



TE KAUNIHERA Ā ROHE O  
**WHAKAAHURANGI**  
**STRATFORD**  
DISTRICT COUNCIL

# ANNUAL REPORT 2023/24 - SUMMARY



## Welcome to the summary of our 2023/24 Annual Report.

An Annual Report compares Council's performance against the objectives, performance measures and budgets set in the Long Term Plan and Annual Plan for the year. It also gives details of the Council's overall financial performance for the year together with its financial position as at 30 June 2024 along with other financial data and information. The summary Annual Report is audited by Deloitte and their opinion is included.

## From our Mayor and Chief Executive

### Tēnā koutou katoa

The 2023/24 financial year was the third and final year of Council's 2021-2031 Long Term Plan.

At \$8.2 million, the actual capital expenditure for the financial year was significantly below the \$13.4 million spent in 22/23 and \$24.4 million spent in 21/22. This demonstrates the significant work programme council has gone through, and the return to a more normal and long-term sustainable level of expenditure. These figures include external funding sources, such as NZ Transport Agency Waka Kotahi subsidies and central government grants, and a significant portion of the increased spend in previous years was triggered by external one-off funding opportunities. The past 12 months have been busy with infrastructure projects that some might view as being minor but are in fact important pieces of work to keep our community ticking. These include:

- Victoria Park pond being drained, cleaned and re-filled
- Redevelopment of the Skate Park's bowl
- Replacement work on the septic tank at the Whangamomona Camp ground
- Re-alignment of Cardiff Road and safety improvements on Beaconsfield Road
- Fencing of the town's oxidation ponds
- Midhirst cemetery pathways upgrade

Following the general election in 2023, the coalition government announced several changes to funding allocated to council projects. This resulted in some significant changes to our capital works delivery for this year, including the cancellation of \$7.7 million of funding towards Transport Choices projects. These were designed to improve walking and cycling facilities and safer connections around town. By itself, Transport Choices accounted for 47% of 2023/24's capital works programme. This cancellation therefore significantly contributed to council's reduced capital works programme delivery. Other changes resulting from the general election required \$1.45 million of central government funding allocated to Prospero Place and Broadway beautification work to be shifted to water-related projects in later years.

### Operating Results

We finished the year with a net deficit of \$57,000. Revenue was 17% below budget due to the removal of external funding for Transport Choices and a number of other projects as discussed above. Expenditure was 2%, or \$552,000 above budget due to cost increases exceeding what was forecast.

### Financial Position

All Local Government Funding Agency (LGFA) lending covenants were met during the 2023/24 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

The results of the 2023/24 customer satisfaction survey are relatively consistent with those of the previous year, with a slight increase across most performance indicators. The overall satisfaction with Council's performance landed at 59% (up 2% from 2023) and satisfaction with quality of services and facilities reached 69% (up 2% from 2023). Of note is the fact that of all the councils the external research agency works with, Stratford District Council scored amongst the highest for customer satisfaction overall, with our Library and Visitor Information Centre scoring the highest satisfaction rating nationally.

Council achieved 71% of its performance measures for the year. The measures not achieved were across Parks, Reserves & Cemeteries, Planning and Bylaws, Roading services, and Water Supply, and due to a wide range of factors. These included a very wet summer impacting on the performance of the farm and the aerodrome, increased reporting for complaints, requests for service and Health and Safety related events due to better and more accessible reporting tools.

**Neil Volzke**  
District Mayor

**Sven Hanne**  
Chief Executive

## Your Council



**Neil Volzke, Mayor**  
nvolzke@stratford.govt.nz  
027 6317 418



**Min McKay, Deputy Mayor**  
min.mckay@stratford.govt.nz  
027 357 6060



**Clive Tongaawhikau**  
clive.tongaawhikau@stratford.govt.nz  
021 818 006



**Ellen Hall**  
Ellen.Hall@stratford.govt.nz  
021 817 792



**Jono Erwood**  
jono.erwood@stratford.govt.nz  
027 6404 008



**John Sandford**  
john.sandford@stratford.govt.nz  
027 496 2278



**Mathew Watt**  
mathew.watt@stratford.govt.nz  
027 263 1235



**Annette Dudley**  
annette.dudley@stratford.govt.nz  
027 452 6617



**Grant Boyde**  
grant.boyde@stratford.govt.nz  
(06) 765 5715



**Amanda Harris**  
amanda.harris@stratford.govt.nz  
(06) 762 3520



**Vaughan Jones**  
vaughan.jones@stratford.govt.nz  
027 620 2106



**Steve Beck**  
steve.beck@stratford.govt.nz  
027 444 7571

View our full Annual Report online at [Stratford.govt.nz](https://stratford.govt.nz)

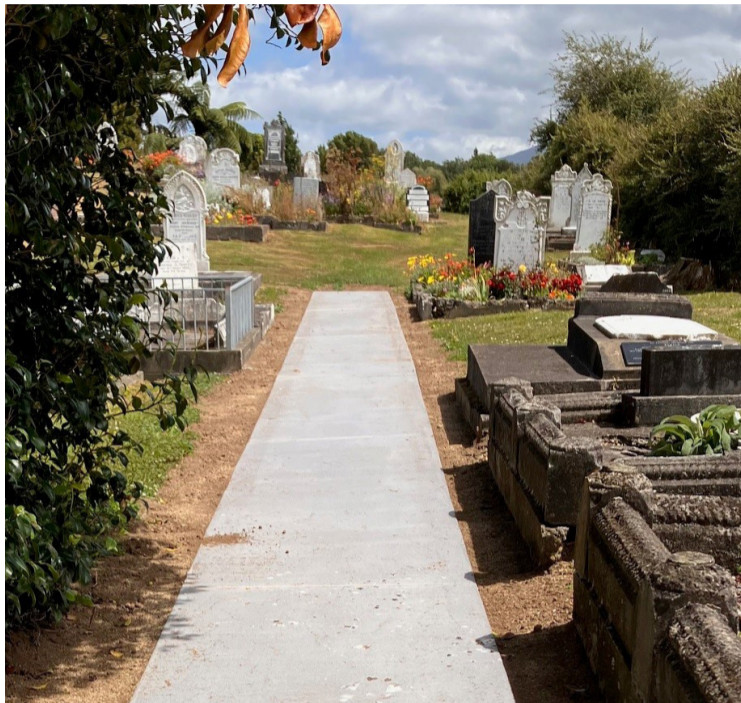
Or read a copy of the report at the Stratford Library and Visitor Information Centre or Council's Service Centre at 63 Miranda Street.

# A year in pictures!



Wai o Rua Swim School completed one year in operation, with 1,375 kids receiving swimming lessons.

Victoria Park skate bowl upgrade complete.



Upgrade to the Midhirst Cemetery pathways.



Victoria Park pond was drained and cleaned to look after its health and ensure it continues doing the important job of filtering silt and sediment out of incoming water before the flow joins the Pātea River.



Cardiff Road realignment project completed.



Summer Nights Concert and Movies in King Edward Park.

New septic tank at Whangamomona Camp



97% satisfaction score for Library services from residents' survey.



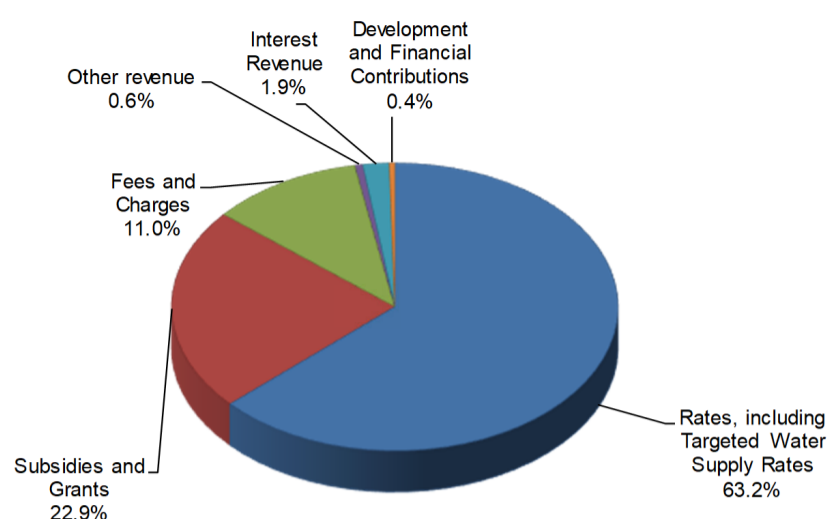
6 new members were sworn in to join the 2024 Stratford District Youth Council.



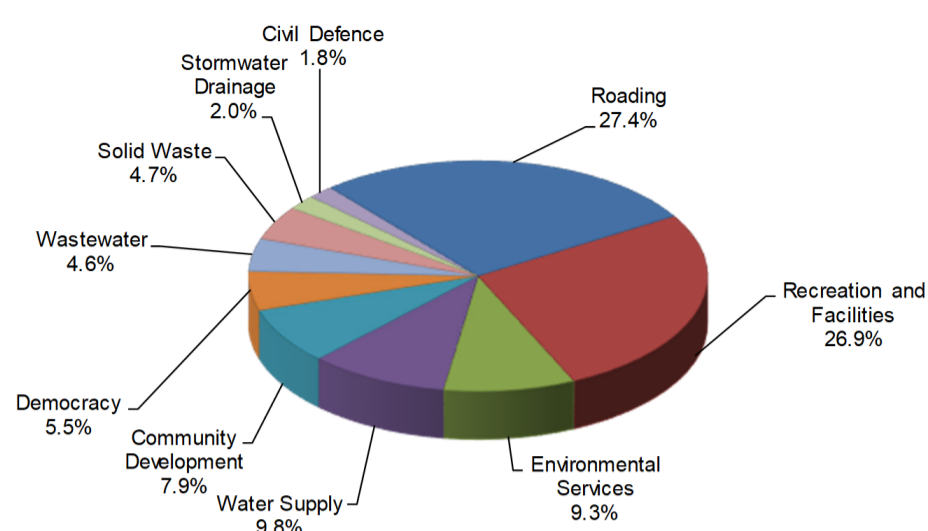
Stratford's Mayor's Taskforce For Jobs Workforce Programme helped 38 locals find employment.

# Financial overview

## Source of revenue - Council only



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



## Financial Performance

The following table provides a summary of the comparative financial performance for the Council and Group for the last two financial years. The consolidated figures comprise those of Council and its Council Controlled Organisation, the Percy Thomson Trust.

Summary of Statement of Comprehensive Revenue and Expense & Statement of Changes in Equity	Council			Group	
	Actual 2023/34	Budget 2023/34	Actual 2022/23	Actual 2023/34	Actual 2022/23
<b>For the Year Ended 30 June 2024</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Operating Revenue	25,660	31,101	27,141	25,747	27,284
Less: Finance Costs	1,217	1,241	951	1,217	951
Less: Other Expenditure	24,500	23,925	23,019	24,819	23,282
<b>Surplus (Deficit) before and after income tax</b>	<b>(57)</b>	<b>5,935</b>	<b>3,171</b>	<b>(288)</b>	<b>3,051</b>
Revaluation of financial assets at fair value through other comprehensive revenue and expense	(49)	-	53	(49)	53
Gains/(Losses) on Property, Plant and Equipment Revaluation	52,003	-	7,242	52,003	7,944
<b>Total comprehensive revenue and expense</b>	<b>51,898</b>	<b>5,935</b>	<b>10,466</b>	<b>51,665</b>	<b>11,047</b>
Equity at the Beginning of the Year	441,936	457,529	431,463	445,320	434,264
<b>Equity at the End of the Year</b>	<b>493,835</b>	<b>463,574</b>	<b>441,936</b>	<b>496,984</b>	<b>445,320</b>
Comprising:					
Accumulated Funds	199,965	201,936	201,080	201,204	202,553
Reserves and Special Funds	8,792	10,272	7,731	8,792	7,731
Revaluation of financial assets at fair value through Other Comprehensive Revenue and Expense	(532)	-	(483)	(532)	(483)
Asset Revaluation Reserves	285,611	251,366	233,608	287,520	235,517
<b>Equity at the End of the Year</b>	<b>493,835</b>	<b>463,574</b>	<b>441,936</b>	<b>496,984</b>	<b>445,320</b>

## Capital Expenditure

Capital expenditure totalled \$8,159,587 for the year ended 30 June 2024 (\$13,382,000 last year). For various reasons some projects have not commenced or have commenced but not been completed.

Key variations to the budget are:

	Actual 2023/24	Budget 2023/24
<b>Capital expenditure per function area of Council For the year ending 30 June 2024</b>	<b>\$000</b>	<b>\$000</b>
Parks, Reserves and Facilities	372	186
Recreation and Facilities	372	625
Democracy	187	206
Community Development	41	1,065
Rooding	4,661	12,311
Stormwater Drainage	309	589
Wastewater (Sewerage)	1,059	590
Solid Waste	13	7
Water Supply	1,145	878
<b>Total Expenditure</b>	<b>8,159</b>	<b>16,457</b>

## Summary of Financial Position

Summary of Statement of Financial Position	Council			Group	
	Actual 2023/34	Budget 2023/34	Actual 2022/23	Actual 2023/34	Actual 2022/23
<b>As at 30 June 2024</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Current Assets	9,646	9,383	8,463	9,995	8,944
Non-current Assets	525,071	497,815	471,718	527,920	474,654
<b>Total Assets</b>	<b>534,717</b>	<b>507,199</b>	<b>480,181</b>	<b>537,915</b>	<b>483,598</b>
Current Liabilities	10,182	6,524	10,536	10,231	10,571
Non-current Liabilities	30,700	37,101	27,707	30,700	27,707
<b>Total Liabilities</b>	<b>40,882</b>	<b>43,625</b>	<b>38,243</b>	<b>40,931</b>	<b>38,278</b>
<b>Equity</b>	<b>493,835</b>	<b>463,574</b>	<b>441,936</b>	<b>496,984</b>	<b>445,320</b>
<b>Total Liabilities and Equity</b>	<b>534,717</b>	<b>507,199</b>	<b>480,181</b>	<b>537,915</b>	<b>483,598</b>

## Summary of Cash Flows

The Cash Flows table summarises how Council and the Group generated and used cash during the respective financial years. In both years cash surpluses from operating activities were invested in the district's assets

Summary Statement of Cash Flows	Council			Group	
	Actual 2023/34	Budget 2023/34	Actual 2022/23	Actual 2023/34	Actual 2022/23
<b>For the year ended 30 June 2024</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Net Cash Flow from Operating Activities	6,400	12,737	7,122	6,298	7,086
Net Cash Flow from Investing Activities	(8,187)	(16,457)	(11,417)	(8,070)	(11,578)
Net Cash Flow from Financing Activities	3,000	4,016	1,500	3,000	1,500
<b>Net Increase (decrease) in Cash, Cash Equivalents and Bank Overdrafts</b>	<b>1,213</b>	<b>296</b>	<b>(2,794)</b>	<b>1,228</b>	<b>(2,992)</b>
Cash, Cash Equivalents and Bank Overdrafts at the beginning of the year	615	1,409	3,409	692	3,684
<b>Cash, Cash Equivalents and Bank Overdrafts at the end of the year</b>	<b>1,828</b>	<b>1,705</b>	<b>615</b>	<b>1,920</b>	<b>692</b>

## Net Deficit

The Net Deficit of \$57,000, compared to the budgeted surplus of \$5,935,000, is primarily due to the withdrawal by central government of the Transport Choices funding for rooding projects.

## Benchmarks

Net debt levels are within the targeted limits. Council has gross borrowings of \$36.7 million at interest rates ranging from 1.04% to 5.67% and financial investments of \$13.7 million.

The actual rates increase of 7.84% was higher than budgeted and outside the LTP limit.

		Council's Target (limits)	LTP - 2021-31	Actual - 2023/24
<b>Debt</b>	Net debt as a % of total annual revenue	<130%	99%	89%
<b>Income &amp; Affordability</b>	% Rates Increase	<6%	4.23%	7.84%

# Variations to the Annual Plan

## Net Operating Costs

### Recreation and Facilities

- The operating expenditure for the Aquatic Centre activity is \$317,000 over budget due to the increased staffing costs and overhead running costs.
- The operating expenditure for Civic Amenities is over budget by \$269,000 due to the seismic assessment consultancy work undertaken that was not budgeted for. Depreciation was also higher than budget due to the building revaluation at 30 June 2023.

### Roading

- Roading operating expenditure was less than budget as a result of the depreciation being less than anticipated, and the majority of funds allocated to the Brecon Road bridge business case were not spent.

## Capital Expenditure

Total capital expenditure was under budget by \$8,298,000. Although there were unders and overs across the council activities, significant variances are explained below.

### Roading

- The funding for the Transport Choices project was withdrawn by the government, so the works did not proceed.

### Community Development

- Further works on the proposed subdivision were put on hold as areas of wetland were identified, requiring the concept plan to be amended.



## Notes

- Part 6 Section 98(4)(b) of the Local Government Act 2002 requires councils to make publicly available a summary of the information contained in its Annual Report.
- 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.
- Stratford District Council's summary annual report is in compliance with PBE FRS-43 Summary Financial Statements and the financial statements have been prepared in New Zealand dollars. All values have been rounded to the nearest thousand dollars (\$000).
- The summary annual report does not include all disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding of the Council's financial performance as the full financial statements.
- The full financial statements on which this summary is based received an unmodified opinion and were authorised for issue by the Council on 10 December 2024.
- This summary financial report has been examined by the auditor for consistency with the full financial report. An unmodified auditor's report is included with this summary.
- The above is a summary of the Annual Report, but you can view the full report by going to [stratford.govt.nz](http://stratford.govt.nz) or phoning 06 765 6099.

### Events After the Balance Date

There have been no subsequent events requiring disclosure in the current year.

### New Zealand Local Government Funding Agency (NZLGFA)

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 2024, NZLGFA had 77 council members and five council controlled organisation members. Of the 77 council members, 30 are shareholders, and Council is one of the 72 who are guarantors. Together with the other guarantors, the Council is a guarantor of all of the LGFA's borrowings. At 30 June 2024, NZ LGFA had borrowings totalling \$23.84 billion (2023: \$17.57 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.

### Three Waters Service Delivery Reforms

Local Water Done Well ('LWDW') is the Government's water services reform programme aimed at addressing New Zealand's water infrastructure challenges.

The first stage to this was repealing the water services legislation constituting the Water Services Entities Act 2022, the Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023. This legislation was repealed on 17 February 2024.

# Non-financial performance measures

Council has 99 performance measures which were set by Council during the LTP 2021-31 process.

Of these, 70 measures were achieved, 27 measures were not achieved, and 2 measures were not applicable.

Activity	Achieved	Not applicable	Not achieved
Aerodrome	1	0	1
Civic Amenities	4	0	2
Community Development	1	0	1
Library	3	0	0
Parks/Reserves/Cemeteries	1	0	5
Aquatic Centre	3	0	2
Democracy	3	0	1
Economic Development	2	1	0
Information Centre	1	0	1
Rental properties	2	0	1
Building services	3	0	3
Planning and Bylaws	2	0	4
Civil Defence and Emergency Management	2	0	0
Community Health and Safety	7	0	0
Roading	5	0	4
Stormwater	5	1	0
Wastewater	6	0	1
Solid Waste	3	0	0
Water Supply	16	0	1
<b>TOTAL</b>	<b>70</b>	<b>2</b>	<b>27</b>

Following the repeal the Water Services Reforms has been replaced by Local Water Done Well water reforms which are to be implemented in two further stages.

The second stage, the Local Government (Water Services Preliminary Arrangements) Act 2024 (the 'Act'), was enacted on 2 September 2024. This legislation establishes a framework and preliminary arrangements for the delivery of water services. It requires Councils to develop Water Services Delivery Plans to be approved within 12 months of the legislation being enacted.

For the third stage, the Government has indicated that it will introduce a Bill in December 2024 that will establish enduring settings for the new water services system. The Government aims to have the new water services entities in place by mid-2025.

As noted above, the Act requires territorial local authorities to submit Water Services Delivery Plans ('WSDP') to the Secretary of Local Government by 3 September 2025. In broad terms, a WSDP must identify the current state of the council's water services and show how the council will delivery those services in a way that:

- meets relevant regulatory quality standards for stormwater, wastewater and water supply networks;
- is financially sustainable;
- ensures compliance with drinking water quality standards; and
- supports the council's housing growth and urban development objectives.

This WSDP requires councils to identify a financially viable pathway to delivering water services. The legislation also requires that councils are to:

- consider a minimum of two options – maintain the status quo or form a Council Controlled Organisation (as per the guidance provided by the Department of Internal Affairs); and
- consult with the community on the options.

Stratford District Council has commenced work on its Water Services Delivery Plan in accordance with the Act and will undertake consultation before the plan is adopted. These reforms have had no impact on the 2024 financial statements or performance information.

# Auditor's Opinion

# Deloitte.

## Independent Auditor's Report

### TO THE READERS OF STRATFORD DISTRICT COUNCIL'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

The summary of the annual report was derived from the annual report of the Stratford District Council and Group (the District Council) and its subsidiary and controlled entity (the Group) for the year ended 30 June 2024.

The summary of the annual report comprises the following information on pages 3 to 4:

- the summary statement of financial position as at 30 June 2024;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2024;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of non-financial performance measures.

### Opinion

In our opinion:

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

### Summary of the annual report

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

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

### The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2024 in our auditor's report dated 10 December 2024.

### Council's responsibility for the summary of the annual report

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

### Auditor's responsibility

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

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in the District Council or its subsidiary and controlled entity.

*Pam Thompson*

**Pam Thompson**  
for Deloitte Limited  
On behalf of the Auditor-General  
Wellington, New Zealand  
10 December 2024

**View our full Annual Report online at [Stratford.govt.nz](https://stratford.govt.nz)**

**Or read a copy of the report at the Stratford Library and Visitor Information Centre and Council's Service Centre at 63 Miranda Street, Stratford.**

