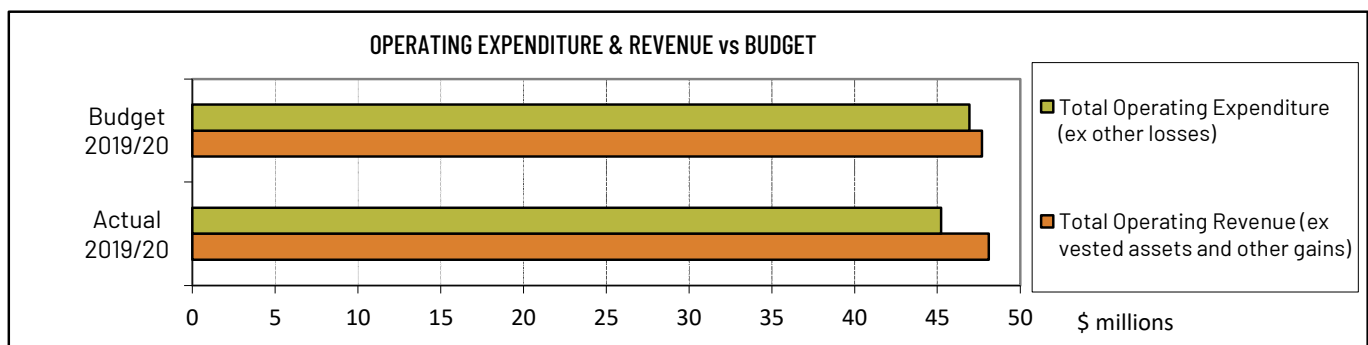
Tauāki Paearu Mahi

FINANCIAL HIGHLIGHTS

The financial result for the year was close to, or better, than what was planned across most activity areas. We ended the year with an overall surplus of \$6.57m with \$5.1 million of that being the value of assets transferred to the council at no cost from subdivision developments. Excluding these vested assets, and other gains and losses, the surplus is \$2.87m, which is better than the \$788,000 surplus forecast in the annual plan.

Operating expenditure excluding other losses (or what we planned to spend running council business) was \$45.2 million compared to the \$46.9 million in the plan (3.6 per cent less). Operating revenue (or income from council services), excluding vested assets, was \$48 million (0.6 per cent more than we expected).

The graph below shows the financial performance compared to what was planned for the 2019/20 year. In summary, expenditure is 3.6 per cent less than planned and revenue is 0.87 per cent more.



Rates revenue made up 65 per cent of operating revenue and rates arrears were 1.5 per cent of the amount levied, an increase from 1.3 per cent at 30 June 2019. The impact of the COVID-19 Alert Level 4 and 3 lockdowns on the financial result has been minimal.

We revalued our infrastructural assets as at 30 June 2020, resulting in values increasing 14.7 per cent or \$84.1 million.

Financial contributions from developers for subdivisions was \$2.03 million \$660,000 more than planned.

Income from building consent fees was \$1.25 million, 11.4 per cent, more than planned.

We completed \$5.6 million of subsidised roading renewals and upgrading work, 9.4 per cent more than planned.

Expenditure on new or replacement assets (capital expenditure) was less than planned (64 per cent or \$15.2 million). The Civic Centre, Town Centre revamp, and Civil Defence building projects were not progressed as quickly as expected.

NON-FINANCIAL PERFORMANCE

Our 2018-28 Long-Term Plan (LTP) defines the level of service we aim to achieve for each of our nine activity areas. Performance targets help us measure how well we are performing.

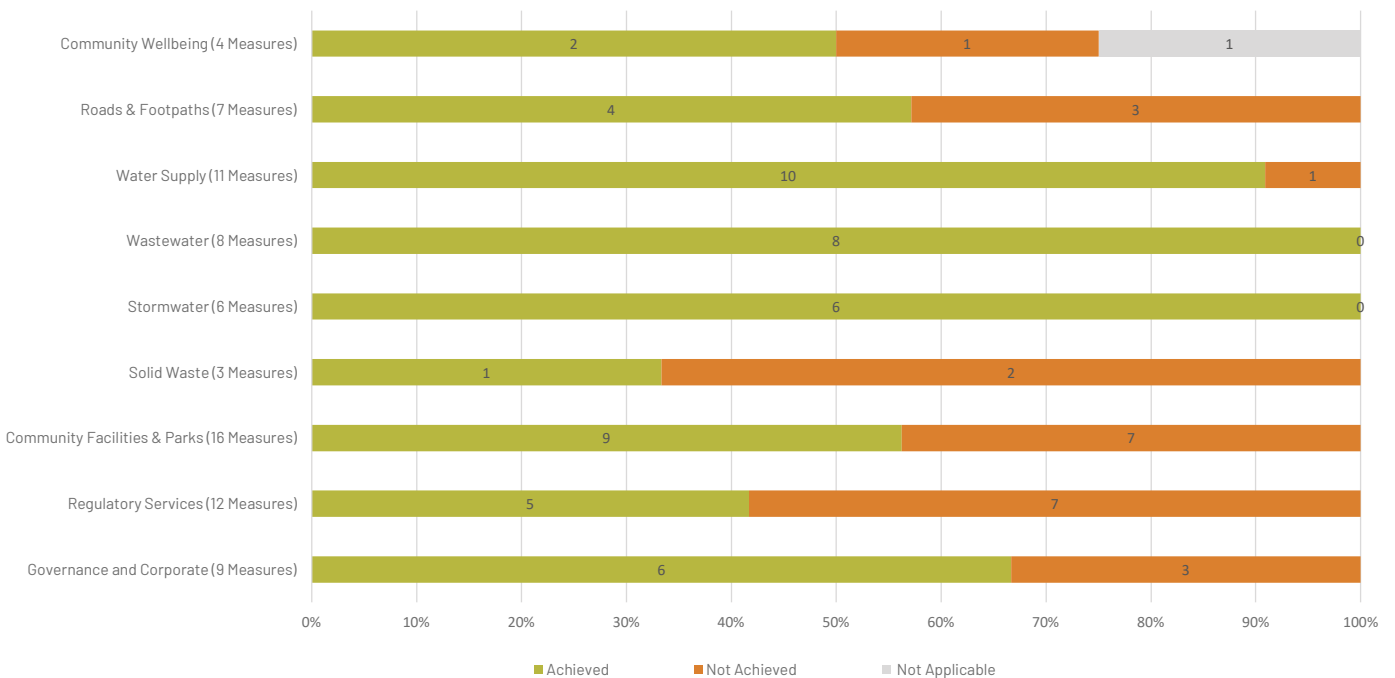
The LTP includes 76 performance targets across all council activities. The graph below shows we achieved 51 of our targets (65.8 per cent) and did not achieve 24 (31.6 per cent). One target (1.3 per cent) was not applicable this year.

COVID-19 restrictions impacted on our ability to achieve some targets. For example:

- The closure of our library limited the delivery of library programmes and visitors.
- The number of activities and events in our parks and sportsgrounds was markedly down, due to restrictions.
- Our Environmental Health team was unable to complete all inspections.

Details of all performance targets are provided in the full annual report document.

NON-FINANCIAL PERFORMANCE MEASURES AS AT YEAR END 30 JUNE 2020



RESIDENT SATISFACTION SURVEY

Key Research, an independent research company, undertook a residents' satisfaction survey on behalf of the council in April and May 2020.

Highlights of the survey results included:

Overall performance

- Overall satisfaction with Masterton District Council – 52%
- Satisfaction with reputation – 54%
- Satisfaction with services and facilities – 64%
- Satisfaction with value for money – 45%

Overall satisfaction with services by category

- Parks, reserves and open spaces – 76%
- Waste management – 74%
- Regulatory – 52%
- Water management (water, stormwater and wastewater) – 52%
- Roads and footpaths – 48%

COVID-19 RESPONSE AND IMPACTS

The impacts of the COVID-19 pandemic on council business over the last three months of the 2019/20 financial year were significant, but manageable.

Masterton District Council provided the Emergency Operations Centre (EOC) for the Wairarapa, with staffing coming from all four local councils, including more than 20 staff from Masterton District Council.

We continued to supply or provide essential services such as water, wastewater, stormwater roading, animal services and access to parks and recreation trails. A number of council facilities were closed, including the recreation centre, library, archives and playgrounds. Cemetery operations were restricted, and some regulatory services could only be offered remotely online during Alert Level 4.

Most council staff were able to work from home during Alert Levels 4 and 3. Council meetings and staff collaboration were achieved using the Zoom meeting technology.

A successful outcome of the response to COVID-19 was the collective work of Wairarapa Māori, who developed the Ko Wairarapa Tēnei – Wairarapa Māori COVID-19 Response Plan for Rangitāne o Wairarapa uri and Ngāti Kahungunu ki Wairarapa uri (including mātawaka), supported by Wairarapa Emergency Operation Centre, Wairarapa DHB – Māori Health Directorate and Wairarapa Police.

Wairarapa Māori organisations and individuals collectively came together under Ko Wairarapa Tēnei delivering kai, heating solutions, social services, emergency services, surveys, hygiene packs and other needs throughout the Wairarapa.

The overall financial impact of COVID-19 was 0.7 per cent of operating revenue. Financial and non-financial impacts on each activity are highlighted in the full annual report.



COMMUNITY WELLBEING

TE ORANGA O TE HAPORI



We support Community Wellbeing by initiating and supporting projects and partnerships that foster community capacity, celebrate diversity and culture, protect our natural heritage and grow the local economy.

Our Wellbeing Strategy He Hiringa Tangata, He Hiringa Whenua outlines the Council's vision for each of the four aspects of wellbeing: social, cultural, environmental and economic. 2019/20 was year two of the three-year Implementation Plan (2018-21) that supports this strategy.

Measures of success in this space include:

- reducing the number of air quality exceedances
- reducing CO2 emissions per head of population
- how Masterton's Gross Domestic Product (GDP) compares to the Wellington region's GDP.

Two of the four performance measures for this activity (50 per cent) were achieved in 2019/20, compared to three (75 per cent) in 2018-19. One measure was no longer applicable in 2019/20. Due to a change in staff, the He Korowai Wairua programme was discontinued. A new programme He Hiringa Akotanga was launched in 2019.

The measure not achieved related to air quality. There were eight days in the 2019 calendar year where monitored sites recorded air quality exceedances. This is two more exceedances than recorded in 2017 and in 2018.

KEY HIGHLIGHTS:

**MASTERTON
PUBLIC
ART
TRAIL
LAUNCHED**



**INTRODUCED HE HIRINGA
AKOTANGA MĀORI**



LANGUAGE AND TIKANGA PROGRAMME

**WORKING WITH OUR YOUTH
TO DEVELOP DESIGNS FOR THE
SKATE PARK
REVAMP**



**CLOSE TO 2000 PEOPLE AT
HALLOWEEN ISLAND**

ROADS, STREETS, FOOTPATHS AND PARKING AREAS

NGĀ HUARAHI WAKA, ARA-HIKOI, ME NGĀ TŪRANGA WAKA



We provide a safe and efficient local transport network throughout the Masterton district. This involves the construction, management and maintenance of road, street, and footpath networks, including bridges, traffic services, on and off-street parking, and streetlights.

Measures of success in this space include:

- quality of ride on the sealed local road network
- reducing the number of fatalities and serious crashes
- Road re-surfacing
- Customer service requests responded to within specified timeframes.

Four of the seven performance measures for this activity (57 per cent) were achieved in 2019/20. In 2018/19 four measures (57 per cent) were also achieved.

Almost 100 per cent (347 of 348) urgent customer service requests were responded to within the specified two-day timeframe.

We delivered our road resurfacing programme and maintained the quality of the local network. There was one fatality and nine serious injury crashes.

There was a further reduction in the number of cyclists recorded using our urban roading network, down 7 per cent compared to the previous year.

A total of 94 per cent of footpaths met or exceeded the defined level of service, which is a 1 per cent increase on the previous year, but the result is still 3 per cent less than our target. We know that our community has high expectations for footpaths and an additional \$100,000 has been allowed for footpath renewals in each year of the 2018-28 Long Term Plan.

Our target for responding to non-urgent requests was not achieved and is an area for improvement.

Only \$480,000 of the \$1.825 million budget for the town centre was spent in 2019/20. In contrast, the Solway Crescent urbanisation work was completed in full.





KEY HIGHLIGHTS:

RESEALING OF
28KM
OF ROADWAY

COMPLETION OF THE
**SPEED
LIMIT
REVIEW**



RESURFACED
3.1KM
OF SEALED FOOTPATH



COMMITMENT TO START WORK IN 2021 ON

**MASTERTON
TOWN CENTRE**

REVAMP

WATER SUPPLIES (URBAN AND RURAL) HOPUA WAI (TĀONE ME TE TAIWHENUA)



We provide appropriately treated water to the Masterton urban area Tinui, and the Waingawa industrial area. We also provide non-drinking water to rural water schemes and water race supplies. We own and maintain a network of water infrastructure including water treatment facilities at Kaituna and Tinui.

Measures of success in this area include:

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

In 2019/20, 10 of the 11 performance measures for this activity were achieved (90.1 per cent), compared to nine (81.8 per cent) in 2018/19.

We supplied 4.4 billion litres of safe water to urban households during the year, equal to 601 litres per person per day. This is 1 per cent less than the previous year and a 6 per cent reduction

since 2016/17. This reduction is partly due to less leakage across the network as a result of repair and renewal work.

The percentage of real water loss was consistent with 2018/19. We purchased approximately 9,000 smart water meters during the year. Installation of meters was started and will be completed in the coming year. The meters will enable leaks to be identified, repaired and greater water conservation achieved.

The number of complaints received about drinking water has continued to decline, from four complaints per 1000 connections in 2017/18 to three complaints per 1000 connections in 2019/20.

COVID-19 restrictions and a lack of contractors prevented a large proportion of the pipe renewal work from being completed. Outstanding work will be carried forward to the 2020/21 year.

Operating expenditure for the urban water supply was \$3.51 million compared to a budget of \$3.53 million and was also very close to the total cost in 2018/19.

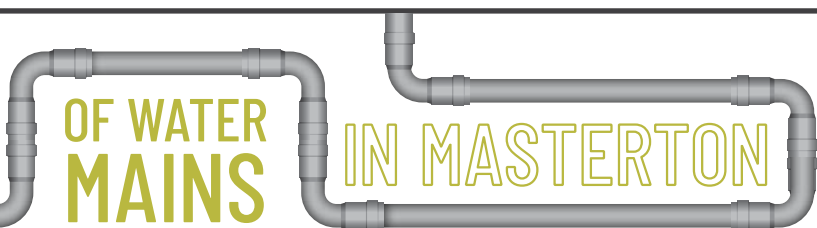




KEY HIGHLIGHTS:

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 **3.9KM** OF WATER MAINS IN MASTERTON 

INSTALLATION OF  **3,800** SMART WATER METERS

WASTEWATER SERVICES

RATONGA WAI PARU



We provide 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:

- reducing the total number of complaints related to odour, system faults, blockages, etc
- reducing the time taken to resolve complaints
- compliance with resource consents.

All eight performance measures for this activity were achieved (100 per cent) in 2019/20, compared to seven (88 per cent) in 2018/19.

The number of complaints about our wastewater service was consistent with 2018/19 and was half the number received in 2017/18.

Ninety per cent of the wastewater pipe renewals planned for 2019/20 were completed, up 10 per cent compared to the previous year.

The operating cost of Masterton's wastewater system was \$6.46 million compared to the budget of \$6.68 million (3.2 per cent less). The majority of savings came from lower interest costs on debt associated with the wastewater treatment plant.

KEY HIGHLIGHTS:

100% OF PERFORMANCE MEASURES **ACHIEVED** ✓✓

THE RENEWAL OF **1.7KM** OF SEWER MAINS IN MASTERTON



PROGRESSION OF **HOME BUSH TREATMENT PLANT WETLANDS DEVELOPMENT**

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



STORMWATER WAIMARANGAI



We own and maintain a network of pipes, manholes, and river stopbanks along the Waipoua and Ruamāhanga Rivers to collect and dispose of stormwater, mostly in the urban area. We also contribute to designated stopbank protection works on the Waipoua, Waingawa, and Ruamāhanga Rivers.

Success in this area includes:

- reducing the number of complaints received about the performance of the stormwater system
- reducing the number of flooding incidents and impact on buildings
- improving our response time in attending a flooding event.

All six performance measures for this activity were achieved (100 per cent) in 2019/20 compared to five (83 per cent) being achieved in 2018/19.

Our stormwater systems fully complied with resource consent requirements.

A total of 44 per cent of the provision for stormwater renewal work was spent during the year, up from 30 per cent in 2018/19.

KEY HIGHLIGHTS:

 **COMPLAINTS
REDUCED BY 50%** 

UPGRADE  **IN MACARA STREET, TOTARA STREET,
OF STORMWATER DRAINS** **COLOMBO ROAD, QUEEN STREET**  **AND LANSDOWNE CRESCENT**

**STORMWATER
STRATEGY**    **WORK UNDERWAY**

SOLID WASTE MANAGEMENT TARI WHAKARITE PARAPARA



We own, maintain and manage a main transfer and recycling station (Nursery Road), and two rural transfer stations (Castlepoint and Riversdale). Refuse collection and transfer station operations are carried out under performance-based contracts let by competitive tender to the private sector. This includes gate fee collection, composting, and recycling services at Nursery Road, and in rural areas.

Measures of success in this area include:

- reducing waste to landfill
- reducing the number of call backs due to non-collection of official rubbish bags.
- operating within our resource consent conditions.

One of the three performance measures for this activity (33 per cent) was achieved in 2019/20, compared to two (67 per cent) in 2018/19.

We did not meet all resource consent requirements in 2019/20. The non-compliances were a result of not turning compost windrows monthly and failing to seek advice when there was a minor exceedance from a monitoring bore. Action has been taken to ensure these matters are addressed and do not result in future non-compliance.

Waste volumes transferred to landfill via the transfer station continued to decline, down almost 20 per cent on the previous year. This is due to some waste operators choosing to take waste direct to landfill.

Our solid waste contractor invested \$3 million in a Materials Recovery Facility (MRF) at Masterton's Nursery Road Transfer Station. This started operating in October 2019 and receives, separates, and prepares recyclable materials from all three Wairarapa councils for sale to manufacturers. The MRF reduces recycling contamination and will contribute to a reduction in waste going to landfill.

KEY HIGHLIGHTS:

MRF
MATERIALS RECOVERY FACILITY
BEGAN OPERATION



9,368
KERBSIDE
WHEELIE BINS
FOR RECYCLING
ROLLED OUT





COMMUNITY FACILITIES AND PARKS NGĀ WHARE O TE HAPORI ME NGĀ PĀKA



We provide and support a wide range of facilities and parks throughout the district that contribute to the wellbeing of our community. These include the Library and Archive, Hood aerodrome, Mawley Park campground, the recreation centre, public toilets, housing, parks, reserves, sportsfields and cemeteries.

Measures of success across this area include:

- use of the library, parks, sportsgrounds, recreation trails and the War Memorial Stadium
- use of online services
- number of stories published by our Archive
- participation in Library and Learn to Swim programmes
- hangar development and landings at Hood Aerodrome.

Nine of the 16 performance measures for this activity (56 per cent) were achieved in 2019/20. This is comparable with 2018/19, though measures achieved were different across the two years.

The library was closed for 57 days due to COVID-19 restrictions but, across the whole year, delivered 496 activities and events, almost twice as many as we delivered in 2017/18.

We saw a 61 per cent increase in the number of people using our free online computer services and a 21 per cent increase in free Wai-Fi sessions compared to 2018/19.

The number of structured activities in our parks and sports grounds was down compared to previous years due to COVID-19, but the number of activities/events in the War Memorial Stadium was up 44 per cent compared to the previous year.





KEY HIGHLIGHTS:



**QE PARK
UPGRADED**
THE GRANDSTAND AND
LAKE OF REMEMBRANCE PATH

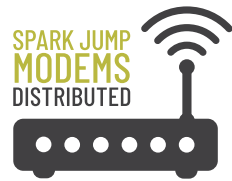
**61%
INCREASE**
IN THE USE OF OUR FREE
ONLINE COMPUTER SERVICES



MOVED MAJORITY OF STAFF INTO

**WAIATA
HOUSE**

220



**TE PUNA AKO
LIBRARY LEARNING CENTRE
OPENED**

496
ACTIVITIES AND EVENTS
DELIVERED BY THE LIBRARY



REGULATORY SERVICES

MANA WHAKARITERITE



We provide regulatory services to sustainably manage the development and protection of natural and physical resources, and to protect the safety and wellbeing of our community.

Regulatory Services include resource management and planning, building control, environmental health and alcohol licencing, parking control, animal control, civil defence and emergency management.

Measures of success in this area include:

- processing resource consents and building consents within legislative timeframes
- making progress addressing earthquake risk buildings
- checking food premise practices
- completing alcohol license inspections
- working to reduce dog attacks and increase the number of responsible owners.

Five of the 12 performance measures (42 per cent) for this activity were achieved in 2019/20, compared to seven (58 per cent) in 2018/19.

There were fewer animal impoundments, especially during COVID-19 Alert Level 4 restrictions when most people were at home with their pets.

While there was an increase in the overall number of dog attacks through the year, up around 35 per cent compared to the 2018/19, the number of attacks on people decreased.

The number of people registered as responsible dog owners almost doubled to 180.

A total of 186 inspections or verifications were made of food premises, personal services businesses and alcohol licensed premises (compared to 236 in the previous year), but COVID-19 restrictions impacted on our ability to complete all inspections that were due in 2019/20.

The number of resource consent applications reduced in 2019/20 following a surge in consents in 2018/19, with 116 of the 119 consents processed on time.

There was an 8.7 per cent decline in the total number of building consent applications received, but demand for inspections remained high. Higher volumes of more complex consents continued in 2019/20. More complex consents require more inspections. Of the 695 consents processed, 79 were commercial consents and 171 were new dwelling residential consent applications. A total of 91.4 per cent of consent applications were processed on time.





KEY HIGHLIGHTS:

EMERGENCY OPERATIONS CENTRE OPERATING FOR **69** DAYS FOR COVID-19

695  
 BUILDING CONSENTS PROCESSED
 WITH AN AVERAGE PROCESSING TIME OF
13 DAYS 

119 
 RESOURCE CONSENTS PROCESSED

AND **5395** 
 BUILDING INSPECTIONS

 **86** DOG OWNERS ACHIEVED RESPONSIBLE DOG OWNER STATUS       

186 OF FOOD, PERSONAL SERVICES AND ALCOHOL PREMISES 

23 DOGS REHOMED  **152** DOGS RETURNED TO THEIR OWNERS 

FINANCIAL SUMMARY

HE WHAKARĀPOPOTANGA PŪTEA

SUMMARY STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

for the year ended 30 June 2020 – 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.

	Actual 2019/20 \$000	Budget 2019/20 \$000	Actual 2018/19 \$000
REVENUE			
Rates revenue	31,182	31,302	29,399
Other operating revenue	15,971	15,608	16,199
Finance revenue	956	783	1,174
Capital revenue incl vested assets & valuation gains	5,225	30	1,778
TOTAL REVENUE	53,334	47,723	48,550
EXPENSES			
Finance costs	2,388	2,499	2,638
Depreciation & amortisation	12,350	12,062	11,889
All Other Expenses	30,498	32,374	29,030
Other losses (including write offs on disposal)	1,529	-	2,457
TOTAL EXPENSES	46,765	46,935	46,013
NET SURPLUS/(DEFICIT)	6,569	788	2,537
Income Tax Expense	-	-	-
NET SURPLUS/(DEFICIT) AFTER TAX	6,569	788	2,537
OTHER COMPREHENSIVE REVENUE AND EXPENSE			
Increase/(decrease) in asset valuations	84,136	36,321	-
Change in value of financial assets at fair value through comprehensive revenue & expense	(107)	-	-
TOTAL COMPREHENSIVE INCOME AND EXPENSE	90,598	37,109	2,537

EXPLANATION OF THE MAJOR VARIANCES

Other operating revenue - is \$0.36m or 2.3% more than planned. Financial contributions from developers were \$0.66m more, sale of baleage and building consent revenue were also better than planned. Solid waste transfer station charges were below the level planned by \$0.7m and COVID-19-related impacts resulted in revenue reductions of \$0.26m.

Capital revenue - this includes \$5.1m of infrastructural assets vested in the Council from new subdivisions.

All Other Expenses - \$1.88m or 5.8% less than planned. Lower costs in solid waste due to lower volumes of waste transferred to landfill (\$0.6m), the provision of \$0.25m for starting the review of the District Plan was not used and some staff positions were not filled, resulting in lower expenditure than planned.

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 - infrastructural assets were revalued by \$84.1 million or 14.7%.

SUMMARY STATEMENT OF FINANCIAL POSITION

as at 30 June 2020 - Masterton District Council

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

	Actual 2019/20 \$000	Budget 2019/20 \$000	Last Year 2018/19 \$000
Current assets	18,338	12,338	17,067
Non-current assets	863,948	817,872	771,828
TOTAL ASSETS	882,286	830,210	788,895
Current liabilities	16,067	15,275	13,391
Non-current liabilities	50,660	52,094	50,544
Ratepayers' equity	815,559	762,841	724,960
TOTAL LIABILITIES AND EQUITY	882,286	830,210	788,895

EXPLANATION OF THE MAJOR VARIANCES ARE:

Current assets - more financial assets are held as short-term investments than allowed in the budget.

Non-current assets - infrastructural asset revaluation resulted in \$48m more than allowed in the budget.

Non-current liabilities - less borrowing for capital projects means \$1.4m less non-current liabilities than budget.

SUMMARY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020 - Masterton District Council

Changes in equity shows the movement in the net assets that ratepayers own. The variance in special funds and restricted reserves (actual vs budget) is a result of greater financial contributions, less capital expenditure being drawn from these funds than planned and surplus funds identified to carry forward.

	Actual 2019/20 \$000	Budget 2019/20 \$000	Last Year 2018/19 \$000
Equity at the beginning of the year	724,960	725,732	722,423
Total Comprehensive Revenue & Expense	90,599	37,109	2,537
EQUITY AT THE END OF THE YEAR	815,559	762,841	724,960
Comprising:			
Retained earnings (ratepayers' equity)	436,439	436,651	429,928
Revaluation reserves	350,500	303,555	266,830
Special funds & restricted reserves	28,620	22,635	28,202
EQUITY AT THE END OF THE YEAR	815,559	762,841	724,960

SUMMARY STATEMENT OF CASHFLOWS

for the year ended 30 June 2020 - Masterton District Council

The following table summarises how the Council generated and used cash during the respective financial years. Cash from operating activities was above the level budgetted due to higher revenue and lower payments to suppliers and staff. Investing activities variance is due a number of large capital projects not proceeding and also the sale of an investment property being delayed. The budget for cash flow from financing activities anticipated borrowing \$4.0m more externally which wasn't required due to the delay in progressing some larger projects .

	Actual 2019/20 \$000	Budget 2019/20 \$000	Last Year 2018/19 \$000
Net cash flow from operating activities	16,482	13,294	16,296
Net cash flow from investing activities	(12,742)	(19,093)	(19,545)
Net cash flow from financing activities	1,091	5,139	(2,027)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,831	(660)	(5,276)
Cash and cash equivalents at beginning of the year	4,229	7,806	9,505
CASH, CASH EQUIVALENTS AND BANK ACCOUNTS AT THE END OF THE YEAR	9,060	7,146	4,229

SUMMARY STATEMENT OF CAPITAL EXPENDITURE

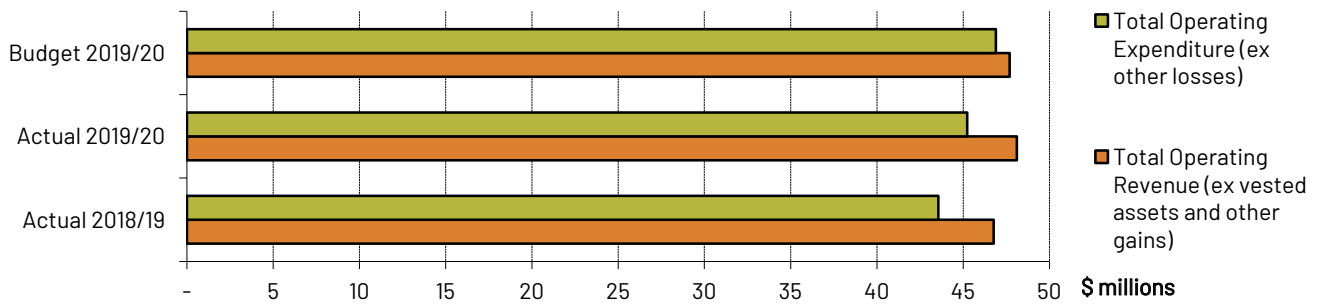
for the year ended 30 June 2020 - Masterton District Council

The table below shows a capital expenditure total of \$20.29 million against a Budget of \$23.80 million.

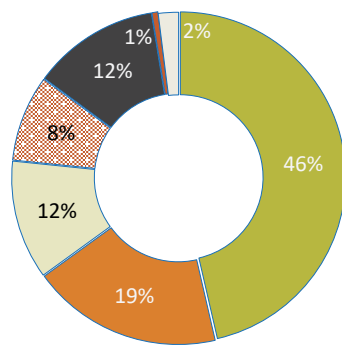
	Actual 2019/20 \$000	Budget 2019/20 \$000	Last Year 2018/19 \$000
Roading renewals programme	3,307	3,530	3,834
Other roading, streetlighting & footpaths	2,398	2,046	1,879
Town centre renewal project	476	1,825	221
Water supply renewals	2,699	4,427	1,595
Wastewater treatment & disposal renewals	327	831	214
Sewerage network renewals	1,132	1,126	791
Stormwater upgrades	149	440	25
Riversdale & Castlepoint sewerage schemes	63	15	74
Solid waste management projects	697	915	79
Parks, Reserves & Sports facilities upgrades	1,934	2,610	969
Recreation Centre renewals	243	157	636
Waiata House & Civic Centre	449	2,906	4,026
Airport upgrades & renewals	76	746	57
Other property	381	947	209
Library books & other capital	469	402	656
Other assets	384	881	213
Vested Assets	5,102	-	1,367
TOTAL CAPITAL EXPENDITURE	20,286	23,804	16,845

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

OPERATING REVENUE & EXPENDITURE (EXCLUDING OTHER GAINS & LOSSES)



OPERATING REVENUE \$48.1M



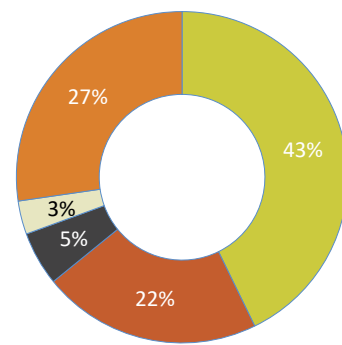
- Targeted Rates, value-based
- Targeted Rates, uniform charges
- NZTA subsidies
- Regulatory user charges & contributions
- Other services user charges & income
- Petrol tax & waste levy
- Interest income

65% 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 around the budgeted level, while regulatory & other contribution income was 8.4% of total revenue (\$4.0m) versus the budgeted 6.9% (\$3.3m)

Not included in the graph above is income of \$5.1m which recognised the value of vested assets taken over by the Council from developers of subdivisions.

COSTS INCURRED \$45.2M



- Expenditure on operating activities
- Employees & elected representative costs
- Interest expense
- Grants & funding to external organisations
- Depreciation

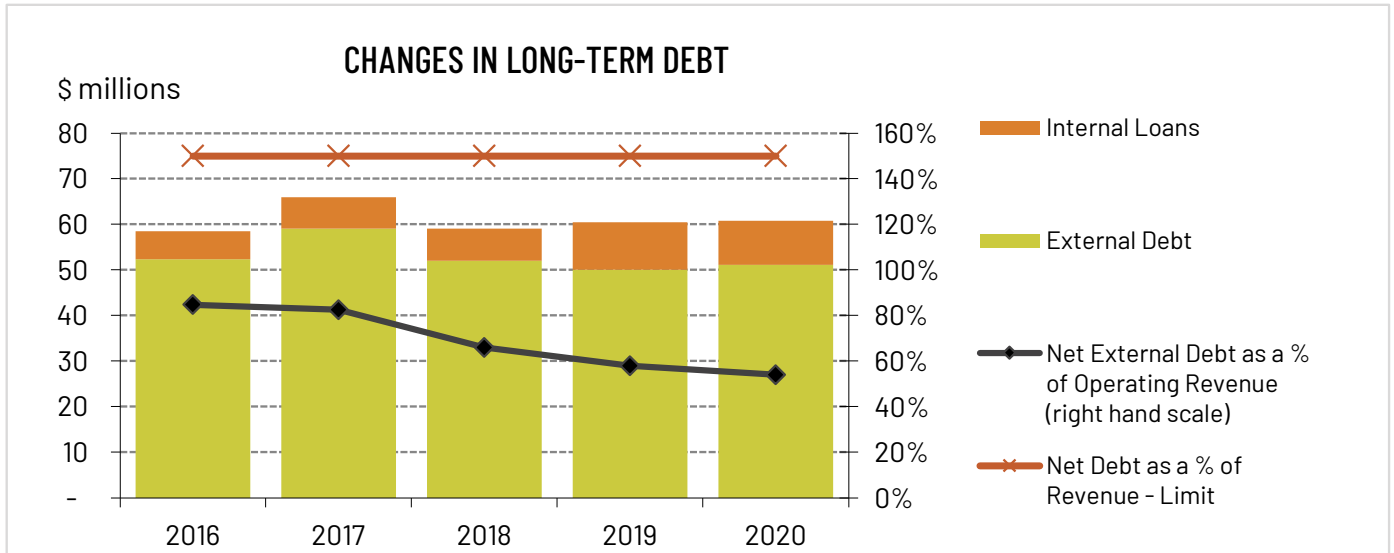
Council incurs costs to provide services necessary for the district to function. These include maintenance of infrastructure for water supply and waste services, roads and footpaths, sporting and recreational facilities and Council property.

Personnel costs at 21.4% of total operating costs compare to the budgeted level of 21.8%. Overall operating expenditure was down 3.6% against the budgeted level of \$46.9m.

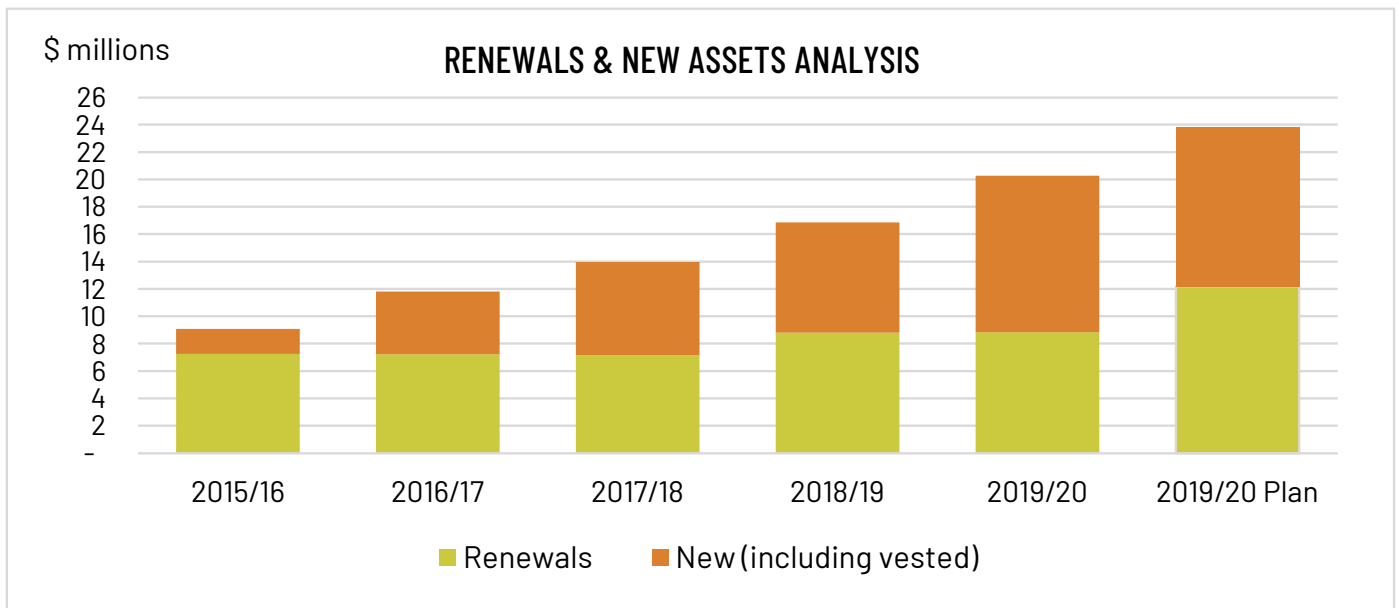
Interest expense of \$2.4m is less than last year by \$0.25m, and \$0.11m less than budgeted.

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 borrowed externally to fund the 2019/20 capital project work. 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 water meters (\$1.8m), recycling wheely bins (0.7m) and assets vested in the Council from subdivision development (\$5.1m).

EVENTS AFTER BALANCE DATE

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

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF MASTERTON DISTRICT COUNCIL'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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 2020.

The summary of the annual report comprises the following summary statements on pages 11 and 26 to 28.

- the summary statement of financial position as at 30 June 2020;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2020;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary measuring progress against non-financial 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 2020 in our auditor's report dated 25 November 2020. That report also includes an emphasis of matter paragraph drawing attention to the disclosures about the impact of Covid-19 on the District Council as set out in full annual report in note 31 to the financial statements and page 20 of the non-financial performance report. An extract of this information is included in the summary of the annual report on page 12.

COUNCIL'S RESPONSIBILITY FOR THE SUMMARY OF THE ANNUAL REPORT

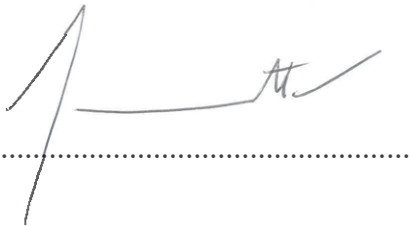
The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

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 have no relationship with, or interests in the District Council.

A handwritten signature in black ink, appearing to read 'John Whittal', is written above a horizontal dotted line. The signature is stylized and cursive.

John Whittal,
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand
25 November 2020

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 2020. The full Annual Report contains detailed information about our finances and service performance and was adopted by Council and approved for issue on the 25 November 2020.

This summary has been prepared in accordance with PBE 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 2020 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 25 November 2020.

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 or by calling us on 06 370 6300.





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06 378 7752 - after hours

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PO Box 444, Masterton 5840

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