

THE YEAR IN BRIEF: 2020/21 ANNUAL REPORT SUMMARY





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OUR VISION AND COMMUNITY OUTCOMES

TE MOEMOEĀ ME NGĀ HUA A TE HAPORI

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

- Consulted on key projects for the next 10 years through our 2021-31 Long-Term Plan process. We attended 25 face-to-face sessions and received 346 submissions.
- Confirmed a Māori Ward for at least the 2022 and 2025 local body elections.
- Established a Rural Advisory Group that met four times over the year.
- Progressed work on a new engagement framework for iwi, hapū, marae and hapori Māori.
- Reviewed our Significance and Engagement Policy, that guides how and when we will consult with our community on decisions.
- Successfully accessed external funding for the skatepark revamp that was designed in partnership with youth - and got work on the revamp underway.
- Delivered 635 activities and events at Masterton District Library.
- Worked with dog owners, the SPCA, and wider community to rehome 19 dogs and return 164 dogs to their owners.



PRIDE IN OUR IDENTITY AND HERITAGE

- Restored the mana of the name Mākoura by correcting the spelling of the road in Masterton East.
- Promoted Te Wiki o te Reo Māori 2020 (Māori Language Week 2020).
- Celebrated Matariki at our library.
- Held Waifest 2021 on 6 February 2021 at Queen Elizabeth Park, with 2-3,000 attending.
- We were involved with and/or funded a number of local events, including the Masterton Christmas Parade and HalloWHERE, a Halloween event that attracted almost 2,000 participants.



A SUSTAINABLE AND HEALTHY ENVIRONMENT

- Developed a Corporate Emissions Reductions Plan.
- Established a Community Climate Change Working Group to support the development of a Climate Change Action Plan for the district to help prioritise actions.
- Converted all 392 under-verandah lighting units in the town centre to energy-efficient LEDs.
- Progressed work on a Parks and Open Space Strategy that has since been adopted.
- Continued installation of smart water meters.
- Commenced work on the Wairarapa Combined District Plan review.
- Progressed the development of wetlands at the Homebush Treatment Plant.
- Held six community planting days with more 1,000 eco-sourced plants and amenity plants planted.



A THRIVING AND RESILIENT ECONOMY

- Developed a COVID-19 Recovery Plan with Carterton and South Wairarapa District Councils.
- Processed 207 resource consents and 851 building consents.
- Consulted on a master plan for Hood Aerodrome.
- Received the Wairarapa Water Resilience Strategy, developed as part of the Wairarapa Economic Development Strategy (WEDS) work programme.
- Continued implementing the WEDS strategy adopted in October 2018.



EFFICIENT AND EFFECTIVE INFRASTRUCTURE

- Renewed 4.3km of sewer mains and 2.4km of water mains.
- Resealed 27km of roads and resurfaced 5.1km of footpath.
- Supplied 4.2 billion litres of safe drinking water to the community.
- Completed the extension and upgrade of the eastern Castlepoint toilet block, with the facility opening to the public in November 2020.
- Completed the upgrade of the Archer Street Cemetery, with 237 new ash plots installed.
- Replaced the deck of the Queen Elizabeth Park swing bridge.



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 had a significant impact on our community and our council work last year, and has continued to impact this year. Our district's economic recovery has generally been positive, but we know some people have been affected by COVID-19 more than others. We have taken action to support recovery for all members of our community, including working with our neighbouring councils to develop a Wairarapa Recovery Plan.

Developing the Long-Term Plan (LTP) has been a key focus for the Council and our community over the past year. We attended 25 different 'face to face' engagement activities and received 346 submissions from our community, as well as informal feedback and comments.

Key decisions were made that will contribute to our vision for Masterton/Whakaoriori to offer the best of rural provincial living over the next 10 years. The Civic Facility will offer a future-proofed space where our community can come together. Making land available at Panama Village for public housing will help with affordable housing challenges. And the Masterton Revamp will modernise our town and create a vibrant and welcoming space.

We were proud of our Council's decision in May 2021 to establish a Māori ward for at least the next two elections. This decision will enhance representation for Māori in our community. We also established our new Rural Advisory Group, which will provide a vehicle for two-way communication and engagement on rural issues.

We were successful with our bids for central government funding. In July 2020, a \$10 million investment was confirmed to support development at Hood Aerodrome. The same month we also received confirmation of \$1.3 million in central government funding for the community-led skatepark revamp. Over the year, we have progressed the Hood Aerodrome Masterplan to guide development plans, and commenced work on the skatepark revamp.

We took action to address some key environmental challenges facing our community including finalising a Corporate Carbon Emissions Reduction Plan for Council and establishing a community forum to support co-development of an equivalent plan for our community.

We also converted under-verandah lighting units in the CBD to energy efficient LEDs, added new electric vehicles to our fleet, implemented electronic council meeting agendas that reduced our paper use, and installed more Smart Water meters, with more than 6,000 units now in place.

The three Wairarapa Councils received the Wairarapa Water Resilience Strategy in May 2021, and have also commenced a joint review of the Wairarapa Combined District Plan. This review will include consideration of how the District Plan can assist with water resilience and climate change action, as well as other challenges facing our community, such as growth and the availability of affordable housing.

On top of all the positive and completed projects, we've continued to deliver business-as-usual services, including processing an average of more than one Land Information Memorandum, and more than two building consents, for every day of the year, and completing safety improvements on our roads.

Our teams resealed 5.1 kilometres of footpath, 27 kilometres of roads, delivered 4.2 billion litres of safe drinking water, renewed 2.4 kilometres of water mains, and 4.3 kilometres of sewer mains, and completed routine inspections at more than 25 stormwater sites around town.

The Council's financial performance has been sound. We have held operating expenditure to the planned level and exceeded the planned operating revenue. The operating surplus of \$8.3 million includes the \$3.7 million of assets vested from subdivision developers. The surplus after excluding vested assets and valuation gains and losses was \$3.3 million, compared to the planned \$0.8 million.

It has been another busy and successful year.

Thank you for working with us.



A handwritten signature in black ink, appearing to read 'D Hopman', written over a light grey background.

David Hopman,
Chief Executive

A handwritten signature in black ink, appearing to read 'Lyn Patterson', written over a light grey background.

Lyn Patterson,
Mayor

OUR PERFORMANCE

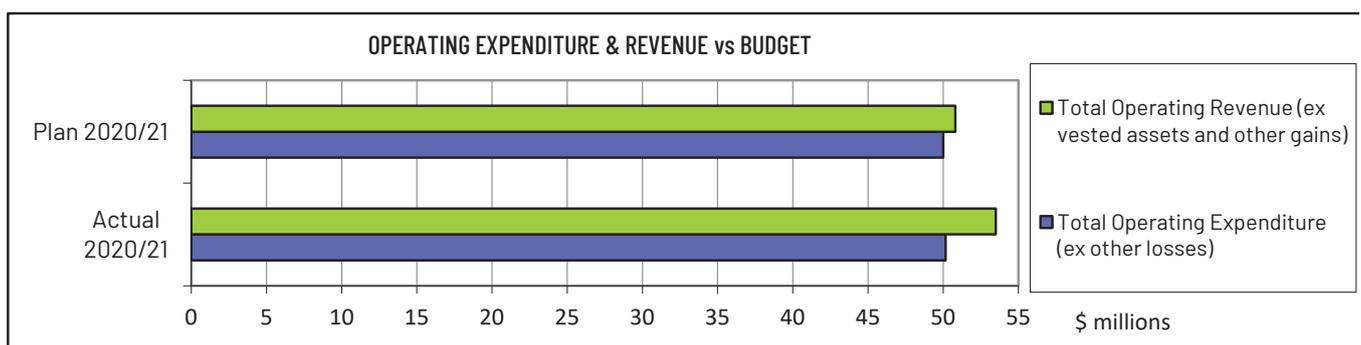
TAUĀKI PAEARU MAHI

FINANCIAL HIGHLIGHTS

The overall financial result is a surplus of income over expenditure of \$8.3 million, with \$3.7 million of this generated from the value of assets being vested in the Council from subdivision developments. The surplus, excluding the vested assets and other gains and losses, is \$3.32 million versus the plan of \$0.82 million. This surplus is a result of more revenue than planned.

Operating expenditure, excluding other losses, is \$50.2 million compared to the \$50.0 million figure in the Annual Plan (0.3 per cent more). Operating revenue (excluding vested assets and other gains) is \$53.5 million which is \$2.66 million (5.2 per cent) more than planned.

The graph below shows the 2020/21 financial performance compared to the Plan. In summary, expenditure is very close to planned and revenue is 2.66 per cent more, resulting in a \$3.32 million surplus (before vested assets and other gains and losses).



Rates revenue made up 60 per cent of effective operating revenue and rates arrears were 1.3 per cent of the amount levied, a decrease from 1.5 per cent at 30 June 2020. The impact of COVID-19 restrictions over the course of the financial result has again been minimal.

We revalued our land and buildings assets as at 30 June 2021. This resulted in the values increasing 31.7 per cent or \$31.3 million. The Plan anticipated a value increase of \$7.0 million. Another valuation adjustment has been made to road culverts (a \$9.2 million reduction), due to an error in the revaluation last year.

We continued to deliver on our maintenance and renewal programmes for roads and other assets within the road corridor, water supplies, wastewater systems and stormwater assets, and we've continued our catch-up on maintenance and renewals of our district facilities.

We spent 69 per cent of the capital expenditure programme (\$16.9 million) and had \$3.7 million added to the Council's assets as infrastructure vested as part of subdivision developments.

Four capital projects - the Town Centre Revamp, water meter installs, the skatepark upgrade, and airport runway widening - were not progressed as quickly as anticipated and these make up a large proportion of the under-spent capital.

We completed \$6.9m of subsidised roading renewals and upgrading work, which is 6.5 per cent more than planned. Two major contracts were only part-completed at 30 June 2021 - the Essex Street carpark renewal and Te Ore Ore Rd/Blair St roundabout construction contract.

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

- Funding for the Civic Facility project, which includes the Masterton District Library and Archive, was a topic for consultation in the 2021-31 Long-Term Plan (LTP). The Council's 2020/21 Annual Plan resolution committed to building a new civic centre. In June 2021, the Council confirmed a minimum of \$4 million external funding would be targeted, with the balance to be loan funded.
- Options for the Town Centre Revamp project were also consulted on as part of the 2021-31 LTP process. The decision was made to defer the start of significant work to 2024, and then proceed with the full Masterton Revamp programme of work over a 10-year period.
- More housing for seniors was a third LTP consultation topic. Council resolved to make vacant land at Panama Village on Ngaumutawa Road available for someone else to build public housing on. This will minimise Council's financial contribution and may enable consideration of public housing for younger people and families too.

The level of subdivision activity and new residential building remained high during the year. This is seen in financial contributions from developers being \$2.4 million, or \$1.15 million more than planned. Income from building consent fees was \$1.49 million, or 41 per cent more than planned. Assets worth \$3.66 million have been vested in the Council from subdivision development.

We have met just over two thirds (67.1 per cent) of our targets for non-financial performance measures, despite COVID-19 restrictions continuing to impact some of our results. Highlights in our non-financial reporting include strong results in our water infrastructure activities. Our wastewater, stormwater and water supply activities achieved more than 90 per cent of all applicable measures.





COVID-19 RESPONSE AND IMPACTS

While the organisation, and our community as a whole, recovered well from the challenges of 2020, the COVID-19 pandemic has continued to impact some areas of council over the last 12 months.

The progression through Alert Levels in the first half of the 2020/2021 financial year, and subsequent returns to Alert Level 2 at times during the year, has impacted results for areas of our business that are customer facing and/or support events, such as the Masterton District Library and Trust House Recreation Centre. Supply line and resourcing disruptions as a result of COVID-19 have also created challenges for some projects and renewal work for our infrastructure teams.

In terms of financial impacts on the 2020/21 year, some areas of income are below normal expectations. Rates penalties not being levied on unpaid first instalments was allowed for in the Plan. Parking meter takings remained below expectations throughout the year, but the financial impact has been minor. Other income such as local fuel tax and our share of the waste levy have achieved close to planned levels.

The pandemic has not had a significant impact on the Council's ability to continue delivering services.

COVID-19 impacts on each activity area are set out in full Annual Report.

NON-FINANCIAL PERFORMANCE

Our 2018-28 LTP defines the level of service we aim to achieve for each of our nine activity areas. Performance targets are set that assist us to measure how well we are delivering that level of service.

The LTP includes 76 performance targets across council activities. The graph that follows shows that we achieved 51 of our 76 targets (67.1 per cent) and did not achieve 20 targets (26.3 per cent). Five targets (6.6 per cent) were reported as not applicable.

COVID-19 restrictions have impacted five targets (6.6 per cent of all Council targets and 25 per cent of those not achieved in 2020/21). This compares with nine targets being specifically impacted by COVID-19 in 2019/20 (11.8 per cent of all targets and 36 per cent of those not achieved in 2019/20).

COVID-19 restrictions were identified as a contributing factors for the non-achievement of the following five targets:

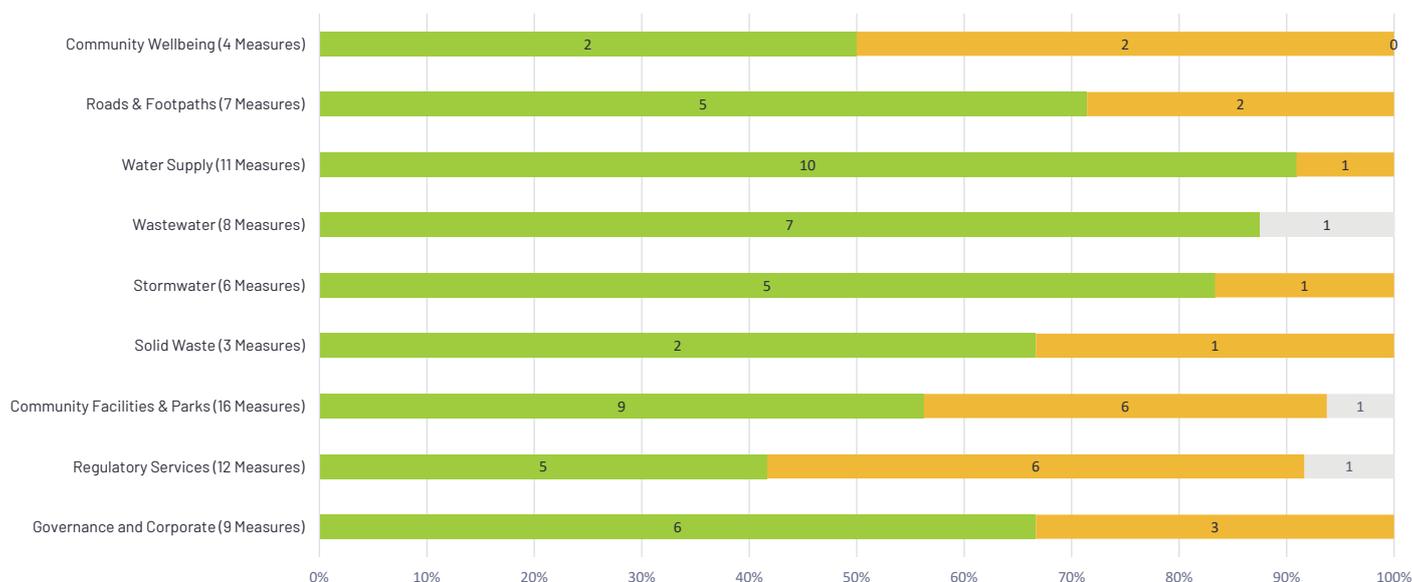
- The Masterton District Library operated a 'click and collect' service for 30 days of the year and 41 library programmes were cancelled during Alert Level 2. This resulted in fewer people visiting the library.
- The number of structured activities and events in the Council's parks and sportsgrounds was down in Quarter 1, compared to the previous year. Numbers increased over Quarters 2-4 and at year-end were up compared to 2019/20 but lower than the year prior.
- There were no 'Learn to Swim' participants in Quarter 1 and only one school participated in Quarter 2. While numbers did track up over Quarters 3 and 4, annual targets were not achieved due to continuing impacts of COVID-19, alert level changes, and the resulting impact on school curriculum priorities in 2020/21.
- Our Environmental Health team was unable to complete all verifications for food and other premises, affecting two measures. Two food verifications were specifically delayed due to COVID-19 level 2 restrictions and re-booked for July 2021. Carrying forward 36 food verifications and 10 other inspections from the previous year (rescheduled due to COVID-19 restrictions in 2019/20) contributed to increased workloads in the current year, which is also likely to have contributed to the team not achieving targets in 2020/21.

COVID-19 restrictions in 2019/20 are also believed to have indirectly contributed to the non-achievement of the following target:

- The tonnage of waste transferred to landfill per head of population increased in 2020/21 compared to 2019/20. This meant the target, which is a reduction compared to the previous year, was not achieved. However, this is more likely to reflect very low waste volumes in 2019/20 (19.3 per cent lower than the year prior) which were at least in part a result of COVID-19 lockdown in 2019/20.

Full details of performance targets and further discussion of COVID-19 impacts are set out in the full Annual Report.

NON-FINANCIAL PERFORMANCE MEASURES AS AT 30 JUNE 2021



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. Supporting this strategy is a three-year Implementation Plan (2018-21) that outlines the projects we plan to deliver as we work towards realising our vision for community wellbeing - 2020/21 was year three of the Wellbeing Strategy Implementation Plan.

Measures of success in this area include:

- a reduction in the number of air quality exceedances and CO2 emissions per head of population
- Masterton Gross Domestic Product (GDP) percentage change relative to Wellington region GDP.

Two of the four performance measures for this activity (50 per cent) were achieved in 2020/21. This is consistent with 2019/20. The two measures that were not achieved this year are no longer applicable. The He Korowai Wairua programme was discontinued and replaced with a different programme in 2019/20, and transitioning to a new system for measuring carbon emissions means we are currently unable to report on CO2 emissions for the 2020/21 year. These will be reported once the new system is operational.

There were three days in the 2020 calendar year where monitored air quality sites at Herbert and Pownall Streets recorded air pollution levels greater than the limits set in the National Environmental Standards for Air Quality (NES-AQ). This is five less than the number recorded in 2019, meaning we achieved our target of reducing the number of exceedance days compared to the previous year. The exceedance days all occurred in winter and primarily relate to the wide use of wood-burning fires for home heating.

The GDP growth estimate for Masterton is 6.3 per cent, compared to 4.2 per cent for the Wellington region.

We continued to progress projects included in the Wellbeing Strategy Implementation Plan, and aligned strategies such as the Arts, Culture and Heritage Strategy, and Wairarapa Economic Development Strategy.



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Photo: Jade Cvetkov

KEY HIGHLIGHTS

re:life
ATTENDANCE ALMOST
3000

46 
**COMMUNITY
WELLBEING
GRANTS ALLOCATED**

MĀKOURA ROAD
CORRECTED SPELLING OF
MĀKOURA

WORK BEGAN ON THE
**SKATE PARK
REVAMP** 

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 area include:

- quality of ride on sealed local road network
- reducing the number of serious crashes
- road resurfacing
- customer service requests responded to within specified timeframes.

Five of the seven performance measures for this activity (71 per cent) were achieved in 2020/21. This is an improvement on the past two years. In 2018/19 and in 2019/20 four measures (57 per cent) were achieved.

Almost 100 per cent, 360 of 361, urgent customer service requests were responded to within the specified timeframe of two days, and results for non-urgent requests improved substantially compared to the previous two years. In 2020/21, 91.3 per cent of non-urgent requests were responded to within the specified timeframes, compared to only 76 per cent in 2019/20 and 69 per cent in 2018/19.

It was pleasing to see no fatalities on our roads in 2020/21, but the number of serious injury crashes increased to 12, from eight in 2018/19 and nine in 2019/20. While we cannot control all the factors that contribute to road crashes, we take our commitment to road safety seriously and will continue to deliver improvements that make our roads safer, advocate to the central government, and support/fund education initiatives through the Wairarapa Road Safety Council.

During the year we have continued to focus on delivering projects and ongoing maintenance that improve our road network.

KEY HIGHLIGHTS

RESEALING OF
27KM
OF ROADWAY

REHABILITATION OF
2.5KM
OF SEALED ROAD
PAVEMENT



RESURFACED
5.1KM
OF SEALED FOOTPATH



AND CONSTRUCTED
655M
OF NEW FOOTPATH



WATER SUPPLIES (URBAN AND RURAL)

HOPUA WAI (TĀONE ME TE TAIWHENUA)



Water is provided to the Masterton urban reticulation system, Tinui, and the Waingawa industrial area. In rural areas, we provide non-drinking water to rural water schemes and water race supplies. We own and maintain a network of water mains, trunk mains, tanks, reservoirs, and 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 Council's reticulation system
- compliance with drinking water standards.

Ten of the 11 performance measures for this activity (90.1 per cent) were achieved in 2020/21. This is consistent with last year and an increase compared to the nine measures (81.8 per cent) achieved in 2018/19.

We supplied 4.2 billion litres of safe water to urban households during the year. This equates to 639 litres per person per day, a 6.3 per cent increase compared to the previous year.

In contrast there was a small reduction in the percentage of water lost from our system. This reduction is partly due to less leakage across the network as a result of our repair and renewal work.

We purchased some 9,000 smart water meters during 2019/20. The installation of those meters was delayed due to COVID-19 but a total of 6,348 units have now been installed.

The number of complaints received about drinking water has continued to decline, from 3.2 complaints per 1,000 connections in 2018/19 to 2.45 complaints per 1,000 connections in 2020/21.

KEY HIGHLIGHTS

THE SUPPLY OF **4.2** BILLION LITRES OF SAFE DRINKING WATER TO THE COMMUNITY 

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

THE RENEWAL OF **2.4KM** OF WATER MAINS IN MASTERTON 

INSTALLATION OF  **6,348** SMART WATER METERS



WASTEWATER SERVICES

RATONGA WAI PARU



Wastewater services are provided to approximately 9,200 residential, commercial, and industrial properties in the urban area, Waingawa industrial area, Riversdale, Castlepoint, and Tinui. This includes maintaining our network of pipes, pump stations, treatment plants, wetland cells, and a waste stabilisation pond.

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 seven applicable performance measures for this activity were achieved (100 per cent) in 2020/21, consistent with last year.

One measure, the recreation quality of the Ruamāhanga River, is not applicable as the way that the base data is reported has changed and we are unable to report on this.

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

The number of kilometres of wastewater pipe renewals completed in 2020/21 was more than double what was planned - 4.3 kilometres compared to 2 kilometres of planned work. This is also well above the 1.7 kilometres of renewal work completed in 2019/20. This result reflects the pipe lining method that was used.

The number of complaints about our wastewater service have increased since 2018/19 (from 49 to 69) but are still 27 per cent less than the number received in 2017/18. This reflects the decision made by the Council in 2018 to take responsibility for all private lateral sewer connection pipes, which has allowed us to address renewal issues and ensure that levels of service are maintained.

KEY HIGHLIGHTS

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

THE RENEWAL OF **4.3KM** OF SEWER MAINS IN MASTERTON



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



STORMWATER WAIMARANGAI



We own and maintain a network of pipes, manholes, and river stopbanks along the Waipoua and Ruamāhanga Rivers. We also contribute to designated stopbank protection works on the Waipoua, Waingawa, and Ruamāhanga Rivers.

Measures of success in this area include:

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

Five of the six performance measures for this activity (83 per cent) were achieved in 2020/21 compared to five (83 per cent) in 2018/19 and all six last year (2019/20).

We delivered our stormwater systems in full compliance with resource consent requirements, and all planned stormwater renewal work was completed.

The number of complaints received about the stormwater system increased to 21 or 2.33 per 1,000 connections, resulting in non-achievement of that target. The low number of complaints in 2019/20 is likely due to drought conditions experienced in Wairarapa over that year. While the 2020/21 result is an increase, it is less than half the number of complaints received in the 2017/18 baseline year.

A total of 93 per cent of the budget for stormwater renewal work was spent during the year, up from 44 per cent in 2019/20, with contractor availability still being a major factor. A component of that renewal work related to the Essex Street carpark upgrade.

KEY HIGHLIGHTS

100% COMPLIANCE WITH RESOURCE CONSENTS ✓✓

COMPLETED OVER
25 STORMWATER SITE
INSPECTIONS



STORMWATER
STRATEGY
WORK CONTINUED



SOLID WASTE MANAGEMENT

TARI WHAKARITE PARAPARA



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, Masterton), and two rural transfer stations (Castlepoint and Riversdale), including associated buildings and the weighbridge at the urban transfer station.

Measures of success in this area include:

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

Two of the three performance measures for this activity (67 per cent) were achieved in 2020/21. This is consistent with 2018/19 and one more than last year (2019/20).

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

The number of call-backs for the non-collection of rubbish bags was comparable with 2018/19 (26 compared to 29) after an increase was observed in 2019/20. The overall number is low relative to the number of properties (9,368) that receive our weekly kerbside collection service.

Waste volumes transferred to landfill increased 25.9 per cent on the previous year. The 2019/20 waste tonnages were affected by the COVID-19 lockdown and the increased competition between waste collection contractors, some of whom take waste directly to Wellington landfills.

We continue to face challenges to find markets for some types of recycling items. China and

other South-East Asian countries have banned many waste and recyclable products from entering their countries, diminishing markets to sell to, and those markets are saturated from stockpiles from across New Zealand and the rest of the world. We will continue to work with our solid waste contractor to determine how best to address the impacts and risks, balancing community and business needs.

KEY HIGHLIGHTS

9,368
PROPERTIES
PROVIDED WITH
KERBSIDE RUBBISH
AND RECYCLING
COLLECTION



100% ✓ ✓
COMPLIANCE WITH
RESOURCE CONSENTS

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 for use by the community. These include the library and archive, Hood Aerodrome, Mawley Park, the Trust House Recreation Centre, parks, reserves and cemeteries.

Measures of success in 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 2020/21, consistent with the previous year (2019/20).

COVID-19 Alert Levels restrictions have continued to impact many of the activities in this group over the 2020/21 year.

Participation in the library Summer Reading Programme was down compared to 2019/20 and is thought to be attributable to the COVID-19 situation.

There was also a reduction in the number of people using the library space in 2020/21 compared to the previous year.

Library website visits almost doubled compared to 2019/20 but were still below baseline. The method of measurement through Google Analytics has changed since the baseline was established, impacting reporting.

While website visits were up, the number of people using our free online computer services declined compared to 2019/20, and fewer free Wai-Fi sessions were accessed. The growing number of families with Skinny Jump low-cost internet modems may be reducing demand for free online and Wai-Fi services. Two hundred modems were distributed in 2018/19, 220 in 2019/20 and a further 165 families were provided with internet modems in 2020/21.

We continued to provide facilities and open spaces, such as parks, sportsgrounds, halls, sports facilities, recreational trails, and the Hood Aerodrome, that can be used by our community for activities and events. However, COVID-19 restrictions have impacted utilisation of these facilities and spaces over the year, and as a result, performance against some measures.

The number of structured activities in our parks and sportsgrounds was down in Quarter 1 compared to the previous year (19 vs 89). Overall results for the year exceeded 2019/20 (313 vs 236) but were below baseline and 2018/19 levels. Alert level changes in 2020/21 are likely to have impacted results this year.

While the number of events for the first quarter was also lower than the previous year for the number of activities/events in the War Memorial Stadium (27 vs 43), by year-end results were more than double 2019/20 and more than three times the baseline.

Hood Aerodrome landings were up compared to the previous two years, with a substantial increase compared to the 2017/18 baseline (12,757 landings compared to 7,821). The increase in 2020/21 is in part attributable to the Wings Over Wairarapa event held in January 2021. Although the event was affected by COVID-19 restrictions, this only affected the last day of the air show.

KEY HIGHLIGHTS



REGULATORY SERVICES

MANA WHAKARITERITE



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

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

Measures of success in these areas include:

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

Five of the 12 performance measures for this activity (42 per cent) were achieved in 2020/21, consistent with the previous year.

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 where suitable.

There were fewer dog attacks during the year, with the number of attacks comparable with 2018/19 (68 vs 63) after a spike in 2019/20. During the year we have continued to focus on education and engagement with the community about dog safety and have promoted our services to remind the community that we are available 365 days a year to respond to incidents.

We have also promoted responsible dog ownership and the number of registered 'responsible owners' has continued to increase, from 94 in 2018/19 to 216 in 2020/21.

We completed 239 inspections or verifications across food premises, personal services businesses, and alcohol-licensed premises (comparable with the 236 completed in 2018/19), to ensure they were operating safely, responsibly, and in accordance with national legislation and local bylaws. In addition, we supported three Controlled Purchase Operations (CPO). CPOs are planned operations to monitor the enforcement of provisions relating to the sale of alcohol to minors.

Volumes of resource consent applications surged again in 2020/21 to 207, exceeding the previous high of 195 consents in 2018/19, with 202 of the 207 consents that were received processed within statutory timeframes.

Building consents also surged, with 851 consents also exceeding the previous high of 761 consents in 2018/19. With resourcing challenges, and a heavy workload, only 78 per cent of building consents were processed within statutory timeframes.

Reserves and infrastructure contributions from developers were \$1.56 million compared to the \$1.38 million in the prior year, reflecting the continuing high level of subdivision activity during the year.

KEY HIGHLIGHTS

390

LAND INFORMATION
MEMORANDUM (LIMS)
PROCESSED

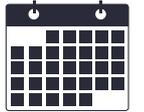


851

BUILDING CONSENTS PROCESSED

WITH AN AVERAGE PROCESSING TIME OF

17 DAYS



207



RESOURCE CONSENTS PROCESSED

AND 6513

BUILDING INSPECTIONS



19 DOGS
REHOMED



164 DOGS

RETURNED
TO THEIR
OWNERS



36

DOG OWNERS ACHIEVED
RESPONSIBLE
DOG OWNER
STATUS



239 OF FOOD, PERSONAL
SERVICES AND
INSPECTIONS OR
VERIFICATIONS ALCOHOL PREMISES







FINANCIAL SUMMARY

HE WHAKARĀPOPOTOTANGA PŪTEA

SUMMARY FINANCIAL STATEMENTS

The specific disclosures included in these summary financial statements have been extracted from the full financial statements adopted by the Council on 9 November 2021.

The full financial statements of the Council were prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP), and in accordance with the PBE (public benefit entity) standards for a Tier 1 entity.

The summary financial statements comply with the PBE Tier 1 Standards (IPSAS) as they relate to summary financial statements. They are presented in New Zealand dollars and all values are rounded to the nearest thousand (\$000).

- The Summary Statements of Financial Performance, Comprehensive Revenue and Expense, and Changes in Equity present the financial performance and equity movements of the Council. These statements summarise operating income and expenditure as well as other financial transactions that have impacted on the Council's net equity.
- The Summary Statement of Financial Position presents the assets we own and the liabilities we owe to other parties.
- The Summary Statement of Cashflows shows how we generated and used cash.

SUMMARY STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

for the year ended 30 June 2021 - 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 2020/21 \$000	Budget 2020/21 \$000	Actual 2019/20 \$000
REVENUE			
Rates revenue	32,347	32,307	31,182
Other operating revenue	20,757	17,914	15,971
Finance revenue	381	578	956
Capital revenue incl vested assets & valuation gains	6,722	30	5,225
TOTAL REVENUE	60,207	50,829	53,334
EXPENSES			
Finance costs	2,143	2,149	2,388
Depreciation & amortisation	14,066	12,902	12,350
All Other Expenses	33,958	34,961	30,498
Other losses (including write offs on disposal)	1,779	-	1,529
TOTAL EXPENSES	51,946	50,012	46,765
NET SURPLUS/(DEFICIT)	8,261	817	6,569
Income Tax Expense	-	-	-
NET SURPLUS/(DEFICIT) AFTER TAX	8,261	817	6,569
OTHER COMPREHENSIVE REVENUE AND EXPENSE			
Increase/(decrease) in asset valuations	22,145	6,982	84,136
Change in value of financial assets at fair value through comprehensive revenue & expense	42	-	(107)
TOTAL COMPREHENSIVE INCOME AND EXPENSE	30,448	7,799	90,598

EXPLANATION OF THE MAJOR VARIANCES

Other operating revenue - is \$3.143m or 17.8% more than planned. Financial contributions from developers were \$1.15m more, building consent revenue and solid waste transfer station charges were also better than planned. Subsidies and grants were \$9.6m or 7.3% more than planned with Government funding towards Hood Airport, 3 Waters stimulus and the skatepark.

Capital revenue - this includes \$3.7m of infrastructural assets vested in the Council from new subdivisions.

All Other Expenses - \$1.0m or 2.9% less than planned but this was made up of unders and overs. Higher costs in solid waste due to higher volumes of waste transferred to landfill (\$0.3m), roading costs were under by \$0.5m, planning costs were underspent as not as much progress as planned was made on the District Plan review and some staff positions were not filled, resulting in lower expenditure than planned.

Other losses - loss against the carrying value of bond investment funds and writing down the value of assets replaced during the year (1.4m). No budget was allowed for these costs.

Increase/(decrease) in asset valuations - Land and buildings were revalued by \$31.3 million but a correction was required of \$9.2m to the infrastructural revaluation carried out last year.

SUMMARY STATEMENT OF FINANCIAL POSITION

as at 30 June 2021 – Masterton District Council

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

	Actual 2020/21 \$000	Budget 2020/21 \$000	Last Year 2019/20 \$000
Current assets	22,719	10,429	18,338
Non-current assets	888,644	826,721	863,948
TOTAL ASSETS	911,363	837,150	882,286
Current liabilities	21,184	17,015	16,067
Non-current liabilities	44,172	51,974	50,660
Ratepayers' equity	846,007	768,161	815,559
TOTAL LIABILITIES AND EQUITY	911,363	837,150	882,286

EXPLANATION OF THE MAJOR VARIANCES ARE:

Current assets - more financial assets are held as short-term investments than allowed in the budget plus Government stimulus funding in advance that will be used over the coming year contributed to these funds being higher than planned.

Non-current assets -both the infrastructural asset revaluation in the previous year and the revaluation of land and buildings in the current year were more than allowed in the budget.

Non-current liabilities - no new external borrowing for capital projects means non-current liabilities are less than budget.

SUMMARY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2021 – 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. The variance in revaluation reserve is largely due to the revaluation of infrastructural assets in the previous year being higher than anticipated in the plan.

	Actual 2020/21 \$000	Budget 2020/21 \$000	Last Year 2019/20 \$000
Equity at the beginning of the year	815,559	760,363	724,960
Total Comprehensive Revenue & Expense	30,448	7,799	90,599
EQUITY AT THE END OF THE YEAR	846,007	768,162	815,559
Comprising:			
Retained earnings (ratepayers' equity)	444,905	434,673	436,439
Revaluation reserves	371,918	311,007	350,500
Special funds & restricted reserves	29,184	22,482	28,620
EQUITY AT THE END OF THE YEAR	846,007	768,162	815,559

SUMMARY STATEMENT OF CASHFLOWS

for the year ended 30 June 2021 - 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 budgeted due to higher revenue and lower payments to suppliers and staff. Investing activities variance is due a number of capital projects not proceeding. The budget for cash flow from financing activities anticipated borrowing externally which wasn't required due to the delay in progressing some larger projects.

	Actual 2020/21 \$000	Budget 2020/21 \$000	Last Year 2019/20 \$000
Net cash flow from operating activities	20,532	14,544	16,482
Net cash flow from investing activities	(19,965)	(20,413)	(12,742)
Net cash flow from financing activities	(2,600)	3,234	1,091
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(2,033)	(2,635)	4,831
Cash and cash equivalents at beginning of the year	9,060	8,890	4,229
CASH, CASH EQUIVALENTS AND BANK ACCOUNTS AT THE END OF THE YEAR	7,027	6,255	9,060

SUMMARY STATEMENT OF CAPITAL EXPENDITURE

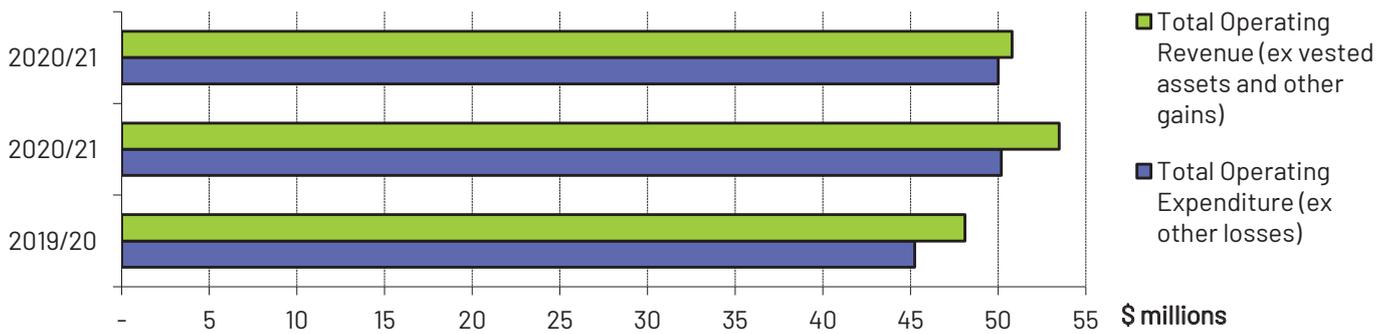
for the year ended 30 June 2021 - Masterton District Council

The table below shows a capital expenditure total of \$20.5 million against a Budget of \$24.4 million.

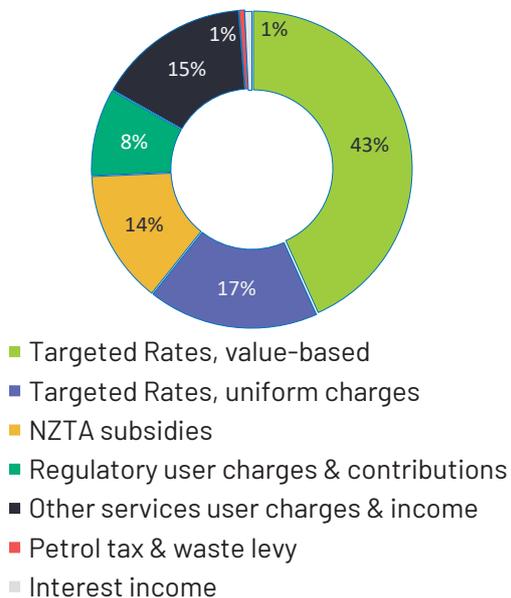
	Actual 2020/21 \$000	Budget 2020/21 \$000	Last Year 2019/20 \$000
Roading renewals programme	4,856	4,849	3,307
Other roading, streetlighting & footpaths	2,502	3,111	2,398
Town centre renewal project	259	1,400	476
Water supply renewals	1,965	4,150	2,699
Wastewater treatment & disposal renewals	261	630	327
Sewerage network renewals	2,666	1,350	1,132
Stormwater upgrades	318	402	149
Riversdale & Castlepoint sewerage schemes	113	75	63
Solid waste management projects	15	90	697
Parks, Reserves & Sports facilities upgrades	1,503	3,175	1,934
Recreation Centre renewals	198	280	243
Waiata House & Civic Centre	164	347	449
Airport upgrades & renewals	487	1,810	76
Other property	527	1,066	381
Library books & other capital	253	566	469
Other assets	768	1,116	384
Vested Assets	3,663	-	5,102
TOTAL CAPITAL EXPENDITURE	20,518	24,417	20,286

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

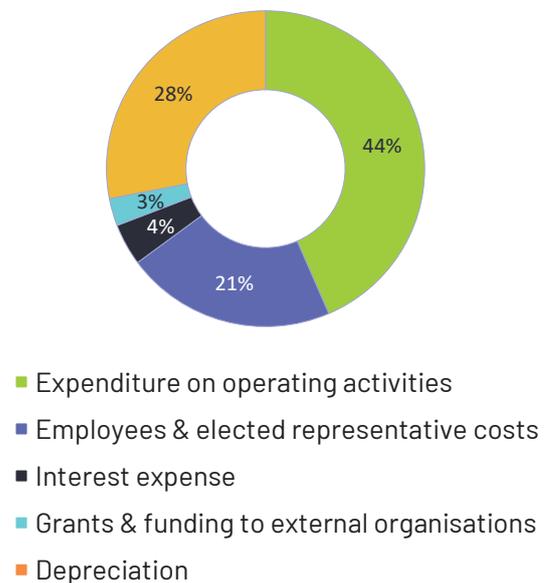
OPERATING REVENUE & EXPENDITURE (EXCLUDING OTHER GAINS & LOSSES)



OPERATING REVENUE \$53.5M



COSTS INCURRED \$50.2M



60.7% 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 8.9% of total revenue (\$4.8m) versus the budgeted 6.3% (\$3.2m)

Not included in the graph above is income of \$3.7m which recognised the value of vested assets taken over by the Council from developers of subdivisions and \$3m of losses due to valuation changes and residual value of assets on disposal.

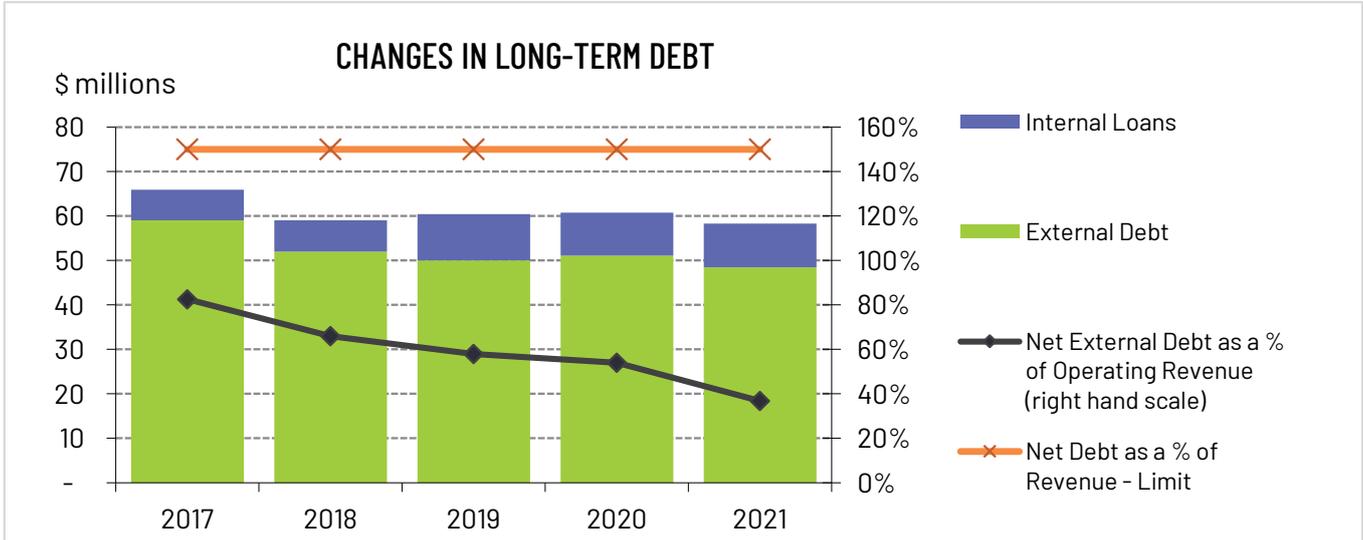
Council incurs costs to provide services necessary for the district to function. These include maintenance of infrastructure for water supply and waste services, roads and footpaths, sporting and recreational facilities and Council property.

Personnel costs at 21.4% of total operating costs compare to the budgeted level of 21.9%. Overall operating expenditure was down 0.3% up the budgeted level of \$50m.

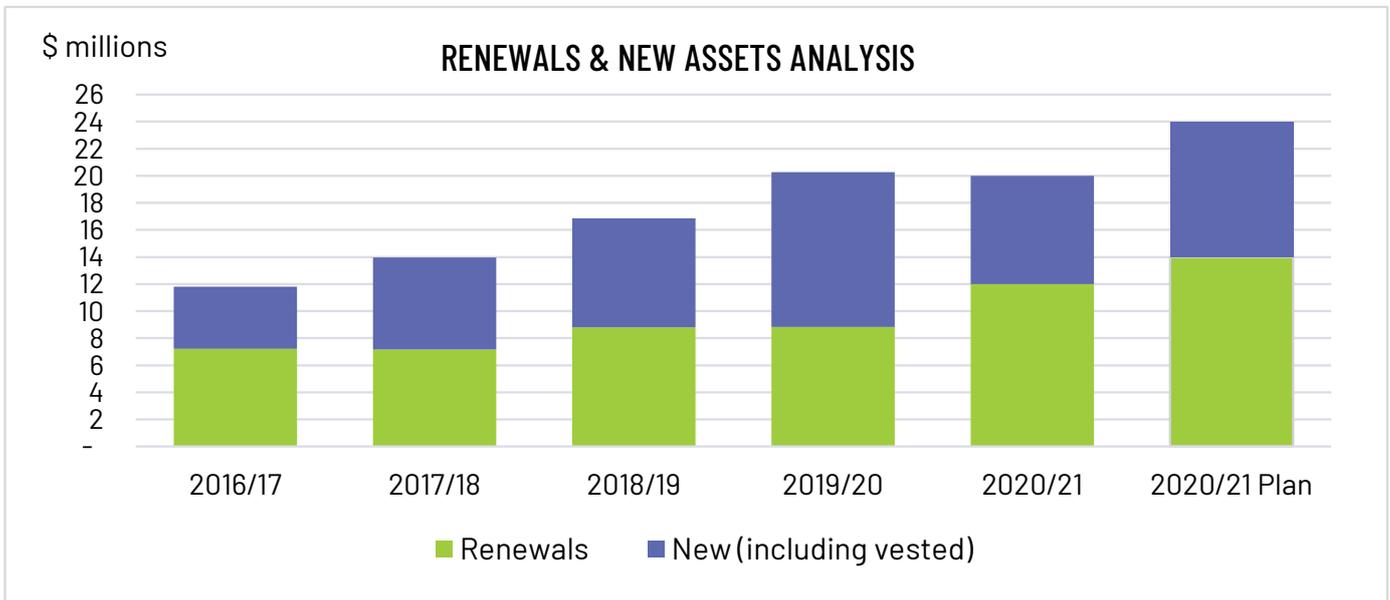
Interest expense of \$2.1m is less than last year by \$0.25m, and was close to budget.

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 internally to fund the 2020/21 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



This year Council spent \$12m on renewals after it being consistently between \$7m and \$9m for the last few years.. 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 (\$0.51m), hanger area expansion (0.46m) and assets vested in the Council from subdivision development (\$3.7m).

EVENTS AFTER BALANCE DATE

There have been two events after balance date that are material, but do not have an effect on the 2020/21 financial statements.

1. There has been a settlement out-of-court of six of the liability claims brought by Masterton Trust Lands Trust. The settlements are confidential. Some aspects of the settlement of one claim remain subject to insurance recoveries where the insurers decision is reserved. See the disclosure in Note 33 of the full annual report.

2. On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated “all in” approach. The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and the control and governance of these entities. Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three waters services from 1 July 2024.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF MASTERTON DISTRICT COUNCIL'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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 2021.

The summary of the annual report comprises the following summary statements on pages 8 to 33:

- the summary statement of financial position as at 30 June 2021;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2021;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service performance.

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 2021 in our auditor's report dated 9 November 2021. Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the disclosures about the Government's three waters reform programme announcement as set out in the full annual report in note 34 to the financial statements. The Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that District Council will no longer deliver three waters services. These matters are addressed on page 33 of the summary financial statements.

COUNCIL'S RESPONSIBILITY FOR THE SUMMARY OF THE ANNUAL REPORT

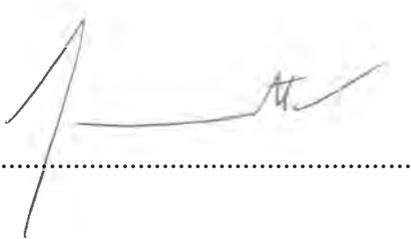
The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

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.

In addition to our audit and our report on the disclosure requirements, we have audited the District Council's 2021-31 long term plan, and performed a limited assurance engagement related to the District Council's Debenture Trust Deed. Other than these engagements, we have no relationship with, or interests in, the District Council.

A handwritten signature in black ink, appearing to read 'John Whittal', is written over a horizontal dotted line.

John Whittal,
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand
9 December 2021

PHONE

06 370 6300 - 8am to 5pm except Tuesdays 9am to 5pm
06 378 7752 after hours

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9am - 4pm

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PO Box 444, Masterton 5840

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