



TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI

STRATFORD
DISTRICT COUNCIL

ANNUAL REPORT 2022/2023



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From the Mayor and Chief Executive

Tēnā koutou katoa

Welcome to Stratford District Council's Annual Report for 2022/23.

The past 12 months have seen a number of projects being completed and becoming available for use.

Our key milestones for the last financial year were:

- Completion of Wai O Rua Stratford Aquatic centre, on budget and on time
- Completion of the second water trunk main between the Stratford water treatment plant and Stratford township
- Successful advocacy resulting in progressing the sealing work on the historically unsealed stretch of State Highway 43, along with a suite of other safety improvements

The 2022/23 financial year was the second year of Council's 2021-2031 Long Term Plan. At \$13.4 million, capital expenditure for the financial year was significantly below the \$24.4 million of the previous year as council completed some of the major infrastructure projects listed above. Once again, Council was the recipient of significant government grants arising from a range of central government reforms and other initiatives. A number of these came with tight delivery deadlines which meant that planned projects had to take a back seat. Contractor availability and cost increases across the board further meant that completion of our planned projects dropped to 59% of the overall work programme. The delayed projects are however not lost as they have been rolled over into the following year.

Operating Results

We finished the year with a net surplus of \$3,171,000 and revenue slightly above budget due to rates income as well as other revenue exceeding budget expectations. Expenditure shows slightly over budget due to cost increases exceeding forecast.

Financial Position

All Local Government Funding Agency (LGFA) lending covenants were met during the 2022/23 financial year.

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

General Performance

Responses from our annual customer survey showed are continually impressed with the level of service across our facilities. The Stratford Library, Visitor Information Centre, and Parks and Walkways received high ratings from residents, with 96%, 94%, and 90% levels of satisfaction respectively. The Aquatic Centre received 84% satisfaction, and Customer Service interactions achieved 83%.

Overall, however we have seen a notable drop in satisfaction across Council services from those surveyed. Where possible we try to address this feedback but as there has been no actual change to many of the services provided, we believe that this is heavily influenced by the cost of living crisis and a number of other issues causing some stress on our community.



Neil Volzke
District Mayor



Sven Hanne
Chief Executive



Community Outcomes

Vision

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

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

Community outcomes

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





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

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

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

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

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

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



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

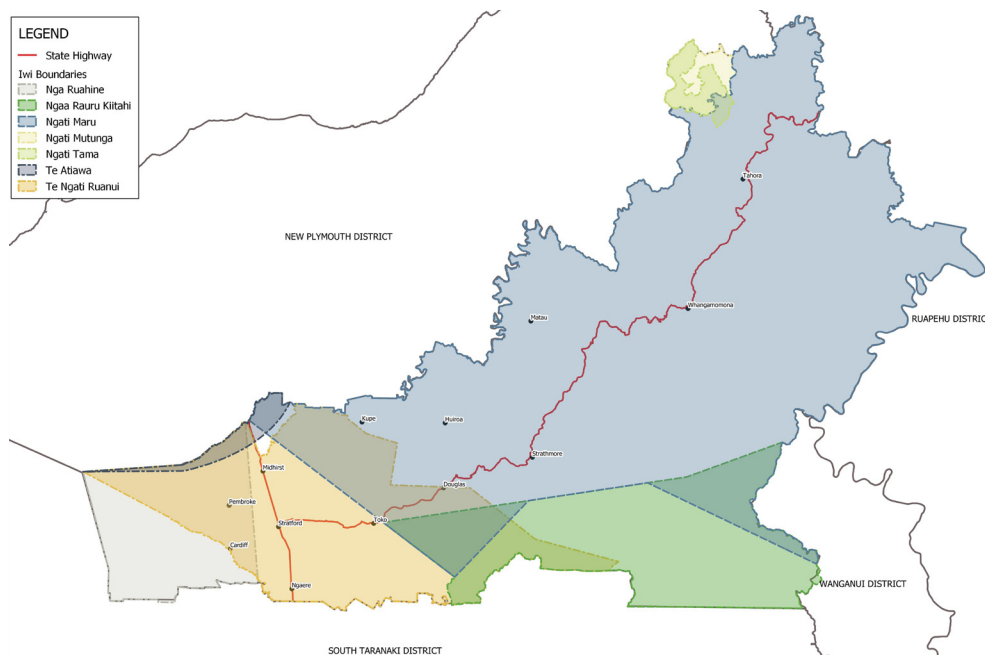
| ACTIVITIES | Cultural | Social | Economic | Environmental |
|---|-----------------|---------------|-----------------|----------------------|
| Aerodrome | | ✓ | ✓ | ✓ |
| Civic Amenities | ✓ | ✓ | | |
| Library | ✓ | ✓ | | |
| Parks, Reserves and Cemeteries | ✓ | ✓ | | ✓ |
| Pool Complex | ✓ | ✓ |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

Opportunities for Māori Contribution to Decision Making Processes

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

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

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



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

Statutory

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

Significance and Engagement

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

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

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

Internal Capacity

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

Working Together

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

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

Governance

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



District Profile

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

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

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

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

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

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

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

The Stratford District Council is currently represented by 11 Councillors and the Mayor. Stratford district is divided into three wards – an urban ward (6 Councillors), a rural ward (4 Councillors) and a māori ward (1 Councillor). The Council has no community boards.

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

The most recent population estimate for the district of 10,160 people is based on Statistics NZ population estimates as at 30 June 2022.



Elected Members

As at 30 June 2023 council consisted of a District Mayor and 11 Councillors.

District Mayor

Neil Volzke, JP

M. 027 631 7418

E. nvolzke@stratford.govt.nz



Rural Ward Councillors

Grant Boyde, JP

P. 027 603 2842

E. grant.boyde@stratford.govt.nz

Steve Beck

P. 027 444 7571

E. steve.beck@stratford.govt.nz

Amanda Harris

P. 06 762 3520

E. amanda.harris@stratford.govt.nz

Vaughan Jones

P. 027 620 2106

E. vaughan.jones@stratford.govt.nz

Urban Ward Councillors

Ellen Hall

P. 021 817 792

E. ellen.hall@stratford.govt.nz

Jono Erwood

P. 027 640 4008

E. jono.erwood@stratford.govt.nz

Mathew Watt

P. 027 263 1235

E. mathew.watt@stratford.govt.nz

Min McKay, Deputy Mayor

P. 027 357 6060

E. min.mckay@stratford.govt.nz

John Sandford, JP

P. 027 496 2278

E. john.sandford@stratford.govt.nz

Annette Dudley

P. 027 452 6617

E. annette.dudley@stratford.govt.nz

Māori Ward Councillor

Clive Tongaawhikau

P. 021 818 006

E. clive.tongaawhikau@stratford.govt.nz



District Mayor and Councillors

Policy & Services Committee
Chair - Deputy Mayor

Audit & Risk Committee
Independent Chair

Farm & Aerodrome Committee
Chair – Elected Member

Executive Committee
Chair – District Mayor

Chief Executive

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

Assets

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

Environmental Services

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

Community Services

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

Corporate Services

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

Standing Committee Membership

As at 30 June 2023

| | Council | Policy & Services Committee (includes hearings) | Executive Committee | Audit & Risk Committee | Farm & Aerodrome Committee | Sport New Zealand Rural Travel Fund |
|-------------------------|---------|---|---------------------|------------------------|----------------------------|-------------------------------------|
| Frequency | Monthly | Monthly | As required | 5x per year | Quarterly | 2x per year |
| District Mayor N Volzke | ● | ✓ | ● | ✓ | | |
| Deputy Mayor M McKay | ✓ | ● | ✓ | ✓ | | |
| Cr G Boyde | ✓ | ✓ | ✓ | ✓ | ● | |
| Cr S Beck | ✓ | ✓ | | | ✓ | |
| Cr A Dudley | ✓ | ✓ | | | | ✓ |
| Cr J Erwood | ✓ | ✓ | ✓ | ✓ | | ✓ |
| Cr E Hall | ✓ | ✓ | | | | |
| Cr A Harris | ✓ | ✓ | ✓ | | | ● |
| Cr V Jones | ✓ | ✓ | | ✓ | ✓ | |
| Cr W Sandford | ✓ | ✓ | | | | |
| Cr C Tongaawhikau | ✓ | ✓ | | | | |
| Cr M Watt | ✓ | ✓ | | | | |

- = Chairperson
- ✓ = Member of committee



Highlights

The purpose of this Annual Report is to outline the financial performance for the 2022/23 year, identify any changes from the 2021-2031 Long Term Plan (LTP), contribute to the accountability of the Council to its community, and extend opportunities for participation by the public in decision-making processes.

Rating Base and Statistical Information

For the year ended 30 June 2023

Rating Base Information

| | |
|---|------------------------|
| Rating units within Stratford District Council at the end of the preceding financial year (30 June 2022) | |
| - Number of Rateable Assessments | 4,932 |
| - Total Number of Rating Units | 5,301 |
| Valuations of the district (including non-rateable) | |
| - Land Value of Rating Units | \$2,212,239,650 |
| - Improvements | \$1,524,134,350 |
| Total Capital Value of Rating Units | \$3,736,374,000 |
| Statistical Information | 30 June 2023 |
| Land Area | 2,170 sq km |
| Population (as at June 2022) | 10,120 |
| Rates per head of population | \$3,049 |
| Public Debt / Term Liabilities | \$33,700,000 |
| Debt per Head of Populations | \$3,330 |
| Debt per Rateable Assessment | \$6,833 |
| Debt Servicing as a Percentage of Total Revenue (limit is <10%) | 3.50% |
| Full Time Equivalent Staff at 30 June 2023 | 72 |
| Roads | |
| - Sealed | 407.0 km |
| - Unsealed | 205.7 km |

The operating result for the year ended 30 June 2023 demonstrates the Council's commitment to delivering its services to the community within the financial parameters of its LTP.

| For the years ended: | 30 June 2023 Actual \$000 | 30 June 2023 Budget \$000 | 30 June 2022 Actual \$000 |
|---|---------------------------------|---------------------------------|---------------------------------|
| Revenue | | | |
| - Rates | 15,040 | 14,845 | 14,192 |
| - All other revenue | 12,100 | 11,626 | 14,737 |
| Total Revenue | 27,141 | 26,470 | 28,930 |
| Total Operating Expenditure | 23,970 | 21,431 | 21,153 |
| Net Surplus (Defecit) | 3,171 | 5,039 | 7,777 |
| Capital Expenditure | | | |
| Working Capital (excludes current portion of debt repayment which will be refinanced immediately) | 13,382 3,927 | 17,415 | 24,375 6,706 |
| Current Ratio (Budget not to be less than 1:1), the reason being due to the timing of term loan maturities. | 0.80:1 | | 0.87:1 |

Financial Strategy

The Financial Strategy to which this Annual Report year was subject to is within the LTP 2021-2031 document. The objective of the Financial Strategy is to ensure that debt, revenue, and expenditure are managed in a way that ensures service levels are able to be maintained in a financially sustainable way. To achieve this, the Council has set limits on debt, rates increases, and the UAGC, as outlined below. In 2022/23, the rates measures were in compliance.

| | | Council's Target (limits) | LTP - 2021-31 | Actual - 2022/23 |
|-----------------------------------|---|---------------------------|---------------|------------------|
| Debt | Net debt as a % of total annual revenue | <130% | 84% | 79% |
| Income & Affordability | % Rates Increase | <6% | 6.21% | 5.97% |

Net debt levels are within the targeted limits. Council has gross borrowings of \$33.7 million at interest rates ranging from 1.04% to 5.50% and financial investments of \$12.2 million.

The actual rates increase of 5.97% was lower than budgeted and within the LTP limit.

Financial Terminology

Net Surplus

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

Net Deficit

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

Gross Debt

This is the total amount of external borrowings.

Net Debt

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

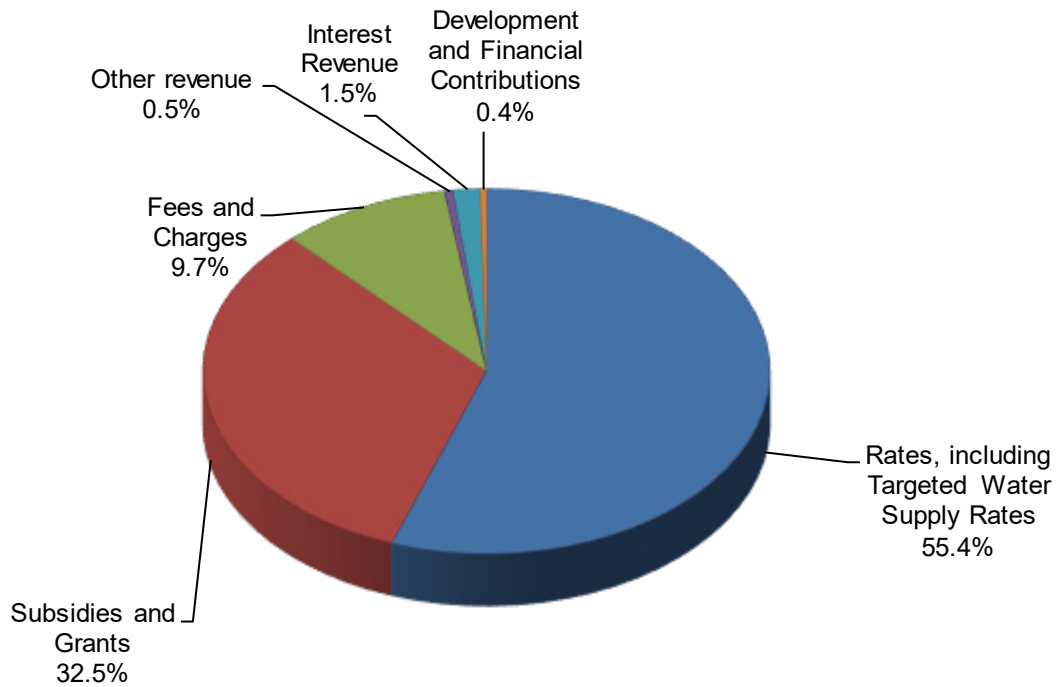
Net surplus

The Net Surplus of \$3,171,000 is primarily made up of capital revenue including the following:

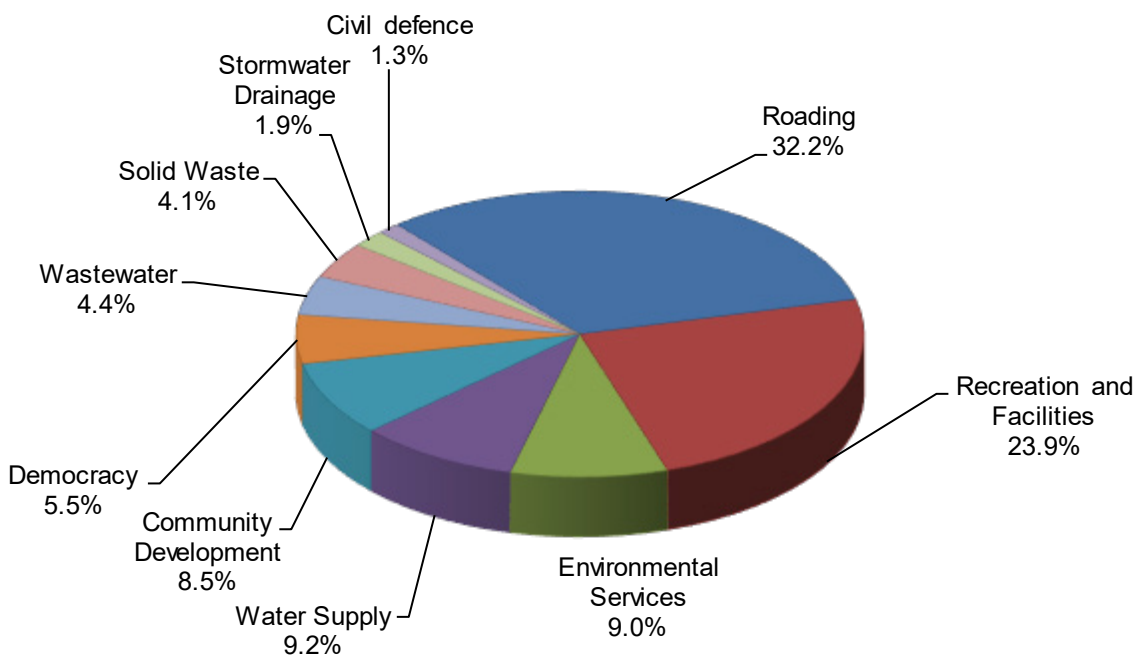
| | 000's |
|--|-------|
| Roading subsidy for capital expenditure | 3,342 |
| Government funding for the swimming pool | 1,400 |

Financial overview

Source of revenue - Council only



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



Variations to the Annual Plan

The following table shows the variances to the Annual Plan for the year ended 30 June 2023.

| | Net Actual \$000 | Net Budget \$000 | Variance \$000 | Variance % |
|--|------------------|------------------|----------------|--------------|
| Net Operating Cost | | | | |
| Recreation and Facilities | 5,110 | 3,856 | (1,254) | (33%) |
| Democracy | 1,169 | 1,158 | (11) | (1%) |
| Community Development | 1,277 | 1,178 | (99) | (8%) |
| Environmental Services | 1,414 | 1,304 | (110) | (8%) |
| Civil Defence and Emergency Management | 316 | 343 | 27 | 8% |
| Roading | 959 | 1,027 | 68 | 7% |
| Stormwater Drainage | 460 | 437 | (23) | (5%) |
| Wastewater | 1,028 | 1,022 | (6) | (1%) |
| Solid Waste | 772 | 932 | 160 | 17% |
| Water Supply | 1,729 | 1,675 | (54) | (3%) |
| Total | 14,233 | 12,932 | (1,301) | (10%) |
| Capital Expenditure | | | | |
| Roading | 6,260 | 5,655 | (606) | (11%) |
| Stormwater | 72 | 347 | 274 | 79% |
| Water Supply | 1,651 | 5,386 | 3,735 | 69% |
| Wastewater | 560 | 614 | 53 | 9% |
| Solid Waste | 10 | 10 | - | N/A |
| Parks and Reserves and Cemeteries | 801 | 153 | (648) | (423%) |
| Recreation and Facilities | 1,634 | 3,985 | 2,351 | 59% |
| Community Development | 2,167 | 1,041 | (1,126) | 0% |
| Corporate | 227 | 225 | (2) | (1%) |
| Total | 13,382 | 17,415 | 4,033 | 23% |

Net Operating Costs

Recreation and Facilities

The operating expenditure for the Pool Complex activity is \$1,071,000 over budget due to the increased staffing costs and overhead running costs, as well as increased depreciation and interest, as a result of the new swimming pool, which opened in October 2022.

Capital Expenditure

Total capital expenditure was under budget by \$4,033,000. Although there were unders and overs across the council activities, significant variances are explained below.

The implications of the variance for new projects that are funded by loans is that Council will have rated in the 2022/23 year for interest on the expenditure. If a project was expected to be completed in 2022/23 then Council would have also rated for 50% of the depreciation.

Roading

- Brecon Road Extension has been moved to 2023/24 (budget was \$257,000)
- Road to Zero – no budget in 2022/23, as funds were carried over from 2021/22, to cover the \$904,000 spent in 2022/23.
- Pavement rehabilitation – budget exceeded by \$417,000 to enable roads damaged by logging trucks to be reinstated.

Water Supply

- Water meter upgrade – the meters have been purchased and are scheduled for installation in 2023/24.
- Raw water delivery line – this has been delayed due to contractor availability and other considerations, including the technical design work, taking longer than expected.

Parks, Reserves and Cemeteries

- The design for the skate park upgrade commenced in June 2023. This project is funded by a grant.
- Victoria Park drainage project has commenced and will be completed before the cricket season commences in October.
- Additional land was purchased to extend the size of the Kopuatama Cemetery. This was fully funded from council reserves.

Recreation and Facilities

- The new aquatic centre was completed during the year, at a total cost of \$20.7 million, therefore not requiring the full balance of funds in the 2022/23 Annual Plan.

Community Development

- Stratford 2035 – a project team has been established to oversee the delivery of this project in 2023/24.
- Suitable land for the proposed subdivision was purchased using both the current year's budget plus the budget for 2021/22.



Statement of Compliance

Compliance

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



Neil Volzke
His workshop the Mayor
10 October 2023



Sven Hanne
Chief Executive
10 October 2023



Council Services

Groups of Activities

As required by the Local Government Act 2002, Council has grouped the services it provides into the following groups of activities.

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

Disclosure of significant negative effects on well-being

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

Performance Reporting

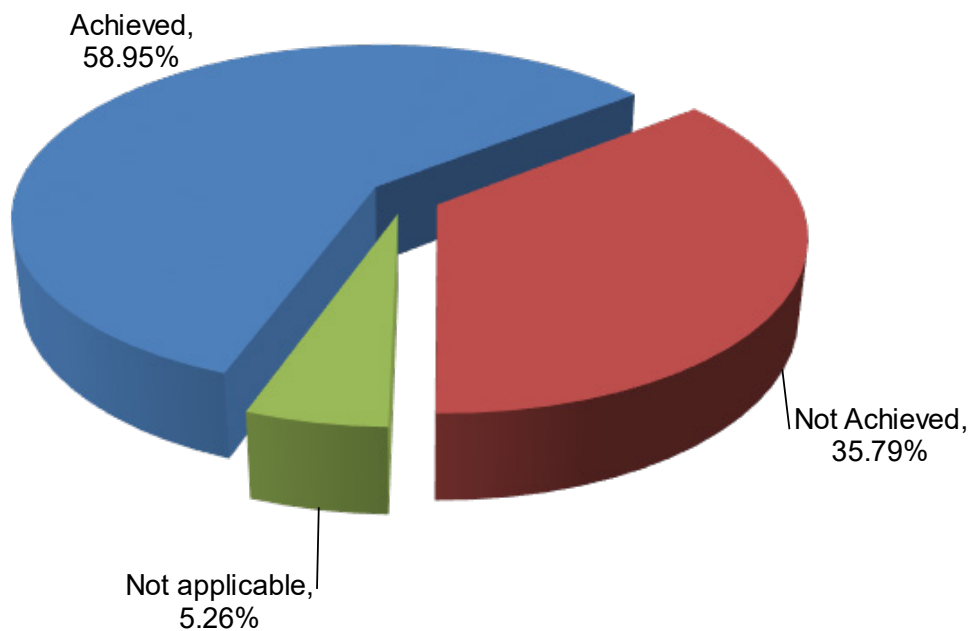
In the activities that follow, performance reporting against the Targets will be detailed as follows:

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

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

Not Applicable - No action was required during the year.

Performance Measures Pie Chart





Recreation and Facilities



TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL

AERODROME

1.1 What We Do

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

1.2 Why We Do It

This activity contributes to the community outcomes of:

- Connected Communities – by providing an alternative transport route for people to connect to the district.
- Enabling Economy – promotes district opportunities for economic growth by increasing accessibility.

1.3 Significant Negative Effects

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

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

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

1.4 Statement of Service Provision

| Level of Service | Performance Measure | Target | Actual 2022/23 | How Measured |
|--|--|---------------|--|----------------------------------|
| | | Year2 2022/23 | | |
| The aerodrome meets the needs of users | A high level of satisfaction amongst the users with the condition and maintenance of the aerodrome | >70% | Achieved – 70.27% - 12 responses were received. (2021/22 Not Achieved – 50%) | Annual aerodrome user survey. |
| The aerodrome is used by the Stratford community and visitors. | Number of aircraft movements during the year. | >3,500 | Not Achieved – 1,491 (2021/22 Not Achieved – 1,606) | Annual AIMM compliance reporting |
| <i>The bad weather has had an impact on the movements this year.</i> | | | | |

1.5 Projects and Other Programmes

There were no projects associated with the Aerodrome activity.

1.6 Cost of Services Statement

The detailed financial summary for the Aerodrome is shown below.

Aerodrome

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|------------------------------------|----------------------------|----------------------------|
| 106 | Operating Expenditure | 121 | 101 |
| 24 | Revenue | 25 | 27 |
| 82 | Net Cost of Service | 96 | 75 |
| | EXPENDITURE | | |
| 73 | Operating Costs | 83 | 69 |
| 6 | Depreciation | 6 | 6 |
| 27 | Allocated Overheads | 32 | 27 |
| 106 | Total Operating Expenditure | 121 | 101 |
| - | Capital Expenditure | - | - |
| 106 | Total Expenditure | 121 | 101 |
| | FUNDED BY: | | |
| 24 | Charges for Services | 25 | 27 |
| 24 | Total Revenue | 25 | 27 |
| 71 | General Rates | 74 | 73 |
| - | Transfer from Depreciation Reserve | - | - |
| 1 | Other Funding | - | 1 |
| 96 | Total Funding | 99 | 101 |

CIVIC AMENITIES

1.1 What We Do

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

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

1.2 Why We Do It

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

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

This activity contributes to the community outcomes of:

- Vibrant Community
- Connected Communities

1.3 Significant Negative Effects

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

1.4 Statement of Service Provision

| Level of Service | Performance Measure | Target | Actual | How Measured |
|--|--|------------------|--|---|
| | | Year2 2022/23 | 2022/23 | |
| To provide facilities that are well maintained and utilised. | Buildings legally requiring a Building WoF have a current Building WoF at all times. | 100% | Achieved – 100% (2021/22 Achieved – 100%) | Building WoF records |
| | Annual booking of War Memorial Centre. | >500 | Not Achieved – 430 (2021/22 Not Achieved – 379) | Booking records |
| | <i>Since Covid, this measure has not been achieved, so Council will review the target in the 2024-32 Long Term Plan.</i> | | | |
| | Annual booking of Centennial Restrooms. | >200 | Achieved – 251 (2021/22 Achieved – 246) | Booking records |
| To provide suitable housing for the elderly. | Percentage of resident satisfaction. | >89% | Not Achieved – 87.03% (2021/22 Not Achieved – 73%) | Annual Survey of Pensioner Housing tenants. |
| | <i>Satisfaction was impacted due to maintenance of the lawns, edging and units.</i> | | | |
| | Annual Occupancy rate. | >95% | Achieved – 100% (2021/22 Achieved – 100%) | Tenancy records. |
| To provide clean, well maintained toilet facilities. | Percentage of Stratford District residents satisfied with overall level of service of toilets. | >80% | Not Achieved – 67% (2021/22 Not Achieved – 68%) | Annual Residents Survey |
| | <i>An increase in vandalism has impacted the experience and perception of these facilities.</i> | | | |

1.5 Projects and Other Programmes

| Project | Category | Budget 2022/23 | Actual 2022/23 | Notes |
|--|------------------|----------------|----------------|--|
| Stratford 2035 | Level of Service | \$520,000 | \$0 | This budget was for a number of projects, which were still being planned and prioritised. |
| War Memorial Centre - Kitchen and cabinetry upgrade. | Level of Service | \$0 | \$8,465 | This has now been completed. |
| War Memorial Centre – Appliance Upgrade | Level of Service | \$0 | \$4,389 | This project has now been completed. |
| TET Multisport Sport Centre | Level of Service | \$51,300 | \$26,629 | Tenders to complete the project came in over budget, currently working with contractor to bring project inside budget. |
| Civic Amenities – Storage Shed | Replacements | \$0 | \$24,341 | This project has now been completed. |
| Civic Amenities – Demolish Bell Tower | Replacements | \$0 | \$16,535 | This was to reinstate the War Memorial Centre carpark. |

1.6 Cost of Services Statement

The detailed financial summary for the Civic Amenities and Pensioner Housing activities are shown below. The costs of operating the Miranda Street Office are not shown here because they are allocated to the various Council functions as overheads.

Civic Amenities

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|--------------------------------------|----------------------------|----------------------------|
| 958 | Operating Expenditure | 1,033 | 1,017 |
| 34 | Revenue | 65 | 52 |
| 924 | Net Cost of Service | 968 | 965 |
| EXPENDITURE | | | |
| 321 | Operating Costs | 386 | 386 |
| 10 | Interest | 15 | 27 |
| 495 | Depreciation | 482 | 472 |
| 132 | Allocated Overheads | 151 | 132 |
| 958 | Total Operating Expenditure | 1,033 | 1,017 |
| 18 | Principal Loan Repayments | 20 | 49 |
| 204 | Capital Expenditure | 84 | 575 |
| 1,180 | Total Expenditure | 1,137 | 1,641 |
| FUNDED BY: | | | |
| 34 | Charges for Services | 65 | 52 |
| 34 | Total Revenue | 65 | 52 |
| 630 | General Rates | 733 | 722 |
| 19 | Targeted Rates | 18 | 18 |
| 227 | Depreciation Funded from Reserves | 227 | 219 |
| 118 | Transfers from Depreciation Reserves | 118 | 52 |
| - | Grants and Donations | - | - |
| 96 | Loan Funding - Capital | 39 | 571 |
| 6 | Other Funding | 12 | 5 |
| 1,130 | Total Funding | 1,213 | 1,641 |

Pensioner Housing

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|--------------------------------------|----------------------------|----------------------------|
| 115 | Operating Expenditure | 161 | 143 |
| 72 | Revenue | 66 | 79 |
| 43 | Net Cost of Service | 95 | 64 |
| EXPENDITURE | | | |
| 31 | Operating Costs | 68 | 60 |
| 1 | Interest | 1 | 1 |
| 33 | Depreciation | 33 | 33 |
| 50 | Allocated Overheads | 59 | 50 |
| 115 | Total Operating Expenditure | 161 | 143 |
| 1 | Principal Loan Repayments | 1 | 1 |
| - | Capital Expenditure | - | - |
| 116 | Total Expenditure | 162 | 144 |
| FUNDED BY: | | | |
| 72 | Charges for Services | 67 | 79 |
| 72 | Total Revenue | 66 | 79 |
| 24 | General Rates | 34 | 34 |
| 18 | Transfers from Depreciation Reserves | 59 | 30 |
| 1 | Other Funding | 2 | 1 |
| 115 | Total Funding | 162 | 144 |

LIBRARY

1.1 What We Do

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

1.2 Why We Do It

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

This activity contributes to the community outcomes of:

- Vibrant community
- Connected communities

1.3 Significant Negative Effects

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

1.4 Statement of Service Provision

| Level of Service | Performance Measure | Target | Actual 2022/23 | How Measured |
|---|---|----------------|---|------------------------------|
| | | Year 2 2022/23 | | |
| To provide a library service which meets the needs of and is being used by Stratford District residents | Number of items (including digital) issued annually | >40,000 | Achieved – 62,010 (2021/22 Achieved – 57,670) | Monthly statistics from Koha |
| | % of library users satisfied with library services. | >80% | Achieved – 96% (2021/22 Achieved – 97%) | Annual Residents Survey |
| | Number of people participating in library events and programmes | >1,200 | Achieved – 3,461 (2021/22 Achieved – 2,436) | Internal attendance records |

1.5 Projects and Other Programmes

There were no future projects associated with the Library activity.

1.6 Cost of Services Statement

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

Library

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|-------------------------------------|----------------------------|----------------------------|
| 753 | Operating Expenditure | 768 | 691 |
| 13 | Revenue | 15 | 14 |
| 740 | Net Cost of Service | 753 | 677 |
| | EXPENDITURE | | |
| 442 | Operating Costs | 441 | 375 |
| 18 | Interest | 23 | 17 |
| 83 | Depreciation | 76 | 85 |
| 210 | Allocated Overheads | 228 | 214 |
| 753 | Total Operating Expenditure | 768 | 691 |
| 33 | Principal Loan Repayments | 32 | 32 |
| - | Capital Expenditure | - | - |
| 786 | Total Expenditure | 800 | 723 |
| | FUNDED BY: | | |
| 13 | Charges for Services | 15 | 14 |
| 13 | Total Revenue | 15 | 14 |
| 593 | General Rates | 634 | 625 |
| 42 | Depreciation Funded from Reserves | 37 | 46 |
| - | Loan Funding - Capital | - | - |
| 104 | Grants and Donations | 14 | - |
| 33 | Transfer from Depreciation Reserves | 32 | 32 |
| 8 | Other Funding | 17 | 6 |
| 793 | Total Funding | 749 | 723 |

PARKS, RESERVES AND CEMETERIES

1.1 What We Do

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

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

1.2 Why We Do It

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

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

This activity contributes to the community outcomes of:

- Connected communities
- Sustainable environment

1.3 Significant Negative Effects

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

1.4 Statement of Service Provision

| Level of Service | Performance Measure | Target | Actual 2022/23 | How Measured |
|---|---|---|---|---|
| | | Year 2 2022/23 | | |
| To provide parks, sports fields and other open spaces that meet community demand | Number of complaints and requests for service. | <40 | Not Achieved – 121 (2021/22 Not Achieved – 141) | Reporting against corporate CRM system. |
| | <i>The results now include all customer requests including recommendations, observations and community concerns related to Cemeteries, Parks and Reserves, which gives officers a better indication of customer interactions.</i> | | | |
| | Percentage of Stratford residents satisfied with: | | | |
| | <ul style="list-style-type: none"> Parks; | >80% | Achieved – 90% (2021/22 Achieved – 92%) | Annual Residents Survey. |
| | <ul style="list-style-type: none"> Sports fields; and | >80% | Achieved – 85% (2021/22 Achieved – 83%) | Annual Residents Survey. |
| <ul style="list-style-type: none"> Cemeteries. | >80% | Not Achieved – 68% (2021/22 Not Achieved – 70%) | Annual Residents Survey. | |
| <i>General comments relate to untidiness in relation to lawn, weeds and general maintenance, and the unevenness in certain areas. Also, last summer was very wet, so grass growth and weed-growth never slowed down from the winter months. Therefore, contractors were unable to keep up with the demand in mowing at the cemeteries</i> | | | | |
| Safe playgrounds are provided | All playgrounds meet NZ Safety Standards. | 100% | Not Applicable – the inspection is due December 2024 (2021/22 Not Achieved) | Biennial playground inspection report and records provided from weekly and quarterly compliance checks by contractor. |
| Foot Bridges are safe. | All foot bridges meet NZ Safety standards. | 100% | Not Applicable – the inspection is due December 2024 (2021/22 Not Achieved) | Biennial bridge inspection Report |

1.5 Projects and Other Programmes

| Project | Category | Budget 2022/23 | Actual 2022/23 | Notes |
|--|------------------|----------------|----------------|--|
| <i>Broadway Round-about Gardens</i> | Level of Service | \$0 | \$0 | This project was on hold from 2021/22 while Council liaised with community groups on the town centre plan. |
| <i>Walkway Development</i> | Level of Service | \$10,000 | \$10,562 | A 50metre concrete path was installed behind the TET Stadium. |
| <i>Skate Park upgrade – Victoria Park</i> | Level of Service | \$0 | \$54,088 | Work on the design and construction has commenced. |
| <i>Victoria Park Drainage</i> | Level of Service | \$60,000 | \$102,200 | Reinstatement commenced, drainage to be completed in 2023/24. |
| <i>Kopuatama Cemetery – entrance upgrade</i> | Level of Service | \$76,800 | \$81,940 | Complete |
| <i>Additional Land for Kopuatama Cemetery extension</i> | Level of Service | \$0 | \$511,682 | Complete |
| <i>Whangamomona Camp Ground – Septic Tank Installation</i> | Replacements | \$0 | \$29,921 | The concept design and report has been received and the build will occur in 2023/24. |

1.6 Cost of Services Statement

The detailed financial summary for the Parks and Reserves and Cemeteries activities are shown below:

Parks and Reserves

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------|--|----------------------|----------------------|
| 820 | Operating Expenditure | 929 | 757 |
| 8 | Revenue | 8 | 9 |
| 812 | Net Cost of Service | 921 | 748 |
| | EXPENDITURE | | |
| 534 | Operating Costs | 588 | 522 |
| 6 | Interest | 8 | 8 |
| 146 | Depreciation | 172 | 94 |
| 134 | Allocated Overheads | 160 | 133 |
| 820 | Total Operating Expenditure | 929 | 757 |
| 10 | Principal Loan Repayments | 12 | 14 |
| 495 | Capital Expenditure | 204 | 76 |
| 1,325 | Total Expenditure | 1,144 | 847 |
| | FUNDED BY: | | |
| 8 | Charges for Services | 8 | 9 |
| 8 | Total Revenue | 8 | 9 |
| 703 | General Rates | 765 | 754 |
| 29 | Transfer (to) from Reserves | 29 | 14 |
| 43 | Loan Funding - Capital | 48 | 76 |
| (10) | Transfer (to) Turf Replacement Reserve | (10) | (10) |
| 447 | Grants and Donations | 156 | - |
| 16 | Sale of assets / insurance proceeds | - | - |
| 5 | Other Funding | 10 | 4 |
| 1,241 | Total Funding | 1,006 | 847 |

Cemeteries

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|-------------------------------------|----------------------------|----------------------------|
| 181 | Operating Expenditure | 211 | 187 |
| 122 | Revenue | 138 | 104 |
| 59 | Net Cost of Service | 74 | 82 |
| EXPENDITURE | | | |
| 116 | Operating Costs | 139 | 121 |
| - | Interest | 1 | 1 |
| 7 | Depreciation | 7 | 7 |
| 58 | Allocated Overheads | 64 | 59 |
| 181 | Total Operating Expenditure | 211 | 187 |
| - | Principal Loan Repayments | 2 | 2 |
| 7 | Capital Expenditure | 597 | 77 |
| 188 | Total Expenditure | 811 | 266 |
| FUNDED BY: | | | |
| 122 | Charges for Services | 138 | 104 |
| 122 | Total Revenue | 138 | 104 |
| 89 | General Rates | 85 | 84 |
| - | Transfer from Depreciation Reserves | - | - |
| 7 | Transfers from Reserves - Capital | 515 | - |
| - | Loan Funding - Capital | 82 | 77 |
| 2 | Other Funding | 5 | 2 |
| 220 | Total Funding | 825 | 266 |

POOL COMPLEX

1.1 What We Do

Wai o Rua - Stratford Aquatic Centre opened in October 2022. Owned and operated by Council, the centre has more than twice the capacity of the old TSB Pool Complex, and is home to an 8-lane 25 metre competition pool, a 20 metre programme and hydrotherapy pool, a learn to swim pool, a toddler pool and a zero-depth splash pad, kitted out with a range of interactive water toys.

1.2 Why We Do It

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

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

This activity contributes to the community outcomes of:

- Vibrant Community
- Connected Communities
- Enabling Economy

1.3 Significant Negative Effects

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

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

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

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

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

1.4 Statement of Service Provision

| Level of Service | Performance Measure | Target | Actual 2022/23 | How Measured |
|--|--|----------------|---|------------------------------|
| | | Year 2 2022/23 | | |
| The pool complex will be a safe place to swim. | Number of reported accidents, possible accidents and similar incidents pa. | <80 | Not Achieved – 125 (2021/22 Achieved - 25) | Reported monthly to Council. |
| | <i>This is a result of increased reporting procedures and processes and a significant increase in patronage at the new aquatic centre.</i> | | | |
| | Compliance with NZS5826:2010 NZ Pool Water Quality Standards. | 100% | Achieved – 100% (2021/22 Achieved – 100%) | Water quality register. |
| | PoolSafe accreditation is met | 100% | Achieved (2021/22 Achieved – 100%) | Annual Reporting |
| That the pool facilities meet demand. | Percentage of pool users are satisfied with the pool. | >80% | Achieved – 84% (2021/22 Not Achieved – 77%) | Annual Residents Survey. |
| | Number of pool admissions per annum. | >55,000 | Achieved – 61,378 (2021/22 Not Achieved – 39,789) | Reported monthly to Council. |

1.5 Projects and Other Programmes

| Project | Category | Budget 2022/23 | Actual 2022/23 | Notes |
|------------------|------------------|----------------|----------------|---|
| Pool Development | Level of Service | \$3,410,000 | \$1,550,000 | The pool was officially opened in October 2022 with a total cost of \$20.7 million. |

1.6 Cost of Services Statement

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

Pool Complex

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|--------------------------------------|----------------------------|----------------------------|
| 1,289 | Operating Expenditure | 2,558 | 1,487 |
| 170 | Revenue | 355 | 241 |
| 1,119 | Net Cost of Service | 2,204 | 1,246 |
| | EXPENDITURE | | |
| 845 | Operating Costs | 1,548 | 781 |
| 116 | Interest | 305 | 207 |
| 120 | Depreciation | 477 | 291 |
| 208 | Allocated Overheads | 228 | 208 |
| 1,289 | Total Operating Expenditure | 2,558 | 1,487 |
| 213 | Principal Loan Repayments | 421 | 377 |
| 14,295 | Capital Expenditure | 1,550 | 3,410 |
| 15,797 | Total Expenditure | 4,529 | 5,274 |
| | FUNDED BY: | | |
| 170 | Charges for Services | 355 | 241 |
| 170 | Total Revenue | 355 | 241 |
| 981 | General Rates | 1,258 | 1,240 |
| 10,640 | Loan funding - capital | 150 | 2,010 |
| 3,849 | Grants and Donations | 1,450 | 1,400 |
| 213 | Transfers from Depreciation Reserves | 421 | 377 |
| 8 | Other Funding | 16 | 6 |
| 15,861 | Total Funding | 3,650 | 5,274 |



Democracy



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Democracy

1.1 What We Do

Democracy

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

Corporate Support

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

1.2 Why We Do It

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

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

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

This activity contributes to the community outcomes of:

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

1.3 Significant Negative Effects

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

1.4 Statement of Service Provision

| Level of Service | Performance Measure | Target | Actual 2022/23 | How Measured |
|--|---|----------------|---|--------------------------|
| | | Year 2 2022/23 | | |
| To provide Democracy services in accordance with statutory deadlines. | Agendas and associated reports for all scheduled meetings are available to interested parties in accordance with statutory timeframes. | 100% | Achieved – 100% (2021/22 Achieved – 100%) | Meeting Register. |
| | All Council meetings are publicly notified in accordance with statutory timeframes. | 100% | Achieved – 100% (2021/22 Achieved – 100%) | Meeting Register. |
| Opportunities for the community to participate in decision making is widely publicised | The community is satisfied with how Council keeps them informed. | >80% | Not Achieved – 61% (2021/22 Not Achieved – 65%) | Annual Residents Survey. |
| | <i>A common theme of comments received include lack of Stratford Press deliveries and our older community not liking some of the digital applications provided.</i> | | | |
| Ensure accountability documents are prepared and meet statutory requirements. | The Annual Report, Annual Plan and Long Term Plan meet statutory deadlines and receive an unmodified audit opinion. | Achieved | Achieved – 100% (2021/22 Achieved) | Audit Opinion. |

1.5 Projects and Other Programmes

| <i>Project</i> | <i>Category</i> | <i>Budget 2022/23</i> | <i>Actual 2022/23</i> | <i>Notes</i> |
|----------------------------------|-----------------|---------------------------|---------------------------|---|
| <i>Computers and peripherals</i> | Replacements | \$162,000 | \$219,588 | Funds were carried over from 2021/22 |
| <i>Vehicle Replacements</i> | Replacements | \$39,500 | \$17,413 | One vehicle was delivered in June 2023. |
| <i>Miscellaneous Equipment</i> | Replacements | \$20,000 | \$4,222 | This was for the installation of security cameras at the Miranda Street office. |
| <i>Furniture Replacements</i> | Replacements | \$3,200 | \$11,882 | Additional furniture was required due to the increase in staff numbers. |

1.6 Cost of Services Statement

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

Democracy

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|-------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| 1,233 | Operating Expenditure | 1,334 | 1,243 |
| - | Revenue | 37 | - |
| 1,233 | Net Cost of Service | 1,297 | 1,243 |
| | EXPENDITURE | | |
| 535 | Operating Costs | 587 | 558 |
| 698 | Allocated Overheads | 746 | 685 |
| 1,233 | Total Operating Expenditure | 1,334 | 1,243 |
| | FUNDED BY: | | |
| - | Charges for Services | 37 | - |
| - | Revenue | 37 | - |
| 1,147 | UAGC | 1,245 | 1,223 |
| - | Subsidies / Grants | 10 | - |
| 26 | Other Funding | 53 | 20 |
| 1,173 | Total Funding | 1,345 | 1,243 |

Corporate Support

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|-------------------------------------|----------------------------|----------------------------|
| - | Operating Expenditure | 3 | - |
| 102 | Revenue | 131 | 85 |
| (102) | Net Cost of Service | (128) | (85) |
| | EXPENDITURE | | |
| | Operating Costs | | |
| 634 | - Chief Executive's Department | 662 | 592 |
| 843 | - Corporate Services Department | 973 | 844 |
| (1,477) | Allocated Overheads | (1,635) | (1,436) |
| - | Total Operating Expenditure | 3 | - |
| 193 | Capital Expenditure | 227 | 225 |
| 193 | Total Expenditure | 230 | 225 |
| | FUNDED BY: | | |
| 102 | Charges for Services | 131 | 85 |
| 102 | Total Revenue | 131 | 85 |
| (70) | UAGC | (87) | (85) |
| 193 | Transfer from Depreciation Reserves | 227 | 225 |
| 225 | Total Funding | 272 | 225 |



Community Development



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DISTRICT COUNCIL

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COMMUNITY SERVICES

1.1 What We Do

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

Examples of the current community services activities include:

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

1.2 Why We Do It

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

This activity contributes to the community outcomes of:

- Vibrant community
- Connected communities

1.3 Significant Negative Effects

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

1.4 Statement of Service Provision

| Level of Service | Performance Measure | Target | Actual 2022/23 | How Measured |
|---|---|------------------|---|------------------------------------|
| | | Year2 2022/23 | | |
| Event Development that supports and encourages community engagement | Deliver or facilitate community events. | >5 | Achieved – 15 (2021/22 Achieved - 32) | Number of events held are recorded |
| | Percentage of residents feeling a sense of community. | >80% | Not Achieved – 61% (2021/22 Not Achieved – 71%) | Annual Residents Survey |
| <i>Comments in the survey express appreciation for what the Council/Community Development does but want more events and activities, increased opportunities for our elderly and young people in the district and increased facilities</i> | | | | |

1.5 Projects and Other Programmes

There were no projects associated with the Community Services activity.

1.6 Cost of Services Statement

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

Community Services

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|------------------------------------|----------------------------|----------------------------|
| 624 | Operating Expenditure | 688 | 437 |
| 38 | Revenue | 36 | 34 |
| 586 | Net Cost of Service | 652 | 403 |
| | EXPENDITURE | | |
| 502 | Operating Costs | 560 | 313 |
| 122 | Allocated Overheads | 128 | 124 |
| 624 | Total Operating Expenditure | 688 | 437 |
| | FUNDED BY: | | |
| 38 | Charges for Services | 36 | 34 |
| 38 | Total Revenue | 36 | 34 |
| 438 | UAGC | 405 | 399 |
| 261 | Grants | 277 | - |
| 5 | Other Funding | 10 | 4 |
| 742 | Total Funding | 728 | 437 |

ECONOMIC DEVELOPMENT

1.1 What We Do

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

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

1.2 Why We Do It

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

This activity contributes to the community outcomes of:

- Vibrant Community
- Enabling Economy

1.3 Significant Negative Effects

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

1.4 Statement of Service Provision

| Level of Service | Performance Measure | Target | Actual 2022/23 | How Measured |
|---|---|----------------|---|--|
| | | Year 2 2022/23 | | |
| To support and promote the economic growth of the district. | Number of client interactions with Venture Taranaki's Business Advisory Service | 100% | Achieved – 7 (2021/22 Achieved - 38) | 5 start up clinics |
| | Mentor matches made as requested | 100% | Achieved – 100% (2 matches) (2021/22 Achieved) | Venture Taranaki Quarterly reports |
| Enterprise Partnership and Engagement | Review the Economic Development Strategy | N/A | Not Applicable (2021/22 Achieved) | Year 1 only - Strategy approved by Council |

1.5 Projects and Other Programmes

| Project | Category | Budget 2022/23 | Actual 2022/23 | Notes |
|-------------------------------------|------------------|----------------|----------------|--|
| <i>Proposed council subdivision</i> | Level of Service | \$1,025,000 | \$2,141,644 | The purchase of the land has been completed with development to commence in 2023/24. |

1.6 Cost of Services Statement

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

Economic Development

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------|------------------------------------|----------------------|----------------------|
| 600 | Operating Expenditure | 564 | 598 |
| - | Revenue | - | - |
| 600 | Net Cost of Service | 564 | 598 |
| EXPENDITURE | | | |
| 446 | Operating Costs | 407 | 444 |
| 154 | Allocated Overheads | 157 | 154 |
| 600 | Total Operating Expenditure | 564 | 598 |
| FUNDED BY: | | | |
| 313 | General Rates | 302 | 297 |
| - | Subsidies / Grants | 100 | - |
| 313 | UAGC | 302 | 297 |
| 6 | Other Funding | 12 | 4 |
| 632 | Total Funding | 716 | 598 |

Council Projects

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|------------------------------------|----------------------------|----------------------------|
| - | Operating Expenditure | 31 | - |
| - | Revenue | - | - |
| - | Net Cost of Service | 31 | - |
| | EXPENDITURE | | |
| - | Operating Costs | - | - |
| - | Interest | 31 | - |
| - | Total Operating Expenditure | 31 | - |
| 6 | Principal Loan Repayments | - | - |
| 6 | Capital Expenditure | 2,142 | 1,025 |
| 12 | Total Expenditure | 2,173 | 1,025 |
| | FUNDED BY: | | |
| 26 | General Rates | - | - |
| - | Sale of sections - capital | - | - |
| | Grants and Donations - Capital | | 1,025 |
| 6 | Loan Funding - Capital | 2,142 | - |
| 32 | Total Funding | 2,142 | 1,025 |

INFORMATION CENTRE

1.1 What We Do

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

1.2 Why We Do It

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

This activity contributes to the community outcomes of:

- Vibrant community
- Enabling economy

1.3 Significant Negative Effects

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

1.4 Statement of Service Provision

| Level of Service | Performance Measure | Target | Actual | How Measured |
|---|---|-------------------|---|---------------------------|
| | | Year 2 2022/23 | 2022/23 | |
| To provide an Information Centre for visitors, incorporating Automobile Association Agency services that meets the needs of and is being used by the community. | Number of users of AA Agency Service is measured. | >10,000 | Not Achieved – 8,607 (2021/22 Not Achieved - 7,900) | AA customer count records |
| | <i>This target has not been met since 2018/2019 due to more services being available online</i> | | | |
| | Percentage customers are satisfied with the Information Centre. | >80% | Achieved – 94% (2021/22 Achieved – 96%) | Annual Residents Survey |

1.5 Projects and Other Programmes

There were no projects associated with the Information Centre activity.

1.6 Cost of Services Statement

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

Information Centre

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|------------------------------|----------------------------|----------------------------|
| 216 | Operating Expenditure | 217 | 287 |
| 52 | Revenue | 62 | 39 |
| 164 | Net Cost of Service | 155 | 248 |
| EXPENDITURE | | | |
| 110 | Operating Costs | 102 | 176 |
| - | Depreciation | - | 4 |
| 106 | Allocated Overheads | 115 | 107 |
| 216 | Total Expenditure | 217 | 287 |
| FUNDED BY: | | | |
| 52 | Charges for Services | 62 | 39 |
| 52 | Total Revenue | 62 | 39 |
| 201 | General Rates | 248 | 244 |
| 4 | Other Funding | 8 | 3 |
| 257 | Total Funding | 318 | 287 |

RENTAL AND INVESTMENT PROPERTIES

1.1 What We Do

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

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

This activity covers the following:

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

Holiday Park - operate a formal lease for the land.

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

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

1.2 Why We Do It

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

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

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

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

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

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

This activity contributes to the community outcomes of:

- Enabling Economy

1.3 Significant Negative Effects

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

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

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

1.4 Statement of Service Provision

| Level of Service | Performance Measure | Target | Actual | How Measured |
|--|--|---|--|--|
| | | Year2 2022/23 | 2022/23 | |
| Maximum profits from the farm are returned to Council. | Milk production is maximised | >150,000 kg/ms | Not Achieved – 142,659 kgs/ms (2021/22 Achieved – 154,000kgs/ms) | Milk Supplier's Statements issued by Fonterra. |
| | | <i>The impact of weather events on feed availability, environmental mastitis and extra pressure on grass all contributed towards not meeting the production target.</i> | | |
| The Council is meeting national Environmental standards. | The Council farm's Environmental Plan is reviewed annually | Achieved | Not Achieved (2021/22 Achieved) | Report to Farm and Aerodrome Committee |
| | | <i>The plan was revised during the year, but it is still waiting on final review by Fonterra, which is not expected until August 2023.</i> | | |
| Leased property is safe and fit for purpose. | Number of complaints from tenants. | <5 | Achieved – 0 (2021/22 Achieved – 1) | Reporting against corporate CRM system. |

1.5 Projects and Other Programmes

| Project | Category | Budget 2022/23 | Actual 2022/23 | Notes |
|--|------------------|-------------------|-------------------|----------------------------------|
| Farm | | | | |
| <i>Landscaping and Riparian Planting</i> | Level of Service | \$3,500 | \$1,835 | Complete |
| <i>Water lines and trough upgrade</i> | Level of Service | \$12,300 | \$12,175 | Complete |
| <i>Hot Water Cylinder – dwelling</i> | Replacements | \$0 | \$11,148 | Urgent replacement was required. |

1.6 Cost of Services Statement

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

Holiday Park

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|------------------------------|----------------------------|----------------------------|
| 2 | Operating Expenditure | 3 | 2 |
| 3 | Revenue | 3 | 3 |
| (1) | Net Cost of Service | (1) | (1) |
| EXPENDITURE | | | |
| - | Operating Costs | - | - |
| 2 | Allocated Overheads | 3 | 2 |
| 2 | Total Expenditure | 3 | 2 |
| FUNDED BY: | | | |
| 3 | Charges for Services | 3 | 3 |
| 3 | Total Revenue | 3 | 3 |
| (1) | General Rates | (1) | (1) |
| - | Other Funding | (2) | - |
| 2 | Total Funding | 0 | 2 |

Farm

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|------------------------------------|----------------------------|----------------------------|
| 442 | Operating Expenditure | 481 | 385 |
| 732 | Revenue | 638 | 489 |
| (290) | Net Cost of Service | (157) | (104) |
| EXPENDITURE | | | |
| 300 | Operating Costs | 304 | 238 |
| 43 | Interest | 57 | 46 |
| 40 | Depreciation | 48 | 43 |
| 59 | Allocated Overheads | 72 | 57 |
| 442 | Total Operating Expenditure | 481 | 385 |
| 175 | Principal Loan Repayments | 70 | 54 |
| 192 | Capital Expenditure | 25 | 16 |
| 809 | Total Expenditure | 576 | 454 |
| FUNDED BY: | | | |
| 732 | Charges for Services | 638 | 489 |
| 732 | Total Revenue | 638 | 489 |
| (51) | General Rates | (149) | (147) |
| 172 | Loan Funding - Capital | 14 | 16 |
| (49) | Transfer (to) from Reserves | 108 | 97 |
| 804 | Total Funding | 611 | 454 |

Rental Properties

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|------------------------------------|----------------------------|----------------------------|
| 65 | Operating Expenditure | 67 | 69 |
| 30 | Revenue | 35 | 36 |
| 35 | Net Cost of Service | 32 | 33 |
| EXPENDITURE | | | |
| 8 | Operating Costs | 3 | 12 |
| 17 | Depreciation | 17 | 17 |
| 40 | Allocated Overheads | 47 | 40 |
| 65 | Total Operating Expenditure | 67 | 69 |
| - | Capital Expenditure | - | - |
| 65 | Total Expenditure | 67 | 69 |
| FUNDED BY: | | | |
| 30 | Charges for Services | 35 | 36 |
| 30 | Total Revenue | 35 | 36 |
| 30 | General Rates | 32 | 32 |
| 2 | Other Funding | 3 | 1 |
| 62 | Total Funding | 70 | 69 |



Environmental Services



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STRATFORD
DISTRICT COUNCIL

BUILDING SERVICES

1.1 What We Do

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

1.2 Why We Do It

The Council has a legal responsibility to ensure buildings are fit for purpose and comply with legislation. This activity contributes to the community outcomes of:

- Enabling Economy
- Sustainable Environment

1.3 Significant Negative Effects

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

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

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

1.4 Statement of Service Provision

| Level of Service | Performance Measure | Target | Actual 2022/23 | How Measured |
|--|--|---|---|----------------------------|
| | | Year 2 2022/23 | | |
| To process applications within statutory timeframes. | Percentage of building consent applications processed within 20 days. | 100% | Not Achieved – 99.6%, 240 out of 241 (2021/22 Not Achieved – 98.6% 355 out of 360) | Council Records. |
| | <i>This was due to one consent awaiting peer review before granting of consent. (was processed in 21 days)</i> | | | |
| | Percentage of inspection requests completed within 24 hours of request. | 100% | Not Achieved – 97.4%, 1,119 out of 1,149 (2021/22 Not Achieved – 97.2% 1,219 out of 1,256) | Council Records. |
| | <i>Inspection booking requests were for more than 24 hrs before inspection being required.</i> | | | |
| Percentage of code compliance certificate applications determined within 20 working days. | 100% | Not Achieved – 95.3%, 204 out of 214 (2021/22 Not Achieved – 90% 190 out of 211) | Council Records. | |
| <i>CCC's were located during a clean out of records, and software issue with clock in relation to previously refused CCC's</i> | | | | |
| To retain registration as a Building Consent Authority. | Current registration. | Confirmed | Achieved – registration current (2021/22 Achieved) | Current IANZ Certification |
| To process LIMs within statutory timeframes | % of LIMs processed within timeframes. | 100% | Achieved – 100% 80 of 80 (2021/22 Achieved – 100%, 55 out of 55) | Council Records |
| Service meets customer expectations. | Percentage of customers using building consent processes are satisfied with the service provided | >80% | Not Achieved – 41% (2021/22 Not Achieved – 48%) | Annual Residents Survey |
| | | | <i>This is likely to be a consequence of a higher than usual workload pressure. Comments from the survey related to slow response times, poor communication, the length of time to get consent and expressed overall frustration in dealing with Council.</i> | |

1.5 Projects and Other Programmes

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

1.6 Cost of Services Statement

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

Building Control

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|-------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| 1,006 | Operating Expenditure | 944 | 994 |
| 485 | Revenue | 458 | 433 |
| 521 | Net Cost of Service | 486 | 561 |
| EXPENDITURE | | | |
| 710 | Operating Costs | 623 | 706 |
| - | Depreciation | 8 | - |
| 296 | Allocated Overheads | 313 | 288 |
| 1,006 | Total Operating Expenditure | 944 | 994 |
| FUNDED BY: | | | |
| 485 | Charges for Services | 458 | 433 |
| 485 | Total Revenue | 458 | 433 |
| 467 | UAGC | 562 | 552 |
| 11 | Other Funding | 23 | 8 |
| 963 | Total Funding | 1,043 | 994 |

PLANNING

1.1 What We Do

This activity covers:

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

1.2 Why We Do It

All of the above functions are required by legislation.

This activity contributes to the community outcomes of:

- Sustainable Environment
- Enabling Economy

1.3 Significant Negative Effects

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

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

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

1.4 Statement of Service Provision

| Level of Service | Performance Measure | Target | Actual 2022/23 | How Measured |
|--|--|-------------------------------|--|---|
| | | Year2 2022/23 | | |
| To promote the sustainable management and use of land and public spaces. | To undertake a comprehensive review of the district plan, with notification within statutory timeframes. | N/A | Not Applicable (2021/22 Not Applicable) | <i>No timeframe to be met in Year 1</i> Reports to Council |
| | To undertake a systematic review of bylaws and related policies as they reach their statutory review dates. | 100% within review timeframes | Not Achieved (2021/22 Not Achieved) | Reports to Council |
| | <i>One policy has not been reviewed within the statutory timeframe. The policy is the Local Approved Products Policy which is jointly held with New Plymouth District Council.</i> | | | |
| To process resource consents within statutory timeframes. | % of non notified applications processed within 20 working days. | 100% | Not Achieved – 90% 76 of 84 (2021/22 Not Achieved – 96% 79 of 82 applications) | Council records |
| | <i>This is due to receiving an unusually high number of applications.</i> | | | |
| | % of notified applications processed within legislated timeframes for notification, hearings and decisions. | 100% | Achieved – 0 notified consent applications (2021/22 Achieved – 0 notified consent application) | Council records |
| | % of s223 and s224 applications processed within 10 working days. | 100% | Achieved – 100% 51 of 51 applications. (2021/22 Achieved – 100% 53 of 53 applications) | Council records |
| Service meets customer expectations | Percentage of customers using resource consent processes are satisfied with the service provided | >80% | Not Achieved – 22% (2021/22 Not Achieved – 70%) | Council Records |
| | | | <i>This is likely due to higher than usual workload pressure and a very high target for a regulatory and enforcement based function.</i> | |

1.5 Projects and Other Programmes

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

1.6 Cost of Services Statement

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

District Plan and Bylaws

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|------------------------------------|----------------------------|----------------------------|
| 161 | Operating Expenditure | 209 | 208 |
| - | Revenue | - | - |
| 161 | Net Cost of Service | 209 | 208 |
| EXPENDITURE | | | |
| 53 | Operating Costs | 91 | 103 |
| 108 | Allocated Overheads | 119 | 105 |
| 161 | Total Operating Expenditure | 209 | 208 |
| FUNDED BY: | | | |
| 183 | UAGC | 209 | 205 |
| 4 | Other Funding | 8 | 3 |
| 187 | Total Funding | 217 | 208 |

Resource Consents

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|------------------------------------|----------------------------|----------------------------|
| 241 | Operating Expenditure | 321 | 240 |
| 97 | Revenue | 120 | 121 |
| 144 | Net Cost of Service | 201 | 119 |
| EXPENDITURE | | | |
| 132 | Operating Costs | 206 | 135 |
| 109 | Allocated Overheads | 115 | 105 |
| 241 | Total Operating Expenditure | 321 | 240 |
| FUNDED BY: | | | |
| 97 | Charges for Services | 120 | 121 |
| 97 | Total Revenue | 120 | 121 |
| 121 | UAGC | 118 | 116 |
| 4 | Other Funding | 8 | 3 |
| 222 | Total Funding | 246 | 240 |

COMMUNITY HEALTH AND SAFETY

1.1 What We Do

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

Health Act and Food Act

The Council:

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

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

Sale and Supply of Alcohol Act

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

Parking and other Bylaw compliance

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

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

Animal Control

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

This covers:

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

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

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

1.2 Why We Do It

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

This activity contributes to the community outcomes of:

- Enabling Economy
- Sustainable Environment

1.3 Significant Negative Effects

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

1.4 Statement of Service Provision

| Level of Service | Performance Measure | Target | Actual 2022/23 | How Measured |
|--|--|----------------|---|-----------------|
| | | Year 2 2022/23 | | |
| To fulfil obligations to improve, promote and protect public health. | Percentage of premises registered under the Food Act, Health Act, Beauty and Tattoo Bylaw, to be inspected for compliance. | 100% | Not Achieved – 99% 107 out of 108 (2021/22 Achieved – 100% 94 out of 94) | Council Records |
| | <i>1 hairdresser was not inspected as the operator was closed on a number occasions due to unforeseen circumstances.</i> | | | |
| | Health nuisance and premise complaints are responded to within 1 working day. | 100% | Achieved – 100% 16 out of 16 complaints (2021/22 Achieved – 100% 11 out of 11 complaints) | Council Records |
| To fulfil obligations as a District Licensing Committee. | Percentage of licensed premises inspected. | 100% | Not Achieved – 93.7% 30 of 32 inspected (2021/22 Not Achieved – 94.2% 33 out of 35 inspected) | Council Records |
| | <i>Two premises were not inspected. One is closed for business, however the licence has not been surrendered. Another is closed as it is being re-built.</i> | | | |
| | Percentage of applications processed within 25 working days (excluding hearings). | 100% | Achieved – 100% 90 of 90 applications – 1 hearing (2021/22 Achieved – 100% 87 out of 88 applications and 1 hearing) | Council Records |
| To monitor and enforce bylaws. | Percentage of complaints responded to within 2 hours. | 100% | Achieved – 100% 287 of 287 complaints. (2021/22 Achieved – 100% 278 out of 278 complaints) | Council Records |
| To ensure dogs are controlled. | Percentage of known dogs registered. | 95% | Achieved – 98% 2,123 of 2,176 dogs (2021/22 Achieved – 97.5% 2,081 out of 2,135 dogs) | Council Records |
| | Percentage of dog attack/wandering dog complaints responded to within an hour. | 100% | Not Achieved – 95.3% 283 of 286 complaints (2021/22 Not Achieved – 98% 225 out of 228 complaints) | Council Records |
| <i>Three calls for service to dog complaints were not attended to within 1 hour. This was due to the Council's contractor's communication system, and training requirements.</i> | | | | |

1.5 Projects and Other Programmes

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

1.6 Cost of Services Statement

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

Food and Health

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|------------------------------------|----------------------------|----------------------------|
| 167 | Operating Expenditure | 197 | 166 |
| 36 | Revenue | 33 | 31 |
| 131 | Net Cost of Service | 164 | 135 |
| EXPENDITURE | | | |
| 89 | Operating Costs | 114 | 89 |
| 78 | Allocated Overheads | 83 | 77 |
| 167 | Total Operating Expenditure | 197 | 166 |
| FUNDED BY: | | | |
| 36 | Charges for Services | 33 | 31 |
| 36 | Total Revenue | 33 | 31 |
| 132 | UAGC | 135 | 133 |
| 3 | Other Funding | 6 | 2 |
| 171 | Total Funding | 174 | 166 |

Alcohol Licensing

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|------------------------------------|----------------------------|----------------------------|
| 111 | Operating Expenditure | 136 | 109 |
| 35 | Revenue | 30 | 34 |
| 76 | Net Cost of Service | 106 | 76 |
| EXPENDITURE | | | |
| 59 | Operating Costs | 81 | 57 |
| 52 | Allocated Overheads | 55 | 52 |
| 111 | Total Operating Expenditure | 136 | 109 |
| FUNDED BY: | | | |
| 35 | Charges for Services | 30 | 34 |
| 35 | Total Revenue | 30 | 34 |
| 75 | UAGC | 75 | 74 |
| 2 | Other Funding | 4 | 2 |
| 112 | Total Funding | 110 | 109 |

Parking and other Bylaws

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|------------------------------------|----------------------------|----------------------------|
| 145 | Operating Expenditure | 135 | 142 |
| 1 | Revenue | (15) | 1 |
| 144 | Net Cost of Service | 150 | 141 |
| EXPENDITURE | | | |
| 68 | Operating Costs | 49 | 65 |
| 77 | Allocated Overheads | 86 | 77 |
| 145 | Total Operating Expenditure | 135 | 142 |
| FUNDED BY: | | | |
| 1 | Charges for Services | (15) | 1 |
| 1 | Total Revenue | (15) | 1 |
| 124 | UAGC | 142 | 139 |
| 3 | Other Funding | 6 | 2 |
| 128 | Total Funding | 132 | 142 |

Animal Control

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|------------------------------------|----------------------------|----------------------------|
| 205 | Operating Expenditure | 220 | 210 |
| 146 | Revenue | 123 | 145 |
| 59 | Net Cost of Service | 97 | 66 |
| EXPENDITURE | | | |
| 106 | Operating Costs | 114 | 110 |
| 1 | Interest | 2 | 1 |
| 3 | Depreciation | 4 | 4 |
| 95 | Allocated Overheads | 100 | 95 |
| 205 | Total Operating Expenditure | 220 | 210 |
| 2 | Principal Loan Repayments | 2 | 2 |
| - | Capital Expenditure | - | - |
| 207 | Total Expenditure | 222 | 212 |
| FUNDED BY: | | | |
| 146 | Charges for Services | 123 | 145 |
| 146 | Total Revenue | 123 | 145 |
| 78 | UAGC | 66 | 65 |
| - | Loan funding | - | - |
| 4 | Other Funding | 7 | 3 |
| 228 | Total Funding | 196 | 212 |

CIVIL DEFENCE & EMERGENCY MANAGEMENT

1.1 What We Do

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

1.2 Why We Do It

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

This activity contributes to the community outcomes of:

- Sustainable Environment
- Connected Communities

1.3 Significant Negative Effects

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

1.4 Statement of Service Provision

| Level of Service | Performance Measure | Target | Actual | How Measured |
|--|--|------------------|---|-----------------|
| | | Year2 2022/23 | 2022//23 | |
| To maintain effective emergency capability | Recruit, train and maintain a pool of staff and volunteers capable of responding to an emergency event. Number of people trained to at least Foundational level. | >40 | Achieved – 56 (2021/22 Not Achieved) | Takatu Records |
| To ensure the Stratford District Emergency Operations Centre is fit for purpose. | Annual capability audit undertaken (externally) and quarterly system checks undertaken (internally). | Achieved | Achieved (2021/22 Achieved) | Council Records |

1.5 Projects and Other Programmes

There were no projects associated with the Civil Defence and Emergency Management activity.

1.6 Cost of Services Statement

The detailed financial summaries for Civil Defence and Emergency Management's activities are below:

Civil Defence and Emergency Management

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|-------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| 362 | Operating Expenditure | 316 | 343 |
| - | Revenue | - | - |
| 362 | Net Cost of Service | 316 | 343 |
| EXPENDITURE | | | |
| 178 | Operating Costs | 122 | 167 |
| - | Depreciation | - | 1 |
| 184 | Allocated Overheads | 194 | 175 |
| 362 | Total Operating Expenditure | 316 | 343 |
| FUNDED BY: | | | |
| 326 | UAGC | 344 | 338 |
| 7 | Other Funding | 13 | 5 |
| 333 | Total Funding | 357 | 343 |



Roading



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ROADING

1.1 What We Do

The Roding activity encompasses the management, construction, maintenance and renewal of rural and urban roads, footpaths, kerb and channel, street lighting and associated infrastructure for the District excluding State Highways. The Roding network managed by the Stratford District Council totals 597.8km, made up of 556.1km of rural roads and 42.41km of urban streets. State Highways 3 and 43 are maintained by the New Zealand Transport Agency (NZTA). In addition there are over 700km of unformed legal road and a number of bridges 'beyond the maintenance peg' that are not maintained by Council.

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

| | Rural | Urban | Special Purpose |
|-------------|--------------|--------------|-----------------|
| Sealed km | 350.4 | 42.4 | 14.00 |
| Unsealed km | <u>205.7</u> | <u>0.01</u> | <u>0.20</u> |
| | 556.1 | 42.41 | 14.20 |

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

1.2 Why We Do It

Council is the road controlling authority under the Local Government Act 1974 and 2002 with responsibility for all local roads in the area. It provides an integrated, safe, responsive and sustainable local land transport system for the District. This is a fundamental requirement for every District.

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

This activity contributes to the community Outcomes of:

- Connected communities
- Enabling economy

1.3 Significant Negative Effects

Negative Effects

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

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

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

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

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

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

1.4 Statement of Service Provision

| Level of Service | Performance Measure | Target | Actual 2022/23 | How Measured |
|---|---|--|---|---|
| | | Year 2022/23 | | |
| To provide a safe roading network. | Road safety - The reduction from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number. | A reduction of at least 1 | Achieved – minus 3 there were three crashes during the year (2021/22 Not Achieved increase of 5) | Police CAS Database |
| To provide a well maintained roading network. | Road Condition – The average quality of ride on sealed road network, measured by smooth travel exposure. | Urban – ≥83% | Not Achieved – Urban – 54% (2021/22 Not Achieved – 63%) | RAMM Rating Report |
| | | Rural – ≥91% | Achieved – Rural – 92% (2021/22 Achieved -94%) | |
| | <i>Due to lack of available funding to undertake repairs, expenditure has had to be reallocated to fixing rural seal roads damaged by forestry.</i> | | | |
| | Road maintenance – The percentage of the sealed road network that is resurfaced. | ≥5% | Not Achieved – 4% (2021/22 Achieved 6.1%) | RAMM Rating Report |
| <i>This is due to pressures on other budgets to repair roads damaged by Forestry activity.</i> | | | | |
| To provide a well maintained roading network. | Road maintenance – The percentage of the unsealed road network that has been metal dressed. | ≥7% | Not Achieved – 4.35% (2021/22 Achieved – 11.5%) | RAMM Report |
| | <i>As above, due to pressures on other areas of the roading network and limited budget.</i> | | | |
| | Footpaths - The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (annual plan, activity management plan, asset management plan, annual works programme or long term plan) | >72.5% | Achieved – 89% (2021/22 Achieved – 89%) | RAMM Report |
| To provide a well maintained roading network. | Response to service requests - The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan (note: this information is actually held in the asset management plan not the long term plan). | >88% | Achieved – 90% (2021/22 Achieved – 100%) | RAMM Report. Spreadsheet until connectivity is established between RAMM and Customer Service Requests |
| | Annual Residents Survey | | | |
| | Percentage of residents who are satisfied with: | | | |
| | • Rooding Networks | >80% | Not Achieved – 30% (2021/22 Not Achieved – 39%) | |
| <i>The issues appear to be with potholes and the length of repair work, and quality of the repairs.</i> | | | | |
| • Footpaths | >80% | Not Achieved – 57% (2021/22 Not Achieved – 61%) | | |
| <i>The key issue noted was the lack of footpaths in some areas resulting in safety issues, and also uneven surfaces creating trip hazards and rough bumpy surfaces for cyclists and mobility vehicles on footpaths.</i> | | | | |

1.5 Projects and Other Programmes

| Project | Category | Budget 2022/23 | Actual 2022/23 | Notes |
|--|------------------|-----------------------|-----------------------|---|
| <i>Unsealed Road Metalling</i> | Replacements | \$780,000 | \$706,035 | Complete |
| <i>Sealed Road Resurfacing</i> | Replacements | \$890,000 | \$648,510 | Complete |
| <i>Drainage Renewals</i> | Replacements | \$700,000 | 1,054,234 | Complete |
| <i>Pavement Rehabilitation</i> | Replacements | \$750,000 | \$1,167,025 | Complete |
| <i>Structure Component Replacement</i> | Replacements | \$941,500 | \$370,332 | Complete |
| <i>Traffic Services</i> | Replacements | \$72,275 | \$56,380 | Complete |
| <i>Footpath Renewals</i> | Replacements | \$170,000 | \$224,370 | Complete |
| <i>Low cost/low risk safety improvements</i> | Replacements | \$855,000 | \$629,528 | Complete |
| <i>Sealed Road Resurfacing – Special Purpose Roads</i> | Replacements | \$60,000 | \$165,053 | Complete |
| <i>Special Purpose – Traffic Services Renewals</i> | Replacements | \$0 | \$11,234 | Complete |
| <i>Special Purpose – Low cost low risk safety</i> | Level of Service | \$20,000 | \$0 | A footpath leading to Dawson Falls will be constructed in 2023/24, once reviewed by the Department of Conservation. |
| <i>Road to Zero</i> | Level of Service | \$0 | \$904,015 | This was carried forward from the previous year. |
| <i>Walking and Cycling Strategy</i> | Level of Service | \$140,000 | \$323,703 | This was for footpath and safety improvements. |
| <i>Brecon Road Extension</i> | Level of Service | \$257,700 | \$0 | Not required in 2022/23 |

1.6 Cost of Services Statement

The detailed financial summary for Roading activities is below:

Roading

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|---|----------------------------|----------------------------|
| 6,640 | Operating Expenditure | 7,474 | 6,370 |
| 4,687 | Revenue | 6,406 | 5,322 |
| 1,953 | Net Cost of Service | 1,068 | 1,049 |
| EXPENDITURE | | | |
| 3,557 | Operating Costs | 4,383 | 3,269 |
| - | Interest | 5 | 7 |
| 2,910 | Depreciation | 2,890 | 2,913 |
| 173 | Allocated Overheads | 196 | 180 |
| 6,640 | Total Operating Expenditure | 7,474 | 6,370 |
| - | Principal Loan Repayments | 6 | 13 |
| 4,720 | Capital Expenditure | 6,260 | 5,655 |
| 11,360 | Total Expenditure | 13,741 | 12,038 |
| FUNDED BY: | | | |
| 165 | Charges for Services | 214 | 251 |
| 4,522 | Waka Kotahi (NZTA) Financial Assistance | 6,193 | 5,071 |
| 4,687 | Total Revenue | 6,406 | 5,322 |
| 3,231 | Targeted Rates | 3,117 | 3,095 |
| 1,614 | Depreciation funded from Reserves | 1,614 | 1,616 |
| 1,976 | Transfers from Reserves - Capital | 1,976 | 2,031 |
| (157) | Transfer from (to) reserves | 290 | (429) |
| - | Loan Funding - Capital | 324 | 398 |
| 7 | Other Funding | 14 | 5 |
| 11,358 | Total Funding | 13,741 | 12,038 |

Business Unit

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|------------------------------------|----------------------------|----------------------------|
| 319 | Operating Expenditure | 294 | 380 |
| 392 | Revenue | 403 | 400 |
| (73) | Net Cost of Service | (109) | (20) |
| EXPENDITURE | | | |
| 119 | Operating Costs | 69 | 168 |
| 4 | Depreciation | 3 | 5 |
| 196 | Allocated Overheads | 223 | 207 |
| 319 | Total Operating Expenditure | 294 | 380 |
| FUNDED BY: | | | |
| 390 | In-house Services - NZTA Assisted | 400 | 400 |
| 2 | Charges for Services | 3 | - |
| 392 | Total Revenue | 403 | 400 |
| (10) | General Rates | (25) | (25) |
| 8 | Other Funding | 16 | 6 |
| 390 | Total Funding | 394 | 380 |



Stormwater



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Stormwater

1.1 What We Do

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

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

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

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

1.2 Why We Do It

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

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

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

This activity contributes to the community outcomes of:

- Sustainable Environment
- Enabling Economy

1.3 Significant Negative Effects

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

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

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

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

1.4 Statement of Service Provision

| Level of Service | Performance Measure | Target | Actual | How Measured |
|---|--|------------------|--|--|
| | | Year2 2022/23 | 2022/23 | |
| Stormwater system protects property from impacts of flooding. | System adequacy The number of flooding events that occur in a territorial authority district. "Flooding" in this context means stormwater entering a habitable floor | 0 | Achieved – 0 – No flooding events meeting the criteria (2021/22 Achieved - 0) | Reporting against corporate CRM system. Note: specific category to be set up for flooding – to separate between residential & commercial buildings and include count of habitable floors flooded (residential only). |
| | For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.) | 0 | Achieved – 0 – No flooding events meeting the criteria (2021/22 Achieved – 100% - 0) | |
| | For each flooding event, the number of buildings in the central business zone affected by flooding. | 0 | Achieved – 0 – No flooding events meeting the criteria (2021/22 Achieved - 0) | |
| Discharge Compliance | Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: <ul style="list-style-type: none"> Abatement notices Infringement notices Enforcement orders, and Convictions received by the territorial authority in relation to those resource consents. | N/A | Not Applicable (2021/22 Not Applicable) | Council does not hold discharge consents for its stormwater system. |
| Response Times | The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site. | 1 hour | Achieved – 0 – No flooding events meeting the criteria (2021/22 Achieved - 0) | Work order tracking/reporting through Council's Infrastructure asset management system. |
| Customer Satisfaction | The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system. | <8 | Achieved - 0 (2021/22 Achieved – 0) | Reporting against corporate CRM system. |

1.5 Projects and Other Programmes

| Project | Category | Budget 2022/23 | Actual 2022/23 | Notes |
|-----------------------------------|------------------|-------------------|-------------------|--|
| <i>Pipework Capacity Increase</i> | Level of Service | \$139,700 | \$33,050 | Modelling of the network is currently occurring which will identify capacity restraints. |
| <i>Safety Improvements</i> | Level of Service | \$121,400 | \$14,793 | Rock armouring of a culvert on Pembroke Road has been deferred due to rising costs and TRC requirements. |
| <i>Modelling</i> | Level of Service | \$31,000 | \$24,637 | Modelling of the network is currently occurring which will identify capacity restraints. |
| <i>Reticulation Renewals</i> | Replacements | \$55,000 | \$0 | Modelling of the network is currently occurring which will identify capacity restraints. |

1.6 Cost of Services Statement

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

Stormwater

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|-------------------------------------|----------------------------|----------------------------|
| 446 | Operating Expenditure | 460 | 437 |
| - | Revenue | - | - |
| 446 | Net Cost of Service | 460 | 437 |
| | EXPENDITURE | | |
| 68 | Operating Costs | 50 | 56 |
| 15 | Interest | 21 | 23 |
| 232 | Depreciation | 232 | 232 |
| 131 | Allocated Overheads | 157 | 126 |
| 446 | Total Operating Expenditure | 460 | 437 |
| 28 | Principal Loan Repayments | 29 | 41 |
| 69 | Capital Expenditure | 72 | 347 |
| 543 | Total Expenditure | 562 | 825 |
| | FUNDED BY: | | |
| 357 | UAGC | 430 | 422 |
| 33 | Transfer from Depreciation Reserves | 29 | 96 |
| - | Depreciation funded from Reserves | 23 | 12 |
| 64 | Loan Funding - Capital | 72 | 292 |
| 5 | Other Funding | 10 | 4 |
| 459 | Total Funding | 565 | 825 |



Wastewater



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Wastewater (Sewerage)

1.1 What We Do

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

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

1.2 Why We Do It

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

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

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

This activity contributes to the community outcomes of:

- Sustainable Environment
- Enabling Economy

1.3 Significant Negative Effects

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

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

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

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

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

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

1.4 Statement of Service Provision

| Level of Service | Performance Measure | Target | Actual 2022/23 | How Measured |
|--|--|--|--|---|
| | | Year 2 2022/23 | | |
| Wastewater is managed without risk to public health. | System and adequacy - The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system. | <5 | Achieved – 1.11 (2021/22 Achieved – 0.37) | Reporting against corporate CRM system. |
| | Discharge compliance - Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of <ul style="list-style-type: none"> Abatement notices Infringement notices Enforcement orders; and Convictions, Received by the territorial authority in relation to those resource consents. | 0 | Achieved – 0 (2021/22 Achieved – 0) | Consent & compliance documentation. |
| Fault response times | Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: | | | Work order tracking/reporting through Council's Infrastructure asset management system. |
| | Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site; and | 1 hour | Not Achieved – 6 hours 17 minutes (2021/22 Not Achieved – 2 hours 21 minutes) | |
| | Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault. | 8 hours | Not Achieved – 8 hours 7 minutes (2021/22 Achieved – 5 hours 31 minutes) | |
| | | <i>Attendance time measures were not achieved because of two storms which occurred during the financial year. The reported times are cumulative throughout the year, so as there were so many complaints during those storms the response times to each complaint wasn't achieved, as there were only three people attending all complaints during the events.</i> | | |
| | | <i>As above and contractor delays and shortage of resource.</i> | | |
| Customer satisfaction | The total number of complaints received by the territorial authority about any of the following: <ul style="list-style-type: none"> Sewage odour Sewerage system faults Sewerage system blockages, and The territorial authority's response to issues with its sewerage system, Expressed per 1000 connections to the territorial authority's sewerage system. | <5 | Not Achieved – 12.59 (2021/22 Not Achieved – 7.4) | Reporting against corporate CRM system. |
| | | <i>This measure was not met as a result of civil property matters.</i> | | |
| Trade Waste complaints response times | Attendance time: from the time that Council receives notification to the time that a Trade Waste Officer arrives on site. | <2 working days | Achieved – 100% (2021/22 Achieved) | Work order tracking/reporting through Assetfinda Authority |
| Trade Waste consent processing | Percentage of trade waste consent applications processed within 15 working days. | 100% | Achieved – 100% 2 out of 2 applications (2021/22 Not Achieved – 50% 1 out of 2 applications) | |

1.5 Projects and Other Programmes

| Project | Category | Budget 2022/23 | Actual 2022/23 | Notes |
|--------------------------------|------------------|----------------|----------------|---|
| Pipework Increase | Capacity | \$155,200 | \$22,358 | The wastewater model which is currently being built will identify capacity constraints. |
| Step/aerate treatment renewals | Replacements | \$31,000 | \$50,227 | Complete |
| Infiltration renewals | Level of Service | \$155,200 | \$175,549 | Complete |
| Treatment Plant Upgrade | Level of Service | \$0 | \$69,486 | Complete |
| Modelling | Level of Service | \$51,700 | \$42,105 | The wastewater model which is currently being built will identify capacity constraints. |
| Infiltration Renewals | Replacements | \$189,400 | \$187,491 | Complete |
| Bulk Discharge | Replacements | \$31,000 | \$12,738 | One dump station has been rebuilt. |

1.6 Cost of Services Statement

The detailed financial summary for Wastewater activity is shown below.

Wastewater (Sewerage)

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------|--|----------------------|----------------------|
| 1,001 | Operating Expenditure | 1,066 | 1,097 |
| 57 | Revenue | 38 | 75 |
| 944 | Net Cost of Service | 1,028 | 1,022 |
| | EXPENDITURE | | |
| 312 | Operating Costs | 322 | 415 |
| 26 | Interest | 41 | 45 |
| 410 | Depreciation | 403 | 393 |
| 253 | Allocated Overheads | 300 | 245 |
| 1,001 | Total Operating Expenditure | 1,066 | 1,097 |
| 48 | Principal Loan Repayments | 56 | 81 |
| 235 | Capital Expenditure | 560 | 614 |
| 1,285 | Total Expenditure | 1,683 | 1,792 |
| | FUNDED BY: | | |
| 57 | Charges for Services | 38 | 75 |
| 57 | Total Revenue | 38 | 75 |
| 979 | Targeted Rates | 904 | 896 |
| (44) | Transfer from (to) Reserves | 114 | 100 |
| 88 | Transfer (to) from Depreciation Reserves | 276 | 332 |
| | Depreciation funded from Reserves | 20 | 20 |
| 195 | Loan Funding - Capital | 310 | 362 |
| 10 | Other Funding | 20 | 7 |
| 1,285 | Total Funding | 1,683 | 1,792 |



Solid Waste



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Solid Waste (Rubbish and Recycling)

1.1 What We Do

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

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

1.2 Why We Do It

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

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

This activity contributes to the community outcomes of:

- Sustainable Environment
- Enabling Economy
-

1.3 Significant Negative Effects

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

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

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

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

1.4 Statement of Service Provision

| Level of Service | Performance Measure | Target | Actual 2022/23 | How Measured |
|--|--|-------------------|---|---|
| | | Year 2 2022/23 | | |
| The levels of waste generated are reducing. | Waste to landfill per household (municipal kerbside collection only) | <600KG | Achieved – 472kg (2021/22 Achieved 493kg) | Landfill invoices & transactions. |
| | Percentage (by weight) of council controlled waste stream that is recycled (municipal kerbside collection only). | >20% | Achieved – 23.3% (2021/22 Achieved 21.5%) | Recycling facility invoices & transactions. |
| The waste collection service meets the needs of the community. | Percentage of customers satisfied with the service provided. | >80% | Achieved – 83% (2021/22 Achieved 83%) | Annual Residents Survey |

1.5 Projects and Other Programmes

| <i>Project</i> | <i>Category</i> | <i>Budget 2022/23</i> | <i>Actual 2022/23</i> | <i>Notes</i> |
|---|-----------------|---------------------------|---------------------------|--------------|
| <i>Transfer Station Building Renewals</i> | Replacements | \$10,300 | \$9,621 | Complete |

1.6 Cost of Services Statement

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

Solid Waste

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|-------------------------------------|--|-------------------------------------|-------------------------------------|
| 988 | Operating Expenditure | 985 | 1,050 |
| 153 | Revenue | 213 | 118 |
| 835 | Net Cost of Service | 772 | 933 |
| | EXPENDITURE | | |
| 789 | Operating Costs | 761 | 852 |
| 20 | Interest | 25 | 19 |
| 29 | Depreciation | 28 | 30 |
| 150 | Allocated Overheads | 171 | 148 |
| 988 | Total Operating Expenditure | 985 | 1,050 |
| 2 | Landfill Aftercare Costs | 1 | 7 |
| 36 | Principal Loan Repayments | 35 | 35 |
| 7 | Capital Expenditure | 10 | 10 |
| 1,033 | Total Expenditure | 1,031 | 1,102 |
| | FUNDED BY: | | |
| 153 | Charges for Services | 213 | 118 |
| 153 | Total Revenue | 213 | 118 |
| 767 | Targeted Rates | 903 | 896 |
| 19 | UAGC | 25 | 24 |
| 36 | Transfer (to) from Depreciation Reserves | 45 | - |
| 51 | Transfers from (to) Reserves | (167) | 60 |
| 6 | Other Funding | 12 | 4 |
| 1,032 | Total Funding | 1,031 | 1,102 |



Water Supply



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Water Supply

1.1 What We Do

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

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

1.2 Why We Do It

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

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

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

This activity contributes to the community outcomes of:

- Sustainable Environment
- Enabling Economy

1.3 Significant Negative Effects

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

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

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

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

1.4 Statement of Service Provision

| Level of Service | Performance Measure | Target | Actual 2022/23 | How Measured |
|--------------------------------------|---|------------------|---|--|
| | | Year2 2022/23 | | |
| Water is safe to drink. | The extent to which the local authority's drinking water supply complies with: Part 4 of the drinking water standards (bacterial compliance criteria), and | 100% | Stratford – Achieved – 100% Midhurst – Achieved – 100% Toko – Achieved – 100% (2021/22 Stratford – Achieved 100% Midhurst – Achieved 100% Toko – Achieved 100%) | Plant & reticulation performance records in water outlook. Includes water quality sampling programme records as well as any plant non-performances. |
| | Part 5 of the drinking water standards (protozoal compliance criteria). | 100% | Achieved – 100% Midhurst – Achieved – 100% Toko – Achieved – 100% (2021/22 Stratford – Achieved 100% Midhurst – Achieved 100% Toko – Achieved 100%) | Plant & reticulation performance records in water outlook. Includes water quality sampling programme records as well as any plant non-performances. |
| | Maintenance of the reticulation network - The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this). | <25% | Achieved Stratford –15.3% Midhurst –17.0% Toko – 8.2% (2021/22 Stratford – Achieved 10.8% Midhurst – Achieved 13.9% Toko – Not Achieved 27.0%) | Calculated annually as per NZWWA Water Loss Guidelines. |
| A reliable water supply is provided. | Fault Response Times – Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured: | | | |
| | Attendance for urgent call-outs: from the time that council receives notification to the time that service personnel reach the site. | 1 hour | Not Achieved – 2 hours 17 minutes (2021/22 Not Achieved 1 hour 4 minutes) | Work order tracking/reporting through Council's Infrastructure asset management system. |
| | Resolution of urgent call-outs: from the time that council receives notification to the time the service personnel confirm resolution of the fault or interruption. | 8 hours | Not Achieved – 14 hours 17 minutes (2021/22 Achieved 3 hours 12 minutes) | Work order tracking/reporting through Council's Infrastructure asset management system. |
| | | | <i>Contractor delays and shortage of resources.</i> | |
| A reliable water supply is provided. | Attendance for non-urgent call-outs: from the time that council receives notification to the time that service personnel confirm resolution of the fault or interruption | 2 working days | Achieved – 1 day, 23 hours 52 minutes (2021/22 Achieved 27 hours 33 minutes) | Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System |

| Level of Service | Performance Measure | Target | Actual 2020/23 | How Measured |
|---------------------------------------|---|------------------|--|--|
| | | Year2 2022/23 | | |
| A reliable water supply is provided. | Resolution of non-urgent call-outs: from the time that council receives notification to the time the service personnel confirm resolution of the fault or interruption | 5 working days | Achieved – 3 days 2 hours 10 minutes (2021/22 Achieved 46 hours 40 minutes) | Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System |
| | Number of unplanned disruptions: | | | |
| | Minor (between 5 and 50 connections affected) * | <6 | Not Achieved – 7 (2021/22 Achieved – 3) | Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System |
| | Major (more than 50 connections affected) * | <3 | Achieved - 0 (2021/22 Achieved – 0) | Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System |
| | <i>Main line pipe breaks occurred on Craig St (x3), Regan St, and Fenton St. Smaller breaks on rider mains also occurred.</i> | | | |
| Water has a pleasant taste and odour. | Customer Satisfaction - Total number of complaints received for: <ul style="list-style-type: none"> • Drinking water clarity • Drinking water taste • Drinking water odour • Drinking water pressure or flow • Continuity of supply • Council's response to any of these issues expressed per 1000 connections to council's networked reticulation system. | <32 | Achieved: - 2.5 (2021/22 Achieved – 7.6) | Reporting against corporate CRM system. |
| | <i>Note: This is understood to be limited to supplied properties within the water supply zones.</i> | | | |
| Water has a pleasant taste and odour. | Demand management - The average consumption of drinking water per day per resident within the district (in litres). | <275 | Achieved: Stratford – 187.24 Achieved: Midhurst – 143.69 Achieved: Toko – 147.69 (2021/22 Not Achieved – Stratford 346 litres Midhurst 371 litres Toko 265 litres) | Calculated from production records ex SCADA/Water Outlook, deducting commercial users as per water meter records as well as any other non-residential use and losses (as per bench loss), divided by number of residential connections and average number of residents per property. |

| Level of Service | Performance Measure | Target | Actual 202/23 | How Measured |
|--|---|------------------|---|---|
| | | Year2 2022/23 | | |
| Water flow and pressure is appropriate for its intended use. | Water pressure at 50 properties within the water supply zone, including any that have complained about pressure and or flow meets council specifications (flow>10l/min & pressure>350kpa) | 100% | Achieved – 50 properties tested for water pressure and flow - all passed – 100% <i>(2021/22 Achieved – 100%)</i> | Pressure and flow to be measured at a minimum of 50 properties per annum. Test results recorded by handheld device directly into asset management system against property's point of supply. Where test at tap inside property fails, test will be repeated at point of supply (toby/meter box) to isolate problems with private pipework from public network. Customer is advised if problem with internal plumbing. |
| Water supply meets firefighting requirements. | Fire hydrants meet NZFS Code of Practice conditions regarding supply. | 100% | Achieved – 30 hydrants were tested and all 30 passed the test – 100%. <i>(2021/22 Achieved – 38 hydrants were tested and all 38 passed the test – 100%)</i> | Flow & pressure testing carried out by council contractor and or NZ Fire Service to NZ Fire Fighting Code of Practice standards. |

1.5 Projects and Other Programmes

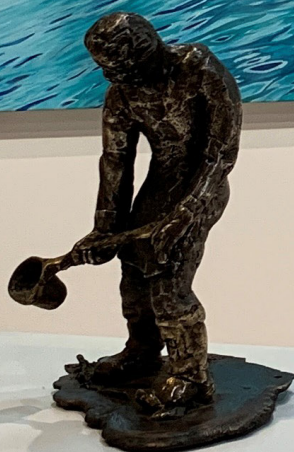
| Project | Category | Budget 2022/23 | Actual 2022/23 | Notes |
|---|------------------|----------------|----------------|--|
| <i>Water Meter Upgrade – change existing to electronic meters</i> | Level of Service | \$361,400 | \$47,613 | Some meters have been procured, and installed. |
| <i>Electronic water reading software</i> | Level of Service | \$0 | \$20,415 | Complete |
| <i>Second Trunkmain</i> | Level of Service | \$1,511,100 | \$673,612 | Complete |
| <i>Raw water delivery line</i> | Level of Service | \$2,000,000 | \$29,465 | Final design works ongoing with consultants |
| <i>Raw water analyser</i> | Level of Service | \$95,000 | \$66,770 | Equipment purchased but not yet installed |
| <i>Generator for Water Treatment Plant</i> | Level of Service | \$105,000 | \$95,181 | Generator purchased, shed construction commenced |
| <i>Streetwork rider mains</i> | Level of Service | \$301,700 | \$301,700 | Complete |
| <i>Laterals</i> | Replacements | \$31,600 | \$0 | Not required this year. |
| <i>Stratford Street Work Rider Mains</i> | Replacements | \$263,900 | \$355,388 | Complete |
| <i>Infrastructure General – Stratford</i> | Replacements | \$25,800 | \$0 | Not required this year |
| <i>Infrastructure General – Midhirst</i> | Replacements | \$3,100 | \$0 | Not required this year. |
| <i>Pipe Bridge Renewal</i> | Replacements | \$103,500 | \$0 | Not required this year. |
| <i>Infrastructure General – Toko</i> | Replacements | \$1,600 | \$0 | Not required this year. |
| <i>Stratford reservoir</i> | Replacements | \$30,000 | \$6,867 | Unable to get contractor to assess reservoir contamination levels this year. |
| <i>Midhirst Reservoir</i> | Replacements | \$15,000 | \$3,162 | Unable to get contractor to assess reservoir contamination levels this year. |
| <i>Toko Reservoir</i> | Replacements | \$5,000 | \$0 | Not required this year. |
| <i>Membranes</i> | Replacements | \$150,000 | \$3,956 | Membrane procurement ongoing due to unavailability of products. |
| <i>Meter Replacements</i> | Replacements | \$51,700 | \$0 | Contract currently being written to upgrade tobies in Stratford. |
| <i>Midhirst Resource Consent</i> | Replacements | \$103,500 | \$0 | Iwi are reviewing the assessment reports to determine the need for a cultural impact assessment. |
| <i>Hydrants</i> | Replacements | \$15,300 | \$21,939 | Complete. |
| <i>Toko Bore</i> | Replacements | \$134,500 | \$0 | Not required this year. |
| <i>Reservoir overflow to pond</i> | Replacements | \$77,600 | \$3,558 | Currently creating the scope of the works and design |

1.6 Cost of Services Statement

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

Water Supply

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|-------------------------------------|----------------------------|----------------------------|
| 2,159 | Operating Expenditure | 2,218 | 2,160 |
| 420 | Revenue | 489 | 485 |
| 1,739 | Net Cost of Service | 1,729 | 1,675 |
| | EXPENDITURE | | |
| 754 | Operating Costs | 643 | 734 |
| 184 | Interest | 268 | 212 |
| 721 | Depreciation | 720 | 725 |
| 500 | Allocated Overheads | 587 | 490 |
| 2,159 | Total Operating Expenditure | 2,218 | 2,160 |
| 363 | Principal Loan Repayments | 399 | 414 |
| 3,952 | Capital Expenditure | 1,651 | 5,386 |
| 6,474 | Total Expenditure | 4,268 | 7,961 |
| | FUNDED BY: | | |
| 420 | Charges for Water Usage | 489 | 485 |
| 420 | Total Revenue | 489 | 485 |
| 1,488 | Targeted Rates | 1,640 | 1,624 |
| 782 | Transfer from Depreciation Reserves | 36 | 36 |
| 2,151 | Grants - Capital | 240 | 1,025 |
| 231 | Transfers (to) from Reserves | 846 | 1,323 |
| 1,383 | Loan Funding - Capital | 978 | 3,453 |
| 20 | Other Funding | 39 | 14 |
| 6,474 | Total Funding | 4,268 | 7,961 |



Council Controlled Organisations



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Annual Report 2022-23

PERCY THOMSON TRUST

1.1 Background

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

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

1.2 Nature and Scope of Activities

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

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

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

Council provides administration services to the Trust.

1.3 Why We Do It

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

1.4 Performance Measures

| Level of Service | Performance Measure | Target | Actual 2022/23 | How Measured |
|--|--|--|--|--|
| | | Year2 2022/23 | | |
| Delivery of art exhibitions | Deliver proposed art exhibitions which will include at least 1 local, 1 regional and 1 National. | Deliver proposed art exhibitions which will include local, regional and at least 1 National. | <p>Achieved <i>Art exhibitions that were delivered throughout the year included the following:</i> National – <ol style="list-style-type: none"> 1. The Adam Portraiture Award 2. <i>Don't Judge a Book by its Cover</i> Regional – <ol style="list-style-type: none"> 1. Freed Up in Lockdown 2. Professional Weavers 3. <i>Kahui Mareikura - Indigenous Sisters</i> Local – <ol style="list-style-type: none"> 1. Emergence - Award for Young Taranaki Artists 2. Taranaki Arts Trail 3. Stratford Art Society 4. <i>Creative Fibre</i> <i>(2021/22 Achieved)</i> </p> | Art Gallery Records |
| | Number of visitors to the Gallery to be not less than 20,000 per year | >20,000 | <p>Not Achieved – 18,684 <i>(2021/22 Not Achieved – 14,646)</i></p> | Door Count |
| Development and maintenance of arboretum | Develop and maintain the arboretum to the standards in the Facilities Management Contract. | Develop and maintain the arboretum to the standards in the Facilities Management Contract. | <p>Achieved Note: The arboretum has been maintained by Stratford District Council on behalf of the Trust, and meets the standards as set out in the Facilities Management Contract between Stratford District Council and its contractors. The planting programme was also maintained, and continued on in conjunction with the plantings/replacement of native trees. <i>(2021/22 Achieved)</i> </p> | Council Records |
| Delivery of Herbarium | Develop and maintain the relationship with the New Zealand Plant Conservation Network | Develop and maintain the relationship with the New Zealand Plant Conservation Network | <p>Not Achieved Note: The Trust are in the process of becoming a member of the New Zealand Plant Conservation Network, and this will be completed in 2023/24. <i>(2021/22 Not Achieved)</i> </p> | Through annual subscription to the network |

1.5 Cost of Services Statement

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

Percy Thomson Trust

| Actual 2021/22 \$000 | | Actual 2022/23 \$000 | Budget 2022/23 \$000 |
|----------------------------|--|----------------------------|----------------------------|
| 288 | Operating Expenditure | 334 | 310 |
| 73 | Revenue | 120 | 139 |
| 215 | Net Cost of Service | 214 | 171 |
| | - EXPENDITURE | | |
| 208 | Operating Costs | 253 | 228 |
| 80 | Depreciation | 81 | 82 |
| 288 | Total Operating Expenditure | 334 | 310 |
| | - FUNDED BY: | | |
| 73 | User Charges | 120 | 139 |
| 73 | Total Revenue | 120 | 139 |
| 50 | Council Grant | 50 | 50 |
| 40 | Investment Interest | 44 | 40 |
| 49 | Gain on revaluation of property, plant and equipment, and sale of financial assets | 702 | - |
| 76 | Transfer from (to) Accumulated Surplus | (582) | 81 |
| 288 | Total Funding | 334 | 310 |



Financial Statements



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Annual Report 2022-23

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2023

| | Note | Council | | | Group | |
|---|----------|---------------|---------------|---------------|---------------|---------------|
| | | Actual | Budget | Actual | Actual | Actual |
| | | 2022/23 | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | | \$000 | \$000 | \$000 | \$000 | \$000 |
| Revenue | | | | | | |
| Rates Revenue | 4 | 15,040 | 14,845 | 14,192 | 15,040 | 14,192 |
| Subsidies and Grants | 5 | 8,829 | 8,521 | 11,618 | 8,874 | 11,631 |
| Development and Financial Contributions | | 97 | - | 300 | 97 | 300 |
| Fees and Charges | | 2,628 | 2,820 | 2,399 | 2,653 | 2,439 |
| Interest Revenue | 9 | 419 | 232 | 222 | 463 | 262 |
| Gains on property, plant and equipment | 6 | 2 | - | 4 | 2 | 4 |
| Other Gains | | - | - | - | 29 | 49 |
| Sundry Revenue | 5 | 126 | 53 | 194 | 126 | 194 |
| Total Revenue | 5 | 27,141 | 26,470 | 28,929 | 27,284 | 29,071 |
| Expenses | | | | | | |
| Personnel Costs | 7 | 5,562 | 4,780 | 4,854 | 5,683 | 4,971 |
| Depreciation and Amortisation | 15 & 16 | 5,859 | 5,608 | 5,511 | 5,940 | 5,591 |
| Other expenses | 8 | 11,598 | 10,307 | 10,235 | 11,660 | 10,255 |
| Finance Costs | 9 | 951 | 735 | 552 | 951 | 552 |
| Total Expenses | | 23,970 | 21,431 | 21,152 | 24,233 | 21,369 |
| SURPLUS/(DEFICIT) BEFORE TAX | | 3,171 | 5,039 | 7,777 | 3,051 | 7,702 |
| Income Tax Expense | 10 | - | - | - | - | - |
| SURPLUS/(DEFICIT) AFTER TAX | | 3,171 | 5,039 | 7,777 | 3,051 | 7,702 |
| Other Comprehensive Revenue and Expense | | | | | | |
| <i>Items that will not be reclassified to surplus / (deficit)</i> | | | | | | |
| Fair value movement of listed and unlisted shares | 21 | 53 | - | (135) | 53 | (135) |
| Property, Plant and Equipment Revaluations | 21 | 7,242 | 1,341 | 54,587 | 7,944 | 54,587 |
| Total Other Comprehensive Revenue and Expense | | 7,295 | 1,341 | 54,452 | 7,997 | 54,452 |
| Total Comprehensive Revenue and Expense | | 10,466 | 6,380 | 62,229 | 11,047 | 62,154 |
| Total Comprehensive Revenue and Expense attributable to: | | | | | | |
| Stratford District Council | | 10,466 | 6,380 | 62,229 | 11,047 | 62,154 |
| | | 10,466 | 6,380 | 62,229 | 11,047 | 62,154 |
| <p><i>The accompanying notes form part of these financial statements.</i></p> <p><i>Explanations of significant variances against budget are provided in note 29.</i></p> | | | | | | |

Statement of Financial Position as at 30 June 2023

| | Note | Council | | | Group | |
|---|------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | Actual 2022/23 \$000 | Budget 2022/23 \$000 | Actual 2021/22 \$000 | Actual 2022/23 \$000 | Actual 2021/22 \$000 |
| Assets | | | | | | |
| Current Assets | | | | | | |
| Cash and Cash Equivalents | 11 | 615 | 2,420 | 3,409 | 692 | 3,684 |
| Short Term Deposits | 11 | 5,000 | 6,000 | 7,000 | 5,350 | 7,250 |
| Receivables | 12 | 2,594 | 1,699 | 1,687 | 2,618 | 1,691 |
| Inventories | 13 | - | 820 | - | - | - |
| Prepayments | | 172 | - | 64 | 172 | 72 |
| Other Financial Assets | 14 | 82 | - | 40 | 112 | 65 |
| Total Current Assets | | 8,463 | 10,939 | 12,200 | 8,944 | 12,762 |
| Non-Current Assets | | | | | | |
| Receivables | 12 | 15 | - | 37 | 15 | 37 |
| Property, Plant and Equipment | 15 | 462,780 | 409,057 | 448,236 | 465,319 | 450,065 |
| Intangible Assets | 16 | 500 | - | 452 | 500 | 452 |
| Other Financial Assets | 14 | 8,423 | 8,276 | 8,253 | 8,820 | 8,680 |
| Total Non-Current Assets | | 471,718 | 417,333 | 456,978 | 474,654 | 459,234 |
| Total Assets | | 480,181 | 428,272 | 469,178 | 483,598 | 471,996 |
| Liabilities | | | | | | |
| Current Liabilities | | | | | | |
| Payables and deferred revenue | 17 | 4,207 | 4,541 | 5,213 | 4,235 | 5,222 |
| Provisions | 18 | 7 | 7 | 7 | 7 | 7 |
| Employee entitlements | 19 | 322 | 243 | 282 | 329 | 287 |
| Borrowings | 20 | 6,000 | 3,302 | 8,500 | 6,000 | 8,500 |
| Total Current Liabilities | | 10,536 | 8,093 | 14,002 | 10,571 | 14,016 |
| Non-Current Liabilities | | | | | | |
| Provisions | 18 | 7 | 11 | 13 | 7 | 13 |
| Employee entitlements | 19 | - | 52 | - | - | - |
| Borrowings | 20 | 27,700 | 29,719 | 23,700 | 27,700 | 23,700 |
| Total Non-Current Liabilities | | 27,707 | 29,782 | 23,713 | 27,707 | 23,713 |
| Total Liabilities | | 38,243 | 37,875 | 37,715 | 38,278 | 37,729 |
| Equity | | | | | | |
| Accumulated Funds | 21 | 201,080 | 246,568 | 197,109 | 202,553 | 198,703 |
| Reserves | 21 | 240,856 | 143,829 | 234,354 | 242,767 | 235,564 |
| Total Equity Attributable to Stratford District Council | | 441,936 | 390,397 | 431,463 | 445,320 | 434,267 |
| Total Liabilities & Equity | | 480,181 | 428,272 | 469,178 | 483,598 | 471,996 |
| <p><i>The accompanying notes form part of these financial statements.</i></p> <p><i>Explanations of significant variances against budget are provided in note 29.</i></p> | | | | | | |

Statement in Changes of Equity For the Year Ended 30 June 2023

| | Council | | | Group | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | Actual 2022/23 \$000 | Budget 2022/23 \$000 | Actual 2021/22 \$000 | Actual 2022/23 \$000 | Actual 2021/22 \$000 |
| Balance at 1 July | | | | | |
| Accumulated Funds | 197,109 | 197,746 | 189,944 | 198,703 | 191,609 |
| Revaluation of financial assets at fair value through other comprehensive revenue and expense | (536) | - | (401) | (536) | (401) |
| Reserves / Special Funds | 8,524 | 8,370 | 7,911 | 8,524 | 7,911 |
| Asset Revaluation Reserves | 226,366 | 177,779 | 171,779 | 227,573 | 172,986 |
| Total Equity - Opening Balance | 431,463 | 383,895 | 369,233 | 434,267 | 372,105 |
| Changes in Equity | | | | | |
| Accumulated Funds | 3,964 | 4,947 | 7,165 | 3,844 | 7,091 |
| Revaluation of financial assets at fair value through Other Comprehensive Revenue and Expense | 53 | - | (135) | 53 | (135) |
| Reserves / Special Funds | (793) | 214 | 612 | (793) | 612 |
| Revaluation reversal of buildings disposed of during year | - | - | - | - | - |
| Asset Revaluation Reserves | 7,242 | 1,341 | 54,587 | 7,944 | 54,587 |
| Total Comprehensive Revenue and Expense | 10,466 | 6,502 | 62,229 | 11,048 | 62,155 |
| Closing Balance | | | | | |
| Accumulated Funds | 201,080 | 202,693 | 197,109 | 202,553 | 198,703 |
| Revaluation of financial assets at fair value through other comprehensive revenue and expense | (483) | - | (536) | (483) | (536) |
| Reserves / Special Funds | 7,731 | 8,584 | 8,524 | 7,731 | 8,524 |
| Asset Revaluation Reserves | 233,608 | 179,120 | 226,366 | 235,517 | 227,573 |
| Total Equity - Closing Balance | 441,936 | 390,397 | 431,463 | 445,320 | 434,267 |

The accompanying notes form part of these financial statements.

Statement of Cashflows For the Year Ended 30 June 2023

| | Note | Council | | | Group | |
|---|------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | Actual | Budget | Actual | Actual | Actual |
| | | 2022/23 | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | | \$000 | \$000 | \$000 | \$000 | \$000 |
| Cash Flows from Operating Activities | | | | | | |
| Rates Revenue | | 15,053 | 14,844 | 14,050 | 15,053 | 14,050 |
| Interest Received | | 419 | 232 | 222 | 460 | 311 |
| Dividends Received | | 21 | - | 17 | 21 | 17 |
| Development and Financial Contributions | | 97 | - | 300 | 97 | 300 |
| Subsidies, Grants and Donations | | 7,898 | 8,521 | 11,618 | 7,945 | 11,631 |
| Residential section sales and sale of house | | - | - | - | - | - |
| User Charges and Sundry Revenue | | 2,568 | 2,873 | 4,055 | 2,615 | 4,088 |
| Regional Council Rates | | 1,192 | - | 1,090 | 1,192 | 1,090 |
| Payments to Suppliers and Employees | | (18,116) | (15,094) | (14,114) | (18,279) | (14,256) |
| Interest Paid | | (951) | (614) | (552) | (951) | (552) |
| Goods and Services Tax (net) | | 133 | - | 90 | 125 | 90 |
| Regional Council Rates | | (1,192) | - | (1,090) | (1,192) | (1,090) |
| Net Cash from Operating Activities | | 7,122 | 10,762 | 15,686 | 7,086 | 15,679 |
| Cash Flows from Investing Activities | | | | | | |
| Proceeds from Sale of Property, Plant and Equipment | | - | - | - | - | - |
| Proceeds from Sale of Investments | | 7,000 | - | 6,000 | 7,000 | 6,150 |
| Purchase of Property, Plant & Equipment | | (13,417) | (17,415) | (24,396) | (13,503) | (24,396) |
| Acquisition of Investments | | (5,000) | - | (7,137) | (5,075) | (7,137) |
| Net Cash from Investing Activities | | (11,417) | (17,415) | (25,533) | (11,578) | (25,383) |
| Cash Flows from Financing Activities | | | | | | |
| Proceeds from Borrowings | | 10,000 | 6,221 | 10,000 | 10,000 | 10,000 |
| Repayment of Borrowings (Loans) | | (8,500) | - | - | (8,500) | - |
| Net Cash from Financing Activities | | 1,500 | 6,221 | 10,000 | 1,500 | 10,000 |
| Net (Decrease)/Increase in Cash, Cash Equivalents and Bank Overdrafts | | | | | | |
| Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the Year | | 3,409 | 2,852 | 3,256 | 3,684 | 3,388 |
| Cash, Cash Equivalents and Bank Overdrafts at the End of the Year | 11 | 615 | 2,420 | 3,409 | 692 | 3,684 |
| <p>The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.</p> <p><i>The accompanying notes form part of these financial statements.</i></p> | | | | | | |

Notes to Financial Statements

Note 1

Reporting Entity

The financial statements of the Stratford District Council are for the year ended 30 June 2023.

The Stratford District Council (Council) is a territorial local authority governed by the provisions of the Local Government Act 2002 (the Act) and is domiciled in New Zealand.

The primary objective of Council is to provide services or goods for the community for social benefit rather than making a financial return. Accordingly, having regard to the criteria set out in the PBE IPSAS, as a defined public entity under the Public Audit Act 2001, the Council is audited by the Auditor-General and is classed as a Public Sector Benefit Entity (PBE) for financial reporting purposes. Council has designated itself as a Tier 2 entity.

The operations of Council have been divided into the following activities:

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

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

The financial statements of the Council and Group are for the year ended 30 June 2023 and were authorised for issue by Council on 10 October 2023.

Measurement Base

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets.

Note 2 Statement of Accounting Policies for the year ending 30 June 2023

The following accounting policies which materially affect the measurement of results and financial position have been applied consistently to the year ended 30 June 2023 unless otherwise stated.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Basis of preparation of the financial statements

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

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

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

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

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

Basis of Consolidation

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

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

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

Presentation Currency and Rounding

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

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

The budget figures are those approved by the council in its 2022/23 Annual Plan. The budget figures have been prepared in accordance with GAAP, using accounting policies that are consistent with those adopted by the council in preparing these financial statements.

Critical Accounting Estimates and Assumptions

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

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

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

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

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

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

Critical Judgements in Applying Accounting Policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2023:

Classification of property:

The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than as investment property.

Changes in Accounting Policies

There were no changes in the accounting policies.

Note 3 Summary of Cost of Services

Accounting Policy

The Cost of Service Statements report the net cost of services for significant activities of Council, and are represented by the costs of providing the service less all revenue that can be allocated to these activities.

Cost Allocation

The Cost of Service Statements reflect the full cost of significant activities, by including direct costs, internal transfers, depreciation and indirect costs (overheads) allocated on the 'step' method, based on hours of service supplied to each activity.

'Direct Costs' are those costs directly attributable to a significant activity.

'Indirect Costs' are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

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

| | Revenue | | Expenditure | | Net Actual | Net Budget | Actual |
|---|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| | Actual \$000 | Budget \$000 | Actual \$000 | Budget \$000 | 2022/23 \$000 | 2022/23 \$000 | 2021/22 \$000 |
| FUNCTION | | | | | | | |
| Recreation and Facilities | | | | | | | |
| Aerodrome | 25 | 27 | 121 | 101 | 96 | 74 | 82 |
| Civic Amenities | 65 | 52 | 1,033 | 1,017 | 968 | 965 | 924 |
| Pensioner Housing | 66 | 79 | 161 | 143 | 95 | 63 | 43 |
| Library | 15 | 14 | 768 | 691 | 753 | 677 | 740 |
| Parks and Reserves | 8 | 9 | 929 | 757 | 921 | 748 | 812 |
| Cemeteries | 138 | 104 | 211 | 187 | 74 | 83 | 59 |
| TSB Pool Complex | 355 | 241 | 2,558 | 1,487 | 2,204 | 1,246 | 1,119 |
| Sub-Total | 672 | 526 | 5,781 | 4,383 | 5,110 | 3,856 | 3,779 |
| Democracy | | | | | | | |
| Democracy | 37 | - | 1,334 | 1,243 | 1,297 | 1,243 | 1,233 |
| Corporate Support | 131 | 85 | 3 | - | (128) | (85) | (102) |
| Sub-Total | 168 | 85 | 1,337 | 1,243 | 1,169 | 1,158 | 1,131 |
| Community Development | | | | | | | |
| Economic Development | - | - | 564 | 598 | 564 | 598 | 600 |
| Community Services | 36 | 34 | 688 | 437 | 652 | 404 | 586 |
| Council Projects | - | - | 31 | - | 31 | - | - |
| Information Centre | 62 | 39 | 217 | 287 | 155 | 248 | 164 |
| Farm Investment | 638 | 489 | 481 | 385 | (157) | (104) | (290) |
| Holiday Park | 3 | 3 | 3 | 2 | (1) | (1) | (1) |
| Rental Properties | 35 | 36 | 67 | 69 | 32 | 33 | 35 |
| Sub-Total | 773 | 601 | 2,051 | 1,778 | 1,277 | 1,178 | 1,093 |
| Environmental Services | | | | | | | |
| Building Control | 458 | 433 | 944 | 994 | 486 | 561 | 521 |
| Dog Control | 123 | 145 | 220 | 210 | 97 | 65 | 59 |
| District Plan | - | - | 209 | 208 | 209 | 208 | 161 |
| Resource Consents | 120 | 121 | 321 | 240 | 201 | 119 | 144 |
| Bylaws | (15) | 1 | 135 | 142 | 150 | 141 | 144 |
| Environmental Health | 33 | 31 | 197 | 166 | 164 | 135 | 131 |
| Liquor Licensing | 30 | 34 | 136 | 109 | 106 | 75 | 76 |
| Sub-Total | 749 | 765 | 2,163 | 2,069 | 1,414 | 1,304 | 1,236 |
| Civil Defence and Emergency Management | | | | | | | |
| Civil defence and emergency management | - | - | 316 | 343 | 316 | 343 | 362 |
| Sub-Total | - | - | 316 | 343 | 316 | 343 | 362 |
| Roading Business Unit | 6,406 | 5,322 | 7,474 | 6,370 | 1,068 | 1,047 | 1,953 |
| Business Unit | 403 | 400 | 294 | 380 | (109) | (20) | (73) |
| Sub-Total | 6,809 | 5,722 | 7,768 | 6,750 | 959 | 1,027 | 1,880 |
| Stormwater | | | | | | | |
| Stormwater | - | - | 460 | 437 | 460 | 437 | 446 |
| Sub-Total | - | - | 460 | 437 | 460 | 437 | 446 |
| Wastewater (Sewerage) | | | | | | | |
| Wastewater (Sewerage) | 38 | 75 | 1,066 | 1,097 | 1,028 | 1,022 | 945 |
| Sub-Total | 38 | 75 | 1,066 | 1,097 | 1,028 | 1,022 | 945 |
| Solid Waste | | | | | | | |
| Solid Waste | 213 | 118 | 985 | 1,050 | 772 | 932 | 835 |
| Sub-Total | 213 | 118 | 985 | 1,050 | 772 | 932 | 835 |
| Water Supply | | | | | | | |
| Water Supply | 489 | 485 | 2,218 | 2,160 | 1,729 | 1,675 | 1,739 |
| Sub-Total | 489 | 485 | 2,218 | 2,160 | 1,729 | 1,675 | 1,739 |
| Total Activity Revenue & Expenditure | 9,912 | 8,377 | 24,145 | 21,307 | 14,233 | 12,932 | 13,445 |
| Plus: General Rates & UAGC | 8,093 | 7,848 | - | - | (8,093) | (7,848) | (7,410) |
| Plus: Targeted Rates | 6,583 | 6,511 | - | - | (6,583) | (6,511) | (6,483) |
| Total Revenue and Operating Expenditure | 24,587 | 22,736 | 24,145 | 21,307 | (442) | (1,427) | (448) |

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

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

Note 4 Rates Revenue

Accounting Policy

The following policies for rates have been applied:

- Revenue is measured at fair value.
- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of the Taranaki Regional Council (TRC) are not recognised in the financial statements, as the Council is acting as an agent for the TRC.

| | Council and Group Actual 2022/23 \$000 | Council and Group Actual 2021/22 \$000 |
|---|---|---|
| General rates | 7,961 | 7,307 |
| Targeted rates attributable to activities: | | |
| - metered water supply | 489 | 420 |
| - other water rates - uniform annual charge | 1,640 | 1,488 |
| - wastewater - uniform annual charge | 904 | 979 |
| - solid waste - uniform annual charge | 903 | 767 |
| - roading | 3,117 | 3,231 |
| - community halls | 18 | 19 |
| Rate penalties | 131 | 102 |
| Less rates remissions | (125) | (121) |
| Total rates | 15,040 | 14,192 |
| <p>Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by Council from other local authorities for services provided by Council for which those other local authorities rate. The annual rates income of the Council for the year ended 30 June 2023 for the purposes of the LGFA Guarantee and indemnity Deed disclosure is shown below:</p> | | |
| | Council and Group Actual 2022/23 \$000 | Council and Group Actual 2021/22 \$000 |
| Total Rates | 15,040 | 14,192 |

Non-Rateable Land

Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. This includes schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water and refuse. Non-rateable land does not constitute a remission under Stratford District Council's rates remission policy.

Rates are "written-off":

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

Note 5 Other Revenue

Accounting Policy

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

Development and Financial Contributions

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

Waka Kotahi (New Zealand Transport Agency) roading subsidies

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

Other grants received

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

Building and Resource Consent revenue

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

Entrance Fees

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

Transfer Station Fees

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

Sales of Goods and Commission Sales

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

Infringement Fees and Fines

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

Vested or Donated Physical Assets

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

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

Interest and Dividends

Interest revenue is recognised using the effective interest method

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

Sale of Land

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

| Subsidies and Grants | Council | | Group | |
|---|----------------|----------------|----------------|----------------|
| | Actual | Actual | Actual | Actual |
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | \$000 | \$000 | \$000 | \$000 |
| Grants - Toi Foundation | - | 551 | - | 551 |
| Grants - Taranaki Electricity Trust | 160 | 981 | 190 | 981 |
| Grants - Other | - | - | 14 | - |
| Grants - Other capital contributions | - | 400 | - | 400 |
| Wages subsidies | 28 | 26 | 29 | 27 |
| Mayors Taskforce for Jobs | 277 | 240 | 277 | 240 |
| Creative Communities Funding | - | - | - | 12 |
| Provincial Growth Fund / MBIE | 2,173 | 4,898 | 2,173 | 4,898 |
| Waka Kotahi (NZTA) Rooding Subsidies | 6,193 | 4,522 | 6,193 | 4,522 |
| Total Subsidies and Grants | 8,829 | 11,618 | 8,874 | 11,631 |
| There are no unfulfilled conditions and other contingences attached to Waka Kotahi (NZTA) subsidies recognised. | | | | |
| Sundry Revenue | Council | | Group | |
| | Actual | Actual | Actual | Actual |
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | \$000 | \$000 | \$000 | \$000 |
| Petrol Tax | 71 | 78 | 71 | 78 |
| Insurance proceeds | 0 | 16 | 0 | 16 |
| Sundry revenue | - | 48 | - | 48 |
| Sundry Corporate Services Revenue | 55 | 52 | 55 | 52 |
| Gain from sale of investments | - | - | - | - |
| Total Sundry Revenue | 126 | 194 | 126 | 194 |
| Revenue from Exchange and Non-Exchange Transactions | Council | | Group | |
| | Actual | Actual | Actual | Actual |
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | \$000 | \$000 | \$000 | \$000 |
| Exchange transactions | 1,762 | 1,532 | 1,811 | 1,581 |
| Non-exchange transactions | 25,379 | 27,397 | 25,473 | 27,489 |
| Total Revenue | 27,141 | 28,928 | 27,284 | 29,070 |

Note 6 Other Gains

| | Council | | Group | |
|---|----------|----------|----------|----------|
| | Actual | Actual | Actual | Actual |
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | \$000 | \$000 | \$000 | \$000 |
| Gain on Disposal of Property, Plant and Equipment | 2 | 4 | 2 | 4 |
| Total Gains | 2 | 4 | 2 | 4 |

Note 7 Personnel Costs

Accounting Policy

Salaries and Wages

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

Superannuation schemes

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

| | Council | | Group | |
|--|--------------|--------------|--------------|--------------|
| | Actual | Actual | Actual | Actual |
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | \$000 | \$000 | \$000 | \$000 |
| Salaries and Wages | 5,522 | 4,815 | 5,641 | 4,933 |
| Increase/(Decrease) in Employee Entitlements | 40 | 39 | 42 | 38 |
| Total Personnel Costs | 5,562 | 4,854 | 5,683 | 4,971 |

The total paid for defined contribution plan employer contributions was \$210,382 (2021/22: \$127,319), and is included in note 8, under operating expenses.

Note 8 Other Expenses

Accounting Policy

Grant Expenditure

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

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

| | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | Actual | Actual | Actual | Actual |
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | \$000 | \$000 | \$000 | \$000 |
| Losses on Disposal and other sundry expenses | 246 | 232 | 249 | 232 |
| Insurance premiums | 261 | 189 | 273 | 200 |
| Landfill Aftercare Expenses | 1 | 2 | 1 | 2 |
| Operating Expenses | 11,091 | 9,812 | 11,137 | 9,821 |
| Total Other Expenses | 11,598 | 10,235 | 11,660 | 10,255 |

Note 9 Interest Revenue and Finance Costs

Accounting Policy

Borrowing costs are recognised as an expense in the period in which they are incurred.

| | Council | | Group | |
|-----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | Actual 2022/23 \$000 | Actual 2021/22 \$000 | Actual 2022/23 \$000 | Actual 2021/22 \$000 |
| Interest Revenue | | | | |
| Interest on term deposits | 419 | 222 | 463 | 262 |
| Total Finance Income | 419 | 222 | 463 | 262 |
| Finance costs | | | | |
| Interest on bank borrowings | 951 | 552 | 951 | 552 |
| Total finance costs | 951 | 552 | 951 | 552 |
| Net finance costs | (532) | (330) | (488) | (290) |

Note 10 Tax

Accounting Policy

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

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

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

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

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

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

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

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

| | Council | | Group | |
|--|---------|---------|---------|---------|
| | Actual | Actual | Actual | Actual |
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | \$000 | \$000 | \$000 | \$000 |
| Components of Tax Expense | | | | |
| Current Tax Expense | - | - | - | - |
| Adjustments to Current Tax in Prior Years | - | - | - | - |
| Deferred Tax Expense | - | - | - | - |
| Tax Expense | - | - | - | - |
| Relationship Between Tax Expense and Accounting Surplus | | | | |
| Surplus/(Deficit) Before Tax | 3,171 | 7,777 | 3,051 | 7,702 |
| Tax at 28% | 888 | 2,178 | 854 | 2,157 |
| Non-deductible Expenses | - | - | - | - |
| Non-taxable Revenue | (888) | (2,178) | (854) | (2,157) |
| Tax Expense | - | - | - | - |

Note 11 Cash and Cash Equivalents and Short Term Deposits

Accounting Policy

Cash and cash equivalents includes cash on hand, deposits held with banks and other short term investments with maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as a current liability in the statement of financial position. The carrying value of cash at bank and short-term deposits with original maturities less than three months approximates their amortised cost.

| | Council | | Group | |
|---|--------------|---------------|--------------|---------------|
| | Actual | Actual | Actual | Actual |
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | \$000 | \$000 | \$000 | \$000 |
| Cash at Bank and on Hand | 615 | 2,409 | 692 | 2,684 |
| Term Deposits Maturing Three Months or Less from Date of Acquisition | - | 1,000 | - | 1,000 |
| Per Statement of Financial Position and Statement of Cash Flows | 615 | 3,409 | 692 | 3,684 |
| Term Deposits Maturing More than Three Months from Date of Acquisition | 5,000 | 7,000 | 5,350 | 7,250 |
| Total Cash and Cash Equivalents and Short Term Deposits | 5,615 | 10,409 | 6,042 | 10,934 |
| Refer to note 14 for weighted average effective interest rate for term deposits | | | | |

Note 12 Receivables

Accounting Policy

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost, less any provision for impairment.

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

| | Council | | Group | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| | Actual 2022/23 \$000 | Actual 2021/22 \$000 | Actual 2022/23 \$000 | Actual 2021/22 \$000 |
| Current Portion | | | | |
| Rates Receivables | 575 | 369 | 575 | 369 |
| Other Receivables | 1,829 | 1,128 | 1,853 | 1,132 |
| Other Miscellaneous Debtors | 190 | 190 | 190 | 190 |
| Receivables prior to impairment | 2,594 | 1,687 | 2,618 | 1,691 |
| Less Provision for Impairment | - | - | - | - |
| Total Current Portion of Receivables | 2,594 | 1,687 | 2,618 | 1,691 |
| Non-Current Portion | | | | |
| Other Receivables | 15 | 37 | 15 | 37 |
| Total Non-Current Portion of Receivables | 15 | 37 | 15 | 37 |
| Total Receivables | 2,609 | 1,724 | 2,633 | 1,728 |
| Total Receivables Comprise: | | | | |
| <i>Receivables from non-exchange transactions</i> | | | | |
| Rates receivables | 575 | 369 | 575 | 369 |
| Other receivables from non-exchange transactions | 1,857 | 1,222 | 1,881 | 1,226 |
| Total receivables from non-exchange transactions | 2,432 | 1,591 | 2,456 | 1,595 |
| <i>Receivables from exchange transactions</i> | | | | |
| Other receivables from exchange transactions | 177 | 133 | 177 | 133 |
| Total receivables from exchange transactions | 177 | 133 | 177 | 133 |
| The Chief Executive approved the write-off of rates receivables during the year under the Local Government (Rating) Act 2002 as follows: | | | | |
| - Section 90A:\$Nil (2022:Nil) | | | | |
| - Section 90B:\$Nil (2022Nil) | | | | |

Note 13 Inventories

Accounting Policy

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

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

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

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

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

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

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

The write-down of inventory during the year was NIL (2021/22: NIL). There have been no reversals of write-downs (2022: NIL). No inventory is pledged as security for liabilities.

Note 14 Other Financial Assets

Accounting Policy

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

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

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

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

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

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

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

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

Initial recognition of concessionary loans

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in surplus or deficit as a grant expense.

Subsequent measurement of financial assets at amortised cost

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

Subsequent measurement of financial assets at FVTOCRE

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

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

Subsequent measurement of financial assets at FVTSD

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

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

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

Expected credit loss allowance (ECL)

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

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

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

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

| | Interest Rate | Council | | Group | |
|--|---------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | Actual 2022/23 \$000 | Actual 2021/22 \$000 | Actual 2022/23 \$000 | Actual 2021/22 \$000 |
| Current Portion | | | | | |
| Bonds and Other Investments | | - | - | 30 | 25 |
| LGFA Borrowers Notes | | | | | |
| Maturity April 2023 | 1.15% | - | 16 | - | 16 |
| Maturity May 2023 | 3.06% | - | 24 | - | 24 |
| Maturity August 2023 | 3.72% | 25 | - | 25 | - |
| Maturity April 2024 | 0.74% | 25 | - | 25 | - |
| Maturity May 2024 | 2.13% | 32 | - | 32 | - |
| Total Current Portion | | 82 | 40 | 112 | 65 |
| Non-current Portion | | | | | |
| Bonds and Other Investments | | - | - | 397 | 427 |
| LGFA Borrowers Notes | | | | | |
| Maturity April 2024 | 0.74% | - | 25 | - | 25 |
| Maturity May 2024 | 2.13% | - | 32 | - | 32 |
| Maturity April 2025 | 2.98% | 32 | 32 | 32 | 32 |
| Maturity April 2025 | 3.82% | 100 | - | 100 | - |
| Maturity December 2025 | 0.64% | 93 | 93 | 93 | 93 |
| Maturity April 2026 | 1.62% | 16 | 16 | 16 | 16 |
| Maturity April 2026 | 1.27% | 25 | 25 | 25 | 25 |
| Maturity April 2027 | 3.25% | 24 | 24 | 24 | 24 |
| Maturity April 2027 | 0.98% | 16 | 16 | 16 | 16 |
| Maturity April 2027 | 3.82% | 50 | 50 | 50 | 50 |
| Maturity April 2028 | 3.91% | 50 | 50 | 50 | 50 |
| Maturity May 2028 | 1.72% | 25 | 25 | 25 | 25 |
| Maturity May 2028 | 3.82% | 25 | - | 25 | - |
| Maturity May 2028 | 5.07% | 25 | - | 25 | - |
| Maturity May 2029 | 5.07% | 25 | - | 25 | - |
| Maturity May 2031 | 3.95% | 50 | 50 | 50 | 50 |
| Maturity December 2032 | 1.47% | 87 | 88 | 87 | 88 |
| Community Loan - Stratford A & P Association | | 7,180 | 7,180 | 7,180 | 7,180 |
| Listed Shares | | 600 | 547 | 600 | 547 |
| Total Non-current Portion | | 8,423 | 8,253 | 8,820 | 8,680 |
| Total Other Financial Assets | | 8,505 | 8,293 | 8,932 | 8,745 |
| Impairment | | | | | |
| There were no impairment provisions for other financial assets. At balance date, none of these financial assets are either past due or impaired. | | | | | |
| Community Loan | | | | | |
| The face value of the community loan is \$7,180,000 (2022: \$7,180,000). The purpose of the loan was to assist the Stratford A and P Association to purchase land to enable development of a multi-purpose facility, focusing on equestrian, motorsport, educational and sporting activities. This loan is secured against land owned by the Association, as a first mortgage. | | | | | |
| Listed Shares | | | | | |
| Listed shares are recognised at fair value. The fair values of listed shares are determined by reference to published current bid price quotations in an active market. | | | | | |
| Maturity Analysis and Effective Interest Rates | | | | | |
| The maturity dates for all other financial assets with the exception of equity investments and advances to subsidiaries and associates are as follows: | | | | | |
| | | Council | | Group | |
| | | Actual 2022/23 \$000 | Actual 2021/22 \$000 | Actual 2022/23 \$000 | Actual 2021/22 \$000 |
| Short Term Deposits | | | | | |
| Short term deposits with maturities of 3 months or less | | - | 1,000 | - | 1,000 |
| <i>Average maturity</i> | | - | 90 days | - | 90 days |
| <i>Weighted average Effective Interest Rate</i> | | 0.00% | 1.90% | 0.00% | 1.90% |
| Short term deposits with maturities of more than 3 months but less than 12 months | | 5,000 | 7,000 | 5,350 | 7,250 |
| <i>Average maturity</i> | | 120 days | 12days | 132 days | 126 days |
| <i>Weighted average Effective Interest Rate</i> | | 5.57% | 2.47% | 5.55% | 2.46% |
| Total | | 5,000 | 8,000 | 5,350 | 8,250 |

Note 15 Property, Plant and Equipment

Accounting Policy

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

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

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

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

Property, plant and equipment are valued as follows:

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

Revaluation

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

Council and group's Land and Buildings were valued as at 30 June 2023 by Telfer Young (Taranaki) Ltd, independent valuers at fair value as determined from the market-based evidence. Buildings have been valued using the depreciated replacement cost which is based on the modal rate. The modal rate is the rate derived from the construction cost movement from 2020 (which is the date the last valuation was performed) to 2023. Land has been valued on the basis of the open market value of that land.

Depreciated replacement cost is determined using a number of assumptions. These assumptions include:

- The replacement cost is derived from recent construction contracts of similar assets, with adjustments for obsolescence where appropriate.
- The remaining useful life of assets is estimated, including adjustments to buildings which have been identified as earthquake prone.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Council's infrastructure assets consisting of Roothing, Stormwater, Waste Water and Water Supply were revalued by Beca Projects NZ Ltd, independent valuers, as at 30 June 2022 in accordance with Financial Reporting Standard (PBE IPSAS 17) and the New Zealand Infrastructure Asset Valuation and Depreciation Guidelines.

A fair value assessment has been performed as at 30 June 2023 for council's infrastructure assets to ensure that the carrying value is not materially different from its fair value.

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

- The rates were based on the 2023 Road Construction Index (RCI).
- The movement in indices were applied to the 2022 valuation figures to provide new estimated replacement costs at 30 June 2023.

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

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

Public Benefit Entity Revaluation

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

Impairment

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

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

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

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

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

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

Value in use for non-cash generating assets

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

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

Value in use for cash-generating assets

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

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

Disposals

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

Subsequent Costs

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

Security

Council and Group do not have any Property, Plant and Equipment pledged as security.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

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

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is calculated on a straight line basis on all property, plant and equipment, excluding land, at rates that will write off the value of the assets, less their estimated residual values, over their useful lives.

The useful lives of the classes of assets have been estimated as follows:

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

Insurance of Assets

The following information relates to the insurance of Council assets as at 30 June:

| | 2023 | 2022 |
|---|--------------|--------------|
| | \$000 | \$000 |
| The total book value of all Council assets covered by insurance contracts | 44,887 | 22,158 |
| The maximum amount to which insured assets are insured | 73,614 | 51,819 |
| The total book value of all Council assets covered by financial risk-sharing arrangements | 66,093 | 60,806 |
| The total replacement cost of all Council assets covered by financial risk-sharing arrangements | 111,102 | 97,576 |
| Maximum amount available to the Council under financial risk-sharing arrangements | 44,441 | 39,030 |
| Total value of assets that are self-insured | - | - |
| Value of funds maintained for self-insurance | - | - |

In the event of natural disaster, central government may contribute up to 60% towards the restoration of water, drainage, and wastewater assets, and provide a subsidy towards the restoration of roads.

| | Cost / | Accumulated | Carrying | Assets | Assets | Disposals / | Transfers | Depreciation | Depreciation | Depreciation | Revaluation | Cost / | Accumulated | Carrying |
|--|----------------|-----------------------------|----------------|------------------------|------------------------|--------------|-----------------|--------------|-------------------------|----------------------|---|----------------|-----------------------------|----------------|
| | Valuation | Depreciation and Impairment | Amount | constructed by Council | transferred to Council | Impairment | | | Reversed on Revaluation | Reversed on Disposal | Surplus (excl reversal of accumulated depreciation) | Valuation | Depreciation and Impairment | Amount |
| | 1 July 2022 | | | Current Year | | | | | | | | 30 June 2023 | | |
| 2023 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Council Operational Assets | | | | | | | | | | | | | | |
| Land | 8,984 | - | 8,984 | - | - | - | - | - | - | - | 390 | 9,374 | - | 9,374 |
| Buildings | 9,410 | 1,230 | 8,180 | 149 | - | - | - | 435 | (1,663) | - | 109 | 9,666 | 0 | 9,666 |
| Surplus Properties | 152 | - | 152 | - | - | - | - | - | - | - | 151 | 303 | - | 303 |
| Plant | 670 | 384 | 286 | 193 | - | (14) | - | 44 | - | (13) | - | 849 | 415 | 434 |
| Motor Vehicles | 375 | 154 | 221 | 50 | - | (39) | - | 25 | - | (9) | - | 386 | 170 | 216 |
| Furniture/Fittings | 501 | 270 | 231 | 29 | - | - | - | 19 | - | - | - | 531 | 289 | 242 |
| Office Equipment | 1,081 | 695 | 386 | 111 | - | (53) | - | 78 | - | (42) | - | 1,140 | 731 | 408 |
| Library Books | 776 | 434 | 342 | 37 | - | - | - | 37 | - | - | - | 813 | 471 | 342 |
| Work In Progress - Buildings | 64 | - | 64 | - | - | - | (6) | - | - | - | - | 58 | - | 58 |
| Work In Progress - Land | - | - | - | 2,148 | - | - | - | - | - | - | - | 2,148 | - | 2,148 |
| Total Operational Assets | 22,013 | 3,166 | 18,846 | 2,717 | - | (106) | (6) | 638 | (1,663) | (64) | 650 | 25,267 | 2,076 | 23,190 |
| Council Restricted Assets | | | | | | | | | | | | | | |
| Land | 8,912 | - | 8,912 | 512 | - | - | - | - | - | - | 3,505 | 12,928 | - | 12,928 |
| Buildings | 12,789 | 1,379 | 11,410 | 20,561 | - | (7) | - | 887 | (2,266) | - | (842) | 32,502 | (0) | 32,502 |
| Street Beautification | 1,731 | 287 | 1,444 | - | - | - | - | 24 | - | - | - | 1,731 | 311 | 1,420 |
| Rubbish Bins | 203 | - | 203 | - | - | - | - | - | - | - | - | 203 | - | 203 |
| Work In Progress - Buildings | 19,168 | - | 19,168 | - | - | - | (19,008) | - | - | - | - | 160 | - | 160 |
| Total Restricted Assets | 42,803 | 1,666 | 41,137 | 21,073 | - | (7) | (19,008) | 910 | (2,266) | - | 2,663 | 47,524 | 311 | 47,213 |
| Council Infrastructure Assets | | | | | | | | | | | | | | |
| Water Supply | | | | | | | | | | | | | | |
| - Reticulation and other assets | 20,680 | 382 | 20,298 | 4,929 | - | (160) | - | 373 | - | (5) | - | 25,449 | 750 | 24,698 |
| - Treatment plants and facilities | 14,576 | 322 | 14,254 | 18 | - | (10) | - | 331 | - | (3) | - | 14,583 | 650 | 13,933 |
| Wastewater System | | | | | | | | | | | | | | |
| - Reticulation and other assets | 9,876 | 273 | 9,603 | 406 | - | (28) | - | 264 | - | (1) | - | 10,251 | 536 | 9,716 |
| - Treatment plants and facilities | 2,610 | 137 | 2,472 | 120 | - | - | - | 138 | - | - | - | 2,729 | 275 | 2,454 |
| Stormwater System | 13,067 | 232 | 12,835 | 14 | - | - | - | 232 | - | - | - | 13,081 | 464 | 12,617 |
| Roading Network | 256,220 | - | 256,220 | 5,890 | - | - | - | 2,524 | - | - | - | 262,110 | 2,524 | 259,586 |
| Land Under Roads | 54,384 | - | 54,384 | - | - | - | - | - | - | - | - | 54,384 | - | 54,384 |
| Bridges | 14,197 | 0 | 14,197 | 370 | - | - | - | 366 | - | - | - | 14,567 | 366 | 14,201 |
| Work In Progress - Roading | 4 | - | 4 | - | - | - | - | - | - | - | - | 4 | - | 4 |
| Work In Progress - Wastewater Reticulation | 7 | - | 7 | - | - | - | (7) | - | - | - | - | - | - | - |
| Work In Progress - Wastewater Treatment | - | - | - | 42 | - | - | - | - | - | - | - | 42 | - | 42 |
| Work In Progress - Stormwater | 41 | - | 41 | 58 | - | - | - | - | - | - | - | 99 | - | 99 |
| Work In Progress - Water Treatment | 211 | - | 211 | 192 | - | - | - | - | - | - | - | 403 | - | 403 |
| Work In Progress - Water Reticulation | 3,727 | - | 3,727 | - | - | - | (3,487) | - | - | - | - | 240 | - | 240 |
| Total Infrastructure Assets | 389,598 | 1,347 | 388,252 | 12,038 | - | (198) | (3,494) | 4,228 | - | (9) | - | 397,942 | 5,565 | 392,377 |
| Total Council | 454,415 | 6,179 | 448,235 | 35,828 | - | (311) | (22,508) | 5,777 | (3,929) | (73) | 3,313 | 470,733 | 7,951 | 462,780 |
| Subsidiaries | | | | | | | | | | | | | | |
| Buildings | 1,697 | 215 | 1,482 | 5 | - | - | - | 73 | (286) | - | 269 | 1,972 | - | 1,972 |
| Land | 235 | - | 235 | - | - | - | - | - | - | - | 150 | 385 | - | 385 |
| Furniture & Fittings | 106 | 50 | 56 | 26 | - | (3) | - | 5 | - | - | - | 126 | 52 | 74 |
| Office Equipment | 17 | 8 | 9 | - | - | - | - | 1 | - | - | - | 17 | 9 | 8 |
| Work in Progress - buildings | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Arboretum | 51 | 4 | 47 | 58 | - | - | - | 2 | (6) | - | (9) | 100 | - | 100 |
| Total Subsidiaries | 2,106 | 277 | 1,829 | 89 | - | (3) | - | 81 | (292) | - | 410 | 2,600 | 61 | 2,539 |
| Total Group | 456,521 | 6,456 | 450,064 | 35,917 | - | (314) | (22,508) | 5,858 | (4,221) | (73) | 3,723 | 473,333 | 8,012 | 465,319 |

The figures included under assets constructed by council for work in progress is the net of new work in progress additions and those capitalised during the year.

| | Cost / | Accumulated | Carrying | Assets | Assets | Disposals / | Transfers | Depreciation | Depreciation | Depreciation | Revaluation | Cost / | Accumulated | Carrying |
|--|----------------|--------------|----------------|----------------|----------------|--------------|----------------|--------------|----------------|--------------|------------------|----------------|------------------|----------------|
| | Valuation | Depreciation | Amount | constructed by | transferred to | Impairment | | | Reversed on | Reversed on | Surplus (incl of | Valuation | Depreciation and | Amount |
| | | and | | Council | Council | | | | Revaluation | Disposal | depreciation | | Impairment | |
| | | Impairment | | | | | | | | | revaluation) | | | |
| | 1 July 2021 | | | Current Year | | | | | | | | 30 June 2022 | | |
| 2022 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Council Operational Assets | | | | | | | | | | | | | | |
| Land | 8,984 | - | 8,984 | - | - | - | - | - | - | - | - | 8,984 | - | 8,984 |
| Buildings | 9,184 | 799 | 8,385 | 341 | - | (115) | - | 437 | - | (6) | - | 9,410 | 1,230 | 8,180 |
| Surplus Properties | 168 | - | 168 | - | - | (16) | - | - | - | - | - | 152 | - | 152 |
| Plant | 616 | 348 | 267 | 54 | - | - | - | 36 | - | - | - | 670 | 384 | 286 |
| Motor Vehicles | 347 | 158 | 189 | 62 | - | (34) | - | 20 | - | (24) | - | 375 | 154 | 221 |
| Furniture/Fittings | 491 | 249 | 242 | 10 | - | - | - | 21 | - | - | - | 501 | 270 | 231 |
| Office Equipment | 1,036 | 614 | 422 | 46 | - | (1) | - | 81 | - | - | - | 1,081 | 695 | 386 |
| Library Books | 734 | 392 | 342 | 42 | - | - | - | 42 | - | - | - | 776 | 434 | 342 |
| Work In Progress - Buildings | 21 | - | 21 | 43 | - | - | - | - | - | - | - | 64 | - | 64 |
| Work in progress - plant and equipment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Work In Progress - Land | 19 | - | 19 | - | - | - | (19) | - | - | - | - | - | - | - |
| Total Operational Assets | 21,600 | 2,560 | 19,039 | 597 | - | (166) | (19) | 637 | - | (30) | - | 22,013 | 3,166 | 18,846 |
| Council Restricted Assets | | | | | | | | | | | | | | |
| Land | 8,912 | - | 8,912 | - | - | - | - | - | - | - | - | 8,912 | - | 8,912 |
| Buildings | 10,842 | 861 | 9,981 | 1,951 | - | - | (4) | 518 | - | - | - | 12,789 | 1,379 | 11,410 |
| Street Beautification | 1,731 | 260 | 1,471 | - | - | - | - | 26 | - | - | - | 1,731 | 287 | 1,444 |
| Rubbish Bins | 203 | - | 203 | - | - | - | - | - | - | - | - | 203 | - | 203 |
| Work In Progress - Street Beautification | 19 | - | 19 | - | - | - | (19) | - | - | - | - | - | - | - |
| Work In Progress - Buildings | 6,272 | - | 6,272 | 12,896 | - | - | - | - | - | - | - | 19,168 | - | 19,168 |
| Total Restricted Assets | 27,978 | 1,121 | 26,857 | 14,847 | - | - | (23) | 545 | - | - | - | 42,803 | 1,666 | 41,137 |
| Council Infrastructure Assets | | | | | | | | | | | | | | |
| Water Supply | | | | | | | | | | | | | | |
| - Reticulation and other assets | 11,970 | 661 | 11,309 | 902 | - | (28) | - | 383 | (662) | - | 7,835 | 20,680 | 382 | 20,298 |
| - Treatment plants and facilities | 4,137 | 474 | 3,663 | 244 | - | (51) | - | 322 | (474) | - | 10,246 | 14,576 | 322 | 14,254 |
| Wastewater System | | | | | | | | | | | | | | |
| - Reticulation and other assets | 7,947 | 692 | 7,255 | 111 | - | (8) | - | 272 | (691) | - | 1,826 | 9,876 | 273 | 9,603 |
| - Treatment plants and facilities | 2,098 | 162 | 1,935 | 139 | - | - | - | 137 | (162) | - | 372 | 2,609 | 137 | 2,472 |
| Stormwater System | 8,482 | 407 | 8,075 | 31 | - | - | - | 232 | (406) | - | 4,554 | 13,067 | 232 | 12,835 |
| Roading Network | 229,320 | - | 229,320 | 3,637 | - | - | - | 2,543 | (2,543) | - | 23,263 | 256,220 | - | 256,220 |
| Land Under Roads | 54,384 | - | 54,384 | - | - | - | - | - | - | - | - | 54,384 | - | 54,384 |
| Bridges | 11,934 | - | 11,934 | 1,078 | - | - | - | 367 | (367) | - | 1,185 | 14,197 | 0 | 14,197 |
| Work in Progress - Roading | - | - | - | 4 | - | - | - | - | - | - | - | 4 | - | 4 |
| Work In Progress - W/water Reticulation | - | - | - | 7 | - | - | - | - | - | - | - | 7 | - | 7 |
| Work In Progress - W/water Treatment | 1 | - | 1 | - | - | - | (1) | - | - | - | - | - | - | - |
| Work In Progress - Stormwater | - | - | - | 41 | - | - | - | - | - | - | - | 41 | - | 41 |
| Work In Progress - Water Treatment | 101 | - | 101 | 211 | - | - | (101) | - | - | - | - | 211 | - | 211 |
| Work In Progress - Water Reticulation | 1,052 | - | 1,052 | 3,727 | - | - | (1,052) | - | - | - | - | 3,727 | - | 3,727 |
| Total Infrastructure Assets | 331,426 | 2,395 | 329,028 | 10,132 | - | (87) | (1,154) | 4,257 | (5,305) | - | 49,281 | 389,598 | 1,347 | 388,252 |
| Total Council | 381,004 | 6,077 | 374,924 | 25,576 | - | (252) | (1,196) | 5,439 | (5,305) | (30) | 49,281 | 454,414 | 6,179 | 448,235 |
| Subsidiaries | | | | | | | | | | | | | | |
| Buildings | 1,697 | 143 | 1,555 | - | - | - | - | 72 | - | - | - | 1,697 | 215 | 1,482 |
| Land | 235 | - | 235 | - | - | - | - | - | - | - | - | 235 | - | 235 |
| Furniture & Fittings | 104 | 45 | 61 | 2 | - | - | - | 5 | - | - | - | 106 | 50 | 56 |
| Office Equipment | 14 | 7 | 7 | 3 | - | - | - | 1 | - | - | - | 17 | 8 | 9 |
| Work in Progress - buildings | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Arboretum | 51 | 2 | 49 | - | - | - | - | 2 | - | - | - | 51 | 4 | 47 |
| Total Subsidiaries Assets | 2,103 | 197 | 1,907 | 5 | - | - | - | 79 | - | - | - | 2,106 | 277 | 1,829 |
| Total Group | 383,106 | 6,274 | 376,831 | 25,581 | - | (252) | (1,196) | 5,517 | (5,305) | (30) | 49,281 | 456,520 | 6,456 | 450,064 |

The figures included under assets constructed by council for work in progress is the net of new work in progress additions and those capitalised during the year.

Estimate of Replacement Cost

| | Council | |
|-----------------------------------|--|------------------|
| | Most recent estimate of replacement cost 2022/23 \$000 | Date of Estimate |
| 2023 | | |
| Water Supply | | |
| - Reticulation and other assets | 44,142 | 30 June 2023 |
| - Treatment plants and facilities | 21,039 | 30 June 2023 |
| Wastewater System | | |
| - Reticulation and other assets | 29,702 | 30 June 2023 |
| - Treatment plants and facilities | 10,543 | 30 June 2023 |
| Stormwater System | 27,162 | 30 June 2023 |
| Roads and Footpaths | 450,673 | 30 June 2022 |
| 2022 | | |
| Water Supply | | |
| - Reticulation and other assets | 36,127 | 1 July 2021 |
| - Treatment plants and facilities | 20,766 | 1 July 2021 |
| Wastewater System | | |
| - Reticulation and other assets | 28,812 | 1 July 2021 |
| - Treatment plants and facilities | 8,385 | 1 July 2021 |
| Stormwater System | 23,893 | 1 July 2021 |
| Roads and Footpaths | 416,224 | 30 June 2022 |

Depreciation and Amortisation Expense by Group of Activity

| | Council | |
|---|----------------------------|----------------------------|
| | Actual 2022/23 \$000 | Actual 2021/22 \$000 |
| Directly attributable depreciation and amortisation by group of activity | | |
| Recreation and Facilities | 1,247 | 884 |
| Democracy | - | - |
| Community Development | 65 | 57 |
| Environmental Services | 4 | 3 |
| Roading | 2,890 | 2,910 |
| Stormwater Drainage | 232 | 232 |
| Wastewater (Sewerage) | 403 | 410 |
| Solid Waste | 28 | 29 |
| Water Supply | 720 | 721 |
| Total directly attributable depreciation and amortisation by group of activity | 5,588 | 5,246 |
| Depreciation and amortisation not directly related to group of activities | 270 | 265 |
| Total depreciation and amortisation expense | 5,859 | 5,511 |

Note 16 Intangible Assets

Accounting Policy

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

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

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

Council and Group

| | Cost / Valuation | Accumulated Amortisation and Impairment | Carrying Amount | Additions | Disposals | Transfers | Current Year Impairment Charges | Depreciation Reversed on Disposal | Current Year Amortisation | Cost / Valuation | Accumulated Amortisation and Impairment | Carrying Amount |
|-------------------|---------------------|--|--------------------|--------------|-----------|-----------|---------------------------------------|---|------------------------------|---------------------|--|--------------------|
| 2023 | 1/07/2022 | | | Current Year | | | | | | 30 June 2023 | | |
| | \$000 | \$000 | \$000 | \$000 | \$000 | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Computer Software | 1,328 | 876 | 452 | 131 | - | - | - | - | 82 | 1,459 | 958 | 500 |
| Total | 1,328 | 876 | 452 | 131 | - | - | - | - | 82 | 1,459 | 958 | 500 |

| | Accumulated Amortisation and Impairment | Carrying Amount | Additions | Disposals | Transfers | Current Year Impairment Charges | Depreciation Reversed on Disposal | Current Year Amortisation | Cost / Valuation | Accumulated Amortisation and Impairment | Carrying Amount | |
|-------------------|--|--------------------|--------------|-----------|-----------|---------------------------------------|---|------------------------------|---------------------|--|--------------------|------------|
| 2022 | 1/07/2021 | | Current Year | | | | | | 30 June 2022 | | | |
| | \$000 | \$000 | \$000 | \$000 | \$000 | | \$000 | \$000 | \$000 | \$000 | \$000 | |
| Computer Software | 1298 | 801 | 497 | 30 | - | - | - | - | 75 | 1328 | 876 | 452 |
| Total | 1298 | 801 | 497 | 30 | - | - | - | - | 75 | 1328 | 876 | 452 |

All intangible assets referring to above are computer software.

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

Note 17 Payables and Deferred Revenue

Accounting Policy

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

| | Council | | Group | |
|---|--------------|--------------|--------------|--------------|
| | Actual | Actual | Actual | Actual |
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | \$000 | \$000 | \$000 | \$000 |
| Current Portion | | | | |
| <i>Payables and deferred revenue under exchange transactions:</i> | | | | |
| Trade Payables and Accrued Expenses | 2,991 | 4,540 | 3,019 | 4,549 |
| Deposits and Bonds | 205 | 231 | 205 | 231 |
| Revenue Received in Advance | 107 | 129 | 107 | 129 |
| Total | 3,303 | 4,900 | 3,331 | 4,909 |
| <i>Payables and deferred revenue under non-exchange transactions:</i> | | | | |
| Other Taxes Payable (GST) | - | - | - | - |
| Revenue received in advance - PGF and MBIE funding | 448 | 12 | 448 | 12 |
| Revenue received in advance - Three Waters Reform funding | - | - | - | - |
| Rates in Advance | 456 | 301 | 456 | 301 |
| Total | 904 | 313 | 904 | 313 |
| Total Current Portion | 4,207 | 5,213 | 4,235 | 5,222 |

Note 18 Provisions

Accounting Policy

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

| | Council | | Group | |
|---|-----------|-----------|-----------|-----------|
| | Actual | Actual | Actual | Actual |
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | \$000 | \$000 | \$000 | \$000 |
| Current Portion | | | | |
| Landfill Aftercare Provision | 7 | 7 | 7 | 7 |
| Total Current Portion | 7 | 7 | 7 | 7 |
| Non-current Portion | | | | |
| Landfill Aftercare Provision | 7 | 13 | 7 | 13 |
| Total Non-Current Portion | 7 | 13 | 7 | 13 |
| Total Provisions | 14 | 20 | 14 | 20 |
| Movements for the Landfill Aftercare provision are as follows: | | | | |
| | Council | | Group | |
| | Actual | Actual | Actual | Actual |
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | \$000 | \$000 | \$000 | \$000 |
| Opening Balance | 20 | 25 | 20 | 25 |
| Additional Provision Made | - | - | - | - |
| Amounts used | (6) | (5) | (6) | (5) |
| Closing Balance 30 June | 14 | 20 | 14 | 20 |

Rural Landfills

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

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

Stratford Landfill

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

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

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

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

The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking in to account existing technology and is discounted using a discount rate of 5.0% (2021/22: 5.0%).

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

Note 19 Employee Entitlements

Accounting Policy

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

Presentation of employee entitlements

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

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

| | Council | | Group | |
|------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | Actual 2022/23 \$000 | Actual 2021/22 \$000 | Actual 2022/23 \$000 | Actual 2021/22 \$000 |
| Current Portion | | | | |
| Annual Leave | 322 | 282 | 329 | 287 |
| Total Current Portion | 322 | 282 | 329 | 287 |
| Non-Current Portion | | | | |
| Retirement Gratuities | - | - | - | - |
| Total Non-Current Portion | - | - | - | - |
| Total Employee Entitlements | 322 | 282 | 329 | 287 |

Note 20 Borrowings

Accounting Policy

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

| | Council | | Group | |
|----------------------------------|---------------|---------------|---------------|---------------|
| | Actual | Actual | Actual | Actual |
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | \$000 | \$000 | \$000 | \$000 |
| Current Portion | | | | |
| Committed cash advance facility | - | - | - | - |
| Secured Loans | 6,000 | 8,500 | 6,000 | 8,500 |
| Total Current Portion | 6,000 | 8,500 | 6,000 | 8,500 |
| Non-Current Portion | | | | |
| Secured Loans | 27,700 | 23,700 | 27,700 | 23,700 |
| Total Non-Current Portion | 27,700 | 23,700 | 27,700 | 23,700 |
| Total Borrowings | 33,700 | 32,200 | 33,700 | 32,200 |

Security

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

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

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

Committed cash advance facility

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

Maturity Analysis and Effective Interest Rates

| | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | Actual | Actual | Actual | Actual |
| | 2022/23 | 2021/22 | 2022/23 | 2021/22 |
| | \$000 | \$000 | \$000 | \$000 |
| Less than one year | 6,000 | 8,500 | 6,000 | 8,500 |
| Later than one year but not more than five years | 21,200 | 15,200 | 21,200 | 15,200 |
| Later than five years | 6,500 | 8,500 | 6,500 | 8,500 |
| Total Borrowings | 33,700 | 32,200 | 33,700 | 32,200 |

The weighted average effective interest rate for 2022/23 is 3.22% (2021/22 - 2.51%).

Internal Borrowing

During the 2012/13 year Council made an internal loan to the Water Supply activity, towards the capital costs of the new Stratford Water Treatment Plant. The loan was for \$2,000,000. Interest has been calculated on the balance outstanding as at 1 July 2022 of \$1,270,795 at the weighted average interest rate as at 31 December 2022 of 2.90%. The Water Supply activity has been charged the cost of \$36,853. The sum of \$80,000 was repaid at the end of the year. The balance as at 30 June 2023 is \$1,190,795.

A breakdown of each loan with the LGFA and respective details is listed below:

| | Maturity date | Interest rate 2022/23 | Interest rate 2021/22 | Actual 2022/23 \$000 | Actual 2021/22 \$000 |
|-------------------------------------|----------------------|----------------------------------|----------------------------------|-------------------------------------|-------------------------------------|
| Current | | | | | |
| LGFA Bond issue | August 2022 | 0.00% | 2.08% | 0 | 6,000 |
| LGFA Bond issue | April 2023 | 0.00% | 1.55% | 0 | 1,000 |
| LGFA Bond issue | May 2023 | 0.00% | 3.47% | 0 | 1,500 |
| LGFA Bond issue | July 2023 | 5.40% | 0.00% | 2,000 | 0 |
| LGFA Bond issue | August 2023 | 4.12% | 0.00% | 1,000 | 0 |
| LGFA Bond issue | April 2024 | 1.14% | 1.14% | 1,000 | 0 |
| LGFA Bond issue | May 2024 | 2.53% | 2.53% | 2,000 | 0 |
| Total Current borrowings | | | | 6,000 | 8,500 |
| Non-current | | | | | |
| LGFA Bond issue | April 2024 | 0.00% | 1.14% | 0 | 1,000 |
| LGFA Bond issue | May 2024 | 0.00% | 2.53% | 0 | 2,000 |
| LGFA Bond issue | April 2025 | 3.38% | 3.38% | 2,000 | 2,000 |
| LGFA Bond issue | April 2025 | 4.22% | 0.00% | 4,000 | 0 |
| LGFA Bond issue | December 2025 | 1.04% | 1.04% | 3,700 | 3,700 |
| LGFA Bond issue | April 2026 | 1.67% | 1.67% | 1,000 | 1,000 |
| LGFA Bond issue | April 2026 | 2.02% | 2.02% | 1,000 | 1,000 |
| LGFA Bond issue | April 2027 | 1.38% | 1.38% | 1,000 | 1,000 |
| LGFA Bond issue | April 2027 | 3.65% | 3.65% | 1,500 | 1,500 |
| LGFA Bond issue | April 2027 | 4.17% | 4.17% | 2,000 | 2,000 |
| LGFA Bond issue | May 2028 | 2.12% | 2.12% | 1,000 | 1,000 |
| LGFA Bond issue | May 2028 | 4.26% | 4.26% | 2,000 | 2,000 |
| LGFA Bond issue | May 2028 | 5.50% | 0.00% | 1,000 | 0 |
| LGFA Bond issue | May 2028 | 4.23% | 0.00% | 1,000 | 0 |
| LGFA Bond issue | April 2029 | 5.49% | 0.00% | 1,000 | 0 |
| LGFA Bond issue | May 2031 | 4.30% | 4.30% | 2,000 | 2,000 |
| LGFA Bond issue | December 2032 | 1.87% | 1.87% | 3,500 | 3,500 |
| Total non-current borrowings | | | | 27,700 | 23,700 |
| Total Borrowings | | | | 33,700 | 32,200 |

Note 21 Equity

Accounting Policy

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

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

Restricted reserves

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

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

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

Property revaluation reserve

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

Fair value through other Comprehensive Revenue and Expense reserve

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

| | Council | | Group | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| | Actual 2022/23 \$000 | Actual 2021/22 \$000 | Actual 2022/23 \$000 | Actual 2021/22 \$000 |
| Accumulated Funds - 1 July | 197,109 | 189,944 | 198,703 | 191,609 |
| Transfers to: | | | | |
| Restricted Reserves | (164) | (344) | (164) | (344) |
| Council Created Reserves | (6,374) | (5,976) | (6,374) | (5,976) |
| Transfers from: | | | | |
| Council Created Reserves | 7,271 | 5,708 | 7,271 | 5,708 |
| Restricted Reserves | 59 | - | 59 | - |
| Revaluation reserve disposal of building | - | - | - | - |
| Profit / (Loss) for the year | 3,171 | 7,777 | 3,051 | 7,702 |
| Balance at 30 June | 201,080 | 197,109 | 202,553 | 198,703 |
| Restricted Reserves - 1 July | 1,119 | 775 | 1,119 | 775 |
| Transfers to: | | | | |
| Accumulated Funds | (59) | - | (59) | - |
| Transfers from: | | | | |
| Accumulated Funds | 164 | 344 | 164 | 344 |
| Balance at 30 June | 1,224 | 1,119 | 1,224 | 1,119 |
| Fair Value through other comprehensive revenue and expense - 1 July | (536) | (401) | (536) | (401) |
| Loss / gain on sale of financial assets at fair value through other comprehensive income | - | - | - | - |
| Revaluation Gains/(Losses) on Investments Carried at Fair Value | 53 | (135) | 53 | (135) |
| Balance at 30 June | (483) | (536) | (483) | (536) |
| Council Created Reserves - 1 July | 7,404 | 7,137 | 7,404 | 7,137 |
| Transfer to Income Statement on disposal of Property, Plant and Equipment | - | - | - | - |
| Transfers to: | | | | |
| Accumulated Funds | (7,271) | (5,708) | (7,271) | (5,708) |
| Transfers from: | | | | |
| Accumulated Funds | 6,374 | 5,976 | 6,374 | 5,976 |
| Balance at 30 June | 6,508 | 7,405 | 6,508 | 7,405 |
| Asset Revaluation Reserves - 1 July | 226,366 | 171,779 | 227,573 | 172,986 |
| Revaluation Gains/(Losses) | 7,242 | 54,587 | 7,944 | 54,587 |
| Balance at 30 June | 233,608 | 226,366 | 235,517 | 227,573 |
| Total Other Reserves - 30 June | 240,856 | 234,355 | 242,767 | 235,564 |
| Asset Revaluation Reserves consist of: | | | | |
| Operational Assets | | | | |
| Land | 7,118 | 6,576 | 7,378 | 6,686 |
| Buildings | 6,923 | 5,150 | 8,572 | 6,247 |
| Restricted Assets | | | | |
| Wastewater System | 8,503 | 8,503 | 8,503 | 8,503 |
| Water System | 23,200 | 23,200 | 23,200 | 23,200 |
| Stormwater System | 11,042 | 11,042 | 11,042 | 11,042 |
| Rooding Network | 167,125 | 167,125 | 167,125 | 167,125 |
| Land | 7,379 | 3,875 | 7,379 | 3,875 |
| Buildings | 2,318 | 895 | 2,318 | 895 |
| Total | 233,608 | 226,366 | 235,517 | 227,573 |

Note 21 Equity continued

Purpose of Each Reserve Fund

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

- Council Created Reserves
- Restricted Reserves
- Targeted Rate Reserves

The purposes of the reserves are as follows:

Council Created Reserves

General Renewals Reserve

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

Roading Renewals Reserve

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

Contingency Reserve

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

Asset Sales Proceeds Reserve

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

Staff Gratuities Reserve

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

Mayor's Relief Fund Reserve

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

Turf Replacement Reserve

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

Restricted Reserves

Elsie Fraser Bequest Reserve

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

RMA/Financial Contributions Reserve

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

Targeted Rate Reserves

Water Supply, Solid Waste and Wastewater Reserves

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

Reserve Fund Movements

| | | Balance | Transfers | Transfers | Balance |
|---|--|--------------|--------------|----------------|--------------|
| | | 1 July 2022 | into fund | out of fund | 30 June 2023 |
| | | \$000 | \$000 | \$000 | \$000 |
| 2023 | Activities to which the reserve relates | | | | |
| Restricted Reserves | | | | | |
| Elsie Fraser Bequest Reserve | Pensioner Housing | 84 | 36 | (59) | 60 |
| Financial Contributions Reserve | All activities | 1,034 | 128 | - | 1,162 |
| Total | | 1,118 | 164 | (59) | 1,223 |
| | | | | | |
| | | Balance | Transfers | Transfers | Balance |
| | | 1 July 2022 | into fund | out of fund | 30 June 2023 |
| | | \$000 | \$000 | \$000 | \$000 |
| 2023 | Activities to which the reserve relates | | | | |
| Council Created /Targeted Rate Reserves | | | | | |
| General Renewal Reserve | All activities | 4,419 | 1,832 | (1,031) | 5,220 |
| Contingency Reserve | All activities | 505 | 15 | (15) | 505 |
| Asset Sale Proceeds Reserve | All activities | 1,183 | 34 | (512) | 706 |
| Staff Gratuities Reserve | All activities | 136 | 4 | (4) | 137 |
| Mayor's Relief Fund Reserve | Community | 4 | 0 | - | 4 |
| Turf Replacement Reserve | Community | 41 | 11 | - | 52 |
| Farm Surplus | All activities | 234 | - | (165) | 69 |
| Stormwater Reserve | Stormwater | 545 | 248 | (41) | 752 |
| Roading Renewals Reserve | Roading | 235 | 2,897 | (4,153) | (1,021) |
| Water Supply Reserve | Water Supply | (562) | 720 | (890) | (732) |
| Solid Waste Reserve | Waste Management | 21 | 192 | (45) | 168 |
| Wastewater Reserve | Wastewater | 649 | 422 | (416) | 654 |
| Total | | 7,409 | 6,374 | (7,271) | 6,513 |
| | | | | | |
| | | Balance | Transfers | Transfers | Balance |
| | | 1 July 2021 | into fund | out of fund | 30 June 2022 |
| | | \$000 | \$000 | \$000 | \$000 |
| 2022 | Activities to which the reserve relates | | | | |
| Restricted Reserves | | | | | |
| Elsie Fraser Bequest Reserve | Pensioner Housing | 51 | 33 | - | 84 |
| Financial Contributions Reserve | All activities | 723 | 311 | - | 1,034 |
| Total | | 774 | 344 | - | 1,118 |
| | | | | | |
| | | Balance | Transfers | Transfers | Balance |
| | | 1 July 2021 | into fund | out of fund | 30 June 2022 |
| | | \$000 | \$000 | \$000 | \$000 |
| 2022 | Activities to which the reserve relates | | | | |
| Council Created and Targeted Rate Reserves | | | | | |
| General Renewal Reserve | All activities | 4,108 | 1,420 | (875) | 4,653 |
| Contingency Reserve | All activities | 505 | 7 | (7) | 505 |
| Asset Sale Proceeds Reserve | All activities | 1,164 | 19 | - | 1,183 |
| Staff Gratuities Reserve | All activities | 145 | 2 | (11) | 136 |
| Mayor's Relief Fund Reserve | Community | 4 | - | - | 4 |
| Turf Replacement Reserve | Community | 31 | 10 | - | 41 |
| Stormwater Reserve | Stormwater | 343 | 236 | (34) | 545 |
| Roading Renewals Reserve | Roading | 746 | 3,077 | (3,588) | 235 |
| Water Supply Reserve | Water Supply | (262) | 717 | (1,017) | (562) |
| Waste Management Reserve | Waste Management | 78 | 30 | (87) | 21 |
| Wastewater Reserve | Wastewater | 279 | 458 | (88) | 649 |
| Total | | 7,140 | 5,975 | (5,708) | 7,408 |

Note 22 Commitments

| | Council | | Group | |
|---|------------------------------|----------------------------|----------------------------|----------------------------|
| | Actual 2022/23 \$000 | Actual 2021/22 \$000 | Actual 2022/23 \$000 | Actual 2021/22 \$000 |
| | Financial Commitments | | | |
| Not later than one year | 6,243 | 10,741 | 6,243 | 10,773 |
| Later than one year and not later than five years | 78 | 5,681 | 78 | 5,732 |
| Later than five years | - | - | - | - |
| Total | 6,321 | 16,422 | 6,321 | 16,505 |
| Operating Leases as a Lessor | | | | |
| Not later than one year | 3 | 3 | 22 | 36 |
| Later than one year and not later than five years | 12 | 12 | 44 | 63 |
| Later than five years | 63 | 66 | 63 | 66 |
| Total | 78 | 81 | 129 | 165 |
| Capital Commitments | | | | |
| Aquatic Centre | - | 3,622 | - | 3,622 |
| Roading network | 2,202 | 6,044 | 2,202 | 6,044 |
| Total | 2,202 | 9,666 | 2,202 | 9,666 |

Non-financial commitments

- Council is committed to a 50/50 sharemilking agreement with the current sharemilker to 31 May 2027.
- Council is committed to various leases of rental properties for terms ranging up to 33 years with perpetual rights of renewal in two cases.
- Council is committed to a number of leases on reserves to various sports and other community bodies for varying terms.
- Council is committed to ground leases for the aerodrome club buildings, and private hangars for terms of up to 20 years.
- Quotable Value NZ Ltd will provide valuation services to Council for the period to 30 June 2026.
- AA Drivers Licensing have given Council an agency relationship to 30 June 2025.
- The Information Centre has various commission agreements with tourism providers.

Note 23 Contingencies

Contingent Assets

The Council operates a scheme whereby sports clubs are able to construct facilities (e.g. club rooms) on reserve land. The clubs control the use of these facilities and the Council will gain control of the asset only if the club vacates the facility. Until this event occurs, the assets are not recognised as assets in the statement of financial position. As at 30 June 2023 there are 6 properties, with 7 facilities, having an approximate value of \$940,000 (2022 - 6 properties with 7 facilities - \$940,000). The estimate has been based on rating valuations for the district that were performed effective August 2020.

Contingent Liabilities

Local Government Funding Agency (LGFA)

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

As at 30 June 2023, NZLGAF had 77 council members and three council controlled organisation members. Of the 77 council members, 30 are shareholders, and Council is one of the 70 who are guarantors. Together with the other guarantors, the Council is a guarantor of all of the LGFA's borrowings. At 30 June 2023, NZ LGFA had borrowings totalling \$17,571 billion (2021: \$15,78 billion).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability.

The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

Resource Management Act

The Resource Management Act 1991 imposes certain obligations and liabilities on local authorities relating to the issue of resource consents. As at 30 June 2023, one matter under that Act indicating a potential liability has been brought to the Council's attention. This matter relates to some infrastructure constructed by a developer as a condition of a resource consent and which does not appear to be performing to an appropriate standard.

Note 24 Related Party Transactions

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

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

Council is the ultimate parent of the group and controls one entity, being Percy Thomson Trust and has no significant influence over any other entities.

Related party transactions required to be disclosed

| | Actual 2022/23 \$000 | Actual 2021/22 \$000 |
|---|-------------------------------------|-------------------------------------|
| Percy Thomson Trust | | |
| Grant to the Trust from Council | 50 | 50 |
| Fees paid by the Trust to Council for administration services | 21 | 21 |

Key Management Personnel Compensation

| | Actual 2022/23 | Actual 2021/22 |
|--|---------------------------|---------------------------|
| <i>Councillors</i> | | |
| Full time equivalent members | 12 | 11 |
| Remuneration | | |
| Mayor - N Volzke | \$99,701 | \$87,000 |
| Councillors: | | |
| J Sandford | \$23,208 | \$26,364 |
| A Jamieson (to October 2022) | \$10,230 | \$36,383 |
| J Erwood | \$23,822 | \$25,342 |
| G Boyde | \$27,149 | \$29,143 |
| R Coplestone (to October 2022) | \$7,307 | \$25,342 |
| G Webby (to October 2022) | \$7,307 | \$25,342 |
| P Dalziel (to October 2022) | \$7,307 | \$25,342 |
| A Harris | \$24,413 | \$25,342 |
| M McKay | \$29,778 | \$25,342 |
| V Jones | \$23,822 | \$25,342 |
| E Hall (from October 2022) | \$16,515 | \$0 |
| A Dudley (from October 2022) | \$16,515 | \$0 |
| S Beck (from October 2022) | \$16,515 | \$0 |
| C Tongawhikau (from October 2022) | \$16,515 | \$0 |
| M Watt (from October 2022) | \$16,515 | \$0 |
| | \$366,619 | \$356,284 |
| <i>Senior Management Team, including the Chief Executive</i> | | |
| Full time equivalent members | 5 | 5 |
| Remuneration | \$958,451 | \$853,600 |
| Total full time equivalent personnel | 17 | 16 |
| Total key management personnel remuneration | \$1,325,070 | \$1,209,884 |

Note 25 Remuneration

| | Actual 2022/23 | Actual 2021/22 |
|--|---------------------|---------------------|
| Chief Executive | | |
| The Chief Executive of Stratford District Council was appointed under section 42 of the Local Government Act 2002 as from 5 January 2017, then re-appointed for a further five year term from 3 May 2022, and received the following remuneration for the year ended 30 June 2023: | | |
| Salary | \$250,000 | \$236,029 |
| Superannuation Subsidy (Kiwisaver) | \$7,500 | \$6,873 |
| <i>As at 30 June 2023 the annual remuneration package that was being received by the Chief Executive was calculated at \$250,000. This remuneration excludes Kiwisaver contributions.</i> | | |
| Total Chief Executive Remuneration | \$257,500 | \$242,902 |
| Council employee remuneration by band | 30 June 2023 | 30 June 2022 |
| <i>Total annual remuneration by band</i> | | |
| Less than \$60,000 | 58 | 56 |
| \$60,000 - \$79,999 | 17 | 16 |
| \$80,000 - \$99,999 | 10 | 10 |
| \$100,000 - \$159,999 | 10 | 9 |
| \$160,000 - \$239,999 | 4 | 0 |
| \$240,000 - \$259,999 | 1 | 1 |
| Total employees | 100 | 92 |
| Council Employee Numbers | 30 June 2023 | 30 June 2022 |
| Number of employees (at 30 June) | Actual | Actual |
| Full-time employees | 50 | 44 |
| Part-time employees (including casual employees) | 50 | 48 |
| Total employees | 100 | 92 |
| NB - A full-time equivalent is determined on the basis of a 40 hour working week. | | |
| Full-time equivalent employees | | |
| Full-time employees | 50 | 44 |
| Part-time employees (in full-time equivalents) | 22 | 15 |
| Total full-time equivalent employees | 72 | 59 |

Note 26 Severance Payments

For the year ended 30 June 2023, the Council made one severance payment to employees totalling \$20,000 (2021/22 - one payment totalling \$7,000).

Note 27 Events After the Balance Date

Disclosures – Water services reform programme

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

Note 28 Financial Instruments

| The accounting policies for financial instruments have been applied to the line items below: | | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| | Council | | Group | |
| | Actual 2022/23 | Actual 2021/22 | Actual 2022/23 | Actual 2021/22 |
| | \$000 | \$000 | \$000 | \$000 |
| FINANCIAL ASSETS | | | | |
| Amortised Cost | | | | |
| Cash and cash equivalents - Cash | 615 | 3,409 | 692 | 3,684 |
| Short Term Deposits | 5,000 | 7,000 | 5,350 | 7,250 |
| Receivables | 2,594 | 1,687 | 2,618 | 1,691 |
| Community Loan | 7,180 | 7,180 | 7,180 | 7,180 |
| LGFA Borrower Notes | 725 | 566 | 725 | 566 |
| Total | 16,114 | 19,842 | 16,565 | 20,371 |
| Fair value through surplus and deficit | | | | |
| Other financial assets: | | | | |
| Bonds and Other Investments | - | - | 397 | 427 |
| Total | - | - | 397 | 427 |
| Fair value through other comprehensive revenue and expenses | | | | |
| Other financial assets: | | | | |
| Listed shares | 600 | 547 | 600 | 547 |
| Total | 600 | 547 | 600 | 547 |
| FINANCIAL LIABILITIES | | | | |
| Financial liabilities at amortised cost | | | | |
| Payables and deferred revenue | 3,303 | 4,900 | 3,331 | 4,909 |
| Borrowings: | | | | |
| Secured loans | 33,700 | 32,200 | 33,700 | 32,200 |
| Total | 37,003 | 37,100 | 37,031 | 37,109 |

Note 29 Explanation of Significant Variances Between Actual and Budget

Explanations for major variations from Council's estimated figures in the 2022/23 Annual Plan are as follows:

Statement of Comprehensive Revenue and Expense

Income is higher than budget due to the following:

- Revenue from subsidies is higher than budget due to the increased amount of expenditure on roading, that was partly subsidised.
- Interest revenue was higher than budget due to the increase in term deposit interest rates.

Expenditure is higher than budget due to the following:

- Personnel costs are higher than budget due to the increase in the number of full time equivalent staff that were required to carry out the functions of council.

Other Comprehensive Revenue and Expense

- Land and buildings assets were revalued at 30 June 2023, which showed a significant increase over the carrying amount, which has been reflected in these accounts.

Statement of Financial Position

- Property, Plant and Equipment is higher than budget, due to the increase in the revaluation of the land and buildings, as at 30 June 2023.
- Current borrowings are higher than budget due to the additional funds council was required to borrow, for various capital projects, being placed on short term maturities, due to advantageous interest rates obtained.
- Reserves are higher than budget as a result of the revaluation of the land and building assets.

Note 30 District Licensing Committee Disclosure

| | 2022/23 | 2021/22 |
|---|---------------|---------------|
| Income from Fees: | | |
| Licence Applications | 32,268 | 35,213 |
| Liquor Licensing Authority Levies | -1,795 | 60 |
| Total Income | 30,473 | 35,273 |
| Expenditure: | | |
| Licensing Inspectors | 70,733 | 52,526 |
| District Licensing Committee Fees | 4,963 | 5,167 |
| Liquor Licensing Authority Levies | - | 0 |
| Other operating Costs Relating to Enforcement | 4,740 | 1,303 |
| Total Expenditure | 80,436 | 58,996 |

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

Note 31 Joint Committee – Central Landfill

During the 2017/18 year the Council agreed with South Taranaki District Council (STDC) and New Plymouth District Council (NPDC) tasked with developing a new landfill and operating it following the closure of the Colson Road Landfill. Each Council's share of capital contributions, distribution of any operating surplus or apportionment of any operating deficit has been agreed as follows: NPDC 66.4%, STDC 27.1% and SDC 6.5%. As at 30 June 2023, no additional capital contributions were made (2021/22: \$0 million).

In November 2018, the Joint Committee made the decision to suspend further development of the Central Landfill. Waste is now being disposed of at Bonny Glen, in the Rangitikei District, under a 35 year contract with Midwest Disposals Ltd who operate the landfill. As there was no alternative use for the proposed central landfill in Taranaki, all capital costs incurred have been written off to surplus or deficit. As at 30 June 2023 there are no funds retained by the Central Landfill Joint Committee for Stratford District Council's share of future operational costs (2021/22 \$1,950).

Note 32 Riskpool Update

Stratford District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme.

The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.



Funding Impact Statement



TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL

Annual Report 2022-23

Funding Impact Statements

Funding Impact Statement for the year ended 30 June 2023 (Whole of Council)

| | Annual Plan 2021/22 | Actual 2021/22 | Annual Plan 2022/23 | Actual 2022/23 |
|--|------------------------|-------------------|------------------------|-------------------|
| | (\$000) | (\$000) | (\$000) | (\$000) |
| Sources of operating funding | | | | |
| General rates, uniform annual general charges, rates penalties | 7,245 | 7,410 | 7,848 | 8,093 |
| Targeted rates | 6,705 | 6,885 | 6,996 | 7,053 |
| Subsidies and grants for operating purposes | 1,984 | 999 | 1,833 | 2,935 |
| Fees and Charges | 2,563 | 2,399 | 2,820 | 2,629 |
| Interest and dividends from investments | 206 | 222 | 232 | 419 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 46 | 78 | 53 | 71 |
| Total operating funding (A) | 18,749 | 17,992 | 19,782 | 21,200 |
| Applications of operating funding | | | | |
| Payment to staff and suppliers | 14,596 | 14,857 | 15,087 | 16,914 |
| Finance costs | 477 | 552 | 735 | 951 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding (B) | 15,073 | 15,409 | 15,822 | 17,865 |
| Surplus (deficit) of operating funding (A-B) | 3,676 | 2,583 | 3,959 | 3,335 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | 10,641 | 10,620 | 6,688 | 5,894 |
| Development and financial contributions | - | 300 | - | 97 |
| Increase (decrease) in debt | 13,821 | 10,000 | 6,221 | 1,500 |
| Gross proceeds from sale of assets | - | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding (C) | 24,462 | 20,920 | 12,910 | 7,491 |
| Applications of capital funding | | | | |
| Capital expenditure to: | | | | |
| - To meet additional demand | 1,200 | 6 | 1,025 | 2,653 |
| - To improve the level of service | 20,614 | 19,298 | 9,577 | 4,730 |
| - To replace existing assets | 6,721 | 5,070 | 6,813 | 5,999 |
| Increase (decrease) in reserves | (397) | (869) | (546) | (2,558) |
| Increase (decrease) in investments | - | - | - | - |
| Total applications of capital funding (D) | 28,138 | 23,506 | 16,869 | 10,825 |
| Surplus (deficit) of capital funding (C-D) | (3,676) | (2,586) | (3,959) | (3,335) |
| Funding balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 |

Funding Impact Statement - Note

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

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

Funding Impact Statement for the year ended 30 June 2023 (Recreation and Facilities)

| | Long Term Plan 2021 for 2021/22 | Actual 2021/22 | Long Term Plan 2022/23 | Actual 2022/23 |
|--|---------------------------------------|-------------------|---------------------------|-------------------|
| | (\$000) | (\$000) | (\$000) | (\$000) |
| Sources of operating funding | | | | |
| General rates, uniform annual general charges, rates penalties | 3,046 | 3,090 | 3,678 | 3,584 |
| Targeted rates | 17 | 19 | 17 | 18 |
| Subsidies and grants for operating purposes | 79 | 120 | - | 14 |
| Fees and Charges | 496 | 443 | 508 | 673 |
| Internal charges and overheads recovered | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 47 | 32 | 46 | 62 |
| Total operating funding (A) | 3,686 | 3,704 | 4,250 | 4,351 |
| Applications of operating funding | | | | |
| Payment to staff and suppliers | 2,178 | 2,362 | 2,169 | 3,253 |
| Finance costs | 161 | 151 | 296 | 352 |
| Internal charges & overheads applied | 809 | 820 | 833 | 923 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding (B) | 3,149 | 3,332 | 3,298 | 4,528 |
| Surplus (deficit) of operating funding (A-B) | 537 | 372 | 951 | (177) |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | 5,700 | 4,296 | 16 | 1,606 |
| Development and financial contributions | - | - | - | - |
| Increase (decrease) in debt | 11,366 | 10,504 | 652 | (246) |
| Gross proceeds from sale of assets | - | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding (C) | 17,066 | 14,800 | 668 | 1,360 |
| Applications of capital funding | | | | |
| Capital expenditure to: | | | | |
| - To meet additional demand | - | - | - | - |
| - To improve the level of service | 16,877 | 14,870 | 673 | 2,276 |
| - To replace existing assets | 161 | 131 | 6 | 33 |
| Increase (decrease) in reserves | 565 | 172 | 940 | (1,125) |
| Increase (decrease) in investments | - | - | - | - |
| Total applications of capital funding (D) | 17,603 | 15,172 | 1,620 | 1,184 |
| Surplus (deficit) of capital funding (C-D) | (537) | (372) | (952) | 176 |
| Funding balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 |

Funding Impact Statement for the year ended 30 June 2023 (Roading)

| | Long Term Plan 2021 for 2021/22 | Actual 2021/22 | Long Term Plan 2022/23 | Actual 2022/23 |
|--|---------------------------------------|-------------------|---------------------------|-------------------|
| | (\$000) | (\$000) | (\$000) | (\$000) |
| Sources of operating funding | | | | |
| General rates, uniform annual general charges, rates penalties * | (10) | (10) | (9) | (25) |
| Targeted rates | 3,203 | 3,231 | 3,026 | 3,117 |
| Subsidies and grants for operating purposes | 1,905 | 1,776 | 1,911 | 2,343 |
| Fees and Charges | 633 | 480 | 648 | 546 |
| Internal charges and overheads recovered | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 19 | 93 | 19 | 101 |
| Total operating funding (A) | 5,750 | 5,569 | 5,595 | 6,081 |
| Applications of operating funding | | | | |
| Payment to staff and suppliers - see note below | 3,533 | 3,677 | 3,557 | 4,452 |
| Finance costs | 2 | - | 6 | 5 |
| Internal charges & overheads applied | 379 | 368 | 389 | 419 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding (B) | 3,913 | 4,045 | 3,952 | 4,875 |
| Surplus (deficit) of operating funding (A-B) | 1,837 | 1,523 | 1,643 | 1,205 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | 3,541 | 2,746 | 3,443 | 3,685 |
| Development and financial contributions | - | - | - | - |
| Increase (decrease) in debt | 134 | - | 231 | - |
| Gross proceeds from sale of assets | - | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding (C) | 3,675 | 2,746 | 3,674 | 3,685 |
| Applications of capital funding | | | | |
| Capital expenditure to: | | | | |
| - To meet additional demand | - | - | - | - |
| - To improve the level of service | 350 | 479 | 619 | 1,228 |
| - To replace existing assets | 5,413 | 4,240 | 4,983 | 5,033 |
| Increase (decrease) in reserves | (251) | (450) | (285) | (1,371) |
| Increase (decrease) in investments | - | - | - | - |
| Total applications of capital funding (D) | 5,512 | 4,270 | 5,317 | 4,889 |
| Surplus (deficit) of capital funding (C-D) | (1,837) | (1,524) | (1,643) | (1,205) |
| Funding balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 |

Funding Impact Statement for the year ended 30 June 2023 (Water Supply)

| | Long Term Plan 2021 for 2021/22 (\$000) | Actual 2021/22 (\$000) | Long Term Plan 2022/23 (\$000) | Actual 2022/23 (\$000) |
|--|--|------------------------------|--------------------------------------|------------------------------|
| Sources of operating funding | | | | |
| General rates, uniform annual general charges, rates penalties | - | - | - | - |
| Targeted rates | 1,810 | 1,908 | 1,831 | 2,129 |
| Subsidies and grants for operating purposes | - | - | - | - |
| Fees and Charges | - | - | - | - |
| Internal charges and overheads recovered | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 25 | 20 | 25 | 39 |
| Total operating funding (A) | 1,836 | 1,928 | 1,856 | 2,168 |
| Applications of operating funding | | | | |
| Payment to staff and suppliers | 736 | 754 | 698 | 643 |
| Finance costs | 170 | 184 | 179 | 268 |
| Internal charges & overheads applied | 501 | 500 | 515 | 587 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding (B) | 1,407 | 1,438 | 1,391 | 1,498 |
| Surplus (deficit) of operating funding (A-B) | 429 | 490 | 464 | 670 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | 1,400 | 2,151 | 1,025 | 240 |
| Development and financial contributions | - | - | - | - |
| Increase (decrease) in debt | 144 | 1,020 | 628 | 579 |
| Gross proceeds from sale of assets | - | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding (C) | 1,544 | 3,171 | 1,653 | 819 |
| Applications of capital funding | | | | |
| Capital expenditure to: | | | | |
| - To meet additional demand | - | - | - | - |
| - To improve the level of service | 1,780 | 3,578 | 1,904 | 688 |
| - To replace existing assets | 695 | 375 | 812 | 423 |
| Increase (decrease) in reserves | (502) | (292) | (599) | 377 |
| Increase (decrease) in investments | - | - | - | - |
| Total applications of capital funding (D) | 1,973 | 3,660 | 2,117 | 1,489 |
| Surplus (deficit) of capital funding (C-D) | (429) | (489) | (464) | (670) |
| Funding balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 |

Funding Impact Statement for the year ended 30 June 2023 (Waste Water)

| | Long Term Plan 2021 for 2021/22 | Actual 2021/22 | Long Term Plan 2022/23 | Actual 2022/23 |
|--|---------------------------------------|-------------------|---------------------------|-------------------|
| | (\$000) | (\$000) | (\$000) | (\$000) |
| Sources of operating funding | | | | |
| General rates, uniform annual general charges, rates penalties | - | - | - | - |
| Targeted rates | 936 | 979 | 985 | 904 |
| Subsidies and grants for operating purposes | - | - | - | - |
| Fees and Charges | 73 | 57 | 75 | 38 |
| Internal charges and overheads recovered | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 13 | 10 | 13 | 20 |
| Total operating funding (A) | 1,022 | 1,045 | 1,073 | 961 |
| Applications of operating funding | | | | |
| Payment to staff and suppliers | 452 | 312 | 428 | 322 |
| Finance costs | 42 | 26 | 53 | 41 |
| Internal charges & overheads applied | 254 | 253 | 261 | 300 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding (B) | 747 | 591 | 742 | 663 |
| Surplus (deficit) of operating funding (A-B) | 275 | 454 | 331 | 298 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - |
| Development and financial contributions | - | - | - | - |
| Increase (decrease) in debt | 724 | 147 | 266 | 254 |
| Gross proceeds from sale of assets | - | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding (C) | 724 | 147 | 266 | 254 |
| Applications of capital funding | | | | |
| Capital expenditure to: | | | | |
| - To meet additional demand | - | - | - | - |
| - To improve the level of service | 800 | 188 | 362 | 92 |
| - To replace existing assets | 213 | 48 | 252 | 426 |
| Increase (decrease) in reserves | (15) | 365 | (17) | 33 |
| Increase (decrease) in investments | - | - | - | - |
| Total applications of capital funding (D) | 998 | 600 | 597 | 551 |
| Surplus (deficit) of capital funding (C-D) | (274) | (454) | (331) | (299) |
| Funding balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 |

Funding Impact Statement for the year ended 30 June 2023 (Storm Water)

| | Long Term Plan 2021 for 2021/22 (\$000) | Actual 2021/22 (\$000) | Long Term Plan 2022/23 (\$000) | Actual 2022/23 (\$000) |
|--|--|------------------------------|--------------------------------------|------------------------------|
| Sources of operating funding | | | | |
| General rates, uniform annual general charges, rates penalties | 356 | 357 | 367 | 430 |
| Targeted rates | - | - | - | - |
| Subsidies and grants for operating purposes | - | - | - | - |
| Fees and Charges | - | - | - | - |
| Internal charges and overheads recovered | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 7 | 5 | 7 | 10 |
| Total operating funding (A) | 363 | 362 | 373 | 440 |
| Applications of operating funding | | | | |
| Payment to staff and suppliers | 63 | 68 | 59 | 50 |
| Finance costs | 22 | 15 | 27 | 21 |
| Internal charges & overheads applied | 132 | 131 | 136 | 157 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding (B) | 217 | 214 | 222 | 228 |
| Surplus (deficit) of operating funding (A-B) | 146 | 148 | 151 | 211 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - |
| Development and financial contributions | - | - | - | - |
| Increase (decrease) in debt | 212 | 36 | 242 | 43 |
| Gross proceeds from sale of assets | - | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding (C) | 212 | 36 | 242 | 43 |
| Applications of capital funding | | | | |
| Capital expenditure to: | | | | |
| - To meet additional demand | - | - | - | - |
| - To improve the level of service | 252 | 64 | 292 | 72 |
| - To replace existing assets | 53 | 5 | 55 | - |
| Increase (decrease) in reserves | 52 | 115 | 46 | 182 |
| Increase (decrease) in investments | - | - | - | - |
| Total applications of capital funding (D) | 358 | 184 | 393 | 254 |
| Surplus (deficit) of capital funding (C-D) | (146) | (148) | (151) | (211) |
| Funding balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 |

Funding Impact Statement for the year ended 30 June 2023 (Solid Waste)

| | Long Term Plan 2021 for 2021/22 (\$000) | Actual 2021/22 (\$000) | Long Term Plan 2022/23 (\$000) | Actual 2022/23 (\$000) |
|--|--|------------------------------|--------------------------------------|------------------------------|
| Sources of operating funding | | | | |
| General rates, uniform annual general charges, rates penalties | 19 | 19 | 20 | 25 |
| Targeted rates | 756 | 767 | 780 | 903 |
| Subsidies and grants for operating purposes | - | - | - | - |
| Fees and Charges | 108 | 153 | 110 | 213 |
| Internal charges and overheads recovered | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 8 | 6 | 8 | 12 |
| Total operating funding (A) | 890 | 944 | 918 | 1,153 |
| Applications of operating funding | | | | |
| Payment to staff and suppliers | 682 | 789 | 704 | 761 |
| Finance costs | 20 | 20 | 19 | 25 |
| Internal charges & overheads applied | 152 | 150 | 156 | 171 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding (B) | 853 | 959 | 879 | 957 |
| Surplus (deficit) of operating funding (A-B) | 37 | (15) | 38 | 196 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - |
| Development and financial contributions | - | - | - | - |
| Increase (decrease) in debt | (36) | (36) | (35) | (35) |
| Gross proceeds from sale of assets | - | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding (C) | (36) | (36) | (35) | (35) |
| Applications of capital funding | | | | |
| Capital expenditure to: | | | | |
| - To meet additional demand | - | - | - | - |
| - To improve the level of service | - | 7 | - | 10 |
| - To replace existing assets | - | - | 10 | - |
| Increase (decrease) in reserves | - | (58) | (8) | 151 |
| Increase (decrease) in investments | - | - | - | - |
| Total applications of capital funding (D) | - | (51) | 2 | 161 |
| Surplus (deficit) of capital funding (C-D) | (36) | 15 | (37) | (196) |
| Funding balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 |

Funding Impact Statement for the year ended 30 June 2023 (Democracy)

| | Long Term Plan 2021 for 2021/22 (\$000) | Actual 2021/22 (\$000) | Long Term Plan 2022/23 (\$000) | Actual 2022/23 (\$000) |
|--|--|------------------------------|--------------------------------------|------------------------------|
| Sources of operating funding | | | | |
| General rates, uniform annual general charges, rates penalties | 1,074 | 1,077 | 1,172 | 1,158 |
| Targeted rates | - | - | - | - |
| Subsidies and grants for operating purposes | - | - | - | 10 |
| Fees and Charges | 70 | 102 | 70 | 168 |
| Internal charges and overheads recovered | 1,368 | 1,477 | 1,403 | 1,635 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 34 | 26 | 34 | 53 |
| Total operating funding (A) | 2,547 | 2,682 | 2,678 | 3,024 |
| Applications of operating funding | | | | |
| Payment to staff and suppliers | 1,874 | 2,012 | 1,986 | 2,222 |
| Finance costs | - | - | - | - |
| Internal charges & overheads applied | 673 | 698 | 692 | 746 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding (B) | 2,547 | 2,710 | 2,678 | 2,968 |
| Surplus (deficit) of operating funding (A-B) | - | (27) | - | 56 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - |
| Development and financial contributions | - | - | - | - |
| Increase (decrease) in debt | - | - | - | - |
| Gross proceeds from sale of assets | - | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding (C) | - | - | - | - |
| Applications of capital funding | | | | |
| Capital expenditure to: | | | | |
| - To meet additional demand | - | - | - | - |
| - To improve the level of service | - | - | - | - |
| - To replace existing assets | 189 | 193 | 225 | 227 |
| Increase (decrease) in reserves | (189) | (220) | (225) | (171) |
| Increase (decrease) in investments | - | - | - | - |
| Total applications of capital funding (D) | - | (27) | - | 56 |
| Surplus (deficit) of capital funding (C-D) | - | 27 | - | (56) |
| Funding balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 |

Funding Impact Statement for the year ended 30 June 2023 (Community Development)

| | Long Term Plan 2021 for 2021/22 (\$000) | Actual 2021/22 (\$000) | Long Term Plan 2022/23 (\$000) | Actual 2022/23 (\$000) |
|--|--|------------------------------|--------------------------------------|------------------------------|
| Sources of operating funding | | | | |
| General rates, uniform annual general charges, rates penalties | 1,243 | 1,244 | 1,402 | 1,139 |
| Targeted rates | - | - | - | - |
| Subsidies and grants for operating purposes | - | 261 | - | 377 |
| Fees and Charges | 623 | 855 | 625 | 773 |
| Internal charges and overheads recovered | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 21 | 17 | 21 | 33 |
| Total operating funding (A) | 1,887 | 2,377 | 2,048 | 2,322 |
| Applications of operating funding | | | | |
| Payment to staff and suppliers | 1,224 | 1,365 | 1,316 | 1,376 |
| Finance costs | 59 | 43 | 56 | 57 |
| Internal charges & overheads applied | 476 | 483 | 490 | 521 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding (B) | 1,759 | 1,891 | 1,862 | 1,955 |
| Surplus (deficit) of operating funding (A-B) | 128 | 485 | 186 | 367 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - |
| Development and financial contributions | - | - | - | - |
| Increase (decrease) in debt | 1,200 | (3) | 910 | (56) |
| Gross proceeds from sale of assets | - | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding (C) | 1,200 | (3) | 910 | (56) |
| Applications of capital funding | | | | |
| Capital expenditure to: | | | | |
| - To meet additional demand | 1,200 | 6 | 1,025 | 2,142 |
| - To improve the level of service | 556 | 192 | 549 | 25 |
| - To replace existing assets | - | - | - | - |
| Increase (decrease) in reserves | (428) | 284 | (478) | (1,855) |
| Increase (decrease) in investments | - | - | - | - |
| Total applications of capital funding (D) | 1,328 | 482 | 1,096 | 312 |
| Surplus (deficit) of capital funding (C-D) | (128) | (485) | (186) | (368) |
| Funding balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 |

Funding Impact Statement for the year ended 30 June 2023 (Environmental Services)

| | Long Term Plan 2021 for 2021/22 (\$000) | Actual 2021/22 (\$000) | Long Term Plan 2022/23 (\$000) | Actual 2022/23 (\$000) |
|--|--|------------------------------|--------------------------------------|------------------------------|
| Sources of operating funding | | | | |
| General rates, uniform annual general charges, rates penalties | 1,499 | 1,505 | 1,547 | 1,652 |
| Targeted rates | - | - | - | - |
| Subsidies and grants for operating purposes | - | - | - | - |
| Fees and Charges | 561 | 800 | 590 | 749 |
| Internal charges and overheads recovered | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 49 | 38 | 48 | 75 |
| Total operating funding (A) | 2,109 | 2,343 | 2,186 | 2,476 |
| Applications of operating funding | | | | |
| Payment to staff and suppliers | 1,131 | 1,395 | 1,180 | 1,400 |
| Finance costs | 1 | 1 | 1 | 2 |
| Internal charges & overheads applied | 969 | 997 | 997 | 1,065 |
| Other operating funding applications | - | - | - | - |
| Total applications of operating funding (B) | 2,101 | 2,395 | 2,178 | 2,468 |
| Surplus (deficit) of operating funding (A-B) | 8 | (52) | 8 | 8 |
| Sources of capital funding | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - |
| Development and financial contributions | - | - | - | - |
| Increase (decrease) in debt | (2) | (2) | (2) | (2) |
| Gross proceeds from sale of assets | - | - | - | - |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| Total sources of capital funding (C) | (2) | (2) | (2) | (2) |
| Applications of capital funding | | | | |
| Capital expenditure to: | | | | |
| - To meet additional demand | - | - | - | - |
| - To improve the level of service | - | - | - | - |
| - To replace existing assets | - | - | - | - |
| Increase (decrease) in reserves | 6 | (54) | 5 | 6 |
| Increase (decrease) in investments | - | - | - | - |
| Total applications of capital funding (D) | 6 | (54) | 5 | 6 |
| Surplus (deficit) of capital funding (C-D) | (8) | 52 | (7) | (8) |
| Funding balance ((A-B) + (C-D)) | 0 | 0 | 0 | 0 |

Annual Report Disclosure Statement

Annual report disclosure statement for year ending 30 June 2023.

What is the purpose of this statement?

The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

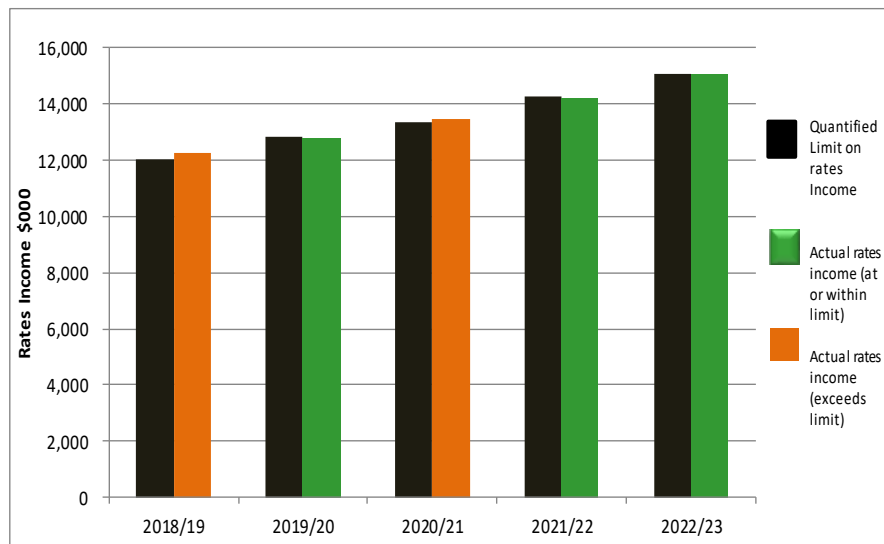
The council meets the rates affordability benchmark if –

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

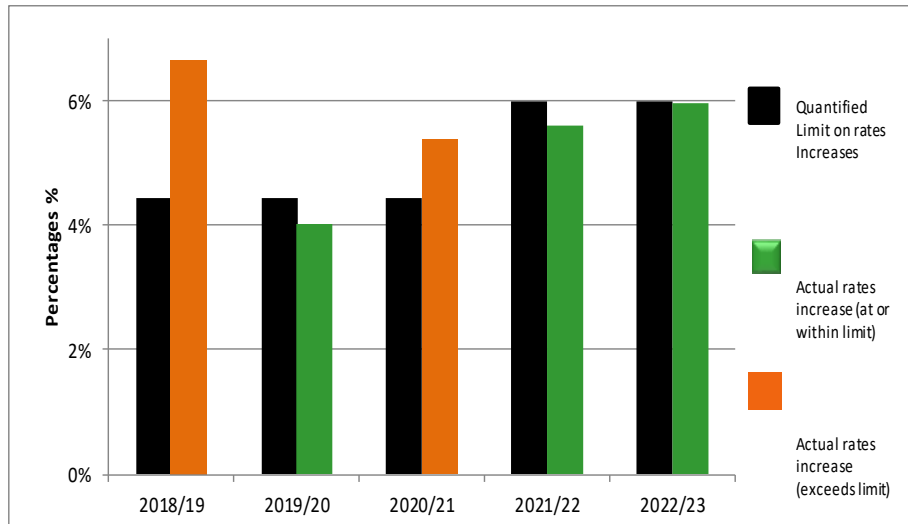
The following graph compares the Council's actual total rates income with the quantified limit on rates income as per the LTP 2021 which is previous years rates plus 6% (previous years was the previous years rates plus 4.45%).

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



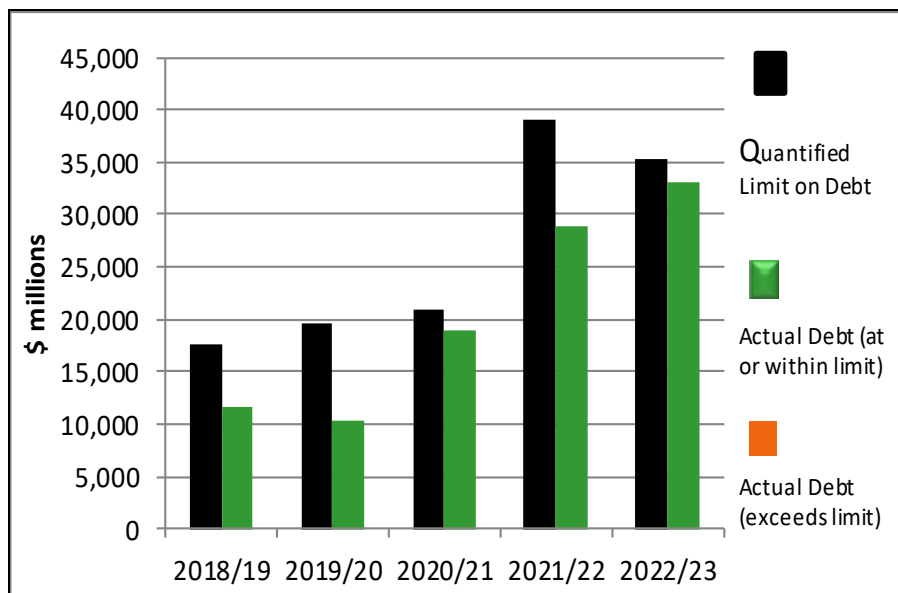
Rates (increases) affordability

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



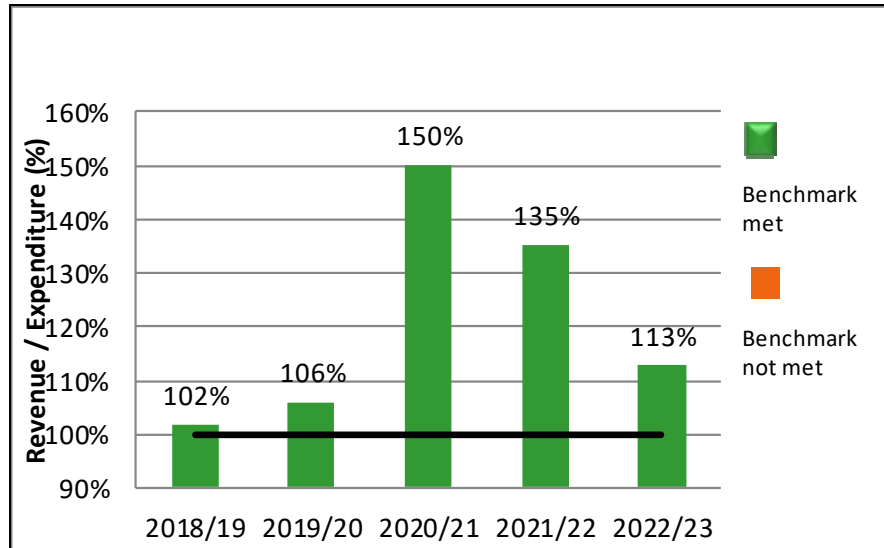
Debt affordability benchmark

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



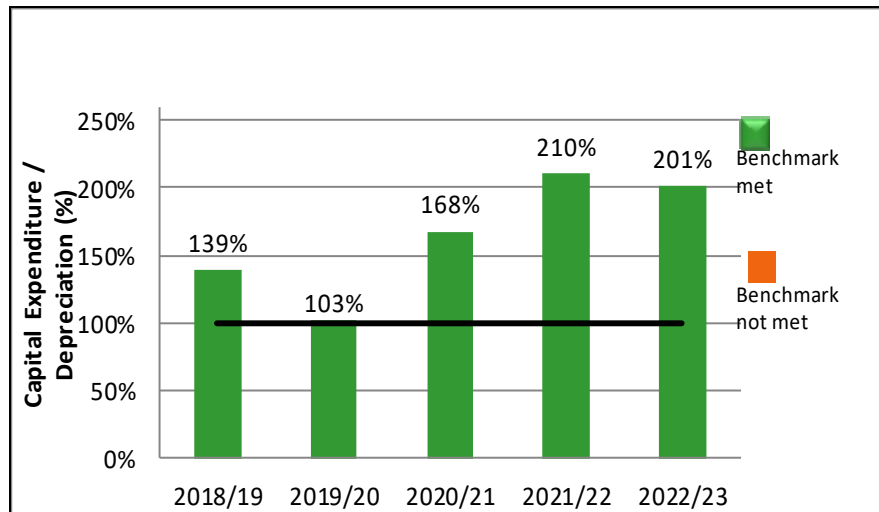
Balanced budget benchmark

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



Essential services benchmark

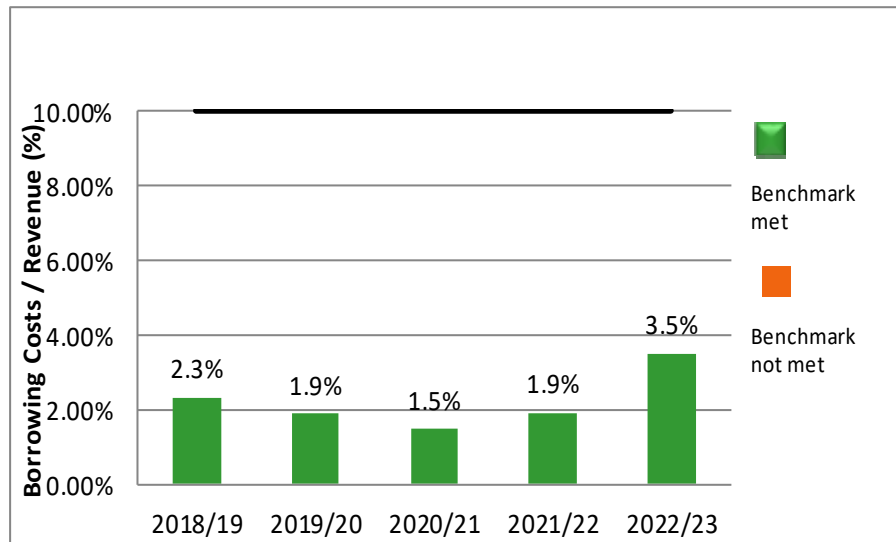
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

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

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

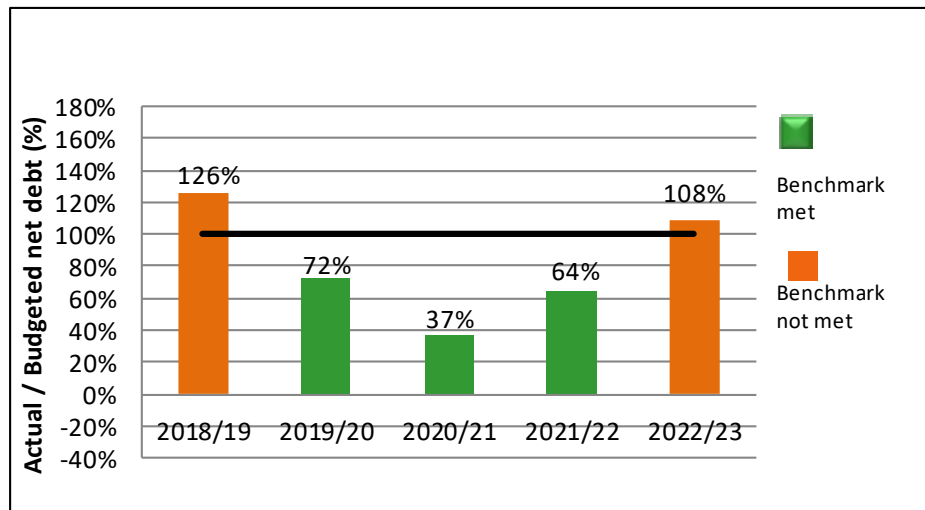


Debt control benchmark

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

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

For 2022/23, the year end balance of term deposits affecting net debt was temporarily at \$5m instead of \$6m due to timing of contractor payments.



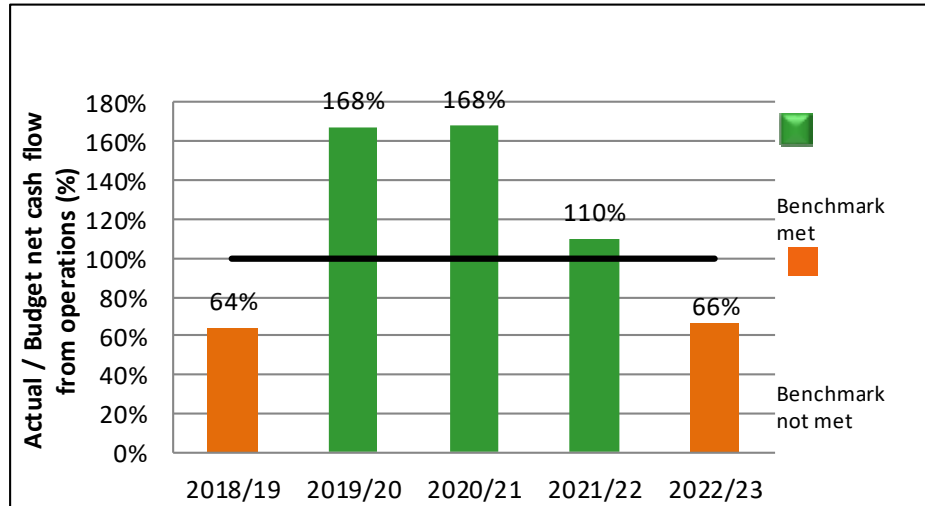
Prior years have been updated to reflect correct values.

Operations control benchmark

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

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

In 2022/23, the Council did not achieve the benchmark as expenditure was higher than anticipated.



TO THE READERS OF STRATFORD DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of Stratford District Council (the 'District Council') and its subsidiary and controlled entity (the Group). The Auditor-General has appointed me, Pam Thompson using the staff and resources of Deloitte Limited to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 10 October 2023. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 85 to 126:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2023;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the funding impact statement on page 128, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- the statement of service provision (referred to as Performance Reporting) on pages 18 to 79:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2023, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and

- the statement about capital expenditure for each group of activities on pages 128 to 136, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan; and
- the funding impact statement for each group of activities on pages 129 to 137, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 138 to 142, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's and Group's audited information and, where applicable, the District Council's annual plan and annual plans.

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

Emphasis of matter – uncertainty over the water services reform programme

Without modifying our opinion, we draw attention to Note 27 on page 124, which outlines developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three water services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the Council [as outlined in note 27] remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

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

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 17 and 81 to 83, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

In addition to our audit and our report on the disclosure requirements, we have carried out an assurance engagement on trustee reporting, which is compatible with those independence requirements. Other than this engagement we have no relationship with or interests in the District Council or its subsidiary and controlled entity.



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



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