



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

**Our reference**  
F19/13/03-D21/26182

14 November 2024

**Audit and Risk Committee Meeting**

Notice is hereby given that an Audit and Risk Committee Meeting will be held in the **Council Chambers, Stratford District Council, 63 Miranda Street, Stratford** on **Tuesday 19 November 2024** beginning at **2.00 pm**.

**Timetable for 19 November 2024 as follows:**

1.00pm	Workshop - Three Waters (Local Water Done Well)
2.00pm	Audit and Risk Committee Meeting

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Sven Hanne'.

Sven Hanne  
**Chief Executive**

# 2024 - Agenda - Audit and Risk - November

19 November 2024 02:00 PM - 05:00 PM



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17. General Business

18. Questions

19. [Closing Karakia](#)

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# AGENDA

## Audit and Risk Committee



F22/55/05 – D24/50961

Date: Tuesday 19 November 2024 at 2pm  
Venue: Council Chambers, 63 Miranda Street, Stratford

1. Welcome
  - 1.1 **Opening Karakia**  
D21/40748 Page 8
  - 1.2 **Health and Safety Message**  
D21/26210 Page 9
2. Apologies
3. Announcements
4. **Declarations of members interest**  
Elected members to declare any real or perceived conflicts of interest relating to items on this agenda.
5. **Attendance Schedule**  
Page 10  
  
Attendance schedule for Audit and Risk Committee meetings.
6. **Programme of Works**  
D21/42807 Page 11

### Recommendation

THAT the Audit and Risk Committee's rolling programme of works up to September 2025 be received.

/  
Moved/Seconded

7. Confirmation of Minutes
  - 7.1 **Audit and Risk Committee – 17 September 2024**  
D24/44750 Page 12

### Recommendation

THAT the minutes of the Audit and Risk Committee Meeting held on Tuesday 17 September 2024 be confirmed as a true and accurate record.

/  
Moved/Seconded

8. [Matters Outstanding](#)  
D18/27474 Page 38

**Recommendation**

THAT the matters outstanding be received.

/  
Moved/Seconded

9. [Information Report – Health, Safety and Wellbeing](#)  
D24/49599 Page 39

**Recommendation**

THAT the report be received.

/  
Moved/Seconded

10. [Information Report – Risk Management](#)  
D24/51841 Page 43

**Recommendation**

THAT the report be received.

**Recommended Reason**

To provide an update to the Audit and Risk Committee of any risk events or threats in relation to significant risks on Council's risk register, as part of Council's risk management processes.

/  
Moved/Seconded

11. [Information Report – Capital Works Programme – Key Projects Update](#)  
D24/50322 Page 48

**Recommendations**

THAT the report be received.

**Recommended Reason**

To provide an update on the progress of our main capital projects for the 2024/25 financial year and assess Council's ability to complete them on time and within budget.

/  
Moved/Seconded

12. [Information Report – Policies Status – Annual Review](#)  
D24/50982 Page 59

**Recommendations**

THAT the report be received.

**Recommended Reason**

This report provides an update to the Committee on the review status for all external-facing Council policies.

\_\_\_\_\_  
Moved/Seconded

13. [Information Report – Annual Report 2023/24 - Update](#)  
D24/50322 Page 69

**Recommendations**

1. THAT the report be received.
2. THAT the Committee review the performance results presented in the draft Annual Report 2023/24, and consider the potential for risks within the information presented.

**Recommended Reason**

The Audit and Risk Committee is responsible for providing oversight of compliance with statutory responsibilities relating to financial requirements and to exercise due diligence in the accuracy of financial information and reporting.

\_\_\_\_\_  
Moved/Seconded

14. [Information Report – Three Waters Reforms – State of Play and current developments](#)  
D24/48561 Page 215

**Recommendations**

THAT the report be received.

**Recommended Reason**

This report is for information purposes only but gives elected members insight into the current state of three waters including current and future legislative changes as well as regional discussions regarding potential shared delivery models.

\_\_\_\_\_  
Moved/Seconded

15. [Decision Report – Review Risk Management Policy](#)  
D24/51083 Page 222

Recommendations

1. THAT the report be received.
2. THAT the amended Risk Management Policy be reviewed and approved.

**Recommended Reason**

The Policy is due for review, and was last reviewed in August 2021.

/  
Moved/Seconded

16. [Correspondence](#)
17. [General Business](#)
18. [Questions](#)
19. [Closing karakia](#)  
D21/40748 Page 239



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

**Our reference**

F19/13/03-D21/40748

**Karakia**

Kia uruuru mai  
Ā hauora  
Ā haukaha  
Ā haumāia  
Ki runga, Ki raro  
Ki roto, Ki waho  
Rire rire hau Paimārire

I draw in (to my being)  
The reviving essence  
The strengthening essence  
The essence of courage  
Above, Below  
Within, Around  
Let there be peace.





**Our reference**  
F19/13/03-D22/17082

### **Health and Safety Message**

In the event of an emergency, unless guided to an alternative route by staff, please exit through the main entrance. Once outside the building please move towards the War Memorial Centre congregating on the lawn area outside the front of the council building.

If there is an earthquake, please drop, cover and hold where possible. Remain indoors until the shaking stops and you are sure it is safe to exit or remain where you are until further instruction is given.

**5. Attendance schedule for 2024 Audit and Risk Committee meetings.**

Date	19/03/24	21/05/24	16/07/24	17/09/24	19/11/24
<b>Meeting</b>	A	A	A	A	A
Neil Volzke	✓	✓	✓	✓	
Steve Beck	✓	✓	✓	✓	
Grant Boyde	✓	✓	✓	✓	
Annette Dudley	✓		✓		
Jono Erwood	✓	✓	A	A	
Ellen Hall	✓	✓	✓	✓	
Amanda Harris					
Vaughan Jones	✓	A	✓	✓	
Min McKay	✓	✓	✓	✓	
John Sandford		A		✓	
Clive Tongaawhikau	✓	✓			
Mathew Watt	✓				
Philip Jones (External Chair)	✓	✓	✓	✓	

Key	
A	Audit and Risk Meeting
D	Meeting deferred
	Non-committee member
✓	Attended
A	Apology/Leave of Absence
AB	Absent
S	Sick
(AV)	Meeting held, or attended by, Audio Visual Link

## Audit and Risk Committee - Programme of Works (D21/42807)

	<b>Nov-24</b>	<b>Mar-25</b>	<b>May-25</b>	<b>Jul-25</b>	<b>Sep-25</b>
<b>Standing Items</b>	-Correspondence Received -Health and Safety Report -Risk Management Review - LTP Capital Projects status update	-Correspondence Received -Health and Safety Report -Risk Management Review - LTP Capital Projects status update - Audit matters raised status	-Correspondence Received -Health and Safety Report -Risk Management Review - LTP Capital Projects status update	-Correspondence Received -Health and Safety Report -Risk Management Review - LTP Capital Projects status update - Audit matters raised status	-Correspondence Received -Health and Safety Report -Risk Management Review - LTP Capital Projects status update
<b>Annual Items</b>	- Policy Status Review - Draft Annual Report 2023/24	- Annual Plan 2025/26 update	- Insurance Strategy 2025 - Internal Audit (Plan for 2025, and status report on previous year audit)	- Insurance Renewal 2025/26	
<b>One-Off Items</b>	- Three Waters service delivery (update, and key risks associated with options under consideration) - Risk Management Policy	- Building Control Authority and IAANZ audit (update)	- Three Waters Delivery update	- Local Government Election risks	- Resource Management and Consenting

# MINUTES

## Audit and Risk Committee



F22/55/06 – D24/44750

Date: Tuesday 17 September 2024 at 2pm  
Venue: Council Chambers, 63 Miranda Street, Stratford

### Present

Mr P Jones (the Chair), the District Mayor N C Volzke, the Deputy Mayor M McKay, Councillors: G W Boyde and V R Jones.

### In attendance

Councillors: S J Beck, E E Hall and J Sandford.

The Chief Executive – Mr S Hanne, the Acting Director – Corporate Services – Mrs C Craig, the Director – Assets – Mrs V Araba, the Director – Environmental Services – Mr B Sutherland, the Acting Director – Community Services – Mrs E Bishop, the Committee Secretary – Ms E Coulton, the Projects Manager – Mr S Taylor, the Audit and Risk Advisor – Mrs T Radich, the Health and Safety/Emergency Management Advisor – Mr O Konkin (*part meeting*), and the Communications Manager – Ms G Gibson (*part meeting*).

#### 1. Welcome

The opening karakia was read.

The Chair welcomed the District Mayor, Councillors, staff and the media to the meeting.

The Chair reiterated the health and safety message and emergency procedures.

#### 2. Apologies

It was noted that Councillor J M S Erwood has an approved leave of absence.

#### 3. Announcements

The Chief Executive Introduced Mrs Radich as the Audit and Risk Advisor assisting the committee for the time being.

#### 4. Declarations of Members Interest

The Chair requested councillors to declare any real or perceived conflicts of interest relating to items on this agenda.

There were no conflicts of interest declared.

#### 5. Attendance Schedule

Attendance schedule for Audit and Risk Committee meetings was attached.

6. Programme of Works

D21/42807

Page 10

**Recommendation**

THAT the Audit and Risk Committee's rolling programme of works up to July 2025 be received.

McKAY/BOYDE  
Carried  
A&R/24/36

The Chief Executive noted:

- Local Water Done Well (3 Waters) has been pushed out within the audit and risk space due to elected members recently undergoing an extensive workshop surrounding this matter. The intent is to have this discussed at the next meeting but it depends on what stage of the journey it is at.

Questions/Points of Clarification:

- The Chairman questioned if the annual report is on target. The Corporate Accountant noted that it is on target to be adopted on the 10<sup>th</sup> of December.
- The District Mayor noted that within the programme of works Local Water Done Well is still noted as 3 Waters.

7. Confirmation of Minutes

7.1 Audit and Risk Committee – 16 July 2024

D24/38200 Open D24/34064 PE

Page 11

**Recommendation**

THAT the minutes of the Audit and Risk Committee Meeting, including the public excluded section, held on Tuesday 16 July 2024 be confirmed as a true and accurate record.

McKAY/JONES  
Carried  
A&R/24/37

- The District Mayor noted that the 3<sup>rd</sup> bullet point on page 17 requires alteration. He noted that a portion of the sentence needs to be removed to make it make more sense.

8. Matters Outstanding

D18/27474

Page 26

**Recommendation**

THAT the matters outstanding be received.

P JONES /BOYDE  
Carried  
A&R/24/38

9. Information Report – Health, Safety and Wellbeing  
D24/42629 Page 27

<p><b>Recommendation</b></p> <p><u>THAT</u> the report be received.</p> <p>V JONES/BOYDE <u>Carried</u> <u>A&amp;R/24/39</u></p>
--

Questions/Points of Clarification:

- The Chief Executive highlighted that as per the committee’s request, relevant risk events from around the country have been included within the report.
- Councillor Boyde questioned what the estimated cost is for the devices noted in 6.8. The Health and Safety/Emergency Management Advisor noted that the cost is dependent on the road council decides to take, whether the council purchases or hires the devices.
- Councillor Boyde inquired about the lack of use of lone worker devices by staff and whether it poses a concern. The Health and Safety/Emergency Management Advisor acknowledged that it could be an issue but pointed out that many staff members have alternative communication methods, like cell phones. Councillor Boyde further asked about liability if the Council provides the equipment and it isn’t used but an incident occurs. The Health and Safety/Emergency Management Advisor confirmed that he has emphasised the importance of using the devices to the staff.
- The District Mayor questioned if not replacing the devices is an option moving forward due to the lack of staff utilizing them. He noted that due to cell phones, lone worker devices are only necessary for those travelling outside of cell phone coverage.
- Councillor Jones questioned if the suggested Sat Nav devices is included within the budget set for the year. The Chief Executive noted that the alternative devices suggested fit into the existing budget.
- The Chairman questioned if the frequency of contractor audits is sufficient. The Health and Safety/Emergency Management Advisor noted that he would like to see the number increase. The Chief Executive subsequently noted that it also depends on the time of year due to different time periods of work.

*The Health and Safety/Emergency Management Advisor left the meeting at 2.22 pm.*

10. Information Report – Audit matter Outstanding – Deloitte Annual Audit  
D24/43069 Page 33

<p>Recommendation</p> <p><u>THAT</u> the report be received.</p> <p>Recommended Reason</p> <p>This report informs the Committee of the issues identified in the final Deloitte Audit Management Report for the 2022/23 Annual Report and/or brought forward as outstanding from previous years audits, and current status.</p> <p>McKAY/P JONES <u>Carried</u> <u>A&amp;R/24/40</u></p>
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The Audit and Risk Committee Advisor noted:

- The Report is a wrap up of the previous financial year.
- There has been no official response from the Percy Thomson Trust regarding the outstanding audit matters.

Questions/Points of Clarification:

- The Chief Executive noted that a meeting has been held with the Audit and Risk Chair and the auditors from Deloitte who produced an extensive spreadsheet breaking down the hours they were forecasted to undertake. He noted that the spreadsheet was rather in depth and highlighted the large amount of hours and people involved. It was noted that in this meeting it was emphasised that Council is being audited on the same level as councils 3 times our size.
- Councillor Boyde asked whether the departments with the highest audit costs had been examined and compared to those of other councils. The Chief Executive clarified that only the overall cost was available, not the breakdown by department.
- The Chairman noted that there are no lower auditing standards that can be applied to smaller councils now like in the past.
- Councillor Boyde questioned if there is a possibility of standards being changed so that there is not a yearly audit required. The Chief Executive noted that not in accordance with the current standards. The Chairman noted that there is hope that a lesser standard will be introduced for smaller councils in future.
- The District Mayor noted that the level of auditing is disproportionate to the size of the organisation, however he understands that size does not affect overall processes as much as adding in additional activities.

#### 11. Information Report – Risk Management

D24/43070 Page 38

Recommendation

THAT the report be received.

Recommended Reason

To provide an update to the Audit and Risk Committee of any risk events or threats in relation to significant risks on Council's risk register, as part of Council's risk management processes.

McKAY/JONES  
Carried  
A&R/24/41

The Audit and Risk Committee Advisor noted:

- This report is an update on risks managed over the past months, there is nothing major to report.

Questions/Points of clarification:

- The Chairman asked as to where the council has ended up with budgets. The Chief Executive noted that the funding from NZTA has come through, and is slightly above the requested figure, however the funding for each category has been changed from what we requested. The Chairman questioned if it's possible to transfer between categories. The Chief Executive noted that it is dependent on what project it is used for, as it is a matter of politically supported budgets vs politically unsupported budgets.
- The District Mayor noted that they are currently clearing snow off Pembroke Road and as council are now responsible for special roads, this cost will fall onto us. The Chief Executive highlighted that this was budgeted for accordingly within the reactive maintenance budget.

12. Information Report – Capital Works Programme – Key Projects Update  
D24/41408 Page 43

Recommendations

THAT the report be received.

Recommended Reason

To present an update on the progress of our key capital projects in the 2024/25 financial year.

BOYDE/McKAY  
Carried  
A&R/24/42

Questions/Points of Clarification:

- Councillor Boyde referenced the Whangamomona septic tank in section 5.1 and questioned whether Council had “dropped the ball” on this issue. He asked if lwi reports are now required for all septic tank resource consents or if this requirement only applies to this project. The Projects Manager clarified that the lwi report is specific to this project. The Director of Assets sought clarification on what Councillor Boyde meant by “dropping the ball.” Councillor Boyde explained that the problems with the septic tank were identified three years ago, but no actions were taken to mitigate the risk of failure, leading to the current situation.
- Councillor Boyde addressed the situation in section 5.3, Prospero Place, noting that it seems to be progressing very slowly. He mentioned that discussions began six years ago and questioned whether it’s time to move forward without focusing on obtaining the land.
- Councillor Boyde discussed the Flint Road subdivision, noting that the wetlands identified were not initially recognized. He inquired about when they would receive information regarding the impact on size, shape, and other factors. The Projects Manager mentioned that the survey has captured the footprint of the wetlands, and they are currently working on the concept design. He also pointed out that wetland regulations have changed since the land was purchased, which has created some challenges.
- Councillor Boyde raised concerns about the water meters, noting issues with the contractor who is on the verge of liquidation. He asked if this would lead to a significant increase in costs when retendering. The Projects Manager confirmed they have received notice of the contractor’s liquidation and are currently in the retendering process. While there may be cost implications, he pointed out that the original tender was quite low, so the increase shouldn’t be substantial. Councillor Boyde also inquired about the delivery timeline, asking if it would still be April 2025. The Projects Manager explained that the original schedule was set for November, but there might be a slight delay. They will have more clarity once the tenders come back, with the project expected to be completed by the end of June. Councillor Jones sought clarification on whether we are losing the contractor or the product. The Chief Executive clarified that we are supplying the product, therefore we are only losing the contractor.
- Councillor Beck questioned if council has been monitoring the installation of the water meters for quality control. The Projects Manager noted that yes we have been, but out of 160 meters installed only 2 have had to be revisited for repairs.
- The Deputy Mayor addressed item 5.3 regarding Prospero Place, stating that the last she was aware, there was a sale and purchase agreement in place, subject to certain work being completed. She asked if that situation had changed. The Chief Executive noted that the property owner has not yet signed the agreement, and there hasn’t been any recent progress. He also pointed out that the columns have not yet been signed off, raising concerns about risks, building consents, and that engineering has not approved one specific aspect. The Deputy Mayor asked as to at what point do we implement a withdraw in this deal. The Chief Executive noted that they are willing to do this at any point the elected members instruct them to.
- The Chairman noted that this is the first report for the financial year, he asked what is anticipated to be reported on in subsequent meetings. The Projects Manager noted that this



report will be reporting and monitoring projects, risk and consequences associated with the projects as well as progress. The Chairman sought direction from the committee regarding the content of these reports, he asked whether it is necessary to include every project at every meeting and if we should just focus on high risk projects as well as emerging risks. Councillor Boyde suggested a graph highlighting projected timelines and deliveries.

13. Tabled – Decision Report – Risk Management Policy – Audit and Risk Committee  
D24/4427

Recommendations

1. THAT the report be received.
2. THAT the amended Risk Management Policy be reviewed and approved.

**Recommended Reason**

The Policy is due for review, and was last reviewed in August 2021.

BOYDE/McKAY  
Carried  
A&R/24/43

- The Audit and Risk Advisor noted that the tabled policy is due for a review and was raised to committee within a workshop setting previously. At this workshop it was discussed to add in an emerging risks section, aside from this there have been no other major changes.
- Councillor Hall questioned if there is an opportunity to incorporate a sustainability policy in this area, expressing her interest but uncertainty about the logistics. The Audit and Risk Advisor responded that she is not certain if sustainability is included in other councils risk management policies. She mentioned that adding sustainability to the policy would introduce another layer of consideration for assessing risks. The Audit and Risk Advisor noted that if there is appetite to explore the addition of this, we can investigate this.
- The Chairman noted that there was a review any appetite statements within the policy that state committee members comfortability with certain reoccurring risks. He noted that this may need readdressing. This matter was discussed further and was decided to be put on the programme of works to be readdressed at a later date.
- The committee noted that the policy is solid but want to explore sustainability further. The Chairman suggested that we receive the report and request that the current policy be brought back to the next committee meeting with considerations for sustainability included.

*The Projects Manager left the meeting at 3.28 pm.*

14. Correspondence

7.1 LFGA Quarterly Report to Shareholders

7.2 Letter – Proposed changed to the appointed Auditor for Stratford District Council

- The Chief Executive noted that within the letter received from the OAG it states that we asked for this change in auditors, however this is not the case as no formal process with the OAG was undertaken to change auditors. Regardless, Council staff are happy with the change and happy to move forward with the change to Audit New Zealand.
- The District Mayor highlighted that a response is required by the 20<sup>th</sup> of September, he queried whether the committee is required to give instruction or if this decision can be made at an executive level. The Deputy Mayor noted that she is comfortable for this decision to made at an executive level.

- The Acting Director - Corporate Services noted that Audit New Zealand is typically better versed in local government in comparison to Deloitte. The Chairman highlighted that only 5 councils are serviced out of Deloitte Wellington whereas Audit New Zealand is in the 20s.
- It was decided that the executive team will respond yes to this matter.

15. General Business

16. Questions

17. Closing karakia

The closing Karakia was read.

*The Meeting closed at 3.37pm*

Tabled Document  
**DECISION REPORT**



F22/55/04 – D24/4427

To: Audit and Risk Committee  
From: Audit and Risk Advisor  
Date: 17 September 2024  
Subject: Review Risk Management Policy

Recommendations

1. THAT the report be received.
2. THAT the amended Risk Management Policy be reviewed and approved.

**Recommended Reason**

The Policy is due for review, and was last reviewed in August 2021.

/  
Moved/Seconded

1. Purpose of Report
  - 1.1 To review the current Risk Management Policy, and approve the proposed minor changes, and make any further changes as necessary.
2. Executive Summary
  - 2.1 The Risk Management Policy, and the appendices (Risk Management Framework and Risk Appetite Statement) were last reviewed in August 2021. At this time, the policy had been workshopped with this Committee and significant changes were made at that time, following feedback from Committee members.
  - 2.2 The Policy has been reviewed internally, and is considered to be still fit for purpose. Only minor changes are proposed, and the addition of a responsibility of the Committee to "*Provide insight (Chair), and request further information (Committee), on emerging risks.*"
  - 2.3 The Policy does not specifically mention Sustainability and its interconnectedness with risk management, particularly as a way of building resilience across Council assets, people, and processes, to mitigate emerging risks. Now that a new Sustainability Policy has been adopted by Council, it may be an appropriate time for the policy to integrate Sustainability principles into this policy.

3. Local Government Act 2002 – Section 10

Under section 10 of the Local Government Act 2002, the Council’s purpose is to “enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future”			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:		Yes – managing risk is essential to ensuring ability to consistently and effectively deliver on council services.	
Social	Economic	Environmental	Cultural
x	x	x	x

5. Background

5.1 The Risk Management Policy was first adopted by Council in June 2018, and underwent a major review in 2021. Since then, the policy has effectively guided Council decision making in relation to risk management. This includes the monitoring of risk, maintenance of Council’s risk register, and the reporting of risk to elected members.

5.2 Minor changes are proposed to the current policy. One of the changes proposed is to allocate responsibility to the Committee to:

- *Provide insight (Chair), and request further information (Committee), on emerging risks.*

Council values highly the contribution of the independent chair to the Audit and Risk Committee, and this addition to the policy highlights emerging risks in particular as being an area where the Chair can contribute insights from their experiences working with other local authorities. This addition also places responsibility on other Committee members to request further information on emerging risks as appropriate.

6. Consultative Process

6.1 **Public Consultation - Section 82**

N/A – this policy is more administrative than outwards focused.

6.2 **Māori Consultation - Section 81**

N/A – this policy is more administrative than outwards focused.

7. Risk Analysis

7.1 This policy specifically addresses how risk is managed by Council.

8. Sustainability Consideration

8.1 As mentioned previously, in 2.3 of this report, there is an opportunity for elected members to integrate some of the principles and objectives of the newly adopted Sustainability Policy into this policy to ensure alignment, and to consider the importance of building resilience as an important risk mitigation tool.

9. Decision Making Process – Section 79

9.1 **Direction**

	Explain
Is there a strong link to Council's strategic direction, Long Term Plan/District Plan?	Yes – managing risk ensures Council can deliver on its strategic goals.
What relationship does it have to the communities current and future needs for infrastructure, regulatory functions, or local public services?	As above

9.2 **Data**

- Do we have complete data, and relevant statistics, on the proposal(s)?
- Do we have reasonably reliable data on the proposals?
- What assumptions have had to be built in?

Refer to the amended Risk Management Policy attached to this report.

9.3 **Significance**

	Yes/No	Explain
Is the proposal significant according to the Significance Policy in the Long Term Plan?	No	
Is it:	No	
• considered a strategic asset; or	No	
• above the financial thresholds in the Significance Policy; or	No	
• impacting on a CCO stakeholding; or	No	
• a change in level of service; or	No	
• creating a high level of controversy; or	No	
• possible that it could have a high impact on the community?	No	

In terms of the Council's Significance Policy, is this proposal of high, medium, or low significance?		
High	Medium	Low
		x

9.4 **Options**

Option 1 – Approve the amended Risk Management Policy, to then be adopted by Council.

Option 2 – As above, but make any further changes as required.

Option 3 – Request that council officers undertake a further review of the policy before bringing back to the Committee, noting this may include a workshop with elected members.

9.5 **Financial**

- Is there an impact on funding and debt levels?
- Will work be undertaken within the current budget?
- What budget has expenditure come from?
- How will the proposal be funded? eg. rates, reserves, grants etc.

*(Delete this box when this section is completed)*

N/A

9.6 **Prioritisation & Trade-off**

N/A

9.7 **Legal Issues**

N/A

9.8 **Policy Issues - Section 80**

No other policies will be directly affected by the amendments proposed.

**Appendix:**

1. Risk Management Policy (amended with track changes)



Tiffany Radich  
**Audit and Risk Advisor**



[Approved by]  
Sven Hanne  
**Chief Executive**

**Date 13 September 2024**

# STRATFORD DISTRICT COUNCIL

<b>POLICY: <u>RISK MANAGEMENT</u></b>	
<b>DEPARTMENT:</b> Corporate Services	<b>RESPONSIBILITY:</b> Director - Corporate Services
<b>DOCUMENT NO:</b> D21/24914	
<b>REVIEW DATE:</b> August 202 <del>4</del> <sup>4</sup>	<b>NEXT REVIEW:</b> August 202 <del>7</del> <sup>4</sup>
<b>VERSION:</b> <del>3</del> <sup>2</sup>	<b>FIRST APPROVAL DATE:</b> June 2018

## **Purpose**

The purpose of this policy is to provide an overview of Council's risk management strategy and guidance to those involved in managing Council risk. It is expected that this policy will provide assurance to Stratford District Council stakeholders that appropriate systems are in place to identify and manage risks.

## **Scope**

This policy must be adhered to by Council staff and elected members. Particular responsibilities are referred to later in this policy. However, there are other stakeholders that are affected by this policy, including contractors, the community, [tangata-mana](#) whenua, and lenders.

## **Principles**

The key Risk Management principles that will guide risk management processes are set out below.

- **Adds or protects value** by contributing to the achievement of the Council's objectives and improve or maintain performance.
- **Decision making** involves formal consideration of potential risks, and risk management.
- It is a **collective responsibility** in that all levels of the organisation must be involved in identifying and managing risks, to varying degrees.
- **Responsive to change** by ensuring regular reflection on the changing environment and emerging risks.
- **Pragmatic** by focusing on the most important risks and allowing informed risk taking based on Council's risk appetite.
- **Continuous improvement** in the processes used in identifying and managing risks and opportunities.

## **Managing and Reporting Risks**

To ensure the above principles are embedded in Council risk management processes, Council leadership has a responsibility to:

- Promote a culture that encourages transparent identification and open discussion of risks, threats and opportunities.
- Apply a consistent approach, using an agreed and widely understood method and language.

- Facilitate an appropriate level of monitoring, reporting, and escalation to inform decision making.
- Balance cost and effectiveness, ensuring that improvements in controls are viable and cost effective given the expected benefits or outcomes, and focus on what matters most.
- Provide assurance that key risks are adequately managed and that the Stratford District Council is able to plan for, rather than react to risk.
- Are dynamic, iterative and responsive to change, and are tailored to Council's needs.
- Incorporate audit and compliance disciplines as part of sound risk management.

To achieve this, Council will implement the *Risk Management Framework* (Appendix 1), which sets out the processes and procedures of risk management for Stratford District Council.

### Specific Responsibilities

#### Council

- Approves Stratford District Council's Risk Management Policy.
- Approve decisions that sit outside agreed risk appetite.
- Ultimate responsibility for the management of risk.

#### Audit and Risk Committee

- Reviews the effectiveness of the implementation of the Risk Management Policy.
- Confirms the key risks and the risk treatments are in accordance with the agreed risk appetite.
- Reviews and monitors key risks, and their treatment, to ensure they are managed within the agreed risk appetite.
- Approves the Internal Audit plan, based on Council's risk register.
- Provide insight (Chair), and request further information (Committee), on emerging risks, as appropriate.

#### Chief Executive

- Manage reporting to the Audit and Risk Committee and Council to confirm that the risk management policy and framework are operating effectively.
- Set the tone and influence the culture of risk management across the Stratford District Council.

#### Senior Leadership Team

- Participate in and contribute to weekly discussion of risk identification and reporting of risk events at formal SLT meetings.
- Lead risk management processes within Council and ensure all staff members feel empowered, and are expected, to identify and communicate risks.
- Ensure risk management is embedded into new and existing organisational processes.

#### Director – Corporate Services

- Preparation of relevant reports to the Audit and Risk Committee as outlined in the Risk Management Framework.



- Maintain the Risk Management Framework and Policy.
- Co-ordinate and provide oversight of the risk register and related activity.

**All staff**

- Actively identify, assess, and control risks, threats, events and opportunities.
- Report risk events and threats to direct manager.
- ~~Ensure risk management is embedded into new and existing organisational processes.~~

**Maintaining the Risk Management Policy**

It is important that the policy (including appendices) remains relevant to the Stratford District Council's environment within which it operates in, and incorporates any changes to the risk management standard: AS/NZS ISO 31000 Risk Management - principles and guidelines. ~~For this reason, the Risk Management Policy will be reviewed every two years.~~

Next review date: August 202~~3~~

**Appendices**

- 1 Risk Management Framework
- 2 Risk Appetite Statement

## APPENDIX 1

# STRATFORD DISTRICT COUNCIL Risk Management Framework

**Reviewed August 2024**

## Purpose

The purpose of this framework is to:

- Provide assurance to Council and the Audit and Risk Committee that the Stratford District Council has in place the necessary arrangements to ensure that effective risk management is implemented at all levels, and across all activities, of the organisation.
- Provide guidance and promote consistency in organisational risk management, and to describe the components of Stratford District Council's risk management system.
- Inform all Stratford District Council staff of the processes and expectations in regard to risk management.

The mandate and responsibilities for risk management comes from the Risk Management Policy. This Risk Management Framework supports compliance with the Policy and sets out the Council's arrangements for ensuring that robust, reliable risk management occurs throughout the organisation, and meets risk management governance obligations.

## Background – Establishing Context

Risk management happens every day and everywhere at the Stratford District Council. It is a key business process and a key leadership competency. Business as usual, initiatives and opportunities all require us to take risks. It is important to understand what those risks are and Council's appetite for risk, so that staff can make informed decisions in areas of uncertainty.

Good practice risk management is embedded into an organisation's culture; its business planning, financial management, and performance management processes. It is not carried out as an isolated exercise. It links closely with internal and external auditing processes and business continuity arrangements.

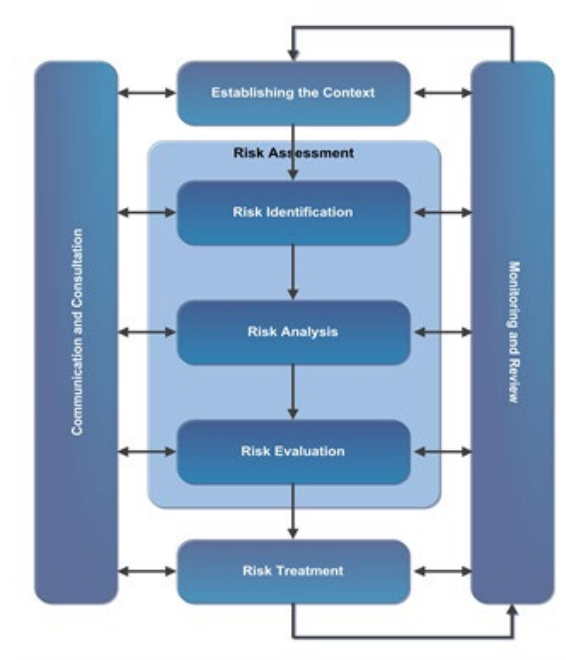
This framework contains the guidelines, processes & tools to enable a consistent approach for the identification, classification, treatment, and reporting of risks within the Stratford District Council. These must be applied across the Council to ensure consistency, coherence, and robustness.

## Framework

Risk management activities at the Stratford District Council are based on the ISO31000 Risk Management Standard which directs governance and management responsibilities to:

- **FRAME** - Risk management practices are framed in the context of the Council's risk appetite; The Stratford District Council's strategic and business objectives; and the strategic, environmental and organisational context within which the Council operates and from which risks arise.
- **ASSESS** - what, why and how events may arise are identified, existing controls determined, and risks are analysed in terms of their likelihood and impact in the context of those controls.
- **RESPOND** – Stratford District Council develops and implements specific risk management plans - with controls and treatments in response to risks.
- **MONITOR** - Monitoring and review occurs throughout the risk management process, with oversight and review of Risk Registers and any changes that might affect them; this includes communication and reporting at all stages that enables the Council to minimise losses and capitalise on opportunities.

The following diagram gives an overview of the AS/NZS ISO 31000:2009 Risk Management process that Council will use.



### **Risk Assessment**

The Council maintains a Risk Register to record and manage all identified risks. The Risk Register is stored and maintained in the Vault<sup>1</sup> system.

### **Risk Identification**

All staff members should be empowered, and expected, to identify and communicate risks. Risks identified will be reported to the staff member's direct manager and their Director, who will report the identified risk to the weekly Senior Leadership Team meeting.

From there, the risk will be reviewed against the current Risk Register to determine if there is already a related risk, and if that risk needs to be amended, or if a new risk needs to be added to the risk register.

Questions that should be asked include:

What are the potential risks? When and where could they occur?

What would be the impacts?

What could prevent us from achieving our objectives and outcomes?

Who and what would be impacted by the risk?

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<sup>1</sup> Council's online risk management and health and safety software.

Have all potential risks been considered?

Council's risk description will be stated with the risk first, and then the consequence, i.e "IF xxx occurs, THEN xxx will happen". For example *"IF a Manager uses their unique position to override internal controls, THEN fraud may occur, resulting in theft of Council assets/funds and incorrect/misleading financial statements."*

All risks on the risk register will be allocated to one of the following risk categories (however, they may relate to more than one of the categories):

- Data and Information
- Reputational and Conduct
- Operational
- Financial
- Health, Safety, and Wellbeing
- Legislation and Compliance

**Risk Analysis**

All new risks identified need to be analysed to determine potential causes, the likelihood of occurrence, and the potential consequences if they do occur. This is known as the *Inherent Risk*, prior to controls being implemented – refer to the *Risk Definition Table* below.

The below Risk Matrix is used for this purpose.

	Minor	Important	Serious	Major	Catastrophic
Almost Certain	2-Moderate	5-High	7-High	20-Extreme	25-Extreme
Likely	2-Moderate	4-Moderate	6-High	16-Very High	20-Extreme
Possible	1-Low	3-Moderate	4-High	12-Very High	15-Very High
Unlikely	1-Low	2-Moderate	3-Moderate	8-High	10-Very High

<b>Rare</b>	0-Low	1-Low	1-Low	4-Moderate	5-High
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Risk Matrix Table

Below is the guidance on using the risk matrix table:

***Likelihood***

- Almost Certain      90% or greater chance of occurring in next 12 months  
It would be unusual if this didn't happen
- Likely                60% to 90% chance of occurring in next 12 months  
Will occur more often than not
- Possible             25% to 60% chance of occurring in next 12 months  
Not likely, but don't be surprised
- Unlikely             2% to 5% chance of occurring in next 12 months  
Would be a surprise if this happened
- Rare                  Less than 2% chance of occurring in next 12 months  
Exceptional circumstances only

***Consequence (may have one or some of these characteristics)***

- Minor                No impact on Community Outcomes and Wellbeing  
Less than \$10,000 financial impact  
No reduction in service delivery  
No community interest or damage to reputation
- Important           Little to no impact on Community Outcomes and Wellbeing  
Between \$10,000 and \$100,000 financial impact  
Some reduction in service delivery  
Some community interest or little damage to reputation
- Serious             Some impact on Community Outcomes and Wellbeing  
Between \$100,000 and \$500,000 financial impact  
Some reduction in service delivery  
Significant community interest or damage to reputation
- Major                Major impact on Community Outcomes and Wellbeing  
Between \$500,000 and \$10,000,000 financial impact  
Large reduction in service delivery affecting a number of  
people  
Significant and sustained community interest or damage to  
reputation

Catastrophic      Devastating impact on Community Outcomes and Wellbeing  
 More than \$10,000,000 financial impact  
 Reduction in service delivery affecting a significant portion of  
 district  
 Significant loss of trust and confidence from the community

**Risk Evaluation**

Analysed risks will be evaluated to determine whether a risk is tolerable in its current state or whether further action is required. The evaluation process will also determine what level of reporting is required, as per the table below.

Overall Risk Rating	Actions for Risk Mitigation	Reporting of Risk Events
Extreme	Urgent and active management required. Risk treatment plan e.g. Business Continuity Plan, must be implemented immediately to reduce the risk exposure to an acceptable level. Regular reporting required.	Immediate notification to CEO, Mayor and Chair of Audit and Risk Committee. Report to Audit and Risk Committee Advise Director – Corporate Services to track risk.
Very High	Director attention is required. Risk treatment plan required.	Immediate notification to CEO Report to Audit and Risk Committee Advise Director – Corporate Services to track risk.
High	Management attention is required. Check controls are in place at least annually.	Immediate notification to CEO Notification to Director. Report to Audit and Risk Committee annually.

Moderate	<p>Management responsibility to monitor.</p> <p>Focus on ensuring internal controls are effective and review the ongoing risk at least every three years.</p>	Senior Leadership Team to review risk register periodically.
Low	<p>May be monitored using routine practices.</p> <p>Focus on ensuring internal controls are effective.</p>	Senior Leadership Team to review risk register periodically.

*Risk Response Table*

The evaluation of risks will consider established risk tolerances for such risks, as well as any risk-specific factors. This will allow us to determine the *Target Risk*, or the risk level that Council is able to tolerate.

### **Risk Treatment**

Council will identify opportunities to reduce the likelihood or consequence of the risk to achieve the *Target Risk* level – taking into account both the Council's risk appetite statement, and the potential costs of reducing the likelihood and consequence of the risk.

Risk treatment/controls will be developed to minimise the likelihood and consequence of a risk event occurring. The controls will be recorded in Vault, and will require a reconsideration against the risk matrix to determine the *Residual Risk*.

Risk	Definition	Purpose of Assessment
Inherent risk	The initial assessment of the consequence and likelihood of a risk prior to considering any existing controls, or if existing controls failed.	The inherent risk assessment enables management to determine the level of resources (people, systems and processes) required to manage the risk to an acceptable level.
Residual risk	The assessment of the consequence and likelihood of a risk taking into account the existing controls and an assessment of their effectiveness.	The residual risk assessment enables management to determine where remediation of existing controls and/or new risk treatments are required and appropriate.
Target Risk	Target risk is the assessed risk rating which Stratford District Council can accept for the risk, consistent with	The target risk assessment enables management to understand the risk as if the proposed risk treatments /mitigations have been successfully



	Stratford District Council's risk tolerance.	implemented by comparing it to a relevant benchmark or best practice indicator.
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*Risk Definition Table*

## Monitoring and Reviewing Risks

To be effective, risk management must be embedded in Stratford District Council's systems and processes to ensure that it is part of 'the way we do business'.

### **Council Decision-Making**

All Council decisions must be made with risk being one of the considerations. To this effect, the Council decision report template will require the following to be completed:

*Refer to the Council Risk Register.*

- *Does this report cover any issues that relate to any risks on the Council Risk Register, and if so which risks and what are the impacts and likelihood of eventuating?*
- *Does this report cover any issues that may lead to any new risks that are not on the Council Risk Register, and if so, provide some explanation of any new identified risks?*
- *Is there a legal opinion needed?*

### **Senior Leadership Team**

Risk Management is a permanent agenda item on the Senior Leadership Team meetings agenda. This is an opportunity for directors to bring identified risks, threats, events and opportunities from their respective departments for discussion. This is where the process to update the risk register is initiated.

### **Audit and Risk Committee**

The role of the Committee is *"to assist the Council in discharging its responsibilities relative to risk management, and regulatory, legal and contractual conformance and compliance and managing risk in an appropriate manner"* (taken from the Committee's Terms of Reference).

The Committee members are able to monitor risk through the following methods:

Reviewing the risk review report, which is a standing item on the agenda.

Request information, either to be replied to directly at a Committee meeting, or to be placed on Matters Outstanding.

Request a deep dive into a particular risk area be added to the annual Programme of Works.

## Definitions

The following definitions are consistent with international good practice as embodied in AS/NZS ISO 31000:2009 Risk management – Principles and guidelines:

**Risk:** The effect of uncertainty on achieving objectives.

**Risk Event:** An actual threat to Council or incident that has caused harm.

**Consequence:** Outcome of an event affecting objectives.

**Likelihood:** Chance of an event with consequences occurring.

**Risk Management:** Coordinated activities to direct and control an organisation with regard to risk.

**Risk Management Process:** The systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risk.

**Risk Management Framework:** Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation. The framework is made up of Risk Management policy, risk management processes, risk management practices and tools.

**Risk Appetite:** An organisations approach to assess and pursue, retain, take or turn away from risk.

**Risk Owner:** Person or entity with the accountability and authority to manage a risk.

**Risk Assessment:** Overall process of risk identification, risk analysis and risk evaluation.

**Risk Source:** An element which either alone or in combination has the potential to give rise to risk.

**Risk Treatment Plan:** A formal plan to record controls and mitigations to minimise the likelihood and consequence of a risk event, to be signed off by the CEO.

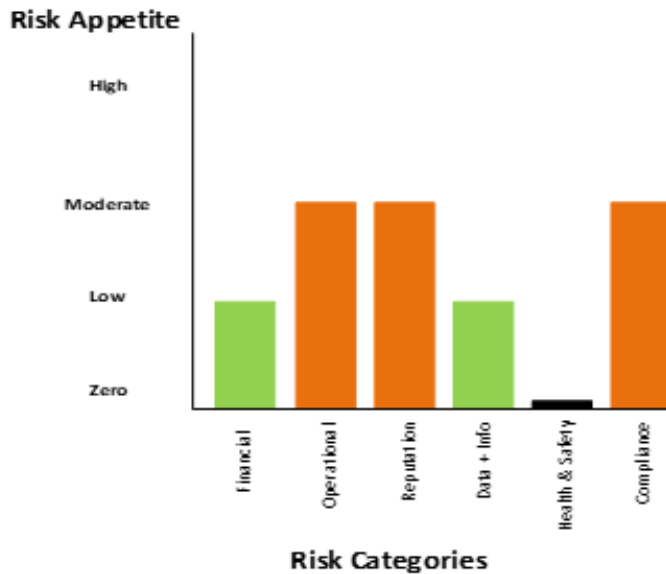
APPENDIX 2

STRATFORD DISTRICT COUNCIL  
Risk Appetite Statement

Reviewed August 2024

The risk appetite statement sets out the various risk zones in which Council is willing to operate in, with respect to Council’s risk categories. It is accepted that the risk appetite may change from time to time, depending on the threats and opportunities at the time.

Zero Appetite	Council is <b>not willing</b> to accept any instance of this risk occurring.
Low Appetite	Council accepts a <b>low amount</b> of this risk occurring with active monitoring of risks in place.
Moderate	Council <b>accepts that there may be risks</b> from time to time, and that some controls are required.
High	<b>Taking risks is acceptable</b> if there is potential for beneficial outcomes for Council.



Potential risk events that are beyond Council’s risk appetite should be escalated to the Senior Leadership Team where a risk treatment plan can be developed and threats and actions can be monitored closely. Where a risk has been identified as more than a high risk at the residual risk level, reporting to the Audit and Risk Committee is also required.

Where Council has a zero to low level of risk appetite, resources should be prioritised towards minimising and controlling the likelihood and consequences of these risks.

Where Council accepts a moderate to high risk appetite, it is important that controls are in place and are working effectively, however resource allocation towards this will not be prioritised, unless there are significant consequences as a result of a risk event occurring. In this case, the risk appetite may be recalibrated specific to the situation.

**Audit and Risk Committee  
Matters Outstanding Index**

ITEM OF MATTER	MEETING RAISED	RESPONSIBILITY	CURRENT PROGRESS	EXPECTED RESPONSE

# INFORMATION REPORT



F22/55/04 – D24/49599

To: Audit and Risk Committee  
From: Chief Executive  
Date: 19 November 2024  
Subject: Health, Safety and Wellbeing Report

## Recommendation

THAT the report be received.

\_\_\_\_\_/\_\_\_\_\_  
Moved/Seconded

1. Purpose of Report
  - 1.1 This report presents a summary of two-monthly progress and any highlights for the main areas of activity within for the period to 31 October 2024.
2. Executive Summary
  - 2.1 There was one reported injury to a contractor. A total of 13 incidents were reported in the period.
  - 2.2 Health monitoring was completed for staff with an identified risk of hazardous substance exposure within their role, namely staff working at the Water Treatment Plant and regular pool lifeguards on 15 October 2024.
  - 2.3 The review of lone worker solutions continues. This is also being explored by our neighbouring councils who are in the same position. Given that we are not solely reliant on the stand-alone devices we will watch this space before we proceed. As mentioned in the previous report, we are considering a combined solution that also addresses vehicle accidents/incidents.
3. Health and Safety Project Work
  - 3.1 Project work is currently on hold while the H&S/CD officer role is vacant. Essential tasks are undertaken by other staff but there is no capacity to progress project work at this point.
  - 3.2 The role has undergone a review as is standard process when vacancies arise. This review addressed the usual aspects of need/purpose/efficiency but additionally considered aspects such as most appropriate location and reporting lines to maximise impact. Feedback was sought internally and from neighbouring councils with comparable roles. No changes were made to the role – although feedback from neighbouring councils was quite strongly suggesting that the role may be under-resourced.

## 4. Top 5 Health and Safety Risk Focus Areas

### 4.1 – Contractor Incidents and Accidents

#### Risk Profile

Much of SDC's higher risk profile work is undertaken by contractors. SDC has a duty to protect the health and safety of contractors and subcontractors, as well as the public, under the Health and Safety at Work Act.

#### Incidents during the period – 1

#### **Recent Actions Undertaken**

- Ongoing site audits by H&S officer – these are on hold while the position is vacant. Project managers are however expected to review H&S practices on site on an ongoing basis as part of their engagement with contractors.

#### **4.2 – Water and Wastewater Treatment Plants**

##### **Risk Profile**

Both of these facilities are multi-hazard areas, with significant physical, chemical and biological hazards. Incidents and injuries are low due to robust control mechanisms and processes.

**Incidents during the period – 1**

#### **4.3 – Public Safety at Wai o Rua – Stratford Aquatic Centre**

##### **Risk Profile**

The large numbers of people using the facility, particularly young children, poses a risk of falls, other minor injuries and drowning incidents.

**Incidents during the period – 7**

##### **Recent Actions Undertaken**

- Review of individual events – no required corrections identified

#### **4.4 – Threatening and Aggressive Behaviour to Staff**

##### **Risk Profile**

Incidents of threatening behaviour and violence towards front-line staff are rising across most industries, particularly public service staff. As well as direct physical threats, this behaviour has a damaging effect on staff wellbeing.

**Incidents during the period – 0**

##### **Upcoming Actions**

- Continue review of lone worker device provision for staff

#### **4.5 – Vehicles and Driving**

##### **Risk Profile**

SDC staff are frequently out in the community and vehicles are considered a part of the workplace when they are. Driving injuries and deaths are a hazard as a result. SDC staff driver behaviour is also a risk for organisational public relations.

**Incidents during the period – 0**

##### **Recent Actions Undertaken**

- Ongoing monthly monitoring of vehicle condition and maintenance
- Review of vehicle monitoring options as part of upcoming review into lone worker solutions



5. Health and Safety Issues Affecting Other Councils

5.1 No notable H&S incidents at other councils or similar organisations have come to the attention of staff since the previous report was issued.

6. Health and Safety Incidents and Responses

1 September 2024 – 31 October 2024

Events	Period 1 September 2024- 31 October 2024		Equivalent Period 1 July 2023 – 31 August 2023	Change From Equivalent Period Last Year
	Pool	Other		
	7	6	24	-11
<i>Of which:</i>				
Injury( to our staff/ Contractor)	5 (1)		11	-6(5)
Near Miss	1		3	-2
Incident	7		10	-3
Illness	0		0	-

The event in brackets was a power outage that caused some IT issues. While it may qualify as an incident, there were no H&S matters related to it.

Type of Incident	Period 1 September 2024 – 31 October 2024	Running YTD Balance (1 July 2024 – 31 October 2024)
Slips/Trips/Falls	2	3
Sprains/Strains	1	2
Cuts/Abrasions/ Bleeding nose	3	7
Bruising	1	2
Pool Rescue	2	3
Aggressive/Abusive Customer	0	2
Trespass	0	1
Vehicle Damage	0	1
Non-compliance of process	0	1
Plant/Building/Equipment	3	3
Other	1	6
<b>Level of Treatment</b>		
First Aid	3	8
Medical/Hospital	0	0
<b>Level of Investigation</b>		
No/Standard Investigation	13	28
Formal Investigation	0	0
Worksafe Investigation	0	0

7.1 The number of events reported was notably lower than the corresponding period in the previous year. While traffic related incidents featured strongly in the previous report, there were no such incidents reported during this period.

**Incident 1**

**Incident type:** Non-compliance of member of public / exposure of child to pool water with high chlorine concentration

**Investigation & event details:** Following a contamination incident the programmes pool had been closed and manually dosed with chlorine as per standard operating procedures. Despite barriers in place, staff became aware of a child entering the pool. The parent was immediately asked to get his child out of the pool. The parent disclosed that he had told his son it was OK to jump into the closed pool.

**Specific outcome:** The parent had the potential harm explained and was asked to keep an eye out for any skin irritation developing. Pool closure procedures were reviewed and found to be compliant with standard procedures.

**Incident 2**

**Incident type:** Diesel leak on generator

**Investigation & event details:** The water treatment plant diesel generator was running to cover a planned power outage. Staff noticed sudden smoke development from the generator. Once the plant was and the generator were shut down this was investigated further and the maintenance contractor called out. The problem was identified and rectified. No damage occurred and the minor spill was contained within the generator's own containment.

**Specific outcome:** An item has been added to the regular check of the generator to ensure this situation does not recur.

8. Health and Wellbeing

	<b>Period 1 September – 31 October 2024</b>
<b>Health and Wellbeing</b>	
Workstation Assessments	0
EAP Referrals	0
Health Monitoring Assessments	0
Health and Safety Committee Meeting	0
Site Reviews	0

- 8.1 There have been no EAP requests reported in the portal for the period.
- 8.2 Hepatitis A&B immunisation has been offered to all Wai o Rua – Stratford Aquatic Centre lifeguard and swim school staff in accordance with their elevated risk profile. No staff took up the offer.

9. Civil Defence

- 9.1 The regular IT testing of equipment in the Emergency Operations Centre was completed.
- 9.3 Emergency Management Function training has been ongoing. Most recently Welfare training and Intelligence training has been completed with Public Information Management and Logistics covered previously.



Sven Hanne  
Chief Executive

Date 8 November 2024

# INFORMATION REPORT



F22/55/04 – D24/51841

To: Audit and Risk Committee  
 From: Audit and Risk Adviser  
 Date: 19 November 2024  
 Subject: Risk Management

## Recommendations

THAT the report be received.

### Recommended Reason

To provide an update to the Audit and Risk Committee of any risk events or threats in relation to significant risks on Council's risk register, as part of Council's risk management processes.

/\_\_\_\_\_  
 Moved/Seconded

## 1. Purpose of Report

- 1.1 To provide a high-level update on Council risk, with a particular focus on the Significant Risks Register (*Appendix 1*), and in accordance with Council's Risk Management Policy.

## 2. Executive Summary

- 2.1 The Audit and Risk Committee Terms of Reference provides that the Committee has responsibility to "...review and recommend and support management to proactively manage all aspects of risk and quality that the organisation has identified. To monitor and review risk and make recommendations to Council where necessary to minimise the likelihood or impact of a risk event."
- 2.2 The following significant risks are requiring active management by the Senior Leadership Team:
  - Risk 78 – Government Policy Impacting on Local Government
- 2.3 Additionally, the following risks are being actively managed:
  - Assets Department Restructure
  - Vandalism and arson attempts at the old swimming pool
  - Historic consenting matters

## 3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council's purpose is to "enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future"			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:		Effective risk management has an impact on council's ability to promote all four wellbeings.	
<b>Social</b>	<b>Economic</b>	<b>Environmental</b>	<b>Cultural</b>
✓	✓	✓	✓

4. Background

- 4.1 The Council maintains a full risk register, which now has 98 organisational risks. Of these, the most significant risks in terms of likelihood and consequence are monitored by the Audit and Risk Committee, via the Significant Risks Register. This report includes any incidents, events, and/or threats in relation to risks on the Significant Risks Register.
- 4.2 The risk register includes a description of the risk and provides an evaluation of the risk in terms of likelihood and consequence without any controls in place. Controls (risk reduction methods and mitigations) have been established for each risk, and then the risk is re-evaluated to get a residual risk score. In terms of what constitutes a significant risk, the raw risk score is considered, rather than the residual risk, as it is important that the senior leadership team and the Audit and Risk Committee regularly monitor that the controls in place are appropriate and effective.

5. Information Summary

5.1 **Significant Risk Events - Update**

Risk 78 – Government Policy impacting on Local Government

The work to develop individual and joint Water Service Delivery Plans is progressing. A standalone risk report on Water Service Delivery reform is being presented to this Committee.

5.2 **Other Significant Risks – Update**

- Assets Department Restructure – the assets team is currently undergoing a restructure to realign reporting lines and improve the efficient and effective delivery of services and compliance requirements.

The risk is that Council does not follow a fair and transparent process, or that staff may feel disengaged or dissatisfied with the outcome. As is standard practice in these processes, external HR advice has been utilised throughout to ensure a fair and robust process.

- Vandalism and Arson at the old swimming pool – this is an ongoing issue. Security measures are in place until demolition and reinstatement work is complete, which is expected to commence early in 2025. Tenders for this work are closing in November.
- Consenting Issue – The Council has received a claim lodged on behalf of a property owner. The claim relates to a matter arising from a historic subdivision and is being addressed in accordance with legal advice.

6. Strategic Alignment

6.1 **Direction**

N/A

6.2 **Annual Plan and Long Term Plan**

N/A

6.3 **Sustainability Consideration**

Note – it is proposed that the Risk Management framework incorporate the new Sustainability Policy principles.

6.4 **District Plan**

N/A

### 6.5 Legal Implications

Note – the Local Government Water Services Bill will set out provisions that enable the transfer of ownership, powers, assets, liabilities, and staff to new delivery models. The legislation is currently under development and is expected to be introduced by December 2024.

External HR advice is being utilised in relation to the Assets Department restructure.

Council has engaged legal advice regarding a historical subdivision consent matter.

### 6.6 Policy Implications

The Risk Management Policy is currently under review.



Tiffany Radich  
**Audit and Risk Adviser**



[Approved by]  
Sven Hanne  
**Chief Executive**

**Date** 14 November 2024

## 2024 - Agenda - Audit and Risk - November - Information Report – Risk Management

### Stratford District Council - Significant Risks Register

This report presents the most significant risks to Council in terms of likelihood and impact at any given time.

Risk Alert Number	Risk Category	Risk Subject	Risk Description	Risk Score Raw	Control Description	Residual Risk Score
78	Operational	Government Policy Impacting on Local Government	IF Government Policy significantly changes the services Council delivers or the way they are delivered, THEN this could put financial pressure on the district to fund investment in changes, or it may mean previous investment has become redundant.	20 Extreme	Where a policy change may have a significant negative impact on the Council then staff and elected members should consider making a submission to suggest and encourage alternative options. Council officers and elected members need to keep up to date with proposed changes to legislation and gov policy, and anticipate potential impacts of legislative changes and respond strategically, rather than being in a reactive position or being overly proactive. This could include joint collaboration with business and other councils, accessing alternative funding sources, or obtaining legal or professional advice. Council should aim to maintain a position where it can be adaptive and respond well to change, e.g. low to medium debt levels, diversification, good employment relationships.	20 Extreme
12	Data and Information	Cyber Attack	IF the systems are compromised and subject to a cyber attack, THEN system downtime, loss of data, ransoms may be demanded, potential privacy breach, reputational damage, and potential loss of funds.	16 Very High	Council have several security measures in place such as enterprise grade firewalls, email filtering, backups, antivirus and device management. If a breach was detected Council would activate the insurance policy and engage an IT security company resource to assist with recovery.	4 High
51	Operational	Natural Disaster or Fire - Response preparedness	IF a Natural Disaster or Fire causes significant damage to infrastructure and buildings THEN community welfare may be severely compromised, putting peoples lives at risk, and staff may be unable to access systems to carry out their day to day duties and functions.	15 Very High	Civil Defence Emergency Management plans are in place. Procedures following an emergency event are widely known by a number of staff due to Civil Defence Foundational training being rolled out to majority of council staff. Business Continuity Plans need to be in place and practiced regularly for all activities - Directors responsible for having a plan in place for each of their departments to ensure core functions can continue to be delivered.	12 Very High
71	Operational	Critical Asset Failure	IF a critical asset (water treatment plants, stormwater, wastewater, reticulation, roading) failed, THEN unexpected financial burden may arise and there could be significant disadvantage and risk to the community.	15 Very High	Conduct 2 yearly Asset Criticality Review. Ensure there are established Civil Defence Emergency Management response procedures in relation to fixing critical assets in an emergency event. Management practices and staff training, retention to ensure appropriate skill level in critical asset maintenance.	4 High
11	Data and Information	Server Failure	IF the server failed THEN systems down, data unavailable, potential data loss	12 Very High	Restore from backup - backups encrypted, and stored off-site at approved data-centres (Tier 3). Fail-over for Melbourne data centre replicates to Sydney data centre.	3 Moderate
32	Health, Safety, and Wellbeing	Lone Worker	IF a staff member is seriously injured or killed during field inspections/site visits, THEN possible health and safety breaches, death or serious injury.	12 Very High	Quality assurance, Ongoing training/awareness of HSE requirements and responsibilities, Better use of council data/knowledge base on dangerous or insanitary sites before staff member deploys to site, Use of GPS tracking, mobile phone tracking. Compliance officers to wear body cameras when on duty.	3 Moderate
58	Reputational and Conduct	Contractor Damage or Breach	IF Council and/or council contractors are found to be liable for public/environmental damage, or any actions that are unsafe or non-compliant with legislation and applicable policies and standards, THEN fines, possible injury, long-term damage, reputational damage could result.	12 Very High	Appropriate procedures and guidelines are in place to monitor contractor actions and our own including health and safety audits, contractor meetings/KPI's. The Council requires all physical works contractors to go through a thorough health and safety pre-qualification process and become approved before commencing any physical work. All relevant staff are kept up to date with pre-approved contractors register. Mini audits and random checks should be built into contracts. Contractor public liability insurance required for all major contracts.	3 Moderate

2024 - Agenda - Audit and Risk - November - Information Report – Risk Management

Risk Alert Number	Risk Category	Risk Subject	Risk Description	Risk Score Raw	Control Description	Residual Risk Score
72	Reputational and Conduct	Elected Members - Decision Making	IF elected members make significant decisions based on inaccurate/insufficient information, "biased" influences, conflicts of interest not disclosed, or lack of understanding of the financial or legislative impacts, THEN there could be funding access difficulties, audit scrutiny, financial penalties, and/or community distrust in elected members. Potential breach of Local Authorities (Member's Interests) Act 1968, and Councillors may be personally financially liable under S.47 of LGA 2002.	12 Very High	Relies on the accuracy and quality of the advice given by staff to elected members - ensure agenda, reports, and other papers are always reviewed by CEO, and Directors if appropriate. Information related to decision making should be given to elected members in a timely manner. Elected members should receive initial induction training and attend LGNZ, SOLGM conferences where material is relevant to get a better understanding of governance decision making. Council has a Professional Indemnity insurance policy for all elected members and independent committee members.	4 High
31	Health, Safety, and Wellbeing	Abusive Customers	IF council staff and/or representatives are exposed to abuse from the public during, or as a result of their association with council, THEN this could impact on staff safety and council's responsibility to ensure the safety of staff.	12 - Very High	Staff have personal alert alarms if in danger, customer service training and policies on how to deal with situations so they do not escalate. Security cameras in place. Fob access required to access staff office area. Mayor's office is secured by glass entry way.	4 High
74	Financial	Inadequate financial provision to fund asset replacement	IF there is inadequate financial provision in reserves to fund the replacement of assets, THEN the Council may have to borrow more than expected, or asset replacement may need to be delayed which may affect service level performance.	12 - Very High	Ensure annual depreciation is based on accurate fixed asset values (replacement cost) and accurate useful lives. Assets should not, unless necessary, be replaced before the end of their useful life.	2 Moderate
9	Compliance and Legislation	LTP/Annual Plan	IF LTP/Annual Plan is not adopted by 30 June (updated to 31 July for 2024) THEN council rates setting is compromised, statutory breach reported to Minister, there is no mandate for service delivery, additional audit scrutiny, and uncertainty around future service provision for the community.	12 - Very High	Set a timetable to ensure statutory deadline is met. Good project management. Good quality data is provided. Keep abreast of possible changes to legislation and plan accordingly. Good communication to all staff and liaison with Audit NZ.	8 High
92	Reputational and Conduct	Community Engagement	IF Council does not engage with the community in line with its Significance and Engagement Policy and the requirements of sections 76-82 of the Local Government Act 2002, THEN Council decisions will lack a community mandate, may not be fit for purpose, and may be scrutinised and subject to legal challenge.	12 - Very High	Prepare engagement strategy and communication plans for major decisions. An engagement strategy for the LTP is a must. Targeted engagement should be considered where decisions affect particular groups or individuals disproportionately.	4 High

# INFORMATION REPORT



F22/55/04 – D24/50322

To: Audit and Risk Committee  
From: Projects Manager  
Date: 19 November 2024  
Subject: Capital Works Programme – Key Projects Update – November 2024

## Recommendations

THAT the report be received.

### Recommended Reason

To provide an update on the progress of our main capital projects for the 2024/25 financial year and assess Council's ability to complete them on time and within budget.

\_\_\_\_\_  
Moved/Seconded

1. Purpose of Report
  - 1.1. The purpose of this report is to provide the Audit and Risk Committee with an update on the progress of key capital projects in the 2024/25 financial year.
  - 1.2. The intent is to track these projects and provide confidence both to the Council and ratepayers that the capital works programme will be delivered within the desired timeframes and budgets as indicated in the 2024-34 Long Term Plan (LTP).
2. Executive Summary
  - 2.1. For the 2024/25 financial year, Council approved the delivery of a total capital budget of \$18,515,851. This is comprised from \$16,085,851 in council funding (including NZTA subsidy) and \$2,430,000 in grant funding (including Better Off Funding).
  - 2.2. The total capital budget has since changed due to NZTA finalising the roading budget for the 2024 – 2027 financial years. The total budget for the 2024/25 financial year is now \$16,476,047.
  - 2.3. 13 projects of significance have been identified and assessed on the likelihood and consequence of the project being delivered and on budget. These projects, along with their risk profile are listed in **Appendix 1**.
  - 2.4. Significant Projects have been identified using the following criteria:
    - Critical asset
    - Complexity of project
    - Scale of project
    - Adverse environmental effects
  - 2.5. The risk assessment for timeframe delivery (**Figure 1**) for these significant project shows:
    - 7% are completed.
    - 72% are considered moderate risk
    - 21% are considered high risk.
  - 2.6. The risk assessment for on-budget delivery (**Figure 2**) for these significant project shows:
    - 69% are considered moderate risk
    - 23% are considered high risk.
    - 8% are considered extreme risk.



3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council’s purpose is to “enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future”			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:			
Social	Economic	Environmental	Cultural
✓	✓	✓	✓

3.1. Good risk management and regular monitoring supports the Council's social, economic, environmental, and cultural outcomes.

4. Information Summary

4.1. From the capital projects totalling \$18,515,851 approved for the 2024/25 financial year, Officers have identified 13 projects to be of significance and assessed the likelihood and consequence of the projects being delivered on time and within budget. These projects, along with their risk profiles, are listed in **Appendix 1**.

4.2. Significance of projects has been based on:

- Criticality of the asset;
- Complexity of project;
- Scale of project; and
- Potential adverse environmental effects relating to project delivery.

4.3. Officers have performed a risk assessment for each project, using the risk matrix shown in **Table 1**; **Figures 1 & 2** provide charts summarising these risk profiles.

Table 1: Risk Matrix

		Consequences				
		Minor	Important	Serious	Major	Catastrophic
Likelihood	Almost Certain	2: Moderate	5: High	7: High	20: Extreme	25: Extreme
	Likely	2: Moderate	4: Moderate	6: High	16: Very High	20: Extreme
	Possible	1: Low	3: Moderate	4: High	12: Very High	15: Very High
	Unlikely	1: Low	2: Moderate	3: Moderate	8: High	10: Very High
	Rare	1: Low	1: Low	1: Low	4: Moderate	5: High

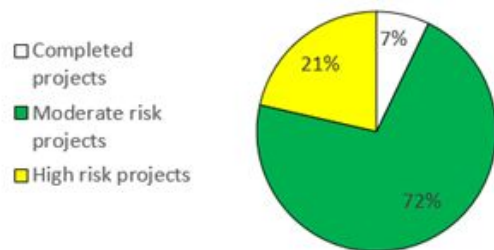


Figure 2: Risk profile of timeframe delivery for significant projects

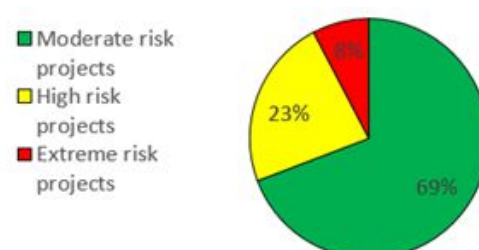


Figure 1: Risk profile of budget tracking for significant projects

5. Key Project Update

**Completed Projects:**

**5.1. Treatment Upgrade (7)**

*Current Action:*

An earth dam was replaced under emergency works due to imminent collapse, and its height was increased to accommodate the pond water levels.

*Timeframe Delivery Risk:*

This project has no risks related to meeting the delivery schedule. All physical works have been completed.

*Budget Risk:*

This project risk has been identified as **Extreme** (likely/major). Emergency repairs were completed, with costs exceeding the budget due to limited machinery access, resulting in labour-intensive work and health and safety risks.

*Background:*

Investigations in August determined a high risk of collapse of the current earth dam. National regulations require Council having certification for the earth dam.

**Projects in Progress:**

**5.2. Prospero Place Development (1)**

*Current Action:*

A preferred Landscape Architect has been identified through Council's procurement process and will be appointed in November to begin the design process of the space. Meetings will be held with Elected Members and Stakeholders in due course to establish the design scope.

*Timeframe Delivery Risk:*

This project risk has been identified as **Moderate** (possible/important). The design process is scheduled to take 12 to 14 weeks, excluding the Christmas period.

*Budget Risk:*

This project risk has been identified as **Moderate** (possible/important). Design costs for this project are expected to be around \$100,000, leaving \$200,000 for physical construction works in this financial year. The design will be staged to align with the budget outlined in the LTP 2024-2034. It is anticipated that the Council will still be able to utilise the full budget allocated for this year.

This project will continue into Years 2 and 3 of the 2024-2034 LTP.

The primary risk is relates to the ownership of the underlying land which council is actively working to resolve.

**5.3. TET Multisports Centre infrastructure renewals (2)**

*Current Action:*

The contractor is waiting for the head unit of the automatic front door to arrive from Australia. It is anticipated that the unit will arrive in November/December 2024.

Officers are also investigating security systems for public and contractor access to the building (i.e. key, fob, swipe card, or app). This will be installed when all physical works are completed.

*Timeframe Delivery Risk:*

This project risk has been identified as **Moderate** (unlikely/serious). Works are needing to be completed as the building is currently operating under a Certificate for Public Use (CPU). Once all works have been completed and satisfy the building consent requirements, a Code Compliance Certificate (CCC) can be issued.

*Budget Risk:*

This project risk has been identified as **Moderate** (unlikely/serious). The works for this project is projected to be within budget.

*Background:*

Two concerns regarding the TET Multisports Centre have been identified:

- Security access into the building – The front doors are not secure. These doors are often jimmed open after hours, causing security call outs.
- Fire compliance issues - Fire and Emergency New Zealand identified issues during an audit of the TET Multisports Centre, including:
  - Smoke stop doors to the restaurant are being wedged open.
  - No suitable fire emergency access at the rear of the building.
  - Unsuitable emergency lighting and signage.

A building consent has been lodged to remedy these concerns and make the building compliant for public use.

**5.4. Cardiff Walkway New Aluminium Steps and Bridge (3)**

*Current Action:*

This project is to replace the existing steps and bridge on the Cardiff Walkway, which is suspended over the Konini Stream. A resource consent is required for the physical works due to working in the river.

*Timeframe Delivery Risk:*

This project risk has been identified as **Moderate** (likely/important). Works may be delayed due to the application of a resource consent. Work is expected to be undertaken in March/April when the Konini Stream water level is usually at its lowest.

*Budget Risk:*

This project risk has been identified as **Moderate** (possible/important). Resource consent conditions may increase the cost of this project.

**5.5. Flint Road Subdivision (4)**

*Current Action:*

The concept plan has been finalised, taking into account the identified wetland area. Officers are now procuring a surveyor as per Council's procurement policy.

*Timeframe Delivery Risk:*

This project risk has been identified as **Moderate** (likely/important). The subdivision is subject to meeting future resource consent conditions. While the current market for selling sections is at a low point, it is important for Council to re-coup costs that have already been incurred.

*Budget Risk:*

This project risk has been identified as **Moderate** (likely/important). This project is spread over three years of the 2024-2034 LTP. It is unlikely that the budget for this financial year will be spent.

*Background:*

Council purchased the property of 39/41 Flint Road to extend the subdivision at Midsummer Avenue to Flint Road. This will provide resilience to our roading network by providing another access to Flint Road.

**5.6. Stormwater Modelling (5)**

*Current Action:*

A procurement plan is underway to procure the modelling of Stratford's stormwater system.

*Timeframe Delivery Risk:*

This project risk has been identified as **Moderate** (possible/important). The building of the model may require monitoring over the winter months to effectively calibrate the model.

*Budget Risk:*

This project risk has been identified as **Moderate** (unlikely/important). The works for this project is projected to be within budget.

**5.7. Silt Retention Victoria Park (6)**

*Current Action:*

The silt was removed from the Victoria Park lake in March 2024. It is currently stored at Victoria Road. Once dried, the silt will be sampled for TRC approval to spread on Council owned land near the Wastewater Treatment Ponds.

*Timeframe Delivery Risk:*

This project risk is considered **Moderate** (unlikely/serious). Timeframe delays could have an impact on resource consent conditions.

*Budget Risk:*

This project risk is considered **Moderate** (unlikely/serious). This project is projected to be within budget.

**5.8. Desludging Wastewater Treatment Ponds (7)**

*Current Action:*

An application for the Resource Consent is with TRC for processing to remove the sludge from the existing wastewater ponds. This process will take time, so it has been applied for now in anticipation in years 2 and 3 of the LTP 2024-34.

*Timeframe Delivery Risk:*

This project risk is considered **High** (unlikely/major). Delays in obtaining a resource consent will delay the physical works.

*Budget Risk:*

This project risk is considered **High** (almost certain/major). There is no budget assigned for this works in this year's LTP.

**5.9. Pipe at Swansea Road Bridge (9)**

*Current Action:*

A contract has been awarded for the repair of the wastewater pipe at the Swansea Road bridge over the Patea River. This pipe has dropped, causing a backflow on a critical part of the wastewater network.

*Timeframe Delivery Risk:*

This project risk is considered **High** (unlikely/major). The contract for the physical works will be awarded in November 2024.

*Budget Risk:*

This project risk is considered **High** (unlikely/major). The contract for the physical works will be awarded in November 2024. The tendered rate is lower than the budgeted amount.

**5.10. Universal Water Metering (10)**

*Current Action:*

A new contract for the installation of manifolds is being advertised in November 2024. Completion is expected to be in mid-June 2025.

*Timeframe Delivery Risk:*

This project risk is considered **Moderate** (possible/important). The contractor responsible for the original contract has gone into liquidation. Council is not listed as a creditor in this process and has no financial interests involved.

With the extension of timeframe required for re-tendering the works, this project may extend into the 2025/26 financial year.

*Budget Risk:*

This project risk is considered **Moderate** (possible/important). The project is still expected to stay within budget, however, due to the need for retendering, officers are currently unable to confirm whether the project will remain within the planned budget.

*Background:*

The Council is currently replacing water tobies with manifolds in Stratford, which will allow the installation of electronic water meters.

**5.11. Fluoride Plant Upgrade (11)**

*Current Action:*

Council is investigating the installation of an automated fluoride day tank. The installation of this tank will minimise the risk of over-dosing the water supply with fluoride.

*Timeframe Delivery Risk:*

This project risk is considered **Moderate** (possible/important). Council is leveraging NPDC’s experience in delivering this project.

*Budget Risk:*

This project risk is considered **Moderate** (possible/important). Initial discussions with NPDC have identified potential savings for this project.

**5.12. Stratford Grit Tanks (12)**

*Current Action:*

Detailed design for the grit tanks and the raw water delivery line is currently underway with an approach to the market for construction planned for January 2025.

*Timeframe Delivery Risk:*

This project risk is considered **High** (possible/serious). The design investigations are currently raising concerns that need addressing so the design can be finalised. Officers are working with the design team to ensure this project is delivered on time.

The grit tanks and delivery line are currently functioning, so no water supply issues are anticipated. The council has a three-day water storage reserve in case of supply disruption, and emergency plans are in place in the event of a failure in the delivery line or grit tanks.

This project is split over two years, with the first year funded through the Better off Funding package. Any delays in the project will mean the project can be carried over to the 2025/26 financial year.

*Budget Risk:*

This project risk is considered **High** (possible/serious). The project is still expected to remain within budget. However, due to the complexity of the work involved, it is currently uncertain whether the physical execution will stay within the budgeted amount.

*Background:*

The Stratford Grit Tanks project is projected to be constructed over two financial years. This will replace the grit tanks that are over 100 years old and provide resilience for the raw water delivery line.

**5.13. Membranes (13)**

*Current Action:*

Procurement planning is underway to source a supply of membranes to have in storage so they can be replaced as and when required.

*Timeframe Delivery Risk:*

This project risk is considered **Moderate** (unlikely/serious). Only one supplier has been identified in New Zealand.

*Budget Risk:*

This project risk is considered **Moderate** (unlikely/serious). Only one supplier has been identified in New Zealand, creating a monopoly market.

6. Strategic Alignment

**6.1. Direction**

This report is consistent with our Long-Term Plan Outcomes and directly relevant to supporting the work of the Audit and Risk Committee.

**6.2. Annual Plan and Long Term Plan**

This report is consistent with the Annual and Long-Term Plan outcomes.

**6.3. Sustainability Consideration**

All capital project procurement is consistent with the Sustainability Policy.

**6.4. District Plan**

There is no direct relationship with the District Plan.

**6.5. Legal Implications**

There are no legal implications for this report.

**6.6. Policy Implications**

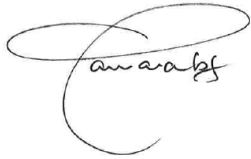
The report is consistent with Council policies relating to service delivery.

**Attachment:**

**Appendix 1 – 2024/25 Significant Capital Work Projects**



Steve Taylor  
**Projects Manager**



[Endorsed by]  
Victoria Araba  
**Director - Assets**



[Approved by]  
Sven Hanne  
**Chief Executive**

**Date** 13 November 2024

2024 - Agenda - Audit and Risk - November - Information Report – Capital Works Programme – Key Projects Update

D21/40176

Project Number	Project	Project Status	Percentage Spent	Risk	
				Timeframe delivery	Budget Tracking
<b>Aerodrome</b>					
1	Widening turn area of access road	Procurement plan underway. Physical works planned for February/March 2025.	0%	1: Low	1: Low
			0%		
<b>Civic Amenities</b>					
2	Prospero Place Development	Sale & Purchase agreement signed by both parties. Preferred Supplier for detailed design to be appointed in November 2024.	0%	3: Moderate	3: Moderate
3	TET Multisports Centre infrastructure renewals	Waiting on door hardware from Australia. Once front door is installed, security access system will be updated to match compliance.	27%	3: Moderate	1: Low
4	Centennial Rest Rooms resolve plumbing issues	Investigations underway to determine where blockages occur. New signage was installed and no blockages have occurred in October.	7%	1: Low	1: Low
5	War Memorial Centre hot water supply	Procurement plan underway	0%	1: Low	1: Low
6	War Memorial Centre - Lighting Replacement	New budget line added due to replacement of lighting and emergency lighting in the function facility with LEDs.			2: Moderate Budget overspend of \$4,957.
7	Miranda Street Administration Centre infrastructure renewals	Works as required.	0%		1: Low
8	Miranda Street Administration Centre Furniture	New budget line added due to replacement of furniture required.			2: Moderate Budget overspend of \$1,700.
9	Public Toilets infrastructure renewals	Works as required.	0%		1: Low
10	Housing for Older Persons roof replacement	Request for Quote underway. Planning to have one contract to be split over two financial years, to match LTP funding.	0%	2: Moderate	1: Low
11	Housing for Older Persons infrastructure renewals	Works as required.	0%		1: Low
12	Digital Signage	New budget line added due to replacement of communications modem.			2: Moderate Budget overspend of \$2,862.
			4%		
<b>Library Hub</b>					
13	Safety improvements around AA desk	Library staff exploring options. Tied with Development of seating areas/meeting spaces budget.	0%	3: Moderate	1: Low
14	Development of seating areas/meeting spaces	Original funding application was for sound proof pods, but these are not compliant for the Building Code safety component. Alternative compliant options are being explored.	0%	3: Moderate	1: Low
15	Bathroom upgrade	Request for Quote underway.	0%	1: Low	1: Low
16	Underneath storage	Library staff exploring options.	0%	1: Low	1: Low
17	Window sill replacements	Works as required.	37%		1: Low
18	Upgrade graphics on windows/bus shelter and other internal areas of the library	Awaiting quote from suppliers.	0%	1: Low	1: Low
19	Library infrastructure renewals	Works as required.	0%		1: Low
			5%		
<b>Parks, Reserves, and Cemeteries</b>					
20	Victoria Park Skate Park concrete resurfacing	Awaiting approval of funding	0%	3: Moderate	1: Low
21	King Edward Park lighting and power box in Rhododendron Dell	Funding approved. Procurement Plan underway.	0%	1: Low	1: Low

2024 - Agenda - Audit and Risk - November - Information Report – Capital Works Programme – Key Projects Update

D21/40176

Project Number	Project	Project Status	Percentage Spent	Risk	
				Timeframe delivery	Budget Tracking
22	Victoria Park sports fields continued development	Concept plan has been received. Detailed design plans to be developed for possible construction in the next financial year.	0%	1: Low	1: Low
23	Cardiff Walkway new aluminium steps and bridge	Resource Consent is required. Application underway.	0%	4: High Works is planned for March/April	1: Low
24	Carrington Walkway (Regan Street to Brecon Road)		0%	1: Low	1: Low
25	King Edward Park and Victoria Park playground equipment replacements	Works as required.	0%		1: Low
26	Continued parks development	Works as required.	0%		1: Low
27	Development of Eastern Loop	Works as required.	0%		1: Low
28	Septic Tank replacement Whangamomona Campground	Septic Tank and associated works installed. Certificate of Acceptance to be obtained and planting and fencing as part of the resource consent provisions is complete.	91%		2: Moderate Budget expected to overspend by \$5,000
29	Housing for Older Persons: 4x clothesline replacements	Quote accepted. Contractor has recommended an option that will reduce the cost, bringing this project under budget.	0%	1: Low	1: Low
			20%		
<b>Wai o Rua Stratford Aquatic Centre</b>					
30	Pilates Reformers	Funding has been declined. Officers are investigating further funding options.	0%	2: Moderate Funding might not be secured	1: Low
31	Mirrors installation in club room	Funding has been declined. Officers are investigating further funding options.	0%	2: Moderate Funding might not be secured	1: Low
32	TV installed in meeting room		0%	1: Low	1: Low
33	Total bars	Funding declined.	0%		
34	Wai o Rua infrastructure renewals	Works as required.	0%		1: Low
35	Spin bikes	Completed. Waiting for invoice.	100%		1: Low
			49%		
<b>Democracy</b>					
36	Procurement Software	Budget withdrawn	0%		
37	Procure to Pay	Project underway.	0%	1: Low	1: Low
38	National Processing Reporting	Project underway.	0%	1: Low	1: Low
39	Council Chambers AV	Tender has been accepted. Process for installation underway.	68%	1: Low	1: Low
40	Authority data cleansing	Complete	0%		
41	Computers and peripherals	Works as required due to end of hardware life.	113%		1: Low
42	Vehicle replacement	Complete. Sale of the previous vehicle will cover this shortfall.	120%		1: Low
43	Photocopier replacements	Works as required due to end of hardware life.	0%		1: Low
44	Replacement of GPS location unit and software for GIS	Procurement plan underway	0%	1: Low	1: Low
			48%		
<b>Economic Development</b>					
45	41 Flint Road subdivision	Concept plan finalised. Request for Proposal underway to fulfill procurement procedures. This will appoint a Surveyor to progress the project to detailed design.	1%	2: Moderate Physical works may be delayed to due allowing for stormwater issues.	2: Moderate
			1%		



2024 - Agenda - Audit and Risk - November - Information Report – Capital Works Programme – Key Projects Update

D21/40176

Project Number	Project	Project Status	Percentage Spent	Risk	
				Timeframe delivery	Budget Tracking
<b>Rental and Investment Properties</b>					
46	Construct additional calving sheds	Procurement plan underway	0%	1: Low	1: Low
47	Race and culvert upgrades	Procurement plan underway	23%	3: Moderate	5: High
48	Farm house lighting new lights and fixtures	Quotes being requested	0%	1: Low	1: Low
			8%		
<b>Roading</b>					
49	Low cost low risk roads	Budget finalised. Plan underway - plan will include improvements outside Stratford Primary School and widening on Salisbury Road.	10%	1: Low	1: Low
50	Resilience Crown Funding	82% FAR for this. Includes Opunake Road.	0%	1: Low	1: Low
51	Walking and Cycling	Budget finalised. No budget for this project.			
52	Seal Extensions (dust coat seals)	Budget finalised. Sites identified and will be completed through the roading maintenance contract.	0%	1: Low	1: Low
53	Unsealed road metalling	Project underway. Achieved target length for DIA measure.	64%	1: Low	1: Low
54	Sealed road resurfacing	Sites identified. Will be completed in summer months.	3%	1: Low	1: Low
55	Drainage Renewals	Wawiri Road culvert replacement has been advertised.	30%	1: Low	1: Low
56	Pavement Rehabilitation	Flint Road entrance to A & P showgrounds to be completed. Orlando Street (in front of New World may proceed, dependant on funding available).	8%	1: Low	1: Low
57	Structure component replacement	Puniwhakau bridge repaired, negotiations underway with insurance for reimbursement. Buchanans Bridge is currently under design for advertising in December.	21%	1: Low	1: Low
58	Traffic Services	Works as required.	19%	1: Low	1: Low
59	Footpath renewals	Physical works underway in November.	0%	1: Low	1: Low
			20%		
<b>Stormwater</b>					
60	Safety Improvements	Works as required.	0%		1: Low
61	Modelling	Procurement plan underway.	0%	3: Moderate Model may need monitoring over winter months to calibrate	1: Low
62	Reticulation renewals	Works as required.	3%		1: Low
63	Silt retention Victoria Park	Waiting for more stable weather to dry out silt that has been removed from the lake. To be screened and spread in late summer.	6%	1: Low	1: Low
			1%		
<b>Wastewater</b>					
64	Treatment Upgrade	Complete	268%		20: Extreme Earth dam repaired under emergency works due to risk of collapse. Labour intensive works due to confined space.
65	Pipework capacity increase	Works as required under the Sewer Lining Contract.	0%		1: Low

2024 - Agenda - Audit and Risk - November - Information Report – Capital Works Programme – Key Projects Update

D21/40176

Project Number	Project	Project Status	Percentage Spent	Risk	
				Timeframe delivery	Budget Tracking
66	Pipe at Swansea Road bridge	A preferred Contractor has been identified through Council's procurement process and will be confirmed in November 2024.	0%	4: Moderate	1: Low
67	Reticulation remodelling	Modelling Stratford Park to connect to existing infrastructure on Broadway.	0%	1: Low	1: Low
68	Infiltration renewals	Works as required under the Sewer Lining Contract.	0%		1: Low
69	Routine step/aerate renewals	Works as required.	33%		1: Low
			42%		
<b>Solid Waste</b>					
70	Mobile event waste bins and trailer for events on council land	Procurement plan underway.	0%	1: Low	1: Low
71	Permanent recycling bins	Procurement plan underway.	0%	1: Low	1: Low
72	Transfer Station CityCare building sealing of concrete blockwork		0%	1: Low	1: Low
73	Transfer Station renewals	Works as required.	0%		1: Low
			0%		
<b>Water Supply</b>					
74	Midhirst Resource Consent	Cultural Impact Assessment complete, with TRC for processing.	24%	12: Very High	1: Low
75	Alternative power supply for Midhirst and Toko	Procurement plan underway.	0%	1: Low	1: Low
76	Street works ridermains	Design drawings completed. Technical Specifications for contract are currently being written for going out for Tender in November.	0%	1: Low	1: Low
77	Toko storage tank	Tank delivered and sited. To be plumbed in November.	13%	1: Low	1: Low
78	Universal water metering	Request for Tender documents are being reviewed for advertising in November.	6%	3: Moderate	2: Moderate
79	Street works ridermains	Design drawings completed. Technical Specifications for contract are currently being written for going out for Tender in November.	4%	1: Low	1: Low
80	Fluoride plant upgrade	NPDC investigating options.	0%	2: Moderate	1: Low
81	Stratford grit tanks	Detailed design underway	2%	4: High	1: Low
82	Laterals	Works as required.	0%		1: Low
83	Reservoir cleaning	Works as required.	0%		1: Low
84	Membranes	Procurement plan underway.	0%	1: Low	1: Low
			3%		
			13%		

# INFORMATION REPORT



F22/55/04- D24/50982

To: Audit and Risk Committee  
 From: Audit and Risk Adviser  
 Date: 19 November 2024  
 Subject: Policies status – Annual review

## Recommendation

THAT the report be received.

### Recommended Reason

This report provides an update to the Committee on the review status for all external-facing Council policies.

\_\_\_\_\_  
 /  
 Moved/Seconded

## 1. Purpose of Report

- 1.1 The Deloitte final Audit Management Report for the 2023 annual audit raised a concern (also identified in the previous years' audit), that Council policies which are not reviewed and updated regularly may result in policy not reflecting the changing environment or circumstances, or any updated legislative requirements, of the Council, which may have risk implications.
- 1.2 This report has been prepared to provide some level of assurance to the Committee that Council is actively managing and monitoring this risk, and will continue to provide assurance to the Committee on an annual basis going forward.

## 2. Executive Summary

- 2.1 Council's policies are generally reviewed at least every three years (a self-imposed limit, unless specifically legislated for, and is best practice guidance from Officer of the Auditor-General). This is with the exception of deviations for the following policies:
  - Easter Sunday Shop Trading Hours policy - reviewed every five years (maximum under legislation),
  - Dog Control Policy - reviewed every 10 years, as approved by Council in August 2020.
  - Wastewater Connection – reviewed every five years, as approved by Council in July 2021
  - Water Supply to Rural Properties – reviewed every five years, as approved by Council in March 2019 (overdue for review)
  - Local Alcohol Policy – reviewed every six years, approved in conjunction with NPDC (overdue for review)
  - Local Approved Products – reviewed every five years, approved in conjunction with NPDC (overdue for review)
- 2.2 In the last two annual audits, auditors identified that some council policies were not reviewed within cycle and recommended in their Audit Management Reports for 2022 and 2023 that Council adheres to the policy review timelines and adopts best practice by reviewing policies on a timely basis.
- 2.3 Management agree that policies should be regularly reviewed, at least every three years, and are committed to ensuring policy review timelines are adhered to. Many policies have a light review regularly at Senior Leadership Team meetings to assess whether they remain fit for purpose. Additionally, policies are tested regularly in practice

and where it is found that they no longer provide appropriate guidance for compliance and decision-making, then they are put forward for review. However, it is acknowledged that including elected members in the regular review of policies is essential, and a change has been made to the Audit and Risk Committee programme of works to ensure that an annual policy status update is provided to elected members for review.

3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council's purpose is to “enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future”			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:		Council policy setting is required at a governance level and council decision making takes into account the impact on the four well-beings.	
<b>Social</b>	<b>Economic</b>	<b>Environmental</b>	<b>Cultural</b>
x	x	x	x

4. Background

- 4.1 Policy is set to provide guidance for decision making and compliance, with rules to ensure fair and rational outcomes and practices. Policies outline the principles and requirements that council will operate within. They set operational boundaries for council, to reduce risk exposure, such as limits on financial responsibility. They are one of the key mechanisms that organisations use to mitigate risk.
- 4.2 The Local Government Act 2002 (“the Act”) requires all Councils to separate policy setting from operational functions as much as possible. Section 41A(2) of the Act provides that “it is the role of a mayor to lead the development of the territorial authority’s plans, policies and budgets for consideration by the members of the territorial authority.”
- 4.3 Council maintains internal and external policies. This report concerns external policies only. These are policies that are approved by Council resolution, and may legally be required by legislation, and may additionally be required by legislation to be consulted on. Internal policies are related to staff procedural and human resources type functions and are not within the realm of governance decision making, but may also be subject to audit scrutiny.
- 4.4 All current external policies are made publicly available on the Stratford District Council website at [stratford.govt.nz/policies](http://stratford.govt.nz/policies). Council also maintains a register of active policies and their due dates. Most councils provide a full set of their current policies on their websites, which provides an opportunity for staff and elected members to efficiently investigate and compare policy making decisions, for consistent outcomes, where desired.
- 4.5 When a policy is updated and approved, it is also distributed to all staff with the key changes highlighted. For some policies, training is offered to staff to ensure understanding and compliance across the council, e.g. privacy training, sensitive expenditure reminders.
- 4.6 Council uses a policy template for all external policies to provide for a consistent approach to developing policy. The policy template requires sections for Purpose, Scope, Objectives, Principles, and Background, with additional headings available to be added. However, a small number of council policies deviate from this approach due to the nature of the content.

- 4.7 Section 80 of the Act requires that any Council decision that is inconsistent with, or may have consequences that are inconsistent with, any policy adopted by the Council, must clearly identify the inconsistency and an explanation, and any intention to amend the policy. Officers are required to identify inconsistencies in legislation and policy in all decision reports to elected members.
- 4.8 Elected members may request a review of any policy at any time, and may also request that staff initiate development of a new policy.

5. Information Summary

- 5.1 Council currently has 59 active policies, and of these, 15 (or 25%) are currently overdue for a Council review (40% overdue in November 2023). The policies in red are more than two years overdue for a review based on the policy’s review schedule. Policies in orange are 1-2 years overdue for a review, and policies in pink are less than a year overdue. The full policy register can be referred to in the attachment to this report.

Policy	Department	Review Due Date	Comments
Child Protection	Community Services	Oct-20	Under review
Dangerous and Insanitary Buildings	Environmental Services	Dec-21	Under review
Local Approved Products	Environmental Services	Sep-19	Combined policy with NPDC
Community Archives	Corporate Services	Apr-23	Under review
Conferences, Seminars and Tours	Chief Executive	Feb-23	
Local Alcohol Policy	Environmental Services	Feb-23	Combined policy with NPDC
Mayor’s Relief Fund	Chief Executive	Jun-23	
Petitions in Council Buildings	Chief Executive	Feb-23	
Procurement Policy	Corporate Services	Jun-22	Review on hold
Building Consent Authority Complaints	Environmental Services	Mar-24	This policy is intended to be reclassified as a procedure
Delegations	Chief Executive	Jul-24	
Privacy	Corporate Services	Jul-24	
Risk Management	Corporate Services	Aug-24	Under review
Water Supply to Rural Properties	Assets	Mar-24	

- 5.2 Many of the policies above are overdue due to a combination of the policy continuing to be fit for purpose and therefore a low level of prioritisation is allocated towards a full review, or insufficient resourcing may also be contributing towards delays in reviewing.
- 5.3 There is a medium risk that some of the policies above are not fit for purpose or not providing for a quality compliance environment and may be putting council at risk of legal or financial harm.

For example, the Local Alcohol Policy must be reviewed no later than six years since the last review (February 2017), as required by Section 97 of the Sale and Supply of Alcohol Act 2012. This particular policy is a combined policy with New Plymouth District Council and work on reviewing it has been delayed due to resourcing. South Taranaki have now expressed an interest in joining with the combined policy, therefore work on this has been paused.

The Local Approved Products policy is also a combined policy and work has been delayed on this due to resourcing also. The Director of Environmental Services considered withdrawing from the combined policy to initiate a review of the policy sooner, however that also required NPDC’s involvement so the plan is to wait until NPDC are ready to jointly review the policy.

The Dangerous and Insanitary Buildings is the subject of an audit by MBIE and will be updated to reflect their recommendations once received.

- 5.4 The review and update of council policies also provides an opportune time to distribute the policy to all staff and elected members and work through the key points of the

policy. Where policies have not been updated for some time, there is a risk that staff and elected members are not aware of or have forgotten the policy guidelines.

- 5.5 As part of a general review of a number of roles, consideration is currently being given to consolidating a number of policy tasks into the role of a Policy Analyst to address central government policy and legislative changes impacting this organisation, as well as coordinating and leading the maintenance and creation of council policies.
- 5.6 The focus for Directors will be on reviewing the policies relevant to their department in order of priority, with a key consideration being the last review date and the potential risk that council may be exposed to as a result.

## 6. Strategic Alignment

### 6.1 Direction

Policies are likely to relate to one or more Community Outcomes.

### 6.2 Annual Plan and Long Term Plan

The following policies were reviewed as part of the development of the Long Term Plan 2024-34:

- Revenue and Financing Policy
- Development and Financial Contributions Policy
- Treasury Management Policy
- Accounting Policy
- Rates Remission Policy
- Rates Postponement Policy
- Significance and Engagement Policy

### 6.3 Sustainability Consideration

Sustainability is required to be a consideration in all new policies and Policy reviews going forward, in line with the new Sustainability Policy, adopted in August 2024.

### 6.4 District Plan

N/A

### 6.5 Legal Implications

The process around developing policy is often subject to public and legal scrutiny. Policies must not create any conflict with current legislation. In some cases a legal review of a draft policy (or policy amendment) may be required, and staff give consideration to the cost benefit of obtaining legal advice when amending or creating policies.

### 6.6 Policy Implications

N/A

## Appendix 1: Policy Register



Tiffany Radich  
**Audit and Risk Adviser**



[Approved by]  
Sven Hanne  
**Chief Executive**

**Date 8 November 2024**

D20/2785

<https://www.stratford.govt.nz/our-council/council-documents/policies>
>2 Years Old
Overdue 1-2 Years
Overdue <1 Year

Policy	Adopted Date	Responsibility	Document Number	Last Review Date	Review Due Date	Comments
Accounting	12/06/2018	Corporate Services	D21/2426	June 2024	June 2027	Reviewed during LTP preparation
Allocation and Use of Sports Grounds	11/12/2018	Assets	D22/29863	October 2022	October 2025	
Anti-Fraud & Corruption Policy	9/04/2024	Corporate Services	D23/22153	April 2024	April 2027	Audit and Risk reviewed
Asset Disposal	12/03/2019	Corporate Services	D23/25155	June 2024	June 2027	
Asset Management	26/01/2016	Assets	D24/15634	June 2024	June 2027	
Building Consent Authority Complaints	N/A	Environmental Services	D21/9436	March 2021	March 2024	This policy is intended to be reclassified as a procedure
Care of Children and Youth in Council Facilities	10/11/2020	Community Services	D24/17125	June 2024	June 2027	
CCTV Cameras	12/03/2024	Corporate Services	D23/43983	February 2024	February 2027	
Charges for new wastewater system connections	14/05/2013	Assets	D23/24472	August 2023	August 2026	
Child Protection	10/10/2017	Community Services	D17/14440	October 2017	October 2020	Under review
Citizens Awards	08/05/2018	Community Services	D24/42405	September 2024	September 2027	
Class 4 Gambling Venues	10/03/2004	Environmental Services	D23/32216	August 2023	August 2026	



D20/2785

<https://www.stratford.govt.nz/our-council/council-documents/policies>
>2 Years Old
Overdue 1-2 Years
Overdue <1 Year

Policy	Adopted Date	Responsibility	Document Number	Last Review Date	Review Due Date	Comments
Community Archives	10/03/2020	Corporate Services	D20/11615	April 2020	April 2023	Under review
Community Relationships	14/05/2020	Community Services	D18/36607	May 2020	May 2025	Will be reviewed following Community Development Strategy adoption
Conferences, Seminars and Tours	25/02/2020	Chief Executive	D20/11369	February 2020	February 2023	
Council Vehicles	9/10/2018	Corporate Services	D23/44513	February 2024	February 2027	
Council Workshops	15/03/2023	Corporate Services	D22/49801	March 2023	March 2026	
Credit Card	12/02/2019	Corporate Services	D22/3603	October 2022	October 2025	
Dangerous and Insanitary Buildings	11/12/2018	Environmental Services	D18/35499	December 2018	December 2021	Under review
Delegations	22/08/2017	Chief Executive	D21/24941	July 2021	July 2024	
Development and Financial Contributions	13/02/2018	Corporate Services	D24/10298	June 2024	June 2027	
Discretionary Information in Land Information Memorandums (LIMs)	11/12/2018	Environmental Services	D23/24902	August 2023	August 2026	
Dog Control	11/08/2020	Environmental Services	D20/21541	August 2020	August 2030	Review currently proposed for every 10 years (as opposed to 3)

D20/2785

<https://www.stratford.govt.nz/our-council/council-documents/policies>
>2 Years Old
Overdue 1-2 Years
Overdue <1 Year

Policy	Adopted Date	Responsibility	Document Number	Last Review Date	Review Due Date	Comments
Easter Sunday Shop Trading Hours	14/03/2017	Environmental Services	D24/8999	March 2024	March 2029	
Elected Members Expenses	13/11/2018	Corporate Services	D24/19791	June 2024	June 2027	
Elizabeth Maree Watson Estate Fund	13/11/2018	Corporate Services	D22/3582	October 2022	October 2025	
Fences on Road Reserve	20/03/2013	Assets	D22/6256	August 2023	August 2026	
Health and Safety	13/08/2019	Corporate Services	D23/30660	August 2023	August 2026	
Housing for Older Persons	10/03/2020	Assets	D23/25127	April 2024	April 2027	
Kerbside Collection Policy	12/03/2019	Assets	D23/49635	September 2024	September 2027	
Local Alcohol Policy	22/02/2006	Environmental Services	D16/25235	February 2017	February 2023	Combined policy with NPDC
Local Approved Products	03/02/2014	Environmental Services	D16/2590	September 2014	September 2019	
Management of Domains	11/12/2018	Assets	D22/29864	October 2022	October 2025	
Mayor's Relief Fund	10/03/2020	Chief Executive	D20/11462	June 2020	June 2023	
Occupation of Unused Road Reserve	09/04/2019	Assets	D22/6071	August 2023	August 2026	
Pegging and Maintenance of Roads and Bridges	9/04/13	Assets	D22/6257	October 2023	October 2026	
Petitions in Council Buildings	25/02/2020	Chief Executive	D20/11366	February 2020	February 2023	
Presentations to Elected Members	13/08/2019	Chief Executive	D24/6199	March 2024	March 2027	

D20/2785

<https://www.stratford.govt.nz/our-council/council-documents/policies>
>2 Years Old
Overdue 1-2 Years
Overdue <1 Year

Policy	Adopted Date	Responsibility	Document Number	Last Review Date	Review Due Date	Comments
Privacy	25/02/2020	Corporate Services	D16/16748[v3]	July 2021	July 2024	
Procurement Policy	11/06/2019	Corporate Services	D18/29563[v3]	June 2019	June 2022	Under review
Rates Postponement	12/02/2016	Corporate Services	D24/3502	June 2024	June 2027	
Rates Remission	24/04/2012	Corporate Services	D24/2230	July 2024	June 2027	
Revenue and Financing	18/06/2013	Corporate Services	D24/50	June 2024	June 2027	
Risk Management	10/06/2018	Corporate Services	D21/24914	August 2021	August 2024	Under review
Sensitive Expenditure Policy	13/07/2021	Corporate Services	D23/19787	August 2023	August 2026	
Significance and Engagement	17/09/2014	Community Services	D24/1111	June 2024	June 2027	
Smoke Free Environments – Council Buildings and Public Places	30/09/2007	Chief Executive	D23/6391	July 2023	July 2026	
Stock Crossing and Races	09/04/2013	Assets	D23/25162	August 2023	August 2026	
Stock Underpasses	14/05/2013	Assets	D23/6811	August 2023	August 2026	
Street Trees	02/08/2016	Assets	D22/29865	October 2022	October 2025	
Sustainability Policy	14/08/2024	Assets	D24/31870	August 2024	August 2027	

D20/2785

<https://www.stratford.govt.nz/our-council/council-documents/policies>
>2 Years Old
Overdue 1-2 Years
Overdue <1 Year

Policy	Adopted Date	Responsibility	Document Number	Last Review Date	Review Due Date	Comments
TAB Venue Policy	May 2018	Environmental Services	D23/18383	August 2023	August 2026	
Temporary Road Closures	15/05/2013	Assets	D22/6255	August 2023	August 2026	
Trade Waste	11/06/2019	Assets	D22/6856	October 2022	October 2025	
Treasury Management	27/01/21	Corporate Services	D24/26	February 2024	February 2027	
Vehicle Crossings and Culverts	13/08/19	Assets	D18/35500	August 2019	August 2022	
Waste Levy Contestable Fund	15/03/2023	Assets	D23/907	March 2023	March 2026	
Wastewater Connection	13/07/2021	Assets	D20/31477	July 2021	July 2026	Was set for a 5 year review, instead of 3 year review period.
Water Supply to Rural Properties	12/03/2019	Assets	D19/3406	March 2019	March 2024	Was set for a 5 year review, instead of 3 year review period.

# INFORMATION REPORT



F22/55/04 – D24/51166

To: Audit and Risk Committee  
From: Audit and Risk Adviser  
Date: 19 November 2024  
Subject: Annual Report 2023/24 – Update

## Recommendations

1. THAT the report be received.
2. THAT the Committee review the performance results presented in the draft Annual Report 2023/24, and consider the potential for risks within the information presented.

## Recommended Reason

The Audit and Risk Committee is responsible for providing oversight of compliance with statutory responsibilities relating to financial requirements and to exercise due diligence in the accuracy of financial information and reporting.

\_\_\_\_\_/\_\_\_\_\_  
Moved/Seconded

1. Purpose of Report
  - 1.1 To present the Committee with a high level summary of the Annual Report 2023/24, pending finalisation of the annual audit.
2. Executive Summary
  - 2.1 The Annual Report 2023/24 is the annual document that summarises Council performance in the following aspects:
    - Financial performance – including financial statements, compliance with financial benchmarks, individual Activity cost of service statements, and a summary of variations to the Long Term Plan 2021-31 (year 3).
    - Non-Financial performance – performance measures and outcomes for the year by activity, and a summary of non-financial performance measures that were not met.
    - Confirmation from auditors that the Annual Report complies with appropriate legislation and standards (not yet available in the draft report).

It also includes commentary from the Mayor and Chief Executive in relation to the financial year, along with a summary of the Council Structure and Governance arrangements.

The Annual Report is audited by Deloitte to provide assurance on compliance with the Local Government Act 2002, the Local Government (Financial Reporting and Prudence) Regulations 2014, and the Public Benefit Entity Standards Reduced Disclosure Regime, and is audited in accordance with the Auditor-General's Auditing Standards.
  - 2.2 The Annual Report 2023/24 is in the final stages of audit, by Deloitte, and is expected to be adopted by Council on 10 December 2024.
  - 2.3 The Statement of Comprehensive Revenue and Expense shows a Net Deficit of \$5,600 for the year, against a budgeted surplus of \$5.9 million. This is largely due to capital grant funding budgeted for related to Transport Choices projects of \$7.7 million being declined.

- 2.4 Of the 95 non-financial performance measures set for the year by Council, 66 (69%) were achieved, with 2 being not applicable, and 26 not being achieved for various reasons.
- 2.5 The Roothing and Three Waters Asset Revaluations as at 30 June 2024 resulted in an increase in asset values (optimised depreciated asset replacement cost) by \$52 million, approximately 10% of the current value of total council Property, Plant and Equipment.

3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council's purpose is to “enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future”			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:		The Annual Report addresses all areas of wellbeing and is the key document used to report on Council's performance with respect to each wellbeing.	
<b>Social</b>	<b>Economic</b>	<b>Environmental</b>	<b>Cultural</b>
x	x	x	x

3. Background

- 3.1 The draft Annual Report 2023/24 was released to Deloitte for audit in October 2024. The audit timeframes were pushed out due to internal resourcing, and consideration that the revaluation of Roothing and Three Waters assets would take considerable time to review and process.
- 3.2 The audit is now in its final stages. The key areas of focus besides the usual testing of transactions and verifying the source of the key information presented, was the asset revaluations and the non-financial performance measures. It is expected that Deloitte will include a comment in the final management report in relation to ensuring a thorough and robust checking process in relation to all performance measures is carried out by directors going forward.

4. Information Summary

- 5.1 Refer to the draft Annual Report 2023/24 attached to this report. The draft document is yet to undergo design work.
- 5.2 Major Variances against financial budgets include:
  - Subsidies and Grants revenue – due to the government withdrawing the funding for the Transport Choices work programme. Council had budgeted for \$7.7m of grant funding in relation to this work.
  - Revaluation movement – the infrastructure asset revaluation was brought forward to a year earlier for roading and 3 waters, as the carrying amount was significant and the risk in significant value changes was high, as indicated in the valuation increase.
  - Capital expenditure – the budget for 2023/24 was \$16.4m (excluding carry-forward projects), and of this \$8.1m (49%) was spent. Again, due to funding for significant roading projects being withdrawn, this work did not go ahead. Additionally, the Council Subdivision and Prospero Place development projects have seen delays in proceeding. Regular updates have been provided to the Audit and Risk Committee on these two projects.
  - Fees and Charges - \$548k lower than budget
  - Personnel costs - \$407k higher than budget
  - Other operating expenses - \$630k higher than budget

5.2 In relation to the non-financial performance measure results, of the 26 measures not achieved

- 5 out of the 6 Parks, Reserves and Cemeteries targets were not met – this includes complaints and requests for services, customer satisfaction of sports fields and cemeteries, and bridge and playground inspections.
- 3 out of the 6 Building Services targets were not met – this includes inspection request booking timeframes, code of compliance completion timeframes, and customer satisfaction of building consent services provided.
- 4 of the 6 Planning and Bylaws targets were not met – this includes Notification of the District Plan, policy and bylaw reviews, timeframes for processing resource consent applications, and customer satisfaction of resource consent services provided.
- 4 of the 9 Roothing targets were not met – this includes average condition of urban roads, road resurfacing rate, and customer satisfaction with the roading network and footpaths.

## 5. Strategic Alignment

### 6.1 Direction

The Annual Report relates to all Community Outcomes and covers these in the section Community Outcomes at the front of the Annual Report.

### 6.2 Annual Plan and Long Term Plan

The Annual Report 2023/24 reports on performance in relation to the budgets and targets set in Year 3 of the Long Term Plan 2021-31 and Annual Plan 2023/24.

The increase in infrastructure asset values was not budgeted for in the Long Term Plan 2024-34, therefore this will have an impact on actual depreciation against budget in future years.

### 6.3 Sustainability Consideration

The Annual Report 2023/24 covers off compliance with Resilient Community Outcomes.

### 6.4 District Plan

Not applicable.

### 6.5 Legal Implications

Under current updated legislation, Council is required to adopt the Annual Report 2023/24 by 31 December 2024. The adoption date has been scheduled for 10 December 2024.

At this stage, Deloitte have confirmed that the audit will be completed in time for adoption to occur by then. However, if Council officers are notified by Deloitte of potential delays, the Audit and Risk Committee Chair and the Mayor will be advised immediately.

### 6.6 Policy Implications

Not applicable.

**Attachment:** Draft Annual Report 2023/24



Tiffany Radich  
**Audit and Risk Adviser**



[Approved by]  
Sven Hanne  
**Chief Executive**

**Date 8 November 2024**



**UPDATED 13 November**

# **2023/24 Annual Report**

## Message from the Mayor and Chief Executive

### Tēnā koutou katoa

### Welcome to Stratford District Council's Annual Report for 2023/24

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 \$56,000. 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 70% of its performance measures for the year. The measures not achieved were across Parks, Reserves & Cemeteries, Planning and Bylaws, and Roading services 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

## 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.

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

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

Activities	Vibrant community (Insert Icon)	Sustainable environment (Insert Icon)	Connected communities (Insert Icon)	Enabling economy (Insert Icon)
Recreation and Facilities	✓	✓	✓	✓
Democracy	✓	✓	✓	✓
Community Development	✓		✓	✓
Environmental Services		✓	✓	✓
Roading			✓	✓
Stormwater		✓		✓
Wastewater		✓		✓
Solid Waste		✓		✓
Water Supply		✓		✓

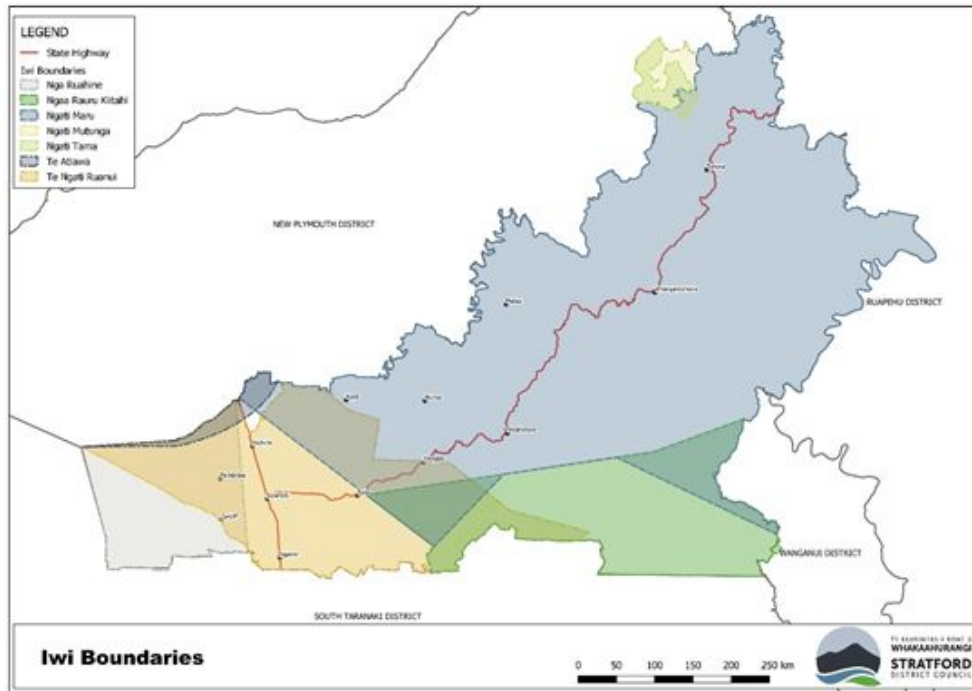
The activities meet the purpose of the Local Government four well-beings as follows:

Activities	Cultural	Social	Economic	Environmental
Aerodrome		✓	✓	✓
Civic Amenities	✓	✓		
Library	✓	✓		
Parks, Reserves and Cemeteries	✓	✓		✓
Pool Complex	✓	✓	✓	
Democracy	✓	✓	✓	✓
Community Services	✓	✓		
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 Process

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;
- 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 Maori 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 Kaiwhakatere 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 a 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 Mt 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 which have reverted to bush, other land remains in original bush and other blocks are used for forestry.

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, a small part of it however crosses over into the Horizons 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



### **Māori Ward at large**

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

At 30 June 2024 council consisted of a District Mayor and eleven 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

### Māori Ward Councillor

**Clive Tongaawhikau**  
P. 021 818 006  
E. clive.tongaawhikau@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

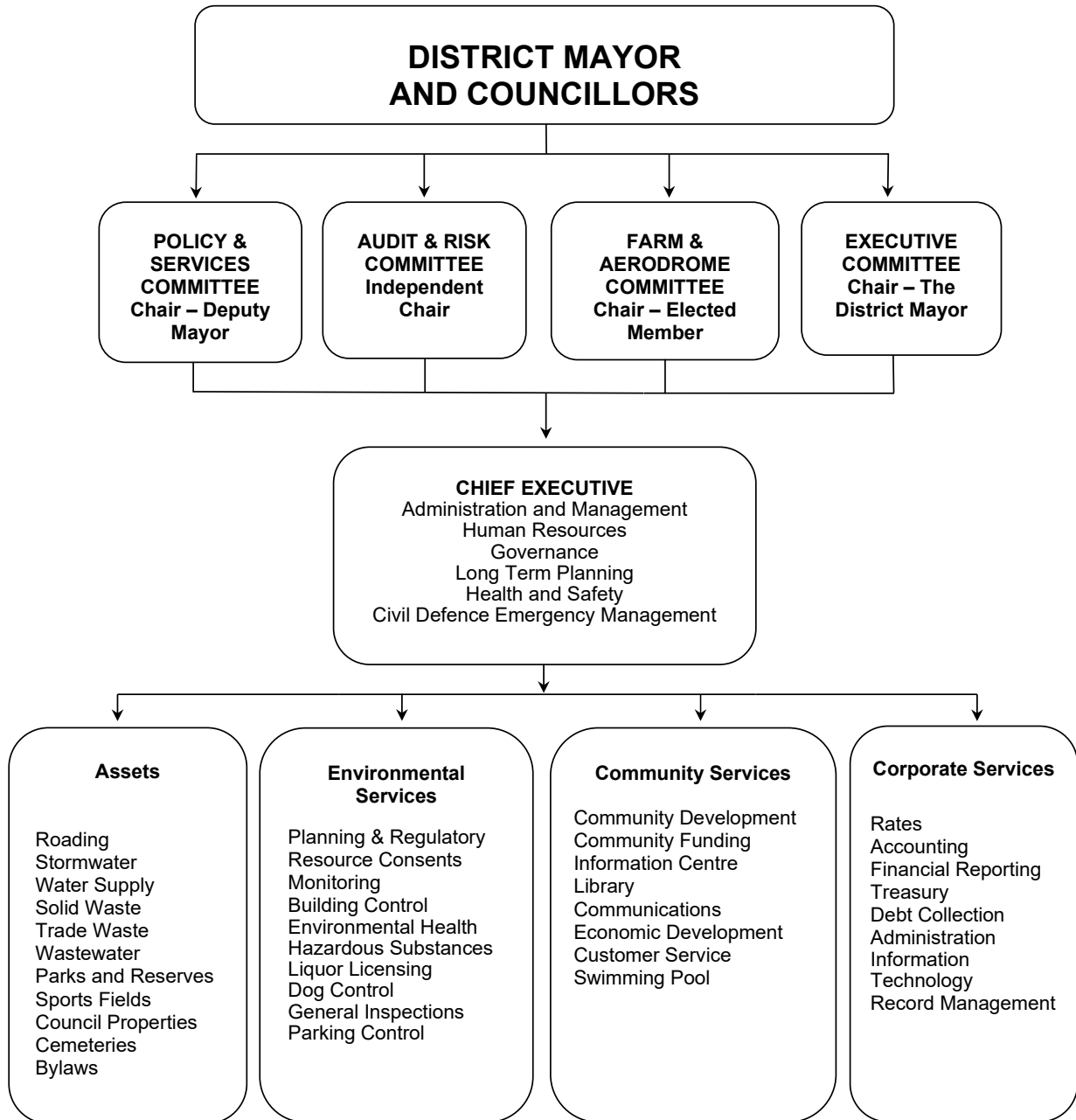
**Mathew Watt**  
P. 027 263 1235  
E. mathew.watt@stratford.govt.nz

**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





## Standing Committee Membership

As at 30 June 2024

		Council	Policy Services Committee (Includes Hearings)	& Executive Committee	Audit & Risk Committee	Farm Aerodrome & Committee	Sport Zealand Travel Fund	New Rural
	<i>Frequency</i>	<i>Monthly</i>	<i>Monthly</i>	<i>As required</i>	<i>5x per year</i>	<i>Quarterly</i>	<i>2x per year</i>	
<b>Elected Member</b>								
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 2023/24 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 2024

#### Rating Base Information

<b>Rating units within Stratford District Council at the end of the preceding financial year (30 June 2023)</b>	
- Number of Rateable Assessments	5,088
- Total Number of Rating Units	5,447
<b>Valuations of the district (including non rateable)</b>	
- Land Value of Rating Units	\$2,228,987,650
- Improvements	\$1,561,105,350
<b>- Total Capital Value of Rating Units</b>	<b>\$3,790,093,000</b>
<b>Statistical Information</b>	<b>30 June 2024</b>
<b>Land Area</b>	2,170 sq km
<b>Population (as at June 2024)</b>	10,120
<b>Rates per rateable assessment</b>	\$3,188
<b>Public Debt / Term Liabilities</b>	\$36,700,000
<b>Debt per Head of Population</b>	\$3,626
<b>Debt per Rateable Assessment</b>	\$7,213
<b>Debt Servicing as a Percentage of Total Revenue (limit is &lt; 10%)</b>	4.74%
<b>Full Time Equivalent Staff at 30 June 2024</b>	74
<b>Roads</b> - Sealed	407.1 km
- Unsealed	206.0 km

The operating result for the year ended 30 June 2024 demonstrates the Council's commitment to delivering its services to the community within the financial parameters of its LTP.

For the years ended:	30-Jun-24 Actual \$000	30-Jun-24 Budget \$000	30-Jun-23 Actual \$000
<b>Revenue</b>			
- Rates	16,219	16,168	15,040
- All Other Revenue	9,442	14,933	12,100
<b>Total Revenue</b>	<b>25,662</b>	<b>31,100</b>	<b>27,141</b>
<b>Total Operating Expenditure</b>	<b>25,718</b>	<b>25,166</b>	<b>23,970</b>
<b>Net Surplus (Deficit)</b>	<b>(56)</b>	<b>5,934</b>	<b>3,171</b>
<b>Capital Expenditure</b>	8,159	16,457	13,382
<b>Working Capital</b> (excludes current portion of debt repayment which will be refinanced immediately)	5,464		3,927
Current Ratio (Budget not to be less than 1:1), the reason being due to the timing of term loan maturities.	0.94:1		0.80:1

## 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 2023/24, the rates measures were in compliance.

		<b>Council's Target (limits)</b>	<b>LTP – 2021-31</b>	<b>Actual – 2023/24</b>
<b>Debt</b>	Net debt as a % of total annual revenue	<130%	99%	89%
<b>Income &amp; Affordability</b>	% Rates Increase	<6%	4.23%	8.90%

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 8.90% was higher than budgeted and outside the LTP limit.

### Financial Terminology

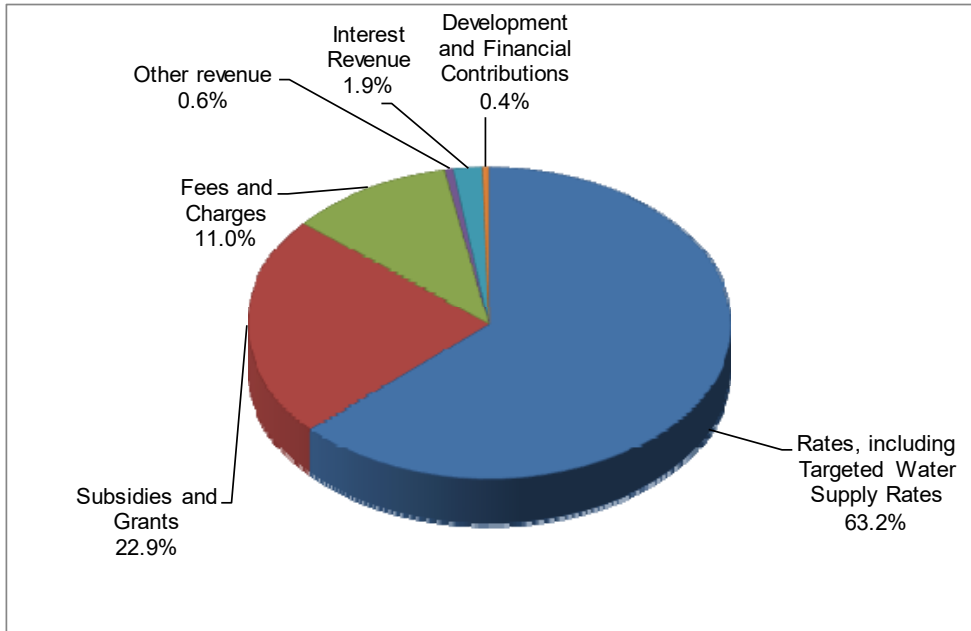
<b>Net Surplus</b>	The difference between Revenue and Operating Expenses, where Revenue is higher.
<b>Net Deficit</b>	The difference between Revenue and Operating Expenses, where Operating Expenses is higher.
<b>Gross Debt</b>	This is the total amount of external borrowings.
<b>Net Debt</b>	This is the 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 Operating Deficit

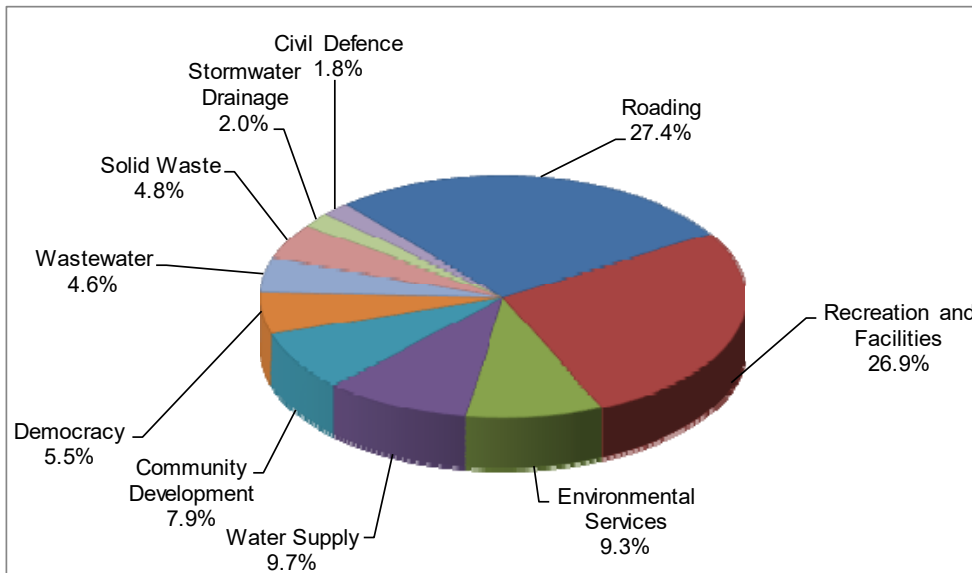
The Net Operating Deficit \$56,000 is a result of the funding for the transport choices programme of works being withdrawn by the government.

## 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 Long Term Plan for the year ended 30 June 2024.

	Net Actual \$000	Net Budget \$000	Variance \$000	Variance %
<b>Net Operating Cost</b>				
Recreation and Facilities	5,986	5,310	(676)	(13%)
Democracy	1,241	1,218	(23)	(2%)
Community Development	1,141	1,172	31	3%
Environmental Services	1,500	1,935	435	22%
Civil Defence and Emergency Management	470	432	(38)	(9%)
Roading	1,555	2,347	792	34%
Stormwater Drainage	517	499	(18)	(4%)
Wastewater	1,136	1,028	(108)	(11%)
Solid Waste	1,065	892	(173)	(19%)
Water Supply	2,034	1,802	(232)	(13%)
<b>Total</b>	<b>16,645</b>	<b>16,635</b>	<b>(9)</b>	<b>(0%)</b>
<b>Capital Expenditure</b>				
Roading	4,661	12,311	7,650	62%
Stormwater	309	589	279	47%
Water Supply	1,145	878	(267)	(30%)
Wastewater	1,059	590	(469)	(80%)
Solid waste	13	7	(6)	N/A
Parks, Reserves and Cemeteries	372	186	(186)	(100%)
Recreation and Facilities	372	625	253	41%
Community Development	41	1,065	1,024	0%
Corporate	187	206	19	9%
<b>Total</b>	<b>8,159</b>	<b>16,457</b>	<b>8,298</b>	<b>50%</b>

### Net Operating Costs

#### Recreation and Facilities

- The operating expenditure for the Pool Complex 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

- Roothing 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.



## 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.



His Worship the Mayor  
N C Volzke  
10 December 2024



Chief Executive  
S Hanne  
10 December 2024

## 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
<i>Recreation and Facilities</i>	Aerodrome	
	Civic Amenities	Civic Amenities & Toilets Pensioner Housing
	Library Parks, Reserves & Cemeteries Pool Complex	
<i>Democracy</i>	Democracy	Democracy Corporate Support
<i>Community Services</i>	Community Development	
	Economic Development	
	Information Centre	
	Rental & Investment Properties	Farm Holiday Park Rental Properties
<i>Environmental Services</i>	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	
<i>Roading</i>	Roading	Construction, maintenance and renewal of roads, footpaths and associated infrastructure.
<i>Stormwater</i>	Stormwater	Construction and renewal of stormwater infrastructure.
<i>Wastewater (Sewerage)</i>	Wastewater	Construction, maintenance and renewal of waste water network and treatment facilities.
<i>Solid Waste</i>	Waste Management	Kerbside collection of refuse and recycling and operation of the transfer station.
<i>Water Supply</i>	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

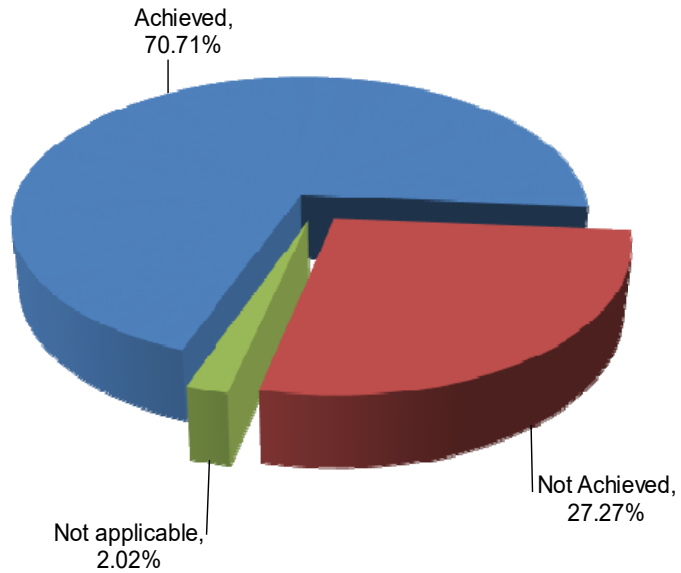
In the activities that follow, performance reporting against the **Targets** will be detailed as follows:

**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**

### **TITLE PAGE**

## 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	How Measured
		Year3 2023/24	2023/24	
The aerodrome meets the needs of users	A high level of satisfaction amongst the users with the condition and maintenance of the aerodrome	>70%	<b>Achieved – 79.8% - 12 responses were received.</b> (2022/23 Achieved – 70.27%)	Annual aerodrome user survey.
The aerodrome is used by the Stratford community and visitors.	Number of aircraft movements during the year.	>3,500	<b>Not Achieved – 1,611</b> (2022/23 Not Achieved – 1,491)	Annual AIMM compliance reporting
<i>Continuous bad weather conditions impacted the usability of the air strip as it is not an all-weather strip. Aircraft movement data is no longer collected automatically due to the high cost of the equipment. Reported figures are based on estimates by the Aerodrome user group.</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 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
121	<b>Operating Expenditure</b>	151	140
25	<b>Revenue</b>	25	27
<b>96</b>	<b>Net Cost of Service</b>	<b>126</b>	<b>113</b>
	<b>EXPENDITURE</b>		
83	Operating Costs	107	105
6	Depreciation	8	6
32	Allocated Overheads	36	30
<b>121</b>	<b>Total Operating Expenditure</b>	<b>151</b>	<b>140</b>
-	Capital Expenditure	-	-
<b>121</b>	<b>Total Expenditure</b>	<b>151</b>	<b>140</b>
	<b>FUNDED BY:</b>		
25	Charges for Services	25	27
<b>25</b>	<b>Total Revenue</b>	<b>25</b>	<b>27</b>
74	General Rates	112	112
-	Transfer from Depreciation Reserve	-	-
-	Other Funding	-	1
<b>99</b>	<b>Total Funding</b>	<b>137</b>	<b>140</b>

## 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 2023/24	How Measured
		Year3 2023/24		
To provide facilities that are well maintained and utilised.	Buildings legally requiring a Building WoF have a current Building WoF at all times.	100%	<b>Achieved – 100%</b> (2022/23 Achieved – 100%)	Building WoF records
	Annual booking of War Memorial Centre.	>500	<b>Not Achieved – 388</b> (2022/23 Not Achieved – 430)	Booking records
	<i>Since Covid, this measure has not been achieved. It has been removed from the 2024-34 Long term Plan, and is now based on a % of days in the year that there is a booking.</i>			
	Annual booking of Centennial Restrooms.	>200	<b>Achieved – 221</b> (2022/23 Achieved – 251)	Booking records
To provide suitable housing for the elderly.	Percentage of resident satisfaction.	>89%	<b>Achieved – 93.25%</b> (2022/23 Not Achieved – 87.03%)	Annual Survey of Pensioner Housing tenants.
	Annual Occupancy rate.	>95%	<b>Achieved – 97%</b> (2022/23 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%	<b>Not Achieved – 71%</b> (2022/23 Not Achieved – 67%)	Annual Residents Survey
	<i>Survey respondents suggest better maintenance is required, with particular mention of Broadway toilets, Victoria Park and TET Multi-Sport Stadium. Satisfaction is highest amongst Percy Thomson Complex toilet users (96%) followed by the Centennial Restroom toilet (90%). More regular inspections are now being carried out to ensure standards are maintained.</i>			

### 1.5 Projects and Other Programmes

Project	Category	Budget 2023/24	Actual 2022/23	Notes
Stratford 2035 Projects	Level of Service	\$482,345	\$0	Project currently on hold pending purchase of land.
TET Multi Sports Centre	Level of Service	\$52,400	\$73,083	Complete
War Memorial Centre carpark upgrade to LED Lights	Level of Service	\$57,600	\$41,635	Complete
Pensioner Housing – Healthy Homes Upgrade	Level of Service	\$29,500	\$28,098	Complete

## 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 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
1,033	<b>Operating Expenditure</b>	1,359	1,090
65	<b>Revenue</b>	51	54
<b>968</b>	<b>Net Cost of Service</b>	<b>1,308</b>	<b>1,036</b>
	<b>EXPENDITURE</b>		
386	Operating Costs	515	380
15	Interest	19	27
482	Depreciation	647	533
151	Allocated Overheads	179	149
<b>1,033</b>	<b>Total Operating Expenditure</b>	<b>1,359</b>	<b>1,090</b>
20	Principal Loan Repayments	22	31
84	Capital Expenditure	142	595
<b>1,137</b>	<b>Total Expenditure</b>	<b>1,524</b>	<b>1,718</b>
	<b>FUNDED BY:</b>		
65	Charges for Services	51	54
<b>65</b>	<b>Total Revenue</b>	<b>51</b>	<b>54</b>
733	General Rates	755	752
18	Targeted Rates	19	19
227	Depreciation Funded from Reserves	335	257
118	Transfers from Depreciation Reserves	25	34
-	Grants and Donations	-	-
39	Loan Funding - Capital	115	592
12	Other Funding	4	7
<b>1,213</b>	<b>Total Funding</b>	<b>1,304</b>	<b>1,718</b>

### Pensioner Housing

Actual 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
161	<b>Operating Expenditure</b>	174	159
67	<b>Revenue</b>	71	77
<b>94</b>	<b>Net Cost of Service</b>	<b>103</b>	<b>82</b>
	<b>EXPENDITURE</b>		
68	Operating Costs	54	64
1	Interest	1	1
33	Depreciation	49	37
59	Allocated Overheads	70	57
<b>161</b>	<b>Total Operating Expenditure</b>	<b>174</b>	<b>159</b>
1	Principal Loan Repayments	1	1
-	Capital Expenditure	28	30
<b>162</b>	<b>Total Expenditure</b>	<b>203</b>	<b>190</b>
	<b>FUNDED BY:</b>		
67	Charges for Services	71	77
<b>67</b>	<b>Total Revenue</b>	<b>71</b>	<b>77</b>
34	General Rates	34	34
59	Transfers from Depreciation Reserves	69	48
-	Loan Funding - Capital	28	30
-	Other Funding	-	-
<b>162</b>	<b>Total Funding</b>	<b>203</b>	<b>190</b>



## 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 2023/24	How Measured
		Year 3 2023/24		
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	<b>Achieved – 64,207</b> (2022/23 Achieved – 62,010)	Monthly statistics from Koha
	% of library users satisfied with library services.	>80%	<b>Achieved – 97%</b> (2022/23 Achieved – 96%)	Annual Residents Survey
	Number of people participating in library events and programmes	>1,200	<b>Achieved – 4,763</b> (2022/23 Achieved – 3,461)	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 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
768	<b>Operating Expenditure</b>	712	605
15	<b>Revenue</b>	16	15
<b>753</b>	<b>Net Cost of Service</b>	<b>696</b>	<b>590</b>
	<b>EXPENDITURE</b>		
441	Operating Costs	431	346
23	Interest	26	26
76	Depreciation	88	84
228	Allocated Overheads	167	149
<b>768</b>	<b>Total Operating Expenditure</b>	<b>712</b>	<b>605</b>
32	Principal Loan Repayments	31	31
-	Capital Expenditure	-	-
<b>800</b>	<b>Total Expenditure</b>	<b>742</b>	<b>636</b>
	<b>FUNDED BY:</b>		
15	Charges for Services	16	15
<b>15</b>	<b>Total Revenue</b>	<b>16</b>	<b>15</b>
634	General Rates	545	543
37	Depreciation Funded from Reserves	38	41
-	Loan Funding - Capital	-	-
14	Grants and Donations	6	-
32	Transfer from Depreciation Reserves	31	31
17	Other Funding	3	6
<b>749</b>	<b>Total Funding</b>	<b>639</b>	<b>636</b>

## 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	How Measured
		Year3 2023/24	2023/24	
To provide parks, sports fields and other open spaces that meet community demand	Number of complaints and requests for service.	<40	<b>Not Achieved</b> – 112 (2022/23 Not Achieved – 121)	Reporting against corporate CRM system.
		<i>There are now more ways to contact council with complaints or requests e.g. Antenno and Facebook and customers have become more comfortable reporting concerns. The target will be reviewed for the 2025/26 Annual Plan.</i>		
	Percentage of Stratford residents satisfied with:			
	• Parks;	>80%	<b>Achieved</b> – 90% (2022/23 Achieved – 90%)	Annual Residents Survey.
	• Sports fields; and	>80%	<b>Not Achieved</b> – 76% (2022/23 Achieved – 85%)	Annual Residents Survey.
<i>Survey responses suggest better maintenance is required along with requests for more and improved facilities. Council is continuing with the upgrade of the sports fields at Victoria Park, which will assist in alleviating the issues that have occurred e.g. pooling of water in field etc.</i>				
• Cemeteries.	>80%	<b>Not Achieved</b> – 74% (2022/23 Not Achieved – 68%)	Annual Residents Survey.	
<i>General comments related to improved maintenance including mowing and filling in uneven or sunken areas. Council is undertaking more frequent inspections to ensure cemeteries meet the required level of service.</i>				
Safe playgrounds are provided	All playgrounds meet NZ Safety Standards.	100%	<b>Not Achieved</b> (2022/23 Not Applicable)	Biennial playground inspection report and records provided from weekly and quarterly compliance checks by contractor.
		<i>The inspections were not able to be completed by 30 June 2024. They have subsequently been completed, therefore ensuring the safety of council's playgrounds and foot bridges. Contractors have now been pre-booked for future biennial inspections.</i>		
Foot Bridges are safe.	All foot bridges meet NZ Safety standards.	100%	<b>Not Achieved</b> (2022/23 Not Applicable)	Biennial bridge inspection Report
		<i>The inspections were not able to be completed by 30 June 2024. They have subsequently been completed, therefore ensuring the safety of council's playgrounds and foot bridges. Contractors have now been pre-booked for future biennial inspections.</i>		

## 1.5 Projects and Other Programmes

Project	Category	Budget 2023/24	Actual 2023/24	Notes
Walkway Upgrade	Level of Service	\$20,000	\$17,969	Complete
Parks Upgrade	Level of Service	\$13,600	\$7,160	Complete
Whangamomona Camp Ground Septic Tank Installation	Level of Service	\$121,000	\$102,433	Tank will be installed and operational in 2024/25
Cemeteries				
Midhirst Cemetery – pathway upgrade	Level of Service	\$31,400	\$35,052	Complete

## 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 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
929	<b>Operating Expenditure</b>	1,000	933
8	<b>Revenue</b>	8	9
<b>921</b>	<b>Net Cost of Service</b>	<b>992</b>	<b>924</b>
	<b>EXPENDITURE</b>		
588	Operating Costs	625	552
8	Interest	14	14
172	Depreciation	153	196
160	Allocated Overheads	208	172
<b>929</b>	<b>Total Operating Expenditure</b>	<b>1,000</b>	<b>933</b>
12	Principal Loan Repayments	17	16
204	Capital Expenditure	333	155
<b>1,144</b>	<b>Total Expenditure</b>	<b>1,350</b>	<b>1,104</b>
	<b>FUNDED BY:</b>		
8	Charges for Services	8	9
<b>8</b>	<b>Total Revenue</b>	<b>8</b>	<b>9</b>
765	General Rates	930	927
29	Transfer (to) from Reserves	29	16
48	Loan Funding - Capital	238	155
(10)	Transfer (to) Turf Replacement Reserve	(10)	(10)
156	Grants and Donations	94	-
10	Other Funding	4	7
<b>1,006</b>	<b>Total Funding</b>	<b>1,293</b>	<b>1,104</b>

## Cemeteries

Actual 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
211	<b>Operating Expenditure</b>	238	220
138	<b>Revenue</b>	159	145
<b>74</b>	<b>Net Cost of Service</b>	<b>79</b>	<b>74</b>
	<b>EXPENDITURE</b>		
139	Operating Costs	147	143
1.00	Interest	3	3
7	Depreciation	11	8
64	Allocated Overheads	77	66
<b>211</b>	<b>Total Operating Expenditure</b>	<b>238</b>	<b>220</b>
<b>2</b>	Principal Loan Repayments	4	4
597	Capital Expenditure	39	31
<b>811</b>	<b>Total Expenditure</b>	<b>281</b>	<b>255</b>
	<b>FUNDED BY:</b>		
138	Charges for Services	159	145
<b>138</b>	<b>Total Revenue</b>	<b>159</b>	<b>145</b>
85	General Rates	76	76
515	Transfers from Reserves - Capital	4	-
82	Loan Funding - Capital	35	31
5	Other Funding	2	3
<b>825</b>	<b>Total Funding</b>	<b>276</b>	<b>255</b>

## 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	How Measured
		Year3 2023/24	2023/24	
The pool complex will be a safe place to swim.	Number of reported accidents, possible accidents and similar incidents pa.	<80	<b>Not Achieved – 97</b> (2022/23 Not Achieved - 125)	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. This is no longer measured and has been removed from the 2024-34 Long Term Plan.</i>			
	Compliance with NZS5826:2010 NZ Pool Water Quality Standards.	100%	<b>Achieved – 100%</b> (2022/23 Achieved – 100%)	Water quality register.
	PoolSafe accreditation is met	100%	<b>Achieved</b> (2022/23 Achieved – 100%)	Annual Reporting
That the pool facilities meet demand.	Percentage of pool users are satisfied with the pool.	>80%	<b>Not Achieved – 75%</b> (2022/23 Achieved – 84%)	Annual Residents Survey.
	<i>General comments request extensions to the facilities including hydrosides, café, spa or sauna. There were also comments regarding the cost of using the facility being too high. A business plan is being developed and will consider these concerns.</i>			
	Number of pool admissions per annum.	>55,000	<b>Achieved – 109,047</b> (2022/23 Achieved – 61,378)	Reported monthly to Council.

#### 1.5 Projects and Other Programmes

Project	Category	Budget 2023/24	Actual 2023/24	Notes
Pool Complex	Level of Service	\$0	\$185,138	Final project completion costs
Play equipment	Level of Service	\$0	\$8,860	Complete – grant funded
Pool building software	Level of Service	\$0	\$8,710	Complete

#### 1.6 Cost of Services Statement

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

**Pool Complex**

<b>Actual 2022/23 \$000</b>		<b>Actual 2023/24 \$000</b>	<b>Budget 2023/24 \$000</b>
2,558	<b>Operating Expenditure</b>	3,200	2,883
355	<b>Revenue</b>	518	392
<b>2,204</b>	<b>Net Cost of Service</b>	<b>2,682</b>	<b>2,492</b>
	<b>EXPENDITURE</b>		
1,548	Operating Costs	1,971	1,615
305	Interest	344	403
477	Depreciation	450	505
228	Allocated Overheads	435	361
<b>2,558</b>	<b>Total Operating Expenditure</b>	<b>3,200</b>	<b>2,883</b>
421	Principal Loan Repayments	411	468
1,550	Capital Expenditure	201	-
<b>4,529</b>	<b>Total Expenditure</b>	<b>3,812</b>	<b>3,351</b>
	<b>FUNDED BY:</b>		
355	Charges for Services	518	392
<b>355</b>	<b>Total Revenue</b>	<b>518</b>	<b>392</b>
1,258	General Rates	2,006	1,999
150	Loan funding - capital	193	-
1,450	Grants and Donations	181	-
421	Transfers from Depreciation Reserves	454	946
16	Other Funding	6	14
<b>3,650</b>	<b>Total Funding</b>	<b>3,357</b>	<b>3,351</b>



## **Democracy TITLE PAGE**

## 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 2023/24	How Measured
		Year 3 2023/24		
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%	<b>Achieved – 100%</b> (2022/2023 Achieved – 100%)	Meeting Register.
	All Council meetings are publicly notified in accordance with statutory timeframes.	100%	<b>Achieved – 100%</b> (2022/23 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%	<b>Not Achieved – 62%</b> (2022/23 Not Achieved – 61%)	Annual Residents Survey.
		<i>Based on survey comments, 30% would like to receive the Stratford Press more often which is outside of council's control. It was also suggested that more notifications and comms are needed, however 91% of survey respondents know where to find Council information if they're seeking it. Council will continue to encourage engagement with the community. Different platforms have also been introduced to increase engagement.</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	<b>Achieved – 100%</b> (2022/23 Achieved)	Audit Opinion.

## 1.5 Projects and Other Programmes

### Key Future Projects

Project	Category	Budget 2023/24	Actual 2023/24	Notes
Computers and peripherals	Replacements	\$131,000	\$126,723	Complete
Vehicle replacements	Replacements	\$20,000	\$42,068	After trade in net cost was \$35,242
Miscellaneous equipment	Replacements	\$20,000	\$7,489	Complete
Miranda Street Office				
Furniture replacement	Replacements	\$3,100	\$4,525	Complete
Partial roof replacement	Replacements	\$31,400	\$0	Project did not proceed as repairs carried out instead of a replacement.

## 1.6 Cost of Services Statement

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

### Democracy

Actual 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
1,334	<b>Operating Expenditure</b>	1,395	1,279
37	<b>Revenue</b>	-	-
<b>1,297</b>	<b>Net Cost of Service</b>	<b>1,395</b>	<b>1,279</b>
<b>EXPENDITURE</b>			
587	Operating Costs	526	545
746	Allocated Overheads	869	734
<b>1,334</b>	<b>Total Operating Expenditure</b>	<b>1,395</b>	<b>1,279</b>
<b>FUNDED BY:</b>			
37	Charges for Services	-	-
<b>37</b>	<b>Revenue</b>	-	-
1,245	UAGC	1,260	1,250
10	Subsidies / Grants	25	-
53	Other Funding	18	29
<b>1,345</b>	<b>Total Funding</b>	<b>1,303</b>	<b>1,279</b>

### Corporate Support

Actual 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
3	<b>Operating Expenditure</b>	-	24
131	<b>Revenue</b>	155	85
<b>(128)</b>	<b>Net Cost of Service</b>	<b>(155)</b>	<b>(61)</b>
<b>EXPENDITURE</b>			
Operating Costs			
662	- Chief Executive's Department	838	759
973	- Corporate Services Department	1,372	1,017
(1,635)	Allocated Overheads	(2,209)	(1,751)
<b>3</b>	<b>Total Operating Expenditure</b>	-	<b>24</b>
227	Capital Expenditure	187	206
<b>230</b>	<b>Total Expenditure</b>	<b>187</b>	<b>230</b>
<b>FUNDED BY:</b>			
131	Charges for Services	155	85
<b>131</b>	<b>Total Revenue</b>	<b>155</b>	<b>85</b>
(87)	UAGC	(86)	(61)
227	Transfer from Depreciation Reserves	187	206
<b>272</b>	<b>Total Funding</b>	<b>257</b>	<b>230</b>

## **Community Development TITLE PAGE**

## 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	How Measured
		Year3 2023/24	2023/24	
Event Development that supports and encourages community engagement	Deliver or facilitate community events.	>5	<b>Achieved</b> – 16 (2022/23 Achieved - 15)	Number of events held are recorded
	Percentage of residents feeling a sense of community.	>80%	<b>Not Achieved</b> – 61% (2022/23 Not Achieved – 61%)	Annual Residents Survey
	<i>Comments reflected that this was in relation to council not listening to community views, not being involved in the community and a need for more events/activities. Council will continue to encourage engagement and consider event specific comments when planning future events.</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 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
688	<b>Operating Expenditure</b>	702	497
36	<b>Revenue</b>	42	-
<b>652</b>	<b>Net Cost of Service</b>	<b>660</b>	<b>497</b>
	<b>EXPENDITURE</b>		
560	Operating Costs	578	383
128	Allocated Overheads	125	113
<b>688</b>	<b>Total Operating Expenditure</b>	<b>702</b>	<b>497</b>
	<b>FUNDED BY:</b>		
36	Charges for Services	42	-
<b>36</b>	<b>Total Revenue</b>	<b>42</b>	<b>-</b>
405	General Rates	385	384
277	Grants	435	107
10	Other Funding	3	4
<b>728</b>	<b>Total Funding</b>	<b>866</b>	<b>497</b>

## 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 2023/24	How Measured
		Year 3 2023/24		
To support and promote the economic growth of the district.	Number of client interactions with Venture Taranaki's Business Advisory Service	100%	<b>Achieved – 19</b> (2022/23 Achieved - 7)	5 start up clinics
	Mentor matches made as requested	100%	<b>Achieved – 100% (0 matches made)</b> (2022/23 Achieved)	Venture Taranaki Quarterly reports
Enterprise Partnership and Engagement	Review the Economic Development Strategy	N/A	<b>Not Applicable</b> (2022/23 Not Applicable)	Year 1 only - Strategy approved by Council

## 1.5 Projects and Other Programmes

### 1.5 Key Future Projects

Project	Category	Budget 2023/24	Actual 2023/24	Notes
Subdivision land development	Level of Service	\$1,049,000	\$24,800	Project temporarily on hold as wetlands were identified, therefore a new concept plan is required.

## 1.6 Cost of Services Statement

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

### Economic Development

Actual 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
564	<b>Operating Expenditure</b>	513	626
-	<b>Revenue</b>	-	-
<b>564</b>	<b>Net Cost of Service</b>	<b>513</b>	<b>626</b>
	<b>EXPENDITURE</b>		
407	Operating Costs	304	430
157	Allocated Overheads	209	196
<b>564</b>	<b>Total Operating Expenditure</b>	<b>513</b>	<b>626</b>
	<b>FUNDED BY:</b>		
302	General Rates	264	262
100	Subsidies / Grants	121	94
302	UAGC	264	262
12	Other Funding	4	8
<b>716</b>	<b>Total Funding</b>	<b>653</b>	<b>626</b>

## Council Projects

Actual 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
31	Operating Expenditure	72	93
-	Revenue	-	-
<b>31</b>	<b>Net Cost of Service</b>	<b>72</b>	<b>93</b>
	<b>EXPENDITURE</b>		
-	Operating Costs	-	-
31	Interest	72	93
<b>31</b>	<b>Total Operating Expenditure</b>	<b>72</b>	<b>93</b>
-	Principal Loan Repayments	-	97
2,142	Capital Expenditure	25	1,049
<b>2,173</b>	<b>Total Expenditure</b>	<b>97</b>	<b>1,240</b>
	<b>FUNDED BY:</b>		
-	General Rates	192	191
-	Sale of sections - capital	-	-
-	Grants and Donations - Capital	-	-
2,142	Loan Funding - Capital	25	1,049
<b>2,142</b>	<b>Total Funding</b>	<b>216</b>	<b>1,240</b>

## 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 2023/24	How Measured
		Year 3 2023/24		
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	<b>Not Achieved – 8,187</b> (2022/23 Not Achieved - 8,607)	AA customer count records
	<i>This target has not been met since 2018/2019 due to more services being available online. This measure has been removed from the 2024-34 Long Term Plan.</i>			
	Percentage customers are satisfied with the Information Centre.	>80%	<b>Achieved – 96%</b> (2022/23 Achieved – 94%)	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 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
217	<b>Operating Expenditure</b>	206	252
62	<b>Revenue</b>	70	65
<b>155</b>	<b>Net Cost of Service</b>	<b>136</b>	<b>187</b>
	<b>EXPENDITURE</b>		
102	Operating Costs	141	191
-	Depreciation	-	-
115	Allocated Overheads	65	60
<b>217</b>	<b>Total Expenditure</b>	<b>206</b>	<b>252</b>
	<b>FUNDED BY:</b>		
62	Charges for Services	70	65
<b>62</b>	<b>Total Revenue</b>	<b>70</b>	<b>65</b>
248	General Rates	184	184
8	Other Funding	3	2
<b>318</b>	<b>Total Funding</b>	<b>258</b>	<b>252</b>

## 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
		Year 23 2023/24	2023/24	
Maximum profits from the farm are returned to Council.	Milk production is maximised	>150,000 kg/ms	<b>Not Achieved – 149,307 kgs/ms</b> (2022/23 Not Achieved – 142,659kgs/ms)	Milk Supplier's Statements issued by Fonterra.
		<i>Continuous bad weather saw a slow start to the season. Council is making better use of the recently installed in-shed feeding system to ensure the condition of the stock does not decrease during periods of bad weather. This ensures milk production is less impacted by weather in the future.</i>		
The Council is meeting national Environmental standards.	The Council farm's Environmental Plan is reviewed annually	Achieved	<b>Achieved</b> (2022/23 Not Achieved)	Report to Farm and Aerodrome Committee
Leased property is safe and fit for purpose.	Number of complaints from tenants.	<5	<b>Achieved – 0</b> (2022/23 Achieved – 0)	Reporting against corporate CRM system.

## 1.5 Projects and Other Programmes

Project	Category	Budget 2023/24	Actual 2023/24	Notes
Farm				
Landscaping and riparian planting	Level of Service	\$3,700	\$3,217	Complete
Water lines and trough upgrade	Level of Service	\$12,600	\$12,870	Complete

## 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 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
3	<b>Operating Expenditure</b>	2	2
3	<b>Revenue</b>	3	3
-	<b>Net Cost of Service</b>	(1)	(1)
<b>EXPENDITURE</b>			
-	Operating Costs	-	-
3	Allocated Overheads	2	2
<b>3</b>	<b>Total Expenditure</b>	<b>2</b>	<b>2</b>
<b>FUNDED BY:</b>			
3	Charges for Services	3	3
<b>3</b>	<b>Total Revenue</b>	<b>3</b>	<b>3</b>
(1)	General Rates	(1)	(1)
(2)	Other Funding	-	-
<b>0</b>	<b>Total Funding</b>	<b>2</b>	<b>2</b>

**Farm**

Actual 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
481	<b>Operating Expenditure</b>	449	461
638	<b>Revenue</b>	715	719
<b>(157)</b>	<b>Net Cost of Service</b>	<b>(266)</b>	<b>(258)</b>
	<b>EXPENDITURE</b>		
304	Operating Costs	296	314
57	Interest	64	69
48	Depreciation	50	47
72	Allocated Overheads	38	31
<b>481</b>	<b>Total Operating Expenditure</b>	<b>449</b>	<b>461</b>
70	Principal Loan Repayments	116	129
25	Capital Expenditure	16	16
<b>576</b>	<b>Total Expenditure</b>	<b>581</b>	<b>606</b>
	<b>FUNDED BY:</b>		
638	Charges for Services	715	719
<b>638</b>	<b>Total Revenue</b>	<b>715</b>	<b>719</b>
(149)	General Rates	(199)	(197)
14	Loan Funding - Capital	16	16
108	Transfer (to) from Reserves	69	69
<b>611</b>	<b>Total Funding</b>	<b>601</b>	<b>606</b>

**Rental Properties**

Actual 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
67	<b>Operating Expenditure</b>	71	64
35	<b>Revenue</b>	43	37
<b>32</b>	<b>Net Cost of Service</b>	<b>28</b>	<b>27</b>
	<b>EXPENDITURE</b>		
3	Operating Costs	5	10
17	Depreciation	25	20
47	Allocated Overheads	41	34
<b>67</b>	<b>Total Operating Expenditure</b>	<b>71</b>	<b>64</b>
-	Capital Expenditure	-	-
<b>67</b>	<b>Total Expenditure</b>	<b>71</b>	<b>64</b>
	<b>FUNDED BY:</b>		
35	Charges for Services	43	37
<b>35</b>	<b>Total Revenue</b>	<b>43</b>	<b>37</b>
32	General Rates	26	26
3	Other Funding	1	1
<b>70</b>	<b>Total Funding</b>	<b>70</b>	<b>64</b>

## **Environmental Services TITLE PAGE**

## 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 2023/24	How Measured
		Year 3 2023/24		
To process applications within statutory timeframes.	Percentage of building consent applications processed within 20 days.	100%	<b>Achieved – 100%</b> , 215 out of 215 <i>(2022/23 Not Achieved – 99.6% 240 out of 241)</i>	Council Records.
	Percentage of inspection requests completed within 24 hours of request.	100%	<b>Not Achieved – 98.1%</b> , 1,090 out of 1,111 <i>(2022/23 Not Achieved – 97.4% 1,119 out of 1,149)</i>	Council Records.
	<i>This was due to customers booking their inspection more than 24 hours ahead rather than poor performance by council. The measure has now been changed to be within 24 hours of their requested time.</i>			
	Percentage of code compliance certificate applications determined within 20 working days.	100%	<b>Not Achieved – 99%</b> , 187 out of 188 <i>(2022/23 Not Achieved – 95.3% 204 out of 214)</i>	Council Records.
<i>One CCC went over time due to resourcing during annual leave. Council aims to have back-up for critical roles but this can be difficult to achieve in a small team.</i>				
To retain registration as a Building Consent Authority.	Current registration.	Confirmed	<b>Achieved – registration current</b> <i>(2022/23 Achieved)</i>	Current IANZ Certification
To process LIMs within statutory timeframes	% of LIMs processed within timeframes.	100%	<b>Achieved – 100%</b> 81 out of 81 <i>(2022/23 Achieved – 100%, 80 out of 80)</i>	Council Records
Service meets customer expectations.	Percentage of customers using building consent processes are satisfied with the service provided	>80%	<b>Not Achieved – 45%</b> <i>(2022/23 Not Achieved – 41%)</i>	Annual Residents Survey
		<i>Only 26 survey respondents said they had contacted council for a building consent process. This is an extremely low data set to inform satisfaction. Of the 26, 11 (45%) scored the service of council between Good and Excellent (7-10). This is likely due to the very high target for a regulatory service and current economic conditions. This measure has now been removed from the 2024-34 Long Term Plan.</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 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
944	<b>Operating Expenditure</b>	1,043	1,008
458	<b>Revenue</b>	549	523
<b>486</b>	<b>Net Cost of Service</b>	<b>494</b>	<b>485</b>
<b>EXPENDITURE</b>			
623	Operating Costs	659	676
8	Depreciation	8	-
313	Allocated Overheads	376	332
<b>944</b>	<b>Total Operating Expenditure</b>	<b>1,043</b>	<b>1,008</b>
<b>FUNDED BY:</b>			
458	Charges for Services	549	523
<b>458</b>	<b>Total Revenue</b>	<b>549</b>	<b>523</b>
562	UAGC	476	472
23	Other Funding	8	13
<b>1,043</b>	<b>Total Funding</b>	<b>1,033</b>	<b>1,008</b>

## 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 2023/24	How Measured
		Year3 2023/24		
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.	Notification required	<b>Not Achieved</b> (2022/23 Not Applicable)	No timeframe to be met in Year 1 Reports to Council
	<i>Work on this project was delayed due to new legislation. The legislation has since been repealed and council is now in the early planning phase for this project.</i>			
	To undertake a systematic review of bylaws and related policies as they reach their statutory review dates.	100% within review timeframes	<b>Not Achieved</b> (2022/23 Not Achieved)	Reports to Council
	<i>Two policies were not reviewed within their statutory timeframes. The policies are the Local Approved Products Policy and the Local Alcohol Policy which are both jointly held with New Plymouth District Council. Council is currently working with New Plymouth and South Taranaki District Councils on these two policies.</i>			
To process resource consents within statutory timeframes.	% of non notified applications processed within 20 working days.	100%	<b>Not Achieved</b> – 98% 55 of 56 (2022/23 Not Achieved – 90% 76 of 84 applications)	Council records
	<i>The application that was not processed within 20 working days was delayed waiting for advice from a service provider.</i>			
	% of notified applications processed within legislated timeframes for notification, hearings and decisions.	100%	<b>Achieved – 0 notified consent applications</b> (2022/23 Achieved – 0 notified consent application)	Council records
	% of s223 and s224 applications processed within 10 working days.	100%	<b>Achieved – 100%</b> 22 of 22 applications. (2022/23 Achieved – 100% 51 of 51 applications)	Council records
Service meets customer expectations	Percentage of customers using resource consent processes are satisfied with the service provided	>80%	<b>Not Achieved</b> – 46% (2022/23 Not Achieved – 22%)	Council Records
		<i>Just 14 survey respondents said they had contacted council for a resource consent process. This is an extremely low data set to inform satisfaction. Of the 14, 6 (46%) of these respondents scored the service of council between Good and Excellent (7-10). This is likely due to the very high target for a regulatory service and current economic conditions. This measure has been removed from the 2024-34 Long Term Plan.</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 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
209	<b>Operating Expenditure</b>	222	755
-	<b>Revenue</b>	-	-
<b>209</b>	<b>Net Cost of Service</b>	<b>222</b>	<b>755</b>
<b>EXPENDITURE</b>			
91	Operating Costs	92	634
-	Interest	-	9
119	Allocated Overheads	130	112
<b>209</b>	<b>Total Operating Expenditure</b>	<b>222</b>	<b>755</b>
-	Principal Loan Repayments	-	100
<b>209</b>	<b>Total Operating Expenditure</b>	<b>222</b>	<b>855</b>
<b>FUNDED BY:</b>			
209	UAGC	354	351
-	Loan Funding	-	500
8	Other Funding	3	4
<b>217</b>	<b>Total Funding</b>	<b>357</b>	<b>855</b>

#### Resource Consents

Actual 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
321	<b>Operating Expenditure</b>	336	353
120	<b>Revenue</b>	63	126
<b>201</b>	<b>Net Cost of Service</b>	<b>272</b>	<b>227</b>
<b>EXPENDITURE</b>			
206	Operating Costs	164	204
115	Allocated Overheads	171	149
<b>321</b>	<b>Total Operating Expenditure</b>	<b>336</b>	<b>353</b>
<b>FUNDED BY:</b>			
120	Charges for Services	63	126
<b>120</b>	<b>Total Revenue</b>	<b>63</b>	<b>126</b>
118	UAGC	223	221
8	Other Funding	3	6
<b>246</b>	<b>Total Funding</b>	<b>289</b>	<b>353</b>

## 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 licencing, 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 2023/24	How Measured
		Year 3 2023/24		
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%	<b>Achieved – 100% 59 out of 59</b> <i>(2022/23 Not Achieved – 99% 107 out of 108)</i>	Council Records
	Health nuisance and premise complaints are responded to within 1 working day.	100%	<b>Achieved – 100% 17 out of 17 complaints</b> <i>(2022/23 Achieved – 100% 16 out of 16 complaints)</i>	Council Records
To fulfil obligations as a District Licensing Committee.	Percentage of licensed premises inspected.	100%	<b>Achieved – 100% 28 of 28 inspected</b> <i>(2022/23 Not Achieved – 93.7% 30 out of 32 inspected)</i>	Council Records
	Percentage of applications processed within 25 working days (excluding hearings).	100%	<b>Achieved – 100% 85 of 85 applications – 1 hearing</b> <i>(2022/23 Achieved – 100% 90 out of 90 applications and 1 hearing)</i>	Council Records
To monitor and enforce bylaws.	Percentage of complaints responded to within 2 hours.	100%	<b>Achieved – 100% 263 of 263 complaints.</b> <i>(2022/23 Achieved – 100% 287 out of 287 complaints)</i>	Council Records
To ensure dogs are controlled.	Percentage of known dogs registered.	95%	<b>Achieved – 98% 2,091 of 2,148 known dogs were registered for the 2023/24</b> <i>(2022/23 Achieved – 98% 2,123 out of 2,176 dogs)</i>	Council Records
	Percentage of dog attack/wandering dog complaints responded to within an hour.	100%	<b>Achieved – 100% 351 of 351 complaints</b> <i>(2022/23 Not Achieved – 95.3% 283 out of 286 complaints)</i>	Council Records

## 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 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
197	<b>Operating Expenditure</b>	207	189
33	<b>Revenue</b>	34	35
<b>164</b>	<b>Net Cost of Service</b>	<b>174</b>	<b>154</b>
<b>EXPENDITURE</b>			
114	Operating Costs	110	104
83	Allocated Overheads	97	85
<b>197</b>	<b>Total Operating Expenditure</b>	<b>207</b>	<b>189</b>
<b>FUNDED BY:</b>			
33	Charges for Services	34	35
<b>33</b>	<b>Total Revenue</b>	<b>34</b>	<b>35</b>
135	UAGC	152	151
6	Other Funding	2	3
<b>174</b>	<b>Total Funding</b>	<b>188</b>	<b>189</b>

### Alcohol Licensing

Actual 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
136	<b>Operating Expenditure</b>	125	124
30	<b>Revenue</b>	30	34
<b>106</b>	<b>Net Cost of Service</b>	<b>96</b>	<b>90</b>
<b>EXPENDITURE</b>			
81	Operating Costs	66	70
55	Allocated Overheads	59	54
<b>136</b>	<b>Total Operating Expenditure</b>	<b>125</b>	<b>124</b>
<b>FUNDED BY:</b>			
30	Charges for Services	30	34
<b>30</b>	<b>Total Revenue</b>	<b>30</b>	<b>34</b>
75	UAGC	88	88
4	Other Funding	1	2
<b>110</b>	<b>Total Funding</b>	<b>119</b>	<b>124</b>

### Parking and other Bylaws

Actual 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
135	<b>Operating Expenditure</b>	160	154
(15)	<b>Revenue</b>	1	1
<b>150</b>	<b>Net Cost of Service</b>	<b>159</b>	<b>153</b>
<b>EXPENDITURE</b>			
49	Operating Costs	62	69
86	Allocated Overheads	99	85
<b>135</b>	<b>Total Operating Expenditure</b>	<b>160</b>	<b>154</b>
<b>FUNDED BY:</b>			
(15)	Charges for Services	1	1
<b>(15)</b>	<b>Total Revenue</b>	<b>1</b>	<b>1</b>
142	UAGC	151	150
6	Other Funding	2	3
<b>132</b>	<b>Total Funding</b>	<b>154</b>	<b>154</b>

### Animal Control

Actual 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
220	<b>Operating Expenditure</b>	261	238
123	<b>Revenue</b>	178	167
<b>97</b>	<b>Net Cost of Service</b>	<b>83</b>	<b>71</b>
<b>EXPENDITURE</b>			
114	Operating Costs	110	111
2	Interest	2	2
4	Depreciation	4	1
100	Allocated Overheads	145	124
<b>220</b>	<b>Total Operating Expenditure</b>	<b>261</b>	<b>238</b>
2	Principal Loan Repayments	2	2
-	Capital Expenditure	-	-
<b>222</b>	<b>Total Expenditure</b>	<b>263</b>	<b>240</b>
<b>FUNDED BY:</b>			
123	Charges for Services	178	167
<b>123</b>	<b>Total Revenue</b>	<b>178</b>	<b>167</b>
66	UAGC	69	68
-	Loan funding	-	-
7	Other Funding	3	5
<b>196</b>	<b>Total Funding</b>	<b>250</b>	<b>240</b>

## 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 2023/24	How Measured
		Year 3 2023/24		
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	<b>Achieved</b> – 53 to at least foundation level, 35 trained to intermediate or higher (2022/23 <i>Achieved</i> )	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	<b>Achieved</b> (2022/23 <i>Achieved</i> )	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 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
316	<b>Operating Expenditure</b>	470	432
-	<b>Revenue</b>	-	-
<b>316</b>	<b>Net Cost of Service</b>	<b>470</b>	<b>432</b>
<b>EXPENDITURE</b>			
122	Operating Costs	124	126
-	Depreciation	-	1
194	Allocated Overheads	346	305
<b>316</b>	<b>Total Operating Expenditure</b>	<b>470</b>	<b>432</b>
<b>FUNDED BY:</b>			
344	UAGC	424	420
13	Other Funding	5	12
<b>357</b>	<b>Total Funding</b>	<b>429</b>	<b>432</b>



## **Roading TITLE PAGE**

# ROADING

## 1.1 What We Do

The Roothing 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 Roothing 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 Roothing 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	Total
Sealed km	350.4	42.4	14.00	406.8
Unsealed km	<u>205.7</u>	<u>0.01</u>	<u>0.20</u>	<u>205.91</u>
	<b>556.1</b>	<b>42.41</b>	<b>14.20</b>	<b>612.71</b>

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 Roothing 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 Roothing 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 2023/24	How Measured	
		Year 3 2023/24			
To provide a safe roading network.	<b>Road safety</b> - 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	<b>Achieved – minus 2</b> there was one serious or fatal crash in the 2023/24 year. (2022/23 Achieved minus 3)	Police CAS Database	
To provide a well maintained roading network.	<b>Road Condition</b> – The average quality of ride on sealed road network, measured by smooth travel exposure.	Urban – ≥83%	<b>Not Achieved</b> – Urban – 52% (2022/23 Not Achieved – 54%)	RAMM Rating Report	
		Rural – ≥91%	<b>Achieved</b> – Rural – 92% (2022/23 Achieved -92%)		
	<i>Due to the unexpected costs to repair the rural roads affected by forestry/logging activity, funds were not available for the urban roads. In 2024-34 the target has been adjusted to ≥ 60% to address this issue.</i>				
	<b>Road maintenance</b> – The percentage of the sealed road network that is resurfaced.	≥5%	<b>Not Achieved</b> – 2.90 % (2022/23 Not Achieved 4%)	RAMM Rating Report	
	<i>This is due to pressures on other budgets to repair roads damaged by Forestry activity.</i>				
	<b>Road maintenance</b> – The percentage of the unsealed road network that has been metal dressed.	≥7%	<b>Achieved</b> – 7.2% (2022/23 Not Achieved – 4.35%)	RAMM Report	
<i>As above, due to pressures on other areas of the roading network and limited budget.</i>					
To provide a well maintained roading network.	<b>Footpaths</b> - 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)	>75%	<b>Achieved</b> – 77% (2022/23 Achieved – 89%)	RAMM Report	
	<b>Response to service requests</b> - 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%	<b>Achieved</b> – 100% (2022/23 Achieved – 90%)	RAMM Report. Spreadsheet until connectivity is established between RAMM and Customer Service Requests	
	Percentage of residents who are satisfied with:			Annual Residents Survey	
	• Roothing Networks	>80%	<b>Not Achieved</b> – 37% (2022/23 Not Achieved – 30%)		
<i>The issues appear to be road maintenance, specifically potholes that need fixing, the standard of work completed and rural roads that are in poor condition. The community does not differentiate between local roads and state highways. Future surveys will be more specific ensuring that it is clear it relates to local roads only.</i>					

Level of Service	Performance Measure	Target	Actual 2023/24	How Measured
		Year 3 2023/24		
To provide a well maintained roading network.	Percentage of residents who are satisfied with:			Annual Residents Survey
	<ul style="list-style-type: none"> <li>Footpaths</li> </ul>	>80%	<b>Not Achieved – 55%</b> (2022/23 Not Achieved – 57%)	
	<i>The key issues noted were around general maintenance, uneven paving and overgrown trees/hedges/weeds. The footpath replacement programme is a 30 year project. However for the 2024/27 LTP, NZTA are funding this work activity to the same level of funding.</i>			

## 1.5 Projects and Other Programmes

### Key Future Projects

Project	Category	Budget 2023/24	Actual 2023/24	Notes
Walking and cycling footpath improvements	Level of Service	\$156,000	\$173,143	Complete
Transport Choices	Level of Service	\$7,700,000	\$0	Project did not proceed as the government withdrew the funding
Road to Zero	Level of Service	\$0	\$606,209	Funding carried over from previous year
Unsealed Road Metalling	Replacements	\$750,000	\$883,521	Complete
Sealed Road resurfacing	Replacements	\$880,000	\$646,074	Complete
Drainage Renewals	Replacements	\$680,000	\$544,141	Complete
Pavement Rehabilitation	Replacements	\$700,000	\$76,275	Budget transferred to other roading categories
Structure Component Replacement	Replacements	\$530,000	\$726,855	Complete
Traffic Services	Replacements	\$130,000	\$111,175	Complete
Footpath renewals	Replacements	\$150,000	\$61,964	Complete
Low cost low risk roads	Replacements	\$575,000	\$633,639	Complete
Low cost low risk roads – Special Purpose Roads	Replacements	\$60,000	\$44,096	Complete
Brecon Road bridge – business case	Operating Expenditure	\$250,000	\$12,480	This was for fees to write the draft point of entry report to date.

## 1.6 Cost of Services Statement

The detailed financial summary for Roading activities is below:

## Roading

Actual 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
7,474	<b>Operating Expenditure</b>	6,594	7,176
6,406	<b>Revenue</b>	4,944	4,738
<b>1,068</b>	<b>Net Cost of Service</b>	<b>1,650</b>	<b>2,438</b>
	<b>EXPENDITURE</b>		
4,383	Operating Costs	3,430	3,436
5	Interest	14	39
2,890	Depreciation	2,882	3,493
196	Allocated Overheads	268	208
<b>7,474</b>	<b>Total Operating Expenditure</b>	<b>6,594</b>	<b>7,176</b>
6	Principal Loan Repayments	16	45
6,260	Capital Expenditure	4,661	12,311
<b>13,741</b>	<b>Total Expenditure</b>	<b>11,271</b>	<b>19,531</b>
	<b>FUNDED BY:</b>		
214	Charges for Services	130	168
6,193	Waka Kotahi (NZTA) Financial Assistance	4,814	4,570
<b>6,406</b>	<b>Total Revenue</b>	<b>4,944</b>	<b>4,738</b>
3,117	Targeted Rates	3,413	3,410
1,614	Depreciation funded from Reserves	1,605	1,941
1,976	Transfers from Reserves - Capital	2,678	1,774
-	Grants and Donations	-	6,410
290	Transfer from (to) reserves	(1,546)	(446)
324	Loan Funding - Capital	173	1,696
14	Other Funding	5	8
<b>13,741</b>	<b>Total Funding</b>	<b>11,271</b>	<b>19,531</b>

## Business Unit

Actual 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
294	<b>Operating Expenditure</b>	378	380
403	<b>Revenue</b>	472	470
<b>(109)</b>	<b>Net Cost of Service</b>	<b>(94)</b>	<b>(90)</b>
	<b>EXPENDITURE</b>		
69	Operating Costs	162	210
3	Depreciation	6	3
223	Allocated Overheads	210	167
<b>294</b>	<b>Total Operating Expenditure</b>	<b>378</b>	<b>380</b>
	<b>FUNDED BY:</b>		
400	In-house Services - NZTA Assisted	470	470
3	Charges for Services	2	-
<b>403</b>	<b>Total Revenue</b>	<b>472</b>	<b>470</b>
(25)	General Rates	(96)	(96)
16	Other Funding	6	7
<b>394</b>	<b>Total Funding</b>	<b>382</b>	<b>380</b>

## **Stormwater TITLE PAGE**

## 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
		Year3 2023/24	2023/24	
Stormwater system protects property from impacts of flooding.	<b>System adequacy</b> The number of flooding events that occur in a territorial authority district. "Flooding" in this context means stormwater entering a habitable floor	0	<b>Achieved – 0 –</b> No flooding events meeting the criteria (2022/23 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	<b>Achieved – 0 –</b> No flooding events meeting the criteria (2022/23 Achieved)	
	For each flooding event, the number of buildings in the central business zone affected by flooding.	0	<b>Achieved – 0 –</b> No flooding events meeting the criteria (2022/23 Achieved - 0)	
<b>Discharge Compliance</b>	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"> <li>Abatement notices</li> <li>Infringement notices</li> <li>Enforcement orders, and</li> <li>Convictions</li> </ul> received by the territorial authority in relation to those resource consents.	N/A	<b>Not Applicable</b> (2022/23 Not Applicable)	Council does not hold discharge consents for discharge from its stormwater system.
<b>Response Times</b>	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	<b>Achieved – 0 –</b> No flooding events meeting the criteria (2022/23 Achieved - 0)	Work order tracking/reporting through Council's Infrastructure asset management system.
<b>Customer Satisfaction</b>	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	<b>Achieved - 0</b> (2022/23 Achieved - 0)	Reporting against corporate CRM system.

## 1.5 Projects and Other Programmes

### Key Future Projects

Project	Category	Budget	Actual	Notes
		2023/24	2023/24	
<b>Pipework capacity increase</b>	Level of Service	\$143,300	\$68,659	Complete
<b>Silt retention lake bypass</b>	Level of Service	\$265,400	\$92,361	Complete
<b>Safety improvements</b>	Level of Service	\$124,600	\$147,152	Complete
<b>Reticulation renewals</b>	Replacements	\$56,000	\$1,162	Complete



## 1.6 Cost of Services Statement

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

### Stormwater

Actual 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
460	<b>Operating Expenditure</b>	517	499
-	<b>Revenue</b>	-	-
<b>460</b>	<b>Net Cost of Service</b>	<b>517</b>	<b>499</b>
	<b>EXPENDITURE</b>		
50	Operating Costs	59	49
21	Interest	30	45
232	Depreciation	252	255
157	Allocated Overheads	177	149
<b>460</b>	<b>Total Operating Expenditure</b>	<b>517</b>	<b>499</b>
29	Principal Loan Repayments	36	52
72	Capital Expenditure	309	589
<b>562</b>	<b>Total Expenditure</b>	<b>863</b>	<b>1,140</b>
	<b>FUNDED BY:</b>		
430	UAGC	433	429
29	Transfer from Depreciation Reserves	36	108
23	Depreciation funded from Reserves	63	64
72	Loan Funding - Capital	309	533
10	Other Funding	4	6
<b>565</b>	<b>Total Funding</b>	<b>845</b>	<b>1,140</b>

## **Wastewater (Sewerage) TITLE PAGE**

## 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 2023/24	How Measured
		Year 3 2023/24		
Wastewater is managed without risk to public health.	<b>System and adequacy</b> - The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	<5	<b>Achieved – 0</b> (2022/23 Achieved – 1.11)	Reporting against corporate CRM system.
	<b>Discharge compliance</b> - 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"> <li>• Abatement notices</li> <li>• Infringement notices</li> <li>• Enforcement orders; and</li> <li>• Convictions,</li> </ul> Received by the territorial authority in relation to those resource consents.	0	<b>Achieved – 0</b> (2022/23 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.
	<b>Attendance time:</b> from the time that the territorial authority receives notification to the time that service personnel reach the site; and	1 hour	<b>Achieved – 22minutes</b> (2022/23 Not Achieved – 6 hours 17 minutes)	
	<b>Resolution time:</b> 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	<b>Achieved – 2 hours 8 minutes</b> (2022/23 Not Achieved – 8 hours 7 minutes)	
Customer satisfaction	The total number of complaints received by the territorial authority about any of the following: <ul style="list-style-type: none"> <li>• Sewage odour</li> <li>• Sewerage system faults</li> <li>• Sewerage system blockages, and</li> <li>• The territorial authority's response to issues with its sewerage system,</li> </ul> Expressed per 1000 connections to the territorial authority's sewerage system.	<5	<b>Not Achieved – 8.54</b> (2022/23 Not Achieved – 12.59)	Reporting against corporate CRM system.
		<i>This measure was not met as a result of network blockages as a result of users putting inappropriate materials into the wastewater system e.g wet wipes, grease etc. In 2024/25 the measure has been increased to &lt;6, however there will be a media campaign to educate the community on the correct usage for the wastewater system.</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	<b>Achieved – 100%</b> (2022/23 Achieved)	Work order tracking/reporting through Assetfinda
Trade Waste consent processing	Percentage of trade waste consent applications processed within 15 working days.	100%	<b>Achieved – 100%</b> <b>1 out of 1 applications</b> (2022/23 Achieved – 100% 2 out of 2 applications)	Authority

## 1.5 Projects and Other Programmes

Project	Category	Budget 2023/24	Actual 2023/24	Notes
Pipework increase	capacity	\$159,300	\$71,449	Stage 1 complete
Camper Van Drainage facility	Level of Service	\$7,900	\$0	No longer required
Inflow and infiltration programme	Level of Service	\$159,300	\$458,544	Complete
Stage 2 treatment upgrade	Level of Service	\$5,300	\$0	Not required
Infiltration renewals	Replacements	\$194,300	\$279,011	Complete
Pumps and Electrics	Replacements	\$31,800	\$0	Not required
Routine step/aerate renewals	Replacements	\$31,000	\$0	Not required

## 1.6 Cost of Services Statement

The detailed financial summary for Wastewater activity is shown below.

### Wastewater (Sewerage)

Actual 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
1,066	<b>Operating Expenditure</b>	1,172	1,063
38	<b>Revenue</b>	35	35
<b>1,028</b>	<b>Net Cost of Service</b>	<b>1,136</b>	<b>1,028</b>
	<b>EXPENDITURE</b>		
322	Operating Costs	340	307
41	Interest	64	59
403	Depreciation	454	432
300	Allocated Overheads	314	265
<b>1,066</b>	<b>Total Operating Expenditure</b>	<b>1,172</b>	<b>1,063</b>
56	Principal Loan Repayments	76	69
560	Capital Expenditure	1,059	590
<b>1,683</b>	<b>Total Expenditure</b>	<b>2,307</b>	<b>1,722</b>
	<b>FUNDED BY:</b>		
38	Charges for Services	35	35
<b>38</b>	<b>Total Revenue</b>	<b>35</b>	<b>35</b>
904	Targeted Rates	812	810
114	Transfer from (to) Reserves	206	100
276	Transfer (to) from Depreciation Reserves	355	327
20	Depreciation funded from Reserves	112	108
310	Loan Funding - Capital	780	332
20	Other Funding	7	11
<b>1,683</b>	<b>Total Funding</b>	<b>2,307</b>	<b>1,722</b>

## **Solid Waste TITLE PAGE**

## 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 2023/24	How Measured
		Year3 2023/24		
The levels of waste generated are reducing.	Waste to landfill per household (municipal kerbside collection only)	<600KG	<b>Achieved – 485kg</b> (2022/23 Achieved 472kg)	Landfill invoices & transactions.
	Percentage (by weight) of council controlled waste stream that is recycled (municipal kerbside collection only).	>20%	<b>Achieved – 22%</b> (2022/23 Achieved 23.3%)	Recycling facility invoices & transactions.
The waste collection service meets the needs of the community.	Percentage of customers satisfied with the service provided.	>80%	<b>Achieved – 82%</b> (2022/23 Achieved 83%)	Annual Residents Survey

## 1.5 Projects and Other Programmes

Project	Category	Budget 2023/24	Actual 2023/24	Notes
Transfer building – Station Healthy Homes Upgrade	Level of Service	\$7,000	\$13,471	Complete

## 1.6 Cost of Services Statement

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

### Solid Waste

Actual 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
985	<b>Operating Expenditure</b>	1,208	1,062
213	<b>Revenue</b>	143	170
<b>772</b>	<b>Net Cost of Service</b>	<b>1,065</b>	<b>892</b>
	<b>EXPENDITURE</b>		
761	Operating Costs	943	831
25	Interest	28	29
28	Depreciation	40	32
171	Allocated Overheads	197	170
<b>985</b>	<b>Total Operating Expenditure</b>	<b>1,208</b>	<b>1,062</b>
1	Landfill Aftercare Costs	4	7
35	Principal Loan Repayments	34	34
10	Capital Expenditure	13	7
<b>1,031</b>	<b>Total Expenditure</b>	<b>1,259</b>	<b>1,109</b>
	<b>FUNDED BY:</b>		
213	Charges for Services	143	170
<b>213</b>	<b>Total Revenue</b>	<b>143</b>	<b>170</b>
903	Targeted Rates	860	853
25	UAGC	24	24
-	Loan Funding - Capital	13	7
(122)	Transfers from (to) Reserves	168	49
12	Other Funding	4	7
<b>1,031</b>	<b>Total Funding</b>	<b>1,259</b>	<b>1,109</b>



## **Water Supply TITLE PAGE**

## 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	How Measured
		Year3 2023/24	2023/24	
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%	<b>Stratford – Achieved - 100%</b> <b>Midhurst – Achieved - 100%</b> <b>Toko – Achieved - 100%</b> <i>(2022/23 Stratford – Achieved 100%</i> <i>Midhurst – Achieved 100%</i> <i>Toko – Achieved 100%)</i>	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%	<b>Achieved – 100%</b> <b>Midhurst – Achieved - 100%</b> <b>Toko – Achieved - 100%</b> <i>(2022/23 Stratford – Achieved 100%</i> <i>Midhurst – Achieved 100%</i> <i>Toko – Achieved 100%)</i>	Plant & reticulation performance records in water outlook. Includes water quality sampling programme records as well as any plant non-performances.
	<b>Maintenance of the reticulation network</b> - 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%	<b>Achieved</b> <b>Stratford –8.6%</b> <b>Midhurst –10.6%</b> <b>Toko – 4.1%</b> <i>(2022/23 Stratford – Achieved 15.3%</i> <i>Midhurst – Achieved 17%</i> <i>Toko – Not Achieved 8.2%)</i>	Calculated annually as per NZWWA Water Loss Guidelines.
A reliable water supply is provided.	<b>Fault Response Times</b> – 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	<b>Achieved –10 minutes</b> <i>(2021/22 Not Achieved 2 hours 17 minutes)</i>	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	<b>Achieved – 4 hours 8 minutes</b> <i>(2022/23 Not Achieved 14 hours 17 minutes)</i>	Work order tracking/reporting through Council's Infrastructure asset management system.
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	<b>Achieved – 1 day, 5 hours</b> <i>(2022/23 Achieved 1 day, 23 hours 52 minutes)</i>	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	How Measured
		Year3 2023/24	2023/24	
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	<b>Achieved – 2 days 20 hours 58 minutes</b> (2022/23 Achieved 3 days, 2 hours 10 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	<b>Achieved – 0.33</b> (2022/23 Not Achieved – 7)	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	<b>Achieved – 0.33</b> (2022/23 Achieved – 0)	Work order tracking/reporting through Council's Infrastructure asset management system. Affected property numbers provided via GIS/Asset Management System
Water has a pleasant taste and odour.	<b>Customer Satisfaction</b> - Total number of complaints received for: <ul style="list-style-type: none"> <li>• Drinking water clarity</li> <li>• Drinking water taste</li> <li>• Drinking water odour</li> <li>• Drinking water pressure or flow</li> <li>• Continuity of supply</li> <li>• Council's response to any of these issues</li> </ul> expressed per 1000 connections to council's networked reticulation system.  <i>Note: This is understood to be limited to supplied properties within the water supply zones.</i>	<32	<b>Achieved: - 1.65</b> (2022/23 Achieved – 2.5)	Reporting against corporate CRM system.
Demand management	<b>Demand management</b> - The average consumption of drinking water per day per resident within the district (in litres).	<275	<b>Not Achieved: 297</b> (Stratford 312, Midhurst 134, Toko 102) (2022/23 Achieved – Stratford 187.24 litres Midhurst 143.69 litres Toko 147.69 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.  <i>Council is in the process of introducing universal water metering in the Stratford urban area. The rural towns of Toko and Midhurst already have these meters in place, therefore it is expected that when meters are installed in Stratford, the demand will reduce.</i>

Level of Service	Performance Measure	Target	Actual	How Measured
		Year3 2023/24	2023/24	
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%	<b>Achieved –50 properties tested for water pressure and flow - all passed – 100%</b> <i>(2022/23 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%	<b>Achieved – 30 hydrants were tested and all 30 passed the test – 100%.</b> <i>(2022/23 Achieved – 30 hydrants were tested and all 30 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 2023/24	Notes
Universal water metering implementation	Level of Service	\$337,100	\$375,412	Complete
Street work rider mains	Level of Service	\$31,800	\$16,181	Complete
Midhirst resource consent	Replacements	\$106,200	\$12,125	Iwi report received and submitted to TRC, so will be completed in 2024/25
Hydrants	Replacements	\$15,700	\$4,684	Complete
Laterals	Replacements	\$32,500	\$2,035	Complete
Meter renewals	Replacements	\$53,100	\$12,434	Complete
Street work rider mains – 3 waters schemes	Replacements	\$270,700	\$278,670	Complete
Infrastructure general – 3 water schemes	Replacements	\$31,300	\$4,927	Complete

## 1.6 Cost of Services Statement

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

### Water Supply

Actual 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
2,218	<b>Operating Expenditure</b>	2,478	2,293
489	<b>Revenue</b>	444	491
<b>1,729</b>	<b>Net Cost of Service</b>	<b>2,034</b>	<b>1,802</b>
	<b>EXPENDITURE</b>		
643	Operating Costs	646	597
268	Interest	324	318
720	Depreciation	805	797
587	Allocated Overheads	702	581
<b>2,218</b>	<b>Total Operating Expenditure</b>	<b>2,478</b>	<b>2,293</b>
399	Principal Loan Repayments	419	401
1,651	Capital Expenditure	1,145	878
<b>4,268</b>	<b>Total Expenditure</b>	<b>4,043</b>	<b>3,572</b>
	<b>FUNDED BY:</b>		
489	Charges for Water Usage	444	491
<b>489</b>	<b>Total Revenue</b>	<b>444</b>	<b>491</b>
1,640	Targeted Rates	1,608	1,579
36	Transfer from Depreciation Reserves	201	199
240	Grants - Capital	-	-
846	Transfers (to) from Reserves	1,104	804
978	Loan Funding - Capital	673	475
39	Other Funding	14	23
<b>4,268</b>	<b>Total Funding</b>	<b>4,043</b>	<b>3,572</b>

## **Council Controlled Organisation TITLE PAGE**

## 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 178m<sup>2</sup>. The arboretum has been established at Cloten Road, and the herbarium is a 'virtual' asset that can be found at [www.taranakiplants.net.nz](http://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 2023/24	How Measured
		Year3 2023/24		
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><b>Achieved</b> Art exhibitions that were delivered throughout the year included the following:</p> <p><b>National</b> –</p> <ol style="list-style-type: none"> <li>1. Gathered Voices: The Fletcher Trust Collection,.</li> <li>2. Rita Angus – New Zealand Modernist</li> </ol> <p><b>Regional</b> –</p> <ol style="list-style-type: none"> <li>1. Abroad – what’s in the suitcase</li> </ol> <p><b>Local</b> –</p> <ol style="list-style-type: none"> <li>1. Emergence - Award for Young Taranaki Artists</li> <li>2. Taranaki Arts Trail</li> <li>3. Stratford Art Society</li> <li>4. Embroidery Guild Taranaki</li> <li>5. Yours Truly</li> <li>6. Aotearoa Quilters</li> </ol> <p><b>International/Local</b></p> <ol style="list-style-type: none"> <li>1. Kahui Mareikura: Indigenous Sisters</li> </ol> <p>(2022/23 Achieved)</p>	Art Gallery Records
	Number of visitors to the Gallery to be not less than 20,000 per year	>20,000	<p><b>Achieved – 25,783</b> (2022/23 Not Achieved – 18,684)</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><b>Achieved</b> <b>Note:</b> 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. (2022/23 Achieved)</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><b>Achieved</b> <b>Note:</b> The Trust now considers this part of the Thomson Bequest as complete. Membership of the New Zealand Plant Network is proceeding as part of the arboretum. (2022/23 Not Achieved)</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 2022/23 \$000		Actual 2023/24 \$000	Budget 2023/24 \$000
334	<b>Operating Expenditure</b>	388	323
120	<b>Revenue</b>	70	154
<b>214</b>	<b>Net Cost of Service</b>	<b>318</b>	<b>169</b>
	<b>-</b>		
	<b>EXPENDITURE</b>		
253	Operating Costs	288	239
81	Depreciation	100	84
<b>334</b>	<b>Total Operating Expenditure</b>	<b>388</b>	<b>323</b>
	<b>-</b>		
	<b>FUNDED BY:</b>		
120	User Charges	70	154
<b>120</b>	<b>Total Revenue</b>	<b>70</b>	<b>154</b>
50	Council Grant	50	50
44	Investment Interest	37	35
702	Gain on revaluation of property, plant and equipment, and sale of financial assets	-	-
(582)	Transfer from (to) Accumulated Surplus	231	84
<b>334</b>	<b>Total Funding</b>	<b>388</b>	<b>323</b>

## **Financial Statements TITLE PAGE**

## Statement of Comprehensive Revenue and Expense for the year ended 30 June 2024

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2023/24	2023/24	2022/23	2023/24	2022/23
		\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates Revenue	4	16,219	16,168	15,040	16,219	15,040
Subsidies and Grants	5	5,876	11,181	8,829	5,878	8,874
Development and Financial Contributions		101	-	97	101	97
Fees and Charges		2,825	3,373	2,628	2,855	2,653
Interest Revenue	9	490	324	419	527	463
Gains on property, plant and equipment	6	-	-	2	-	2
Vested Assets		11	-	-	11	-
Other Gains		-	-	-	18	29
Sundry Revenue	5	140	55	126	140	126
<b>Total Revenue</b>	<b>5</b>	<b>25,662</b>	<b>31,101</b>	<b>27,141</b>	<b>25,749</b>	<b>27,284</b>
<b>Expenses</b>						
Personnel Costs	7	6,196	5,789	5,562	6,332	5,683
Depreciation and Amortisation	15 & 16	6,239	6,699	5,859	6,339	5,940
Other expenses	8	12,066	11,436	11,598	12,149	11,660
Finance Costs	9	1,217	1,241	951	1,217	951
<b>Total Expenses</b>		<b>25,718</b>	<b>25,166</b>	<b>23,970</b>	<b>26,037</b>	<b>24,233</b>
<b>SURPLUS/(DEFICIT) BEFORE TAX</b>		<b>(56)</b>	<b>5,935</b>	<b>3,171</b>	<b>(287)</b>	<b>3,051</b>
Income Tax Expense	10	-	-	-	-	-
<b>SURPLUS/(DEFICIT) AFTER TAX</b>		<b>(56)</b>	<b>5,935</b>	<b>3,171</b>	<b>(287)</b>	<b>3,051</b>
<b>Other Comprehensive Revenue and Expense</b>						
<i>Items that will not be reclassified to surplus / (deficit)</i>						
Fair value movement of listed and unlisted shares	21	(49)	-	53	(49)	53
Property, Plant and Equipment Revaluations	21	52,003	-	7,242	52,003	7,944
<b>Total Other Comprehensive Revenue and Expense</b>		<b>51,955</b>	<b>-</b>	<b>7,295</b>	<b>51,955</b>	<b>7,997</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>51,899</b>	<b>5,935</b>	<b>10,466</b>	<b>51,666</b>	<b>11,047</b>
<b>Total Comprehensive Revenue and Expense attributable to:</b>						
Stratford District Council		51,899	5,935	62,229	51,666	62,154
		<b>51,899</b>	<b>5,935</b>	<b>62,229</b>	<b>51,666</b>	<b>62,154</b>
<i>The accompanying notes form part of these financial statements.</i>						
<i>Explanations of significant variances against budget are provided in note 29.</i>						

## Statement of Financial Position as at 30 June 2024

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2023/24	2023/24	2022/23	2023/24	2022/23
		\$000	\$000	\$000	\$000	\$000
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	11	1,828	1,705	615	1,920	692
Short Term Deposits	11	5,000	6,000	5,000	5,250	5,350
Receivables	12	2,509	1,678	2,594	2,516	2,618
Inventories	13	-	-	-	-	-
Prepayments		177	-	172	177	172
Other Financial Assets	14	132	-	82	132	112
<b>Total Current Assets</b>		<b>9,646</b>	<b>9,383</b>	<b>8,463</b>	<b>9,995</b>	<b>8,944</b>
<b>Non-Current Assets</b>						
Receivables	12	19	-	15	19	15
Property, Plant and Equipment	15	516,184	489,562	462,780	518,636	465,319
Intangible Assets	16	401	-	500	401	500
Other Financial Assets	14	8,467	8,253	8,423	8,864	8,820
<b>Total Non-Current Assets</b>		<b>525,071</b>	<b>497,815</b>	<b>471,718</b>	<b>527,920</b>	<b>474,654</b>
<b>Total Assets</b>		<b>534,717</b>	<b>507,199</b>	<b>480,181</b>	<b>537,914</b>	<b>483,598</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Payables and deferred revenue	17	3,862	2,213	4,207	3,900	4,235
Provisions	18	7	7	7	7	7
Employee entitlements	19	313	182	322	324	329
Borrowings	20	6,000	4,122	6,000	6,000	6,000
<b>Total Current Liabilities</b>		<b>10,182</b>	<b>6,524</b>	<b>10,536</b>	<b>10,231</b>	<b>10,571</b>
<b>Non-Current Liabilities</b>						
Provisions	18	-	6	7	-	7
Employee entitlements	19	-	-	-	-	-
Borrowings	20	30,700	37,095	27,700	30,700	27,700
<b>Total Non-Current Liabilities</b>		<b>30,700</b>	<b>37,101</b>	<b>27,707</b>	<b>30,700</b>	<b>27,707</b>
<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>						
Accumulated Funds	21	199,962	201,936	201,080	201,202	202,553
Reserves	21	293,873	261,638	240,856	295,782	242,767
<b>Total Equity Attributable to Stratford District Council</b>		<b>493,835</b>	<b>463,574</b>	<b>441,936</b>	<b>496,984</b>	<b>445,320</b>
<b>Total Liabilities &amp; Equity</b>		<b>534,717</b>	<b>507,199</b>	<b>480,181</b>	<b>537,914</b>	<b>483,598</b>
<i>The accompanying notes form part of these financial statements.</i>						
<i>Explanations of significant variances against budget are provided in note 29.</i>						

## Statement in Changes of Equity For the Year Ended 30 June 2024

	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2023/24	2023/24	2022/23	2023/24	2022/23
	\$000	\$000	\$000	\$000	\$000
<b>Balance at 1 July</b>					
Accumulated Funds	201,080	197,073	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	9,090	8,524	7,731	8,524
Asset Revaluation Reserves	233,608	251,366	226,366	235,517	227,573
<b>Total Equity - Opening Balance</b>	<b>441,936</b>	<b>457,529</b>	<b>431,463</b>	<b>445,320</b>	<b>434,264</b>
<b>Changes in Equity</b>					
Accumulated Funds	(1,115)	4,864	3,964	(1,347)	3,844
Revaluation of financial assets at fair value through Other Comprehensive Revenue and Expense	(49)	-	53	(49)	53
Reserves / Special Funds	1,060	1,182	(793)	1,060	(793)
Revaluation reversal of buildings disposed of during year	-	-	-	-	-
Asset Revaluation Reserves	52,003	-	7,242	52,003	7,944
<b>Total Comprehensive Revenue and Expense</b>	<b>51,899</b>	<b>6,046</b>	<b>10,466</b>	<b>51,667</b>	<b>11,048</b>
<b>Closing Balance</b>					
Accumulated Funds	199,965	201,937	201,080	201,202	202,553
Revaluation of financial assets at fair value through other comprehensive revenue and expense	(532)	-	(483)	(532)	(483)
Reserves / Special Funds	8,791	10,272	7,731	8,791	7,731
Asset Revaluation Reserves	285,611	251,366	233,608	287,520	235,517
<b>Total Equity - Closing Balance</b>	<b>493,835</b>	<b>463,574</b>	<b>441,936</b>	<b>496,984</b>	<b>445,320</b>
<i>The accompanying notes form part of these financial statements.</i>					

## Statement of Cashflows For the Year Ended 30 June 2024

	Note	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2023/24	2023/24	2022/23	2023/24	2022/23
		\$000	\$000	\$000	\$000	\$000
<b>Cash Flows from Operating Activities</b>						
Rates Revenue		16,136	16,183	15,053	16,136	15,053
Interest Received		490	324	419	528	460
Dividends Received		79	-	21	79	21
Development and Financial Contributions		101	-	97	101	97
Subsidies, Grants and Donations		6,231	10,730	7,898	6,233	7,945
Residential section sales and sale of house		-	-	-	-	-
User Charges and Sundry Revenue		2,675	3,877	2,568	2,722	2,615
Regional Council Rates		1,389	-	1,192	1,389	1,192
Payments to Suppliers and Employees		(18,167)	(17,232)	(18,116)	(18,362)	(18,279)
Interest Paid		(1,217)	(1,129)	(951)	(1,217)	(951)
Goods and Services Tax (net)		72	-	133	78	125
Regional Council Rates		(1,389)	-	(1,192)	(1,389)	(1,192)
<b>Net Cash from Operating Activities</b>		<b>6,400</b>	<b>12,737</b>	<b>7,122</b>	<b>6,298</b>	<b>7,086</b>
<b>Cash Flows from Investing Activities</b>						
Proceeds from Sale of Property, Plant and Equipment		-	-	-	-	-
Proceeds from Sale of Investments		5,000	-	7,000	5,130	7,000
Purchase of Property, Plant & Equipment		(8,187)	(16,457)	(13,417)	(8,200)	(13,503)
Acquisition of Investments		(5,000)	-	(5,000)	(5,000)	(5,075)
<b>Net Cash from Investing Activities</b>		<b>(8,187)</b>	<b>(16,457)</b>	<b>(11,417)</b>	<b>(8,070)</b>	<b>(11,578)</b>
<b>Cash Flows from Financing Activities</b>						
Proceeds from Borrowings		6,000	4,016	10,000	6,000	10,000
Repayment of Borrowings (Loans)		(3,000)	-	(8,500)	(3,000)	(8,500)
<b>Net Cash from Financing Activities</b>		<b>3,000</b>	<b>4,016</b>	<b>1,500</b>	<b>3,000</b>	<b>1,500</b>
<b>Net (Decrease)/Increase in Cash, Cash Equivalents and Bank Overdrafts</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>	11	<b>1,828</b>	<b>1,705</b>	<b>615</b>	<b>1,920</b>	<b>692</b>
<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 2024.

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
- Rooding
- 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 2024 and were authorised for issue by Council on 10 December 2024.

#### 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 2024**

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 it 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 2023/24 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 2024:

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.

FUNCTION	Revenue		Expenditure		Net Actual	Net Budget	Net Actual
	Actual \$000	Budget \$000	Actual \$000	Budget \$000	2023/24 \$000	2023/24 \$000	2022/23 \$000
<b>Recreation and Facilities</b>							
Aerodrome	25	27	151	140	126	113	96
Civic Amenities	51	54	1,359	1,090	1,308	1,036	968
Pensioner Housing	71	77	174	159	103	81	95
Library	16	15	712	605	696	590	753
Parks and Reserves	8	9	1,000	933	992	924	921
Cemeteries	159	145	238	220	79	75	74
TSB Pool Complex	518	392	3,200	2,883	2,682	2,491	2,204
<b>Sub-Total</b>	<b>848</b>	<b>719</b>	<b>6,833</b>	<b>6,030</b>	<b>5,986</b>	<b>5,310</b>	<b>5,110</b>
<b>Democracy</b>							
Democracy	-	-	1,395	1,279	1,395	1,279	1,297
Corporate Support	155	85	-	24	(155)	(61)	(128)
<b>Sub-Total</b>	<b>155</b>	<b>85</b>	<b>1,395</b>	<b>1,303</b>	<b>1,241</b>	<b>1,218</b>	<b>1,169</b>
<b>Community Development</b>							
Economic Development	-	-	513	626	513	626	564
Community Services	42	-	702	497	660	498	652
Council Projects	-	-	72	93	72	93	31
Information Centre	70	65	206	252	136	187	155
Farm Investment	715	719	449	461	(266)	(258)	(157)
Holiday Park	3	3	2	2	(1)	(1)	(1)
Rental Properties	43	37	71	64	28	27	32
<b>Sub-Total</b>	<b>875</b>	<b>824</b>	<b>2,016</b>	<b>1,995</b>	<b>1,141</b>	<b>1,172</b>	<b>1,277</b>
<b>Environmental Services</b>							
Building Control	549	523	1,043	1,008	494	485	486
Dog Control	178	167	261	238	83	71	97
District Plan	-	-	222	755	222	755	209
Resource Consents	63	126	336	353	273	227	201
Bylaws	1	1	160	154	159	153	150
Environmental Health	34	35	207	189	174	154	164
Liquor Licensing	30	34	125	124	96	90	106
<b>Sub-Total</b>	<b>856</b>	<b>886</b>	<b>2,355</b>	<b>2,821</b>	<b>1,500</b>	<b>1,935</b>	<b>1,414</b>
<b>Civil Defence and Emergency Management</b>							
Civil defence and emergency management	-	-	470	432	470	432	316
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>470</b>	<b>432</b>	<b>470</b>	<b>432</b>	<b>316</b>
<b>Roading</b>							
Roading	4,944	4,738	6,594	7,176	1,650	2,437	1,068
Business Unit	472	470	378	380	(94)	(90)	(109)
<b>Sub-Total</b>	<b>5,416</b>	<b>5,208</b>	<b>6,972</b>	<b>7,556</b>	<b>1,555</b>	<b>2,347</b>	<b>959</b>
<b>Stormwater</b>							
Stormwater	-	-	517	499	517	499	460
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>517</b>	<b>499</b>	<b>517</b>	<b>499</b>	<b>460</b>
<b>Wastewater (Sewerage)</b>							
Wastewater (Sewerage)	35	35	1,172	1,063	1,136	1,028	1,028
<b>Sub-Total</b>	<b>35</b>	<b>35</b>	<b>1,172</b>	<b>1,063</b>	<b>1,136</b>	<b>1,028</b>	<b>1,028</b>
<b>Solid Waste</b>							
Solid Waste	143	170	1,208	1,062	1,065	892	772
<b>Sub-Total</b>	<b>143</b>	<b>170</b>	<b>1,208</b>	<b>1,062</b>	<b>1,065</b>	<b>892</b>	<b>772</b>
<b>Water Supply</b>							
Water Supply	444	491	2,478	2,293	2,034	1,802	1,729
<b>Sub-Total</b>	<b>444</b>	<b>491</b>	<b>2,478</b>	<b>2,293</b>	<b>2,034</b>	<b>1,802</b>	<b>1,729</b>
<b>Total Activity Revenue &amp; Expenditure</b>	<b>8,772</b>	<b>8,418</b>	<b>25,417</b>	<b>25,051</b>	<b>16,645</b>	<b>16,635</b>	<b>14,233</b>
Plus: General Rates & UAGC	9,201	7,848	-	-	(9,201)	(7,848)	(8,093)
Plus: Targeted Rates	6,711	6,511	-	-	(6,711)	(6,511)	(6,583)
<b>Total Revenue and Operating Expenditure</b>	<b>24,683</b>	<b>22,777</b>	<b>25,417</b>	<b>25,051</b>	<b>733</b>	<b>2,276</b>	<b>(442)</b>

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 2023/24 \$000	Council and Group Actual 2022/23 \$000
General rates	9,045	7,961
Targeted rates attributable to activities:		
- metered water supply	444	489
- other water rates - uniform annual charge	1,608	1,640
- wastewater - uniform annual charge	812	904
- solid waste - uniform annual charge	860	903
- roading	3,413	3,117
- community halls	19	18
Rate penalties	155	131
Less rates remissions	(137)	(125)
<b>Total rates</b>	<b>16,219</b>	<b>15,040</b>
<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 2024 for the purposes of the LGFA Guarantee and indemnity Deed disclosure is shown below:</p>		
	Council and Group Actual 2023/24 \$000	Council and Group Actual 2022/23 \$000
<b>Total Rates</b>	<b>16,219</b>	<b>15,040</b>

### 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
	2023/24	2022/23	2023/24	2022/23
	\$000	\$000	\$000	\$000
Grants - Toi Foundation	180	-	180	-
Grants - Taranaki Electricity Trust	397	160	397	190
Grants - Other	3	-	5	14
Grants - Other capital contributions	-	-	-	-
Wages subsidies	-	28	-	29
Mayors Taskforce for Jobs	280	277	280	277
Provincial Growth Fund / MBIE / DIA	203	2,173	203	2,173
Waka Kotahi (NZTA) Roading Subsidies	4,814	6,193	4,814	6,193
<b>Total Subsidies and Grants</b>	<b>5,876</b>	<b>8,829</b>	<b>5,878</b>	<b>8,874</b>
There are no unfulfilled conditions and other contingences attached to Waka Kotahi (NZTA) subsidies recognised.				
Sundry Revenue	Council		Group	
	Actual	Actual	Actual	Actual
	2023/24	2022/23	2023/24	2022/23
	\$000	\$000	\$000	\$000
Petrol Tax	82	71	82	71
Insurance proceeds	0	-	0	-
Sundry Corporate Services Revenue	58	55	58	55
<b>Total Sundry Revenue</b>	<b>140</b>	<b>126</b>	<b>140</b>	<b>126</b>
Revenue from Exchange and Non-Exchange Transactions				
	Council		Group	
	Actual	Actual	Actual	Actual
	2023/24	2022/23	2023/24	2022/23
	\$000	\$000	\$000	\$000
Exchange transactions	1,803	1,762	1,840	1,811
Non-exchange transactions	23,860	25,379	23,909	25,473
<b>Total Revenue</b>	<b>25,662</b>	<b>27,140</b>	<b>25,749</b>	<b>27,284</b>

### Note 6 Other Gains

	Council		Group	
	Actual	Actual	Actual	Actual
	2023/24	2022/23	2023/24	2022/23
	\$000	\$000	\$000	\$000
Gain on Disposal of Property, Plant and Equipment	-	2	-	2
<b>Total Gains</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>

## 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
	2023/24	2022/23	2023/24	2022/23
	\$000	\$000	\$000	\$000
Salaries and Wages	6,205	5,522	6,337	5,641
Increase/(Decrease) in Employee Entitlements	(9)	40	(6)	42
<b>Total Personnel Costs</b>	<b>6,196</b>	<b>5,562</b>	<b>6,332</b>	<b>5,683</b>

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
	2023/24	2022/23	2023/24	2022/23
	\$000	\$000	\$000	\$000
Losses on Disposal and other sundry expenses	731	246	731	249
Insurance premiums	363	261	380	273
Landfill Aftercare Expenses	4	1	4	1
Operating Expenses	10,968	11,091	11,034	11,137
<b>Total Other Expenses</b>	<b>12,066</b>	<b>11,598</b>	<b>12,149</b>	<b>11,660</b>



## 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 2023/24 \$000	Actual 2022/23 \$000	Actual 2023/24 \$000	Actual 2022/23 \$000
<b>Interest Revenue</b>				
Interest on term deposits	490	419	527	463
<b>Total Finance Income</b>	<b>490</b>	<b>419</b>	<b>527</b>	<b>463</b>
<b>Finance costs</b>				
Interest on bank borrowings	1,217	951	1,217	951
<b>Total finance costs</b>	<b>1,217</b>	<b>951</b>	<b>1,217</b>	<b>951</b>
<b>Net finance costs</b>	<b>(727)</b>	<b>(532)</b>	<b>(690)</b>	<b>(488)</b>

## 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 2023/24 \$000	Actual 2022/23 \$000	Actual 2023/24 \$000	Actual 2022/23 \$000
<b>Components of Tax Expense</b>				
Current Tax Expense	-	-	-	-
Adjustments to Current Tax in Prior Years	-	-	-	-
Deferred Tax Expense	-	-	-	-
<b>Tax Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Relationship Between Tax Expense and Accounting Surplus</b>				
Surplus/(Deficit) Before Tax	(56)	3,171	(287)	3,051
Tax at 28%	(16)	888	(80)	854
Non-deductible Expenses	-	-	-	-
Non-taxable Revenue	16	(888)	80	(854)
<b>Tax Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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 2023/24 \$000	Actual 2022/23 \$000	Actual 2023/24 \$000	Actual 2022/23 \$000
Cash at Bank and on Hand	328	615	420	692
Term Deposits Maturing Three Months or Less from Date of Acquisition	1,500	-	1,500	-
<b>Per Statement of Financial Position and Statement of Cash Flows</b>	<b>1,828</b>	<b>615</b>	<b>1,920</b>	<b>692</b>
Term Deposits Maturing More than Three Months from Date of Acquisition	5,000	5,000	5,250	5,350
<b>Total Cash and Cash Equivalents and Short Term Deposits</b>	<b>6,828</b>	<b>5,615</b>	<b>7,170</b>	<b>6,042</b>
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 2023/24 \$000	Actual 2022/23 \$000	Actual 2023/24 \$000	Actual 2022/23 \$000
<b>Current Portion</b>				
Rates Receivables	613	575	613	575
Other Receivables	1,706	1,829	1,713	1,853
Other Miscellaneous Debtors	190	190	190	190
<b>Receivables prior to impairment</b>	<b>2,509</b>	<b>2,594</b>	<b>2,516</b>	<b>2,618</b>
Less Provision for Impairment	-	-	-	-
<b>Total Current Portion of Receivables</b>	<b>2,509</b>	<b>2,594</b>	<b>2,516</b>	<b>2,618</b>
<b>Non-Current Portion</b>				
Other Receivables	19	15	19	15
<b>Total Non-Current Portion of Receivables</b>	<b>19</b>	<b>15</b>	<b>19</b>	<b>15</b>
<b>Total Receivables</b>	<b>2,528</b>	<b>2,609</b>	<b>2,535</b>	<b>2,633</b>
<b>Total Receivables Comprise:</b>				
<i>Receivables from non-exchange transactions</i>				
Rates receivables	613	575	613	575
Other receivables from non-exchange transactions	1,881	1,857	1,888	1,881
<b>Total receivables from non-exchange transactions</b>	<b>2,494</b>	<b>2,432</b>	<b>2,501</b>	<b>2,456</b>
<i>Receivables from exchange transactions</i>				
Other receivables from exchange transactions	34	177	34	177
<b>Total receivables from exchange transactions</b>	<b>34</b>	<b>177</b>	<b>34</b>	<b>177</b>
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 (2023:Nil)				
- Section 90B:\$Nil (2023Nil)				

## 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 (2022/23: NIL). There have been no reversals of write-downs (2023: 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 2023/24 \$000	Actual 2022/23 \$000	Actual 2023/24 \$000	Actual 2022/23 \$000
<b>Current Portion</b>					
Bonds and Other Investments		-	-	-	30
LGFA Borrowers Notes					
Maturity August 2023	3.72%	-	25	-	25
Maturity April 2024	0.74%	-	25	-	25
Maturity May 2024	2.13%	32	32	32	32
Maturity April 2025	3.82%	100	-	100	-
<b>Total Current Portion</b>		<b>132</b>	<b>82</b>	<b>132</b>	<b>112</b>
<b>Non-current Portion</b>					
Bonds and Other Investments		-	-	397	397
LGFA Borrowers Notes					
Maturity April 2025	2.98%	-	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 May 2028	3.91%	50	50	50	50
Maturity May 2028	1.72%	25	25	25	25
Maturity May 2028	5.01%	25	-	25	-
Maturity May 2028	3.82%	25	25	25	25
Maturity May 2029	4.92%	50	-	50	-
Maturity May 2028	5.07%	25	25	25	25
Maturity April 2029	5.26%	25	-	25	-
Maturity May 2029	5.07%	25	25	25	25
Maturity May 2030	5.27%	75	-	75	-
Maturity May 2030	5.16%	50	-	50	-
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		551	600	551	600
<b>Total Non-current Portion</b>		<b>8,467</b>	<b>8,423</b>	<b>8,864</b>	<b>8,820</b>
<b>Total Other Financial Assets</b>		<b>8,599</b>	<b>8,505</b>	<b>8,996</b>	<b>8,932</b>
<b>Impairment</b>					
There were no impairment provisions for other financial assets. At balance date, none of these financial assets are either past due or impaired.					
<b>Community Loan</b>					
The face value of the community loan is \$7,180,000 (2023: \$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.					
<b>Listed Shares</b>					
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.					
<b>Maturity Analysis and Effective Interest Rates</b>					
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 2023/24 \$000	Actual 2022/23 \$000	Actual 2023/24 \$000	Actual 2022/23 \$000
<b>Short Term Deposits</b>					
Short term deposits with maturities of 3 months or less		1,500	-	1,500	-
Average maturity		90 days		90 days	
Weighted average Effective Interest Rate		5.76%	0.00%	5.76%	0.00%
Short term deposits with maturities of more than 3 months but less than 12 months		5,000	5,000	5,250	5,350
Average maturity		309 days	120 days	284 days	132 days
Weighted average Effective Interest Rate		6.19%	5.57%	6.27%	5.55%
<b>Total</b>	Stratford District Council Annual	<b>6,500</b>	<b>5,000</b>	<b>6,750</b>	<b>5,350</b>

## 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:

<b>Class</b>	<b>Method of Valuation</b>
<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 Roding, Stormwater, Waste Water and Water Supply were revalued by Beca Projects NZ Ltd, independent valuers, as at 30 June 2024 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 2024 for council's Land and Building assets to ensure that the carrying value is not materially different from its fair value.

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

**Insurance of Assets**

The following information relates to the insurance of Council assets as at 30 June:		
	<b>2024</b>	<b>2023</b>
	<b>\$000</b>	<b>\$000</b>
The total book value of all Council assets covered by insurance contracts	44,052	44,887
The maximum amount to which insured assets are insured	85,031	73,614
The total book value of all Council assets covered by financial risk-sharing arrangements	73,548	66,092
The total replacement cost of all Council assets covered by financial risk-sharing arrangements	116,606	111,102
Maximum amount available to the Council under financial risk-sharing arrangements	46,642	44,441
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.

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	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 (excl	Valuation	Depreciation	Amount
		and		Council	Council				Revaluation	Disposal	reversal of		and	
	1 July 2023			Current Year								30 June 2024		
2024	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Council Operational Assets</b>														
Land	9,374	-	9,374	-	-	-	-	-	-	-	-	9,374	-	9,374
Buildings	9,666	-	9,666	262	-	-	-	606	-	-	-	9,928	604	9,324
Surplus Properties	303	-	303	-	-	-	-	-	-	-	-	303	-	303
Plant	849	415	434	16	-	-	-	50	-	-	-	865	465	400
Motor Vehicles	386	170	216	42	-	(24)	-	28	-	(19)	-	404	179	225
Furniture/Fittings	531	289	242	5	-	-	-	21	-	-	-	536	310	225
Office Equipment	1,139	731	408	82	-	(991)	-	82	-	(787)	-	230	26	204
Library Books	813	471	342	38	-	-	-	38	-	-	-	851	509	342
Work In Progress - Buildings	58	-	58	-	-	(58)	-	-	-	-	-	-	-	-
Work In Progress - Land	2,148	-	2,148	24	-	-	-	-	-	-	-	2,172	-	2,172
<b>Total Operational Assets</b>	<b>25,267</b>	<b>2,076</b>	<b>23,190</b>	<b>468</b>	<b>-</b>	<b>(1,073)</b>	<b>-</b>	<b>825</b>	<b>-</b>	<b>(806)</b>	<b>-</b>	<b>24,662</b>	<b>2,093</b>	<b>22,568</b>
<b>Council Restricted Assets</b>														
Land	12,928	-	12,928	-	12	-	-	-	-	-	-	12,940	-	12,940
Buildings	32,502	-	32,502	711	-	-	-	933	-	-	-	33,213	933	32,280
Street Beautification	1,731	311	1,420	24	-	(31)	-	24	-	(5)	-	1,724	330	1,394
Rubbish Bins	203	-	203	-	-	-	-	-	-	-	-	203	-	203
Work In Progress - Buildings	160	-	160	-	-	-	(27)	-	-	-	-	133	-	133
<b>Total Restricted Assets</b>	<b>47,524</b>	<b>311</b>	<b>47,213</b>	<b>735</b>	<b>12</b>	<b>(31)</b>	<b>(27)</b>	<b>957</b>	<b>-</b>	<b>(5)</b>	<b>-</b>	<b>48,213</b>	<b>1,263</b>	<b>46,950</b>
<b>Council Infrastructure Assets</b>														
Water Supply														
- Reticulation and other assets	25,449	750	24,699	787	-	(359)	-	424	(1,158)	(16)	(819)	25,057	(0)	25,057
- Treatment plants and facilities	14,583	650	13,933	412	-	(7)	-	361	(1,011)	-	1,432	16,421	-	16,421
Wastewater System														
- Reticulation and other assets	10,251	536	9,716	759	-	-	-	297	(833)	-	1,482	12,494	0	12,494
- Treatment plants and facilities	2,729	275	2,454	96	-	-	-	152	(427)	-	971	3,796	-	3,796
Stormwater System	13,081	464	12,617	404	-	(18)	-	251	(715)	-	2,313	15,780	-	15,780
Roading Network	262,110	2,524	259,586	3,934	-	-	-	2,516	(5,040)	-	20,570	286,614	0	286,614
Land Under Roads	54,384	-	54,384	-	-	-	-	-	-	-	-	54,384	-	54,384
Bridges	14,567	366	14,201	727	-	-	-	366	(732)	-	16,138	31,432	(0)	31,432
Work In Progress - Roading	4	-	4	-	-	-	(4)	-	-	-	-	-	-	-
Work In Progress - Wastewater Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work In Progress - Wastewater Treatment	42	-	42	50	-	-	-	-	-	-	-	92	-	92
Work In Progress - Stormwater	99	-	99	-	-	-	(99)	-	-	-	-	-	-	-
Work In Progress - Water Treatment	403	-	403	41	-	-	-	-	-	-	-	444	-	444
Work In Progress - Water Reticulation	240	-	240	-	-	-	(88)	-	-	-	-	152	-	152
<b>Total Infrastructure Assets</b>	<b>397,942</b>	<b>5,565</b>	<b>392,377</b>	<b>7,210</b>	<b>-</b>	<b>(384)</b>	<b>(191)</b>	<b>4,367</b>	<b>(9,916)</b>	<b>(16)</b>	<b>42,087</b>	<b>446,665</b>	<b>(1)</b>	<b>446,665</b>
<b>Total Council</b>	<b>470,733</b>	<b>7,951</b>	<b>462,780</b>	<b>8,413</b>	<b>12</b>	<b>(1,488)</b>	<b>(218)</b>	<b>6,148</b>	<b>(9,916)</b>	<b>(827)</b>	<b>42,087</b>	<b>519,540</b>	<b>3,354</b>	<b>516,184</b>
<b>Subsidiaries</b>														
Buildings	1,972	-	1,972	12	-	-	-	89	-	-	-	1,984	87	1,897
Land	385	-	385	-	-	-	-	-	-	-	-	385	-	385
Furniture & Fittings	126	52	74	-	-	-	-	7	-	-	-	126	59	67
Office Equipment	17	9	8	-	-	-	-	1	-	-	-	17	10	7
Work In Progress - buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arboretum	100	-	100	-	-	-	-	3	-	-	-	100	3	97
<b>Total Subsidiaries</b>	<b>2,600</b>	<b>61</b>	<b>2,539</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,612</b>	<b>159</b>	<b>2,452</b>
<b>Total Group</b>	<b>473,333</b>	<b>8,012</b>	<b>465,319</b>	<b>8,425</b>	<b>12</b>	<b>(1,488)</b>	<b>(218)</b>	<b>6,248</b>	<b>(9,916)</b>	<b>(827)</b>	<b>42,087</b>	<b>522,152</b>	<b>3,513</b>	<b>518,636</b>

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.

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	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 (incl of depreciation reversed on revaluation)	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
<b>Council Operational Assets</b>														
Land	8,984	-	8,984	-	-	-	-	-	-	-	390	9,374	-	9,374
Buildings	9,410	1,230	8,180	149	-	-	-	435	(1,663)	-	109	9,666	-	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)	-	1,139	731	408
Library Books	776	434	342	37	-	-	-	37	-	-	-	813	471	342
Work In Progress - Buildings	64	-	64	-	-	-	(6)	-	-	-	-	58	-	58
Work in progress - plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work In Progress - Land	-	-	-	2,148	-	-	-	-	-	-	-	2,148	-	2,148
<b>Total Operational Assets</b>	<b>22,013</b>	<b>3,166</b>	<b>18,846</b>	<b>2,717</b>	<b>-</b>	<b>(106)</b>	<b>(6)</b>	<b>638</b>	<b>(1,663)</b>	<b>(64)</b>	<b>650</b>	<b>25,267</b>	<b>2,076</b>	<b>23,191</b>
<b>Council Restricted Assets</b>														
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	-	32,502
Street Beautification	1,731	287	1,444	-	-	-	-	24	-	-	-	1,731	311	1,420
Rubbish Bins	203	-	203	-	-	-	-	-	-	-	-	203	-	203
Work In Progress - Street Beautification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work In Progress - Buildings	19,168	-	19,168	-	-	-	(19,008)	-	-	-	-	160	-	160
<b>Total Restricted Assets</b>	<b>42,803</b>	<b>1,666</b>	<b>41,137</b>	<b>21,073</b>	<b>-</b>	<b>(7)</b>	<b>(19,008)</b>	<b>910</b>	<b>(2,266)</b>	<b>-</b>	<b>2,663</b>	<b>47,524</b>	<b>311</b>	<b>47,213</b>
<b>Council Infrastructure Assets</b>														
Water Supply														
- Reticulation and other assets	20,680	382	20,298	4,929	-	(160)	-	373	-	(5)	-	25,449	750	24,699
- 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	2,473	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	-	14,197	370	-	-	-	366	-	-	-	14,567	366	14,201
Work in Progress - Roading	4	-	4	-	-	-	-	-	-	-	-	4	-	4
Work in Progress - W/water Reticulation	7	-	7	-	-	-	(7)	-	-	-	-	-	-	-
Work in Progress - W/water 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	-	-	-	(3,467)	-	-	-	-	240	-	240
<b>Total Infrastructure Assets</b>	<b>389,598</b>	<b>1,347</b>	<b>388,252</b>	<b>12,038</b>	<b>-</b>	<b>(198)</b>	<b>(3,494)</b>	<b>4,228</b>	<b>(3,929)</b>	<b>(9)</b>	<b>3,313</b>	<b>397,942</b>	<b>5,565</b>	<b>392,377</b>
<b>Total Council</b>	<b>454,415</b>	<b>6,179</b>	<b>448,235</b>	<b>35,828</b>	<b>-</b>	<b>(311)</b>	<b>(22,508)</b>	<b>5,776</b>	<b>(3,929)</b>	<b>(73)</b>	<b>3,313</b>	<b>470,733</b>	<b>7,951</b>	<b>462,781</b>
<b>Subsidiaries</b>														
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
<b>Total Subsidiaries Assets</b>	<b>2,106</b>	<b>277</b>	<b>1,829</b>	<b>89</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>81</b>	<b>(292)</b>	<b>-</b>	<b>410</b>	<b>2,600</b>	<b>61</b>	<b>2,539</b>
<b>Total Group</b>	<b>456,521</b>	<b>6,456</b>	<b>450,064</b>	<b>35,917</b>	<b>-</b>	<b>(314)</b>	<b>(22,508)</b>	<b>5,858</b>	<b>(4,221)</b>	<b>(73)</b>	<b>3,723</b>	<b>473,333</b>	<b>8,012</b>	<b>465,320</b>

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 2023/24 \$000	Date of Estimate
<b>2024</b>		
Water Supply		
- Reticulation and other assets	49,364	30 June 2024
- Treatment plants and facilities	19,952	30 June 2024
Wastewater System		
- Reticulation and other assets	42,448	30 June 2024
- Treatment plants and facilities	6,592	30 June 2024
Stormwater System	30,580	30 June 2024
Roads and Footpaths	535,607	30 June 2024
<b>2023</b>		
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

## Depreciation and Amortisation Expense by Group of Activity

	Council	
	Actual 2023/24 \$000	Actual 2022/23 \$000
<b>Directly attributable depreciation and amortisation by group of activity</b>		
Recreation and Facilities	1,397	1,247
Democracy	-	-
Community Development	75	65
Environmental Services	4	4
Roading	2,882	2,890
Stormwater Drainage	252	232
Wastewater (Sewerage)	454	403
Solid Waste	40	28
Water Supply	805	720
<b>Total directly attributable depreciation and amortisation by group of activity</b>	<b>5,910</b>	<b>5,588</b>
Depreciation and amortisation not directly related to group of activities	329	270
<b>Total depreciation and amortisation expense</b>	<b>6,239</b>	<b>5,859</b>

## 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
<b>2024</b>	1/07/2023			Current Year						30 June 2024		
	\$000	\$000	\$000	\$000	\$000		\$000	\$000	\$000	\$000	\$000	\$000
Computer Software	1,459	958	501	53	(583)	-	-	(522)	91	929	527	401
<b>Total</b>	<b>1,459</b>	<b>958</b>	<b>501</b>	<b>131</b>	<b>(583)</b>	<b>-</b>	<b>-</b>	<b>(522)</b>	<b>91</b>	<b>929</b>	<b>527</b>	<b>401</b>

	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	
<b>2023</b>	1/07/2022		Current Year						30 June 2023			
	\$000	\$000	\$000	\$000	\$000		\$000	\$000	\$000	\$000	\$000	
Computer Software	1328	876	452	131	-	-	-	-	82	1459	958	501
<b>Total</b>	<b>1328</b>	<b>876</b>	<b>452</b>	<b>131</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82</b>	<b>1459</b>	<b>958</b>	<b>501</b>

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 2023/24 \$000	Actual 2022/23 \$000	Actual 2023/24 \$000	Actual 2022/23 \$000
<b>Current Portion</b>				
<i>Payables and deferred revenue under exchange transactions:</i>				
Trade Payables and Accrued Expenses	3,048	2,991	3,086	3,019
Deposits and Bonds	117	205	117	205
Revenue Received in Advance	290	107	290	107
<b>Total</b>	<b>3,455</b>	<b>3,303</b>	<b>3,493</b>	<b>3,331</b>
<i>Payables and deferred revenue under non-exchange transactions:</i>				
Other Taxes Payable (GST)	-	-	-	-
Revenue received in advance - PGF and MBIE funding	-	448	-	448
Revenue received in advance - Three Waters Reform funding	-	-	-	-
Rates in Advance	407	456	407	456
<b>Total</b>	<b>407</b>	<b>904</b>	<b>407</b>	<b>904</b>
<b>Total Current Portion</b>	<b>3,862</b>	<b>4,207</b>	<b>3,900</b>	<b>4,235</b>

## 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 2023/24 \$000	Actual 2022/23 \$000	Actual 2023/24 \$000	Actual 2022/23 \$000
<b>Current Portion</b>				
Landfill Aftercare Provision	7	7	7	7
<b>Total Current Portion</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Non-current Portion</b>				
Landfill Aftercare Provision	-	7	-	7
<b>Total Non-Current Portion</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>7</b>
<b>Total Provisions</b>	<b>7</b>	<b>14</b>	<b>7</b>	<b>14</b>
<b>Movements for the Landfill Aftercare provision are as follows:</b>				
	Council		Group	
	Actual 2023/24 \$000	Actual 2022/23 \$000	Actual 2023/24 \$000	Actual 2022/23 \$000
Opening Balance	14	20	14	20
Additional Provision Made	-	-	-	-
Amounts used	(7)	(6)	(7)	(6)

### ***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% (2022/23: 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 2023/24 \$000	Actual 2022/23 \$000	Actual 2023/24 \$000	Actual 2022/23 \$000
<b>Current Portion</b>				
Annual Leave	313	322	324	329
<b>Total Current Portion</b>	<b>313</b>	<b>322</b>	<b>324</b>	<b>329</b>
<b>Non-Current Portion</b>				
Retirement Gratuities	-	-	-	-
<b>Total Non-Current Portion</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Employee Entitlements</b>	<b>313</b>	<b>322</b>	<b>324</b>	<b>329</b>

## 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 2023/24 \$000	Actual 2022/23 \$000	Actual 2023/24 \$000	Actual 2022/23 \$000
<b>Current Portion</b>				
Committed cash advance facility	-	-	-	-
Secured Loans	6,000	6,000	6,000	6,000
<b>Total Current Portion</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>
<b>Non-Current Portion</b>				
Secured Loans	30,700	27,700	30,700	27,700
<b>Total Non-Current Portion</b>	<b>30,700</b>	<b>27,700</b>	<b>30,700</b>	<b>27,700</b>
<b>Total Borrowings</b>	<b>36,700</b>	<b>33,700</b>	<b>36,700</b>	<b>33,700</b>

#### 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 2023/24 \$000	Actual 2022/23 \$000	Actual 2023/24 \$000	Actual 2022/23 \$000
Less than one year	6,000	6,000	6,000	6,000
Later than one year but not more than five years	20,200	21,200	20,200	21,200
Later than five years	10,500	6,500	10,500	6,500
<b>Total Borrowings</b>	<b>36,700</b>	<b>33,700</b>	<b>36,700</b>	<b>33,700</b>

The weighted average effective interest rate for 2023/24 is 3.74% (2022/23 - 3.22%).

#### 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 2023 of \$1,190,795 at the weighted average interest rate as at 31 December 2023 of 3.35%. The Water Supply activity has been charged the cost of \$39,892. The sum of \$80,000 was repaid at the end of the year. The balance as at 30 June 2024 is \$1,110,795.

<b>A breakdown of each loan with the LGFA and respective details is listed below:</b>					
	<b>Maturity date</b>	<b>Interest rate 2023/24</b>	<b>Interest rate 2022/23</b>	<b>Actual 2023/24 \$000</b>	<b>Actual 2022/23 \$000</b>
<b>Current</b>					
LGFA Bond issue	July 2023	5.40%	0.00%	0	2,000
LGFA Bond issue	August 2023	4.12%	0.00%	0	1,000
LGFA Bond issue	April 2024	1.14%	1.14%	0	1,000
LGFA Bond issue	May 2024	2.53%	2.53%	0	2,000
LGFA Bond issue	April 2025	3.38%	3.38%	2,000	0
LGFA Bond issue	April 2025	4.22%	0.00%	4,000	0
<b>Total Current borrowings</b>				6,000	6,000
<b>Non-current</b>					
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	1,000
LGFA Bond issue	May 2028	4.23%	0.00%	1,000	1,000
LGFA Bond issue	May 2028	5.32%	0.00%	1,000	0
LGFA Bond issue	May 2028	5.41%	0.00%	1,000	0
LGFA Bond issue	May 2028	5.50%	0.00%	1,000	0
LGFA Bond issue	April 2029	5.66%	0.00%	1,000	0
LGFA Bond issue	April 2029	5.49%	0.00%	1,000	1,000
LGFA Bond issue	May 2030	5.56%	0.00%	2,000	0
LGFA Bond issue	May 2030	5.67%	0.00%	3,000	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
<b>Total non-current borrowings</b>				30,700	21,700
<b>Total Borrowings</b>				36,700	27,700

## 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 2023/24 \$000	Actual 2022/23 \$000	Actual 2023/24 \$000	Actual 2022/23 \$000
<b>Accumulated Funds - 1 July</b>	201,080	197,109	202,553	198,703
Transfers to:				
Restricted Reserves	(188)	(164)	(188)	(164)
Council Created Reserves	(8,421)	(6,374)	(8,421)	(6,374)
Transfers from:				
Council Created Reserves	7,229	7,271	7,229	7,271
Restricted Reserves	320	59	320	59
Revaluation reserve disposal of building	-	-	-	-
Profit / (Loss) for the year	(56)	3,171	(287)	3,051
<b>Balance at 30 June</b>	<b>199,962</b>	<b>201,080</b>	<b>201,202</b>	<b>202,553</b>
<b>Restricted Reserves - 1 July</b>	1,224	1,119	1,224	1,119
Transfers to:				
Accumulated Funds	(320)	(59)	(320)	(59)
Transfers from:				
Accumulated Funds	188	164	188	164
<b>Balance at 30 June</b>	<b>1,092</b>	<b>1,224</b>	<b>1,092</b>	<b>1,224</b>
<b>Fair Value through other comprehensive revenue and expense - 1 July</b>	(483)	(536)	(483)	(536)
Loss / gain on sale of financial assets at fair value through other comprehensive income	-	-	-	-
Revaluation Gains/(Losses) on Investments Carried at Fair Value	(49)	53	(49)	53
<b>Balance at 30 June</b>	<b>(532)</b>	<b>(483)</b>	<b>(532)</b>	<b>(483)</b>
<b>Council Created Reserves - 1 July</b>	6,508	7,404	6,508	7,404
Transfer to Income Statement on disposal of Property, Plant and Equipment	-	-	-	-
Transfers to:				
Accumulated Funds	(7,229)	(7,271)	(7,229)	(7,271)
Transfers from:				
Accumulated Funds	8,421	6,374	8,421	6,374
<b>Balance at 30 June</b>	<b>7,701</b>	<b>6,508</b>	<b>7,701</b>	<b>6,508</b>
<b>Asset Revaluation Reserves - 1 July</b>	233,608	226,366	235,517	227,573
Revaluation Gains/(Losses)	52,003	7,242	52,003	7,944
<b>Balance at 30 June</b>	<b>285,611</b>	<b>233,608</b>	<b>287,520</b>	<b>235,517</b>
<b>Total Other Reserves - 30 June</b>	<b>293,873</b>	<b>240,856</b>	<b>295,782</b>	<b>242,767</b>
<b>Asset Revaluation Reserves consist of:</b>				
Operational Assets				
Land	7,118	7,118	7,378	7,378
Buildings	6,923	6,923	8,572	8,572
Restricted Assets				
Wastewater System	12,216	8,503	12,216	8,503
Water System	25,982	23,200	25,982	23,200
Stormwater System	14,068	11,042	14,068	11,042
Roading Network	209,606	167,125	209,606	167,125
Land	7,379	7,379	7,379	7,379
Buildings	2,318	2,318	2,318	2,318
<b>Total</b>	<b>285,611</b>	<b>233,608</b>	<b>287,520</b>	<b>235,517</b>

## **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

2024		Balance 1 July 2023 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2024 \$000
Activities to which the reserve relates					
<b>Restricted Reserves</b>					
Elsie Fraser Bequest Reserve	Pensioner Housing	60	51	(69)	42
Financial Contributions Reserve	All activities	1,162	138	(251)	1,049
<b>Total</b>		<b>1,222</b>	<b>188</b>	<b>(320)</b>	<b>1,090</b>
2024		Balance 1 July 2023 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2024 \$000
Activities to which the reserve relates					
<b>Council Created /Targeted Rate Reserves</b>					
General Renewal Reserve	All activities	5,220	2,278	(1,104)	6,394
Contingency Reserve	All activities	505	16	(16)	505
Asset Sale Proceeds Reserve	All activities	706	23	-	729
Staff Gratuities Reserve	All activities	137	4	(1)	140
Mayor's Relief Fund Reserve	Community	4	0	-	4
Turf Replacement Reserve	Community	52	12	-	64
Farm Surplus	All activities	69	62	(69)	62
Stormwater Reserve	Stormwater	752	276	(100)	928
Roading Renewals Reserve	Roading	(1,021)	4,428	(4,284)	(877)
Water Supply Reserve	Water Supply	(732)	806	(890)	(816)
Solid Waste Reserve	Waste Management	168	45	(168)	45
Wastewater Reserve	Wastewater	655	471	(597)	528
<b>Total</b>		<b>6,514</b>	<b>8,421</b>	<b>(7,229)</b>	<b>7,706</b>
2023		Balance 1 July 2022 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2023 \$000
Activities to which the reserve relates					
<b>Restricted Reserves</b>					
Elsie Fraser Bequest Reserve	Pensioner Housing	84	36	(59)	60
Financial Contributions Reserve	All activities	1,034	128	-	1,162
<b>Total</b>		<b>1,118</b>	<b>164</b>	<b>(59)</b>	<b>1,222</b>
2023		Balance 1 July 2022 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2023 \$000
Activities to which the reserve relates					
<b>Council Created and Targeted Rate Reserves</b>					
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	-	-	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)
Waste Management Reserve	Waste Management	21	192	(45)	168
Wastewater Reserve	Wastewater	649	422	(416)	655
<b>Total</b>		<b>7,409</b>	<b>6,374</b>	<b>(7,271)</b>	<b>6,513</b>

## Note 22 Commitments

	Council		Group	
	Actual	Actual	Actual	Actual
	2023/24	2022/23	2023/24	2022/23
	\$000	\$000	\$000	\$000
<b>Financial Commitments</b>				
Not later than one year	7,288	6,243	7,288	6,243
Later than one year and not later than five years	9,580	78	9,580	78
Later than five years	4,400	-	4,400	-
<b>Total</b>	<b>21,268</b>	<b>6,321</b>	<b>21,268</b>	<b>6,321</b>
<b>Operating Leases as a Lessor</b>				
Not later than one year	3	3	27	22
Later than one year and not later than five years	12	12	26	44
Later than five years	60	63	60	63
<b>Total</b>	<b>75</b>	<b>78</b>	<b>113</b>	<b>129</b>
<b>Capital Commitments</b>				
Roading network	5,722	2,202	5,722	2,202
<b>Total</b>	<b>5,722</b>	<b>2,202</b>	<b>5,722</b>	<b>2,202</b>

### **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 2024 there are 6 properties, with 7 facilities, having an approximate value of \$1,530,900 (2023 - 6 properties with 7 facilities - \$940,000). The estimate has been based on rating valuations for the district that were performed effective June 2023.

## **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 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: \$17.68 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 2024, 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.		
<b><u>Related party transactions required to be disclosed</u></b>		
	<b>Actual 2023/24 \$000</b>	<b>Actual 2022/23 \$000</b>
<b>Percy Thomson Trust</b>		
Grant to the Trust from Council	50	50
Fees paid by the Trust to Council for administration services	21	21
<b><u>Key Management Personnel Compensation</u></b>		
	<b>Actual 2023/24</b>	<b>Actual 2022/23</b>
<i>Councillors</i>		
Full time equivalent members	12	12
<i>Remuneration</i>		
Mayor - N Volzke	\$105,003	\$99,701
<i>Councillors:</i>		
J Sandford	\$24,654	\$23,208
A Jamieson (to October 2022)	\$0	\$10,230
J Erwood	\$24,654	\$23,822
G Boyde	\$28,128	\$27,149
R Coplestone (to October 2022)	\$0	\$7,307
G Webby (to October 2022)	\$0	\$7,307
P Dalziel (to October 2022)	\$0	\$7,307
A Harris	\$25,581	\$24,413
M McKay	\$33,915	\$29,778
V Jones	\$25,654	\$23,822
E Hall (from October 2022)	\$16,515	\$16,515
A Dudley (from October 2022)	\$24,654	\$16,515
S Beck (from October 2022)	\$24,654	\$16,515
C Tongawhikau (from October 2022)	\$24,654	\$16,515
M Watt (from October 2022)	\$24,654	\$16,515
	<b>\$382,720</b>	<b>\$366,619</b>
<i>Senior Management Team, including the Chief Executive</i>		
Full time equivalent members	5	5
<i>Remuneration</i>	\$990,544	\$958,451
<b>Total full time equivalent personnel</b>	<b>17</b>	<b>17</b>
<b>Total key management personnel remuneration</b>	<b>\$1,373,264</b>	<b>\$1,325,070</b>

## Note 25 Remuneration

	Actual 2023/24	Actual 2022/23
<b>Chief Executive</b>		
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 2024:		
Salary	\$250,000	\$250,000
Superannuation Subsidy (Kiwisaver)	\$7,500	\$7,500
<i>As at 30 June 2024 the annual remuneration package that was being received by the Chief Executive was calculated at \$250,000. This remuneration excludes Kiwisaver contributions.</i>		
<b>Total Chief Executive Remuneration</b>	<b>\$257,500</b>	<b>\$257,500</b>
<b>Council employee remuneration by band</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
<i>Total annual remuneration by band</i>		
Less than \$60,000	50	58
\$60,000 - \$79,999	17	17
\$80,000 - \$99,999	15	10
\$100,000 - \$159,999	10	10
\$160,000 - \$239,999	4	4
\$240,000 - \$259,999	1	1
<b>Total employees</b>	<b>97</b>	<b>100</b>
<b>Council Employee Numbers</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
<b>Number of employees (at 30 June)</b>	<b>Actual</b>	<b>Actual</b>
Full-time employees	48	50
Part-time employees (including casual employees)	49	50
<b>Total employees</b>	<b>97</b>	<b>100</b>
NB - A full-time equivalent is determined on the basis of a 40 hour working week.		
<b>Full-time equivalent employees</b>		
Full-time employees	49	50
Part-time employees (in full-time equivalents)	26	22
<b>Total full-time equivalent employees</b>	<b>75</b>	<b>72</b>

## Note 26 Severance Payments

For the year ended 30 June 2024, the Council made no severance payments to employees (2022/23 - one payment totalling \$20,000).

**Note 27 Events After the Balance Date**

**Note 28 Financial Instruments**

The accounting policies for financial instruments have been applied to the line items below:				
	Council		Group	
	Actual 2023/24 \$000	Actual 2022/23 \$000	Actual 2023/24 \$000	Actual 2022/23 \$000
<b>FINANCIAL ASSETS</b>				
<b>Amortised Cost</b>				
Cash and cash equivalents - Cash	1,828	615	1,920	692
Short Term Deposits	5,000	5,000	5,350	5,350
Receivables	2,509	2,594	2,516	2,618
Community Loan	7,180	7,180	7,180	7,180
LGFA Borrower Notes	543	725	543	725
<b>Total</b>	<b>17,060</b>	<b>16,114</b>	<b>17,509</b>	<b>16,565</b>
<b>Fair value through surplus and deficit</b>				
Other financial assets:				
Bonds and Other Investments	-	-	397	397
<b>Total</b>	<b>-</b>	<b>-</b>	<b>397</b>	<b>397</b>
<b>Fair value through other comprehensive revenue and expenses</b>				
Other financial assets:				
Listed shares	551	600	551	600
<b>Total</b>	<b>551</b>	<b>600</b>	<b>551</b>	<b>600</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Financial liabilities at amortised cost</b>				
Payables and deferred revenue	3,455	3,303	3,493	3,331
Borrowings:				
Secured loans	36,700	33,700	36,700	33,700
<b>Total</b>	<b>40,155</b>	<b>37,003</b>	<b>40,193</b>	<b>37,031</b>

## Note 29 Explanation of Significant Variances Between Actual and Budget

Explanations for major variations from Council's estimated figures in the 2023/24 Annual Plan are as follows:

### Statement of Comprehensive Revenue and Expense

- Income is less than budget primarily due to the decision by the government not to fund the roading "Transport Choices" project.
- Other Comprehensive Revenue and Expense is higher than budget as the Roothing and Three Waters assets were revalued a year earlier than anticipated, as the fair value movement was significant.

### Statement of Financial Position

- Property, Plant and Equipment is higher than budget as a result of performing the revaluation on the Roothing and Three Waters assets a year earlier than anticipated.
- Non-current borrowings are less than budget as the loan funded capital expenditure was less than anticipated.
- Reserves are higher than budget as a result of the revaluation of the Roothing and Three Waters assets.

## Note 30 District Licensing Committee Disclosure

	2023/24	2022/23
<b>Income from Fees:</b>		
Licence Applications	32,035	32,268
Liquor Licencing Authority Levies	-2,520	-1,795
<b>Total Income</b>	<b>29,515</b>	<b>30,473</b>
<b>Expenditure:</b>		
Licencing Inspectors	61,400	70,733
District Licensing Committee Fees	2,631	4,963
Liquor Licencing Authority Levies	-	0
Other operating Costs Relating to Enforcement	1,813	4,740
<b>Total Expenditure</b>	<b>65,845</b>	<b>80,436</b>
<p><i>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.</i></p>		

### **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 2024 there are no funds retained by the Central Landfill Joint Committee for Stratford District Council's share of future operational costs (2022/23: Nil).

### **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). In November 2023, Riskpool made a call to members to pay a contribution to fund the deficits, with council's contribution being \$31,536.

**FUNDING IMPACT STATEMENT TITLE PAGE**

## Funding Impact Statements

### Funding Impact Statement for the year ended 30 June 2024 (Whole of Council)

	Annual Plan 2022/23	Actual 2022/23	Annual Plan 2023/24	Actual 2023/24
	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	7,848	8,093	9,021	9,201
Targeted rates	6,996	7,053	7,147	7,136
Subsidies and grants for operating purposes	1,833	2,935	2,045	3,039
Fees and Charges	2,820	2,628	3,373	2,825
Interest and dividends from investments	232	419	324	490
Local authorities fuel tax, fines, infringement fees, and other receipts	53	71	55	82
<b>Total operating funding (A)</b>	<b>19,782</b>	<b>21,199</b>	<b>21,964</b>	<b>22,773</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	15,087	16,914	17,225	17,531
Finance costs	735	951	1,241	1,217
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>15,822</b>	<b>17,865</b>	<b>18,466</b>	<b>18,748</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>3,959</b>	<b>3,334</b>	<b>3,498</b>	<b>4,025</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	6,688	5,894	9,136	2,838
Development and financial contributions	-	97	-	101
Increase (decrease) in debt	6,221	1,500	4,016	3,000
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>12,910</b>	<b>7,491</b>	<b>13,152</b>	<b>5,938</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	1,025	2,653	1,049	25
- To improve the level of service	9,577	4,730	9,921	2,673
- To replace existing assets	6,813	5,999	5,487	5,462
Increase (decrease) in reserves	(546)	(2,558)	193	1,803
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>16,869</b>	<b>10,825</b>	<b>16,650</b>	<b>9,963</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(3,959)</b>	<b>(3,335)</b>	<b>(3,498)</b>	<b>(4,025)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 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 2024 (Recreation and Facilities)

	Long Term Plan 2021 for 2022/23 (\$000)	Actual 2022/23 (\$000)	Long Term Plan 2023/24 (\$000)	Actual 2023/24 (\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	3,678	3,584	3,858	4,458
Targeted rates	17	18	17	19
Subsidies and grants for operating purposes	-	14	-	6
Fees and Charges	508	672	580	847
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	46	62	46	20
<b>Total operating funding (A)</b>	<b>4,250</b>	<b>4,350</b>	<b>4,502</b>	<b>5,351</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	2,169	3,253	2,260	3,850
Finance costs	296	352	305	404
Internal charges & overheads applied	833	923	895	1,171
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,298</b>	<b>4,528</b>	<b>3,460</b>	<b>5,425</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>951</b>	<b>(178)</b>	<b>1,041</b>	<b>(74)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	16	1,606	34	275
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	652	(246)	104	67
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>668</b>	<b>1,360</b>	<b>138</b>	<b>342</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	673	2,276	209	615
- To replace existing assets	6	33	59	45
Increase (decrease) in reserves	940	(1,125)	911	(405)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,620</b>	<b>1,184</b>	<b>1,180</b>	<b>255</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(952)</b>	<b>178</b>	<b>(1,042)</b>	<b>87</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13</b>



## Funding Impact Statement for the year ended 30 June 2024 (Roading)

	Long Term Plan 2021 for 2022/23	Actual 2022/23	Long Term Plan 2023/24	Actual 2023/24
	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties *	(9)	(25)	(13)	(96)
Targeted rates	3,026	3,117	3,344	3,413
Subsidies and grants for operating purposes	1,911	2,343	1,918	2,233
Fees and Charges	648	546	673	520
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	19	101	19	93
<b>Total operating funding (A)</b>	<b>5,595</b>	<b>6,081</b>	<b>5,941</b>	<b>6,162</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers - see note below	3,557	4,452	3,584	3,592
Finance costs	6	5	13	14
Internal charges & overheads applied	389	419	410	478
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,952</b>	<b>4,875</b>	<b>4,007</b>	<b>4,083</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,643</b>	<b>1,205</b>	<b>1,934</b>	<b>2,078</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	3,443	3,685	3,771	2,529
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	231	-	452	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>3,674</b>	<b>3,685</b>	<b>4,223</b>	<b>2,529</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	619	1,228	1,221	779
- To replace existing assets	4,983	5,033	4,920	3,882
Increase (decrease) in reserves	(285)	(1,371)	17	(54)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>5,317</b>	<b>4,889</b>	<b>6,158</b>	<b>4,607</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,643)</b>	<b>(1,205)</b>	<b>(1,935)</b>	<b>(2,078)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Funding Impact Statement for the year ended 30 June 2024 (Water Supply)

	Long Term Plan 2021 for 2022/23 (\$000)	Actual 2022/23 (\$000)	Long Term Plan 2023/24 (\$000)	Actual 2023/24 (\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	1,831	2,129	1,966	2,052
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	39	25	14
<b>Total operating funding (A)</b>	<b>1,856</b>	<b>2,168</b>	<b>1,991</b>	<b>2,066</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	698	643	758	646
Finance costs	179	268	187	324
Internal charges & overheads applied	515	587	544	702
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,391</b>	<b>1,498</b>	<b>1,488</b>	<b>1,673</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>464</b>	<b>670</b>	<b>502</b>	<b>393</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,025	240	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	628	579	102	253
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,653</b>	<b>819</b>	<b>102</b>	<b>253</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	1,904	688	369	680
- To replace existing assets	812	423	510	445
Increase (decrease) in reserves	(599)	377	(274)	(479)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>2,117</b>	<b>1,489</b>	<b>605</b>	<b>647</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(464)</b>	<b>(670)</b>	<b>(502)</b>	<b>(393)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Funding Impact Statement for the year ended 30 June 2024 (Waste Water)

	Long Term Plan 2021 for 2022/23	Actual 2022/23	Long Term Plan 2023/24	Actual 2023/24
	(\$000)	(\$000)	(\$000)	(\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	985	904	1,021	812
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	75	38	77	35
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	13	20	12	7
<b>Total operating funding (A)</b>	<b>1,073</b>	<b>961</b>	<b>1,110</b>	<b>853</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	428	322	439	340
Finance costs	53	41	59	64
Internal charges & overheads applied	261	300	273	314
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>742</b>	<b>663</b>	<b>771</b>	<b>718</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>331</b>	<b>298</b>	<b>340</b>	<b>135</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	266	254	272	704
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>266</b>	<b>254</b>	<b>272</b>	<b>704</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	362	92	380	167
- To replace existing assets	252	426	258	738
Increase (decrease) in reserves	(17)	33	(26)	(65)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>597</b>	<b>551</b>	<b>612</b>	<b>840</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(330)</b>	<b>(299)</b>	<b>(340)</b>	<b>(136)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Funding Impact Statement for the year ended 30 June 2024 (Storm Water)

	Long Term Plan 2021 for 2022/23 (\$000)	Actual 2022/23 (\$000)	Long Term Plan 2023/24 (\$000)	Actual 2023/24 (\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	367	430	387	433
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	10	6	4
<b>Total operating funding (A)</b>	<b>373</b>	<b>440</b>	<b>392</b>	<b>437</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	59	50	61	59
Finance costs	27	21	35	30
Internal charges & overheads applied	136	157	140	177
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>222</b>	<b>228</b>	<b>236</b>	<b>266</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>151</b>	<b>211</b>	<b>156</b>	<b>171</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	242	43	469	273
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>242</b>	<b>43</b>	<b>469</b>	<b>273</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	292	72	533	308
- To replace existing assets	55	-	56	1
Increase (decrease) in reserves	46	182	36	135
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>393</b>	<b>254</b>	<b>625</b>	<b>444</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(151)</b>	<b>(211)</b>	<b>(156)</b>	<b>(171)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Funding Impact Statement for the year ended 30 June 2024 (Solid Waste)

	Long Term Plan 2021 for 2022/23 (\$000)	Actual 2022/23 (\$000)	Long Term Plan 2023/24 (\$000)	Actual 2023/24 (\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	20	25	20	24
Targeted rates	780	903	801	860
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	110	213	111	143
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	8	12	7	4
<b>Total operating funding (A)</b>	<b>917</b>	<b>1,153</b>	<b>939</b>	<b>1,030</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	704	761	722	943
Finance costs	19	25	18	28
Internal charges & overheads applied	156	171	162	197
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>879</b>	<b>957</b>	<b>902</b>	<b>1,168</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>38</b>	<b>196</b>	<b>38</b>	<b>(138)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(35)	(35)	(33)	(21)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(35)</b>	<b>(35)</b>	<b>(33)</b>	<b>(21)</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	10	-	13
- To replace existing assets	10	-	-	-
Increase (decrease) in reserves	(8)	151	4	(172)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>2</b>	<b>161</b>	<b>4</b>	<b>(159)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(37)</b>	<b>(196)</b>	<b>(37)</b>	<b>138</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Funding Impact Statement for the year ended 30 June 2024 (Democracy)

	Long Term Plan 2021 for 2022/23 (\$000)	Actual 2022/23 (\$000)	Long Term Plan 2023/24 (\$000)	Actual 2023/24 (\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	1,172	1,158	1,155	1,174
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	10	-	25
Fees and Charges	70	168	70	155
Internal charges and overheads recovered	1,403	1,635	1,565	2,209
Local authorities fuel tax, fines, infringement fees, and other receipts	34	53	33	18
<b>Total operating funding (A)</b>	<b>2,678</b>	<b>3,024</b>	<b>2,823</b>	<b>3,581</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	1,986	2,222	2,096	2,735
Finance costs	-	-	-	-
Internal charges & overheads applied	692	746	728	869
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,678</b>	<b>2,968</b>	<b>2,823</b>	<b>3,605</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>0</b>	<b>56</b>	<b>-</b>	<b>(24)</b>
<b>Sources of capital funding</b>				
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	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	225	227	177	187
Increase (decrease) in reserves	(225)	(171)	(177)	(211)
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>-</b>	<b>56</b>	<b>-</b>	<b>(24)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>0</b>	<b>(56)</b>	<b>-</b>	<b>24</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Funding Impact Statement for the year ended 30 June 2024 (Community Development)

	Long Term Plan 2021 for 2022/23 (\$000)	Actual 2022/23 (\$000)	Long Term Plan 2023/24 (\$000)	Actual 2023/24 (\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	1,402	1,139	1,325	924
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	377	-	535
Fees and Charges	625	773	627	875
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	21	33	21	11
<b>Total operating funding (A)</b>	<b>2,048</b>	<b>2,322</b>	<b>1,973</b>	<b>2,344</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	1,316	1,376	1,326	1,323
Finance costs	56	57	103	64
Internal charges & overheads applied	490	521	521	481
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,862</b>	<b>1,955</b>	<b>1,949</b>	<b>1,869</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>186</b>	<b>367</b>	<b>24</b>	<b>476</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	910	(56)	(2,177)	(100)
Gross proceeds from sale of assets	-	-	3,274	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>910</b>	<b>(56)</b>	<b>1,097</b>	<b>(100)</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	1,025	2,142	1,049	25
- To improve the level of service	549	25	499	16
- To replace existing assets	-	-	-	-
Increase (decrease) in reserves	(478)	(1,855)	(426)	335
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,096</b>	<b>312</b>	<b>1,121</b>	<b>376</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(186)</b>	<b>(368)</b>	<b>(24)</b>	<b>(476)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Funding Impact Statement for the year ended 30 June 2024 (Environmental Services)

	Long Term Plan 2021 for 2022/23 (\$000)	Actual 2022/23 (\$000)	Long Term Plan 2023/24 (\$000)	Actual 2023/24 (\$000)
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	1,547	1,652	1,561	1,937
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and Charges	590	749	625	855
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	48	75	48	27
<b>Total operating funding (A)</b>	<b>2,186</b>	<b>2,476</b>	<b>2,234</b>	<b>2,819</b>
<b>Applications of operating funding</b>				
Payment to staff and suppliers	1,180	1,400	1,620	1,387
Finance costs	1	2	12	2
Internal charges & overheads applied	997	1,065	1,043	1,424
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,178</b>	<b>2,468</b>	<b>2,675</b>	<b>2,814</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>8</b>	<b>8</b>	<b>(442)</b>	<b>5</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(2)	(2)	448	(2)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(2)</b>	<b>(2)</b>	<b>448</b>	<b>(2)</b>
<b>Applications of capital funding</b>				
Capital expenditure to:				
- To meet additional demand	-	-	-	-
- To improve the level of service	-	-	-	-
- To replace existing assets	-	-	-	-
Increase (decrease) in reserves	5	6	5	3
Increase (decrease) in investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>3</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(7)</b>	<b>(8)</b>	<b>442</b>	<b>(5)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Annual Report Disclosure Statement

Annual report disclosure statement for year ending 30 June 2024.

### 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

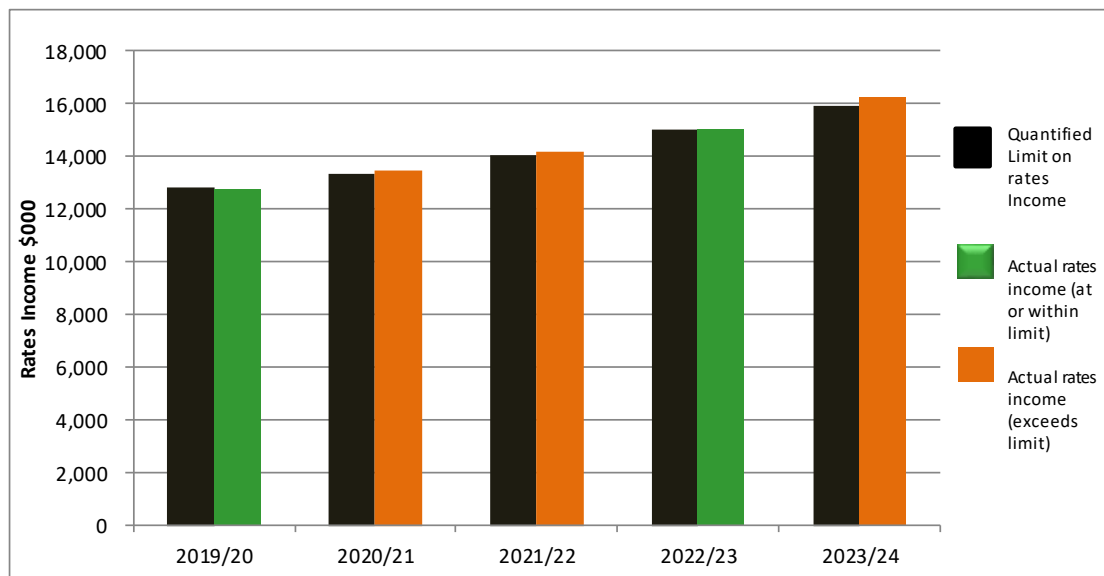
The council meets the rates affordability benchmark if –

- 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**

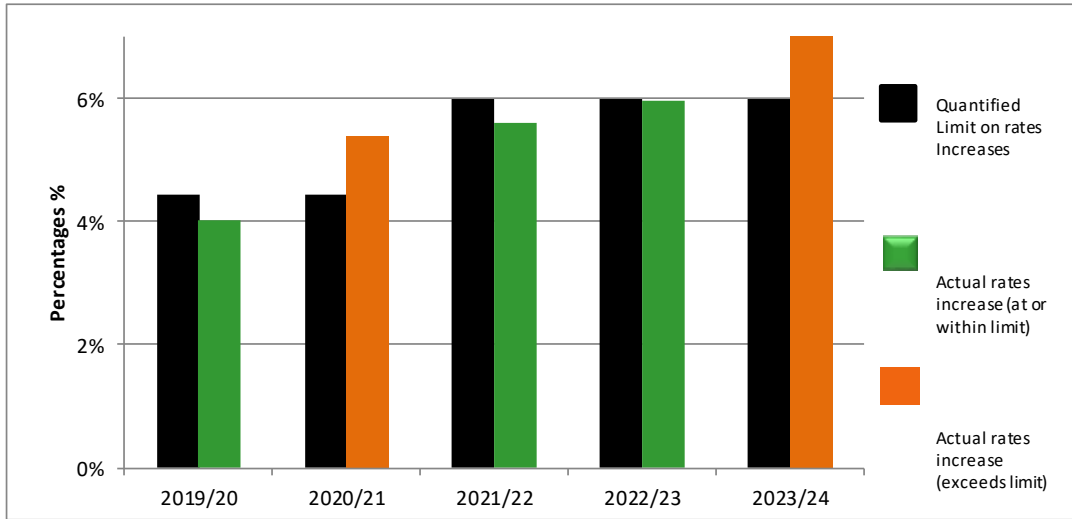
The following graph compares the Council's actual total rates income with the quantified limit on rates income as per the LTP 2021 which is previous years rates plus 6% (previous years was the previous years rates plus 4.45%).

The breach in 2023/24 was a result of higher than anticipated costs, which were a nationwide problem associated with the increased cost of living.



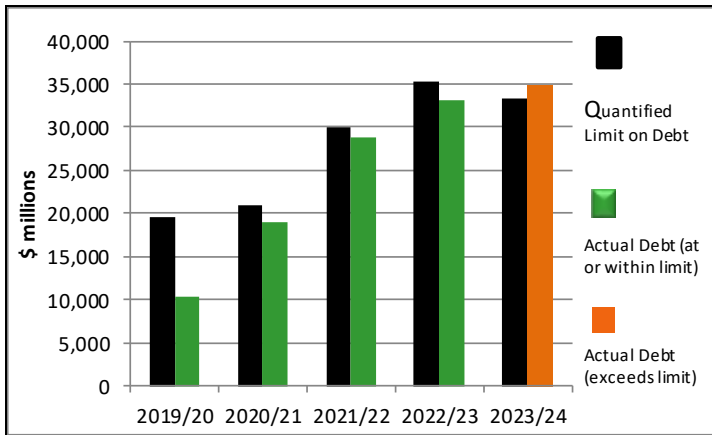
**Rates (increases) affordability**

The following graph compares the year-on-year actual, and the LTP limit (6% from 2021/22) 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 6.00% was exceeded in 2023/24 by an actual rates increase of 8.9%.



**Debt affordability benchmark**

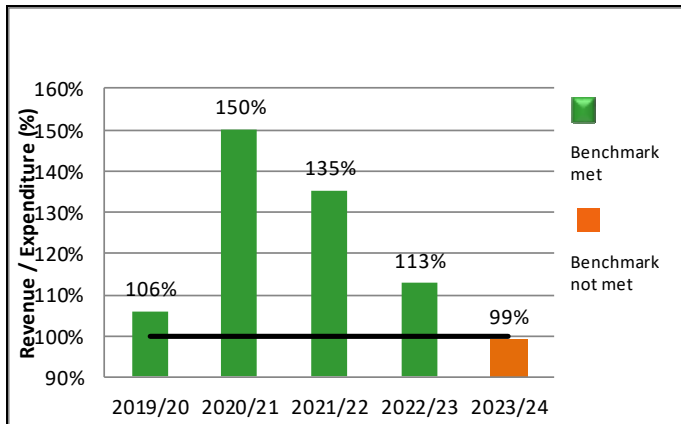
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's Long Term Plan. The quantified limit is net debt (total borrowings minus cash holdings) to operating revenue (excludes vested assets) will be less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



### Balanced budget benchmark

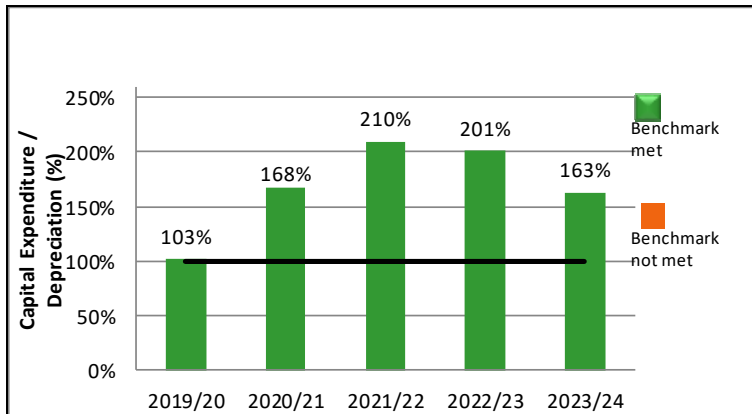
In 2023/24 the benchmark was not met, due to the funding for the Transport Choices project being withdrawn by the government.

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

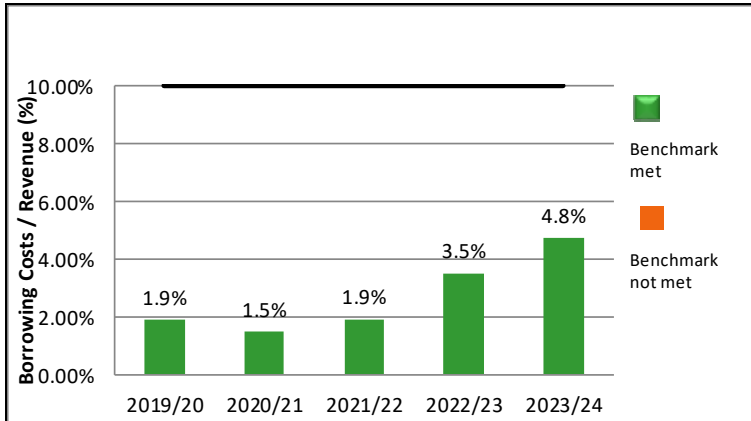
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



### 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).

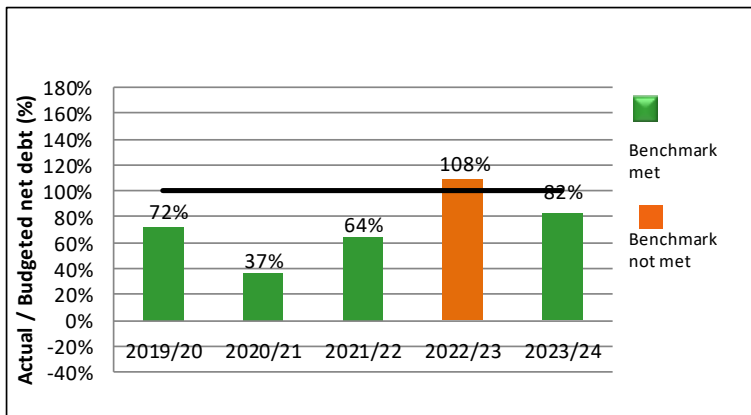
Because Statistics New Zealand projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or is less than 10% of its revenue.



### 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.

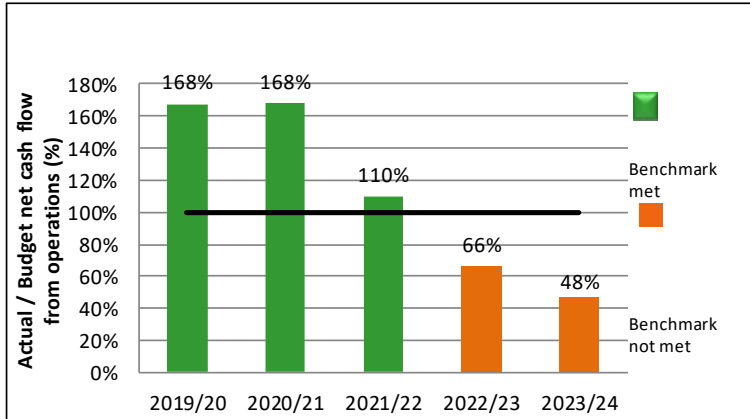
For 2022/23, the year end balance of term deposits affecting net debt was temporarily at \$5m instead of \$6m due to timing of contractor payments.



### 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 2022/23 and 2023/24, the Council did not achieve the benchmark as expenditure was higher than anticipated.



## Audit Report

# INFORMATION REPORT



F22/55/04 – D24/48561

To: Audit & Risk Committee  
From: Chief Executive  
Date: 19 November 2024  
Subject: Three Waters Reforms – State of Play and current developments

## Recommendations

THAT the report be received.

### Recommended Reason

This report is for information purposes only but gives elected members insight into the current state of three waters including current and future legislative changes as well as regional discussions regarding potential shared delivery models.

\_\_\_\_\_  
/\_\_\_\_\_  
Moved/Seconded

1. Purpose of Report
  - 1.1 This update has been prepared for the Audit and Risk Committee (“the Committee”) to provide insight into the ongoing implications of the Three Waters reforms.
  - 1.2 Given the particular focus of this committee, the risk section of this report has been utilised for the key aspects of this report.
  
2. Executive Summary
  - 2.1 A short history of the recent Three Waters reforms is covered in section 4 of this report.
  - 2.2 In the 8 months since the last three waters update was presented to this committee, a lot has happened and elected members have been actively involved in this process.
  - 2.3 Most recently all three Taranaki TLAs in October/November decided to proceed with a 2-pronged approach of exploring and developing two distinctly different models for each council, being a joint regional model as well as individual stand-alone options for each council prior to public consultation next year.
  - 2.4 This work is undertaken by staff from each of the councils with project management provided by NPDC.
  - 2.5 The next decision-gates are:
    - January/ February 2025: The second gateway will confirm consultation options prior to public consultation
    - July/August 2025: The third gateway (post consultation) being prior to submission of a finalised WSDP to central government.

3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council's purpose is to “enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future”			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:		For the purpose of this committee, it is considered that the inherent risks traverse all four wellbeings as depending on the process, the outcomes and the associated public perception and reception all wellbeing areas may be affected.	
<b>Social</b>	<b>Economic</b>	<b>Environmental</b>	<b>Cultural</b>
X	X	X	X

1.1 The report subject sits at the core of local government services and the original purpose of local government. It covers the implications of a changing legal landscape with regards to the delivery of water services, which historically have been provided by individual councils.

2. Background

2.1 In October 2021, the Government announced it would introduce legislation to establish four new publicly owned Water Services Entities to manage the Three Waters infrastructure – including drinking water, wastewater, and stormwater infrastructure and service delivery. These new entities were planned to be operational from 1 July 2024.

2.2 The proposed model would have seen the responsibility for Stratford district's Three Waters services transferred to a multi-regional entity, currently being referred to as Entity B, comprising 22 councils from the Waikato, Bay of Plenty, Taranaki and top of the central North Island. The entity would have remained in public ownership, with Stratford District Council (SDC) owning one share in the WSE.

2.3 Council made a submission to the proposed Water Services Entities Bill in July 2022, requesting that government pause the reforms, take stock, give Taumata Arowai an opportunity to positively influence drinking water quality and compliance with standards across the country, and allow for the implications of the Future of Local Government and RMA reforms to be better understood.

2.4 In August 2023, the government passed two bills that completed the Water Services Reform Programme: the Water Services Economic Efficiency and Consumer Protection Act 2023 and Water Services Legislation Act 2023. The bill increased the number of water services entities from four to ten and delayed the start of the entities from 2024 to 2026. This legislation effectively phased out council management of water, wastewater and stormwater services and transferred the responsibility for the delivery to one of 10 entities.

2.5 On 27 November 2023, the newly formed National-led coalition government announced that it would revoke the Three Waters reforms as part of its plans to repeal several of the previous Labour Government's policies.

2.6 To provide councils with certainty regarding the treatment of water, wastewater and stormwater services with regards to their Long Term Plan deliberations, Minister of Local Government Simeon Brown wrote to all councils in December 2023, confirming the government's expectation that contrary to then-current legislation, funding for three waters was to be included in councils' Long Term Plan for the full 10 years.



- 2.7 In February 2024 the government completed the repeal of the previous government's Three Waters programme and restored local ownership and control of water services.
- 2.8 The Local Government (Water Services Preliminary Arrangements) Act 2024 that establishes the Local Water Done Well framework and the preliminary arrangements for the new water services system, was enacted on 2 September 2024. The Act lays the foundation for a new approach to water services management and financially sustainable delivery models that meet regulatory standards.
- 2.9 A critical component of the Local Government (Water Services Preliminary Arrangements) Act 2024 is the statutory requirement for all Councils to submit a WSDP to Central Government by 3 September 2025.
- 2.10 Water Service Delivery for Taranaki Project: The Mayoral Forum established The Water Service Delivery for Taranaki Project. As a cross-Council project, this ensures the Taranaki Councils are well positioned to respond to the changing legislation and meet the government's deadlines.
- 2.11 Most recently all three Taranaki TLAs in October/November 2024 decided to proceed with a 2-pronged approach of exploring and developing two distinctly different models for each council, being a joint regional model as well as individual stand-alone options for each council prior to public consultation next year. The scope and subject of public consultation will be decided in early 2025.

### 3. Information Summary

- 3.1 This report briefly covers the history of New Zealand's recent three waters reforms but the core focus is on the risk implications of these reforms on council and its community. The risks are assessed based on the current state of play and focus on upcoming decisions and legislative processes rather than focusing on events that have occurred prior.
- 3.2 The risk section addresses all relevant risks on council's risk register and addresses their applicability and any mitigation measures applied. It further identifies four, more detailed, risks specific to the subject matter and assesses their potential impacts.

### 4. Strategic Alignment

#### 4.1 Direction

Council has recently decided to investigate joint and individual delivery options for three waters prior to going out for public consultation in 2025. This report addresses the risks inherent in the upcoming decision making process and resulting delivery models.

#### 4.2 Annual Plan and Long Term Plan

The current Long Term Plan assumes long term ownership and direct service provision of water, wastewater and stormwater services. This will require correction once the local outcome of the reforms is known and will be informed by legislation as this scenario applies to every council around the country.

#### 4.3 District Plan

There is no direct relationship between water services reforms and the District Plan.

#### 4.4 Legal Implications

There is a wide range of legal implications arising from past, current and announced future reforms. Any move to a regional delivery model will require legal advice and guidance and has been built into the next stage of development of WSDPs for the chosen models.

#### 4.5 Policy Implications

There are no policy implications arising from this report. A move to a regional delivery model would however have significant policy implications.

## 5. Risk Analysis

Given the specific focus of this committee, a thorough consideration of the risks associated with the three waters reforms, the resulting work programme and any pot

### **Specific risks (not captured well or at all by the corporate Risk Register)**

- a. Unbudgeted establishment costs - no provision for establishment costs have been made in the LTP, leading to unbudgeted costs
- b. Stranded overheads – council's three-waters business currently carries a notable share of the overall business costs of council. Upon establishment of a WCCO (local or regional), these costs would fall into one of three categories:
  - Fall with the WCCO and will be removed from council in full – eg staffing, some communications, vehicles, depreciation, insurance
  - Are scalable and will therefore be roughly proportionate to the remaining, smaller organisation – eg some IT systems,
  - Have no or only very limited scalability – main building related costs, energy, most back-office support, Democracy/Elected Members, Senior Management

The majority of stranded overheads will arise from the last bullet point.

- c. Loss of critical mass for remaining council operations – particularly if any further business areas were considered for regional delivery models, at some point this organisation will lose the critical mass to carry its own overheads and justify its existence. If large budget activities (Waters, Roading) are removed from the portfolio, the operating cost of the remaining elements has to carry disproportionate overheads, making further outsourcing or amalgamation of the overall business with a neighbouring council inevitable.
- d. Inability to attract suitably qualified staff - An inability to attract good candidates limits the organisation's ability to deliver and can have a negative impact on those remaining in the workforce, because it can lead to additional work and responsibilities for the employees who remain. This increased pressure can lead to burnout, disengagement and retention issues. This scenario is equally valid for both delivery scenarios considered but it is generally accepted that smaller organisations struggle to attract highly skilled staff due to limitations in scope as well as remuneration.
- e. Loss of influence for local community and elected members – while the loss of political interference is a design feature of any CCO, it carries the risk that such an organisation loses sight of the wishes, desires, pressures and limitations (particularly the ability to pay) of the local community and its elected representatives.
- f. Loss of local knowledge – while all councils have been on a long term journey of recording as much information as possible in corporate systems, the reality is that all hold a significant amount of operational and asset knowledge. Some of this will be lost during the transition into a larger organisation. While there can be benefits of “a fresh set of eyes”, this also carries risks that need to be recognised.
- g. Chosen option/model or WSDP developed is not supported/approved by the Secretary for Local Government.

While there has been some political narrative to the contrary, officers consider any option that complies with the act that reflects the desires and preferences of our community as a viable option. The key aspect is to ensure that whatever model is chosen is compliant with the relevant legislation. Sector advice produced by Simpson Grierson states the following:

*“The Secretary for Local Government may only accept a WSDP if satisfied that it complies with the Act. The Secretary may consult with the Commerce Commission, Taumata Arowai and Crown Infrastructure Partners Limited, to help with this decision. If not satisfied that the WSDP complies, the Secretary can ask the council (or joint arrangement) to amend the plan and resubmit it by a specified date.”*

As Council has chosen to prepare WSDP for two different models, it will have the choice if their preferred WSDP is rejected, to either address the areas considered non-compliant and re-submit the plan or, if the non-compliance is considered insurmountable, to submit

the WSDP for the alternative delivery option. The residual risk here is that one of the WSDP options relies on the decision making of our neighbouring councils and disappears as an option if individual councils opt out.

- h. Elected members opt for Safe-bet option rather than their own or the community's preferred option

Officers see a risk in elected members second-guessing what may or may not be acceptable to the Secretary for Local Government, rather than opting for what they or the community deem to be the best option. Choosing what is considered as a safe option could be seen to avoid potential reputational damage from having a submitted WSDP rejected. It will however artificially constrain the range of options considered.

This risk directly relates to Risk 72 on the risk register and is further addressed below.

- i. Go-alone option proving unaffordable or unsustainable for other reasons

It is conceivable that if a go-alone option was chosen that either early on or over time it becomes evident that regulatory and other compliance requirements exceed what was understood or anticipated when this option was chosen. If this scenario arose, council would need to consider alternative delivery options, such as shared services or joint delivery with one or more neighbouring councils OR joining an existing WSCCO. This would be subject to the agreement by the other parties for this council to join.

- j. Regional model not lasting the distance

Should council opt to join forces with one or both of the other Taranaki TLAs for the delivery of three (or two) waters, there is a possibility that this delivery mechanism is identified as sub-optimal at a later stage. This could result individual councils departing the shared delivery mechanism.

This is not an uncommon scenario for joint delivery models and has occurred over the years within this council as well as nationally and internationally. If this was to arise, there would be a significant loss of investment in the set-up of the joint approach and costs to re-establish whatever alternative is chosen. More importantly however, if the decision to join was based on benefits that are scheduled to arise some way down the track, given the financial modelling undertaken to date, Stratford District residents may have contributed to other districts' infrastructure investment without receiving the same benefit when investment is required locally.

- k. Regional WCCO establishment occurring at a pace too fast to ensure the finer, but important, details are considered. which will force rushed decisions and potentially not all parties agreeing to the details, but it will be too late as entity already established. This will cause long-term damage to the delivery mechanism as well as trust and relationships. A staged approach may reduce these risks. This could be by migrating activities one by one into joint delivery rather than all at once.

#### **Applicable risks as per the corporate Risk Register**

- l. Risk 1 – Compliance and Legislation - Legislation Changes - IF changes to legislation or case law occur and are not implemented by staff, THEN council may be acting illegally and in breach of legislation.

This risk is mitigated by the fact that staff are actively engaged in this work, independently as well as regionally. There is however an inherent risk arising from a potential inability or unwillingness to decide or continuously requiring more information/analysis, leading to increased public consultation requirements or extended timeframes. Due to the long history of the underlying reforms and strong public opinion as well as ongoing information and misinformation campaigns associated with this subject matter, elected members may find decision making particularly difficult.

- m. Risk 6 – Three Waters – Non-Compliance - Compliance and Legislation - IF Council does not comply with its obligations under legislation (i.e. Resource Management Act, NZ Drinking Water Standards, Health and Safety at Work Act) THEN administrative fines and penalties may result, in addition to reputational damage if publicised.

Council has consistently complied with these requirements and there is no conceivable reason why this situation would change while the operation remains as status quo. If there is a significant change to the operating model, such as a regional CCO and to a lesser extent a local CCO, it is important to ensure that corporate knowledge and compliance processes are retained throughout the change process.

- n. Risk 62 – Financial - New Regulations require Significant Investment - IF new environmental regulations or legislation imposed on councils requires a significant increase in capital expenditure, THEN ability to finance investment could be compromised and rates increases could breach limits.

It is well understood that no matter which decision this council chooses regarding the future of three waters services, delivery and compliance costs will significantly increase, which will result in higher end-user costs. While council has plenty of borrowing capacity under either model considered (regional CCO or stand-alone service delivery), it is the ability and willingness of end users to fund significant capital works programmes that will most likely limit the scope. Finding the balance between legal compliance and relative affordability will be the key to addressing this risk.

- o. Risk 72 - Elected Members - Decision Making - IF elected members make significant decisions based on inaccurate/insufficient information, "biased" influences, conflicts of interest not disclosed, or lack of understanding of the financial or legislative impacts, THEN there could be funding access difficulties, audit scrutiny, financial penalties, and/or community distrust in elected members. Potential breach of Local Authorities (Member's Interests) Act 1968, and Councillors may be personally financially liable under S.47 of LGA 2002.

As with all decision making by elected members, it is important to demonstrate an open mind to avoid the perception or allegations of conflicts of interest, predetermination and bias. Any public statements that suggest the decision-maker made up his/her mind in advance, or took into account something they should not have, may lead to allegations of predetermination or bias.

- p. Risk 78 – Operational - Government Policy Impacting on Local Government - IF Government Policy significantly changes the services Council delivers or the way they are delivered, THEN this could put financial pressure on the district to fund investment in changes, or it may mean previous investment has become redundant.

Investment redundancy is unlikely to occur due to the relatively basic nature of the district's three waters operations. Financial aspects covered under Risk 62 above seem applicable here as well.

- q. Risk 90 - Reputational and Conduct - Consultation and Engagement with Māori - IF Council does not effectively engage with Māori on matters of interest, THEN Council decisions will lack a Māori perspective which may lead to substandard community outcomes, and decisions that may not be supported by Māori which could harm relationships.

There has been ongoing Māori engagement throughout this process and it is intended to maintain this engagement going forward.

- r. Risk 92 - Reputational and Conduct - Community Engagement - IF Council does not engage with the community in line with its Significance and Engagement Policy and the requirements of sections 76-82 of the Local Government Act 2002, THEN Council decisions will lack a community mandate, may not be fit for purpose, and may be scrutinised and subject to legal challenge.

Public consultation is an inherent requirement within the legislation. Given the nature of the subject matter, the history of the underlying reforms and the specificity of the underlying legislation it is however likely that parts of the community and particularly those prevalent on alternative media channels will not be satisfied with the level of engagement, the options put forward and or the subsequent decisions made on this matter,



Sven Hanne  
**Chief Executive**

**Date 8 November 2024**

# DECISION REPORT



F22/55/04 – D24/51083

To: Audit and Risk Committee  
 From: Audit and Risk Adviser  
 Date: 19 November 2024  
 Subject: Review Risk Management Policy

Recommendations

1. THAT the report be received.
2. THAT the amended Risk Management Policy be reviewed and approved.

**Recommended Reason**  
 The Policy is due for review, and was last reviewed in August 2021.

/ Moved/Seconded

1. Purpose of Report
  - 1.1 To review the current Risk Management Policy, and approve the proposed changes, and make any further changes as requested.
2. Executive Summary
  - 2.1 The Risk Management Policy, and the appendices (Risk Management Framework and Risk Appetite Statement) were last reviewed in August 2021. At this time, the policy had been workshopped with this Committee and significant changes were made at that time, following feedback from Committee members. An initial draft was presented at the September 2024 Audit and Risk Committee, where the Committee requested that officers consider how the Sustainability Policy could be reflected within this Policy.
  - 2.2 The Policy overall has been reviewed internally, and is considered to be still fit for purpose. The changes proposed include the addition of a responsibility of the Committee to “Provide insight (Chair), and request further information (Committee), on emerging risks.”, and to take a long term (sustainable) view by “promoting resilience in all decision making... bearing in mind that future generations will take on the risks of decisions made today”. It is proposed that the Risk Management Framework be updated so that where risk impact / consequence is evaluated, the severity of the impact on the environment is taken into account.
3. Local Government Act 2002 – Section 10

Under section 10 of the Local Government Act 2002, the Council’s purpose is to “enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future”			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:			Yes – managing risk is essential to ensuring ability to consistently and effectively deliver on council services.
Social	Economic	Environmental	Cultural
x	x	x	x

5. Background

5.1 The Risk Management Policy was first adopted by Council in June 2018, and underwent a major review in 2021. Since then, the policy has effectively guided Council decision making in relation to risk management. This includes the monitoring of risk, maintenance of Council's risk register, and the reporting of risk to elected members.

5.2 The changes proposed and reasoning are provided below:

- Addition of the Committee responsibility under this Policy to *“Provide insight (Chair), and request further information (Committee), on emerging risks.”*

Council values highly the contribution of the independent chair to the Audit and Risk Committee, and this addition to the policy highlights emerging risks in particular as being an area where the Chair can contribute insights from their experiences working with other local authorities. This addition also places responsibility on other Committee members to request further information on emerging risks as appropriate.

- Addition of Council Leadership's responsibility to *“Promote resilience in all decision making, taking a long term view in the development of processes, policies, and structures – bearing in mind that future generations will take on the risks of decisions made today.”*

This is a principle within the Sustainability Policy and also links back to Council's Community Outcomes of being resilient.

- Amending the risk evaluation process within the Risk Management Framework to include the impact on the environment as part of the assessment of a specific risk.
  - A risk would be considered Serious where there is a large impact on the environment.
  - A risk would be considered Major where there is a large impact on the environment affecting many residents and / or natural habitats.
  - A risk would be considered catastrophic where there was an irreversible impact on the environment affecting many residents and / or natural habitats.

6. Consultative Process

6.1 **Public Consultation - Section 82**

N/A – this policy is more administrative than outwards focused.

6.2 **Māori Consultation - Section 81**

N/A – this policy is more administrative than outwards focused.

7. Risk Analysis

7.1 This policy specifically addresses how risk is managed by Council.

8. Sustainability Consideration

8.1 As mentioned previously, in 2.3 of this report, there is an opportunity for elected members to integrate some of the principles and objectives of the newly adopted Sustainability Policy into this policy to ensure alignment, and to consider the importance of building resilience as an important risk mitigation tool.

9. Decision Making Process – Section 79

9.1 **Direction**

Explain

Is there a strong link to Council's strategic direction, Long Term Plan/District Plan?	Yes – managing risk ensures Council can deliver on its strategic goals.
What relationship does it have to the communities current and future needs for infrastructure, regulatory functions, or local public services?	As above

9.2 **Data**

<ul style="list-style-type: none"> <li>• Do we have complete data, and relevant statistics, on the proposal(s)?</li> <li>• Do we have reasonably reliable data on the proposals?</li> <li>• What assumptions have had to be built in?</li> </ul>
--

Refer to the amended Risk Management Policy attached to this report.

9.3 **Significance**

	Yes/No	Explain
Is the proposal significant according to the Significance Policy in the Long Term Plan?	No	
Is it:	No	
• considered a strategic asset; or	No	
• above the financial thresholds in the Significance Policy; or	No	
• impacting on a CCO stakeholding; or	No	
• a change in level of service; or	No	
• creating a high level of controversy; or	No	
• possible that it could have a high impact on the community?	No	

In terms of the Council's Significance Policy, is this proposal of high, medium, or low significance?		
High	Medium	Low
		x

9.4 **Options**

(Recommended) Option 1 – Approve the amended Risk Management Policy, to then be adopted by Council.

Option 2 – As above, after making any further amendments.

Option 3 – Do not approve the Risk Management Policy, providing reasoning.

9.5 **Financial**

<ul style="list-style-type: none"> <li>• Is there an impact on funding and debt levels?</li> <li>• Will work be undertaken within the current budget?</li> <li>• What budget has expenditure come from?</li> <li>• How will the proposal be funded? eg. rates, reserves, grants etc.</li> </ul> <p><i>(Delete this box when this section is completed)</i></p>
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N/A

9.6 **Prioritisation & Trade-off**

N/A

9.7 **Legal Issues**

N/A



9.8 **Policy Issues - Section 80**

No other policies will be directly affected by the amendments proposed.

**Appendix:**

1. Risk Management Policy (amended with track changes)



Tiffany Radich  
**Director – Corporate Services**



[Approved by]  
Sven Hanne  
**Chief Executive**

**Date** 8 November 2024

## STRATFORD DISTRICT COUNCIL

POLICY: <u>RISK MANAGEMENT</u>	
<b>DEPARTMENT:</b> Corporate Services	<b>RESPONSIBILITY:</b> Director - Corporate Services
<b>DOCUMENT NO:</b> <a href="#">D21/24914</a>	
<b>REVIEW DATE:</b> November 2024	<b>NEXT REVIEW:</b> August 2027
<b>VERSION:</b> <a href="#">32</a>	<b>FIRST APPROVAL DATE:</b> June 2018

### Purpose

The purpose of this policy is to provide an overview of Council's risk management strategy and guidance to those involved in managing Council risk. It is expected that this policy will provide assurance to Stratford District Council stakeholders that appropriate systems are in place to identify and manage risks.

### Scope

This policy must be adhered to by Council staff and elected members. Particular responsibilities are referred to later in this policy. However, there are other stakeholders that are affected by this policy, including contractors, the community, [tangata-mana](#) whenua, and lenders.

### Principles

The key Risk Management principles that will guide risk management processes are set out below.

- **Adds or protects value** by contributing to the achievement of the Council's objectives and improves or maintains performance.
- **Decision making** involves formal consideration of potential risks, and risk management.
- It is a **collective responsibility** in that all levels of the organisation must be involved in identifying and managing risks, to varying degrees.
- **Responsive to change** by ensuring regular reflection on the changing environment and emerging risks.
- **Pragmatic** by focusing on the most important risks and allowing informed risk taking based on Council's risk appetite.
- **Continuous improvement** in the processes used in identifying and managing risks and opportunities.

### Managing and Reporting Risks

To ensure the above principles are embedded in Council risk management processes, Council leadership has a responsibility to:

- Promote a culture that encourages transparent identification and open discussion of risks, threats and opportunities.
- Apply a consistent approach, using an agreed and widely understood method and language.

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- Facilitate an appropriate level of monitoring, reporting, and escalation to inform decision making.
- Balance cost and effectiveness, ensuring that improvements in controls are viable and cost effective given the expected benefits or outcomes, and focus on what matters most.
- Provide assurance that key risks are adequately managed and that the Stratford District Council is able to plan for, rather than react to risk.
- ~~Are dynamic, iterative and responsive to change, and are tailored to Council's needs.~~
- Incorporate audit and compliance disciplines as part of sound risk management.
- Promote resilience in all decision making, taking a long term view in the development of processes, policies, and structures - bearing in mind that future generations will take on the risks of decisions made today.

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To achieve this, Council will implement the *Risk Management Framework* (Appendix 1), which sets out the processes and procedures of risk management for Stratford District Council.

### Specific Responsibilities

#### Council

- Approves Stratford District Council's Risk Management Policy.
- Approve decisions that sit outside agreed risk appetite.
- Ultimate responsibility for the management of risk.

#### Audit and Risk Committee

- Reviews the effectiveness of the implementation of the Risk Management Policy.
- Confirms the key risks and the risk treatments are in accordance with the agreed risk appetite.
- Reviews and monitors key risks, and their treatment, to ensure they are managed within the agreed risk appetite.
- Approves the Internal Audit plan, based on Council's risk register.
- Provide insight (Chair) and request further information (Committee), on emerging risks, as appropriate.

#### Chief Executive

- Manage reporting to the Audit and Risk Committee and Council to confirm that the risk management policy and framework are operating effectively.
- Set the tone and influence the culture of risk management across the Stratford District Council.

#### Senior Leadership Team

- Participate in and contribute to weekly discussion of risk identification and reporting of risk events at formal SLT meetings.
- Lead risk management processes within Council and ensure all staff members feel empowered, and are expected, to identify and communicate risks.
- Ensure risk management is embedded into new and existing organisational processes.

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#### Director – Corporate Services

- Preparation of relevant reports to the Audit and Risk Committee as outlined in the Risk Management Framework.
- Maintain the Risk Management Framework and Policy.
- Co-ordinate and provide oversight of the risk register and related activity.

**All staff**

- Actively identify, assess, and control risks, threats, events and opportunities.
- Report risk events and threats to direct manager.
- ~~Ensure risk management is embedded into new and existing organisational processes.~~

**Maintaining the Risk Management Policy**

It is important that the policy (including appendices) remains relevant to the Stratford District Council's environment within which it operates in, and incorporates any changes to the risk management standard: AS/NZS ISO 31000 Risk Management - principles and guidelines. ~~For this reason, the Risk Management Policy will be reviewed every two years.~~

Next review date: August 2027<sup>3</sup>

**Appendices**

1. Risk Management Framework
2. Risk Appetite Statement

**APPENDIX 1**

**STRATFORD DISTRICT COUNCIL**  
**Risk Management Framework**

**Reviewed August 2024**

## Purpose

The purpose of this framework is to:

- Provide assurance to Council and the Audit and Risk Committee that the Stratford District Council has in place the necessary arrangements to ensure that effective risk management is implemented at all levels, and across all activities, of the organisation.
- Provide guidance and promote consistency in organisational risk management, and to describe the components of Stratford District Council's risk management system.
- Inform all Stratford District Council staff of the processes and expectations in regard to risk management.

The mandate and responsibilities for risk management comes from the Risk Management Policy. This Risk Management Framework supports compliance with the Policy and sets out the Council's arrangements for ensuring that robust, reliable risk management occurs throughout the organisation, and meets risk management governance obligations.

## Background – Establishing Context

Risk management happens every day and everywhere at the Stratford District Council. It is a key business process and a key leadership competency. Business as usual, initiatives and opportunities all require us to take risks. It is important to understand what those risks are and Council's appetite for risk, so that staff can make informed decisions in areas of uncertainty.

Good practice risk management is embedded into an organisation's culture; its business planning, financial management, and performance management processes. It is not carried out as an isolated exercise. It links closely with internal and external auditing processes and business continuity arrangements.

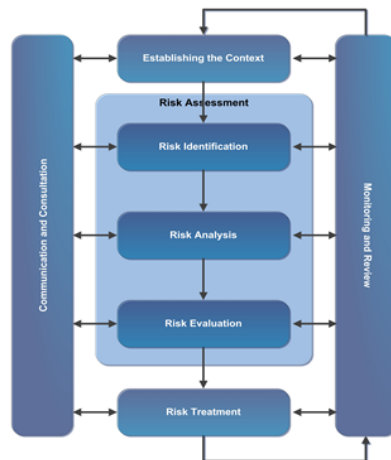
This framework contains the guidelines, processes & tools to enable a consistent approach for the identification, classification, treatment, and reporting of risks within the Stratford District Council. These must be applied across the Council to ensure consistency, coherence, and robustness.

## Framework

Risk management activities at the Stratford District Council are based on the ISO31000 Risk Management Standard which directs governance and management responsibilities to:

- **FRAME** - Risk management practices are framed in the context of the Council's risk appetite; The Stratford District Council's strategic and business objectives; and the strategic, environmental and organisational context within which the Council operates and from which risks arise.
- **ASSESS** - what, why and how events may arise are identified, existing controls determined, and risks are analysed in terms of their likelihood and impact in the context of those controls.
- **RESPOND** - Stratford District Council develops and implements specific risk management plans - with controls and treatments in response to risks.
- **MONITOR** - Monitoring and review occurs throughout the risk management process, with oversight and review of Risk Registers and any changes that might affect them; this includes communication and reporting at all stages that enables the Council to minimise losses and capitalise on opportunities.

The following diagram gives an overview of the AS/NZS ISO 31000:2009 Risk Management process that Council will use.



### Risk Assessment

The Council maintains a Risk Register to record and manage all identified risks. The Risk Register is stored and maintained in the Vault<sup>1</sup> system.

<sup>1</sup> Council's online risk management and health and safety software.

### **Risk Identification**

All staff members should be empowered, and expected, to identify and communicate risks. Risks identified will be reported to the staff member's direct manager and their Director, who will report the identified risk to the weekly Senior Leadership Team meeting.

From there, the risk will be reviewed against the current Risk Register to determine if there is already a related risk, and if that risk needs to be amended, or if a new risk needs to be added to the risk register.

Questions that should be asked include:

- What are the potential risks? When and where could they occur?
- What would be the impacts?
- What could prevent us from achieving our objectives and outcomes?
- Who and what would be impacted by the risk?
- Have all potential risks been considered?

Council's risk description will be stated with the risk first, and then the consequence, i.e "IF xxx occurs, THEN xxx will happen". For example *"If a Manager uses their unique position to override internal controls, THEN fraud may occur, resulting in theft of Council assets/funds and incorrect/misleading financial statements."*

All risks on the risk register will be allocated to one of the following risk categories (however, they may relate to more than one of the categories):

- Data and Information
- Reputational and Conduct
- Operational
- Financial
- Health, Safety, and Wellbeing
- Legislation and Compliance

### **Risk Analysis**

All new risks identified need to be analysed to determine potential causes, the likelihood of occurrence, and the potential consequences if they do occur. This is known as the *Inherent Risk*, prior to controls being implemented – refer to the *Risk Definition Table* below.

The below Risk Matrix is used for this purpose.

	Minor	Important	Serious	Major	Catastrophic
Almost Certain	2-Moderate	5-High	7-High	20-Extreme	25-Extreme
Likely	2-Moderate	4-Moderate	6-High	16-Very High	20-Extreme
Possible	1-Low	3-Moderate	4-High	12-Very High	15-Very High
Unlikely	1-Low	2-Moderate	3-Moderate	8-High	10-Very High
Rare	0-Low	1-Low	1-Low	4-Moderate	5-High

Risk Matrix Table

Below is the guidance on using the risk matrix table:

**Likelihood**

- Almost Certain** 90% or greater chance of occurring in next 12 months  
It would be unusual if this didn't happen
- Likely** 60% to 90% chance of occurring in next 12 months  
Will occur more often than not
- Possible** 25% to 60% chance of occurring in next 12 months  
Not likely, but don't be surprised
- Unlikely** 2% to 5% chance of occurring in next 12 months  
Would be a surprise if this happened
- Rare** Less than 2% chance of occurring in next 12 months  
Exceptional circumstances only

**Consequence (may have one or some of these characteristics)**

- Minor** No impact on Community Outcomes and Wellbeing  
Less than \$10,000 financial impact  
No reduction in service delivery  
No community interest or damage to reputation
- Important** Little to no impact on Community Outcomes and Wellbeing  
Between \$10,000 and \$100,000 financial impact  
Some reduction in service delivery  
**Some impact on the environment**  
Some community interest or little damage to reputation
- Serious** Some impact on Community Outcomes and Wellbeing  
Between \$100,000 and \$500,000 financial impact  
Some reduction in service delivery  
**Large impact on the environment**  
Significant community interest or damage to reputation
- Major** Major impact on Community Outcomes and Wellbeing  
Between \$500,000 and \$10,000,000 financial impact

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Large reduction in service delivery affecting a number of people  
Large impact on the environment affecting many residents and / or natural habitats  
 Significant and sustained community interest or damage to reputation

Catastrophic  
 Devastating impact on Community Outcomes and Wellbeing  
 More than \$10,000,000 financial impact  
 Reduction in service delivery affecting a significant portion of district  
Irreversible impact on the environment affecting many residents and / or natural habitats  
 Significant loss of trust and confidence from the community

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**Risk Evaluation**

Analysed risks will be evaluated to determine whether a risk is tolerable in its current state or whether further action is required. The evaluation process will also determine what level of reporting is required, as per the table below.

Overall Risk Rating	Actions for Risk Mitigation	Reporting of Risk Events
Extreme	<ul style="list-style-type: none"> <li>Urgent and active management required.</li> <li>Risk treatment plan e.g. Business Continuity Plan, must be implemented immediately to reduce the risk exposure to an acceptable level.</li> <li>Regular reporting required.</li> </ul>	<ul style="list-style-type: none"> <li>Immediate notification to CEO, Mayor and Chair of Audit and Risk Committee.</li> <li>Report to Audit and Risk Committee</li> <li>Advise Director – Corporate Services to track risk.</li> </ul>
Very High	<ul style="list-style-type: none"> <li>Director attention is required.</li> <li>Risk treatment plan required.</li> </ul>	<ul style="list-style-type: none"> <li>Immediate notification to CEO</li> <li>Report to Audit and Risk Committee</li> <li>Advise Director – Corporate Services to track risk.</li> </ul>
High	<ul style="list-style-type: none"> <li>Management attention is required.</li> <li>Check controls are in place at least annually.</li> </ul>	<ul style="list-style-type: none"> <li>Immediate notification to CEO</li> <li>Notification to Director.</li> <li>Report to Audit and Risk Committee annually.</li> </ul>

Moderate	<ul style="list-style-type: none"> <li>• Management responsibility to monitor.</li> <li>• Focus on ensuring internal controls are effective and review the ongoing risk at least every three years.</li> </ul>	<ul style="list-style-type: none"> <li>• Senior Leadership Team to review risk register periodically.</li> </ul>
Low	<ul style="list-style-type: none"> <li>• May be monitored using routine practices.</li> <li>• Focus on ensuring internal controls are effective.</li> </ul>	<ul style="list-style-type: none"> <li>• Senior Leadership Team to review risk register periodically.</li> </ul>

*Risk Response Table*

The evaluation of risks will consider established risk tolerances for such risks, as well as any risk-specific factors. This will allow us to determine the *Target Risk*, or the risk level that Council is able to tolerate.

**Risk Treatment**

Council will identify opportunities to reduce the likelihood or consequence of the risk to achieve the *Target Risk* level – taking into account both the Council’s risk appetite statement, and the potential costs of reducing the likelihood and consequence of the risk.

Risk treatment/controls will be developed to minimise the likelihood and consequence of a risk event occurring. The controls will be recorded in Vault, and will require a reconsideration against the risk matrix to determine the *Residual Risk*.

Risk	Definition	Purpose of Assessment
Inherent risk	The initial assessment of the consequence and likelihood of a risk prior to considering any existing controls, or if existing controls failed.	The inherent risk assessment enables management to determine the level of resources (people, systems and processes) required to manage the risk to an acceptable level.
Residual risk	The assessment of the consequence and likelihood of a risk taking into account the existing controls and an assessment of their effectiveness.	The residual risk assessment enables management to determine where remediation of existing controls and/or new risk treatments are required and appropriate.
Target Risk	Target risk is the assessed risk rating which Stratford District Council can accept for the risk, consistent with Stratford District Council’s risk tolerance.	The target risk assessment enables management to understand the risk as if the proposed risk treatments /mitigations have been successfully implemented by comparing it to a relevant benchmark or best practice indicator.

*Risk Definition Table*

## Monitoring and Reviewing Risks

To be effective, risk management must be embedded in Stratford District Council's systems and processes to ensure that it is part of 'the way we do business'.

### Council Decision-Making

All Council decisions must be made with risk being one of the considerations. To this effect, the Council decision report template will require the following to be completed:

*Refer to the Council Risk Register.*

- *Does this report cover any issues that relate to any risks on the Council Risk Register, and if so which risks and what are the impacts and likelihood of eventuating?*
- *Does this report cover any issues that may lead to any new risks that are not on the Council Risk Register, and if so, provide some explanation of any new identified risks?*
- *Is there a legal opinion needed?*

### Senior Leadership Team

Risk Management is a permanent agenda item on the Senior Leadership Team meetings agenda. This is an opportunity for directors to bring identified risks, threats, events and opportunities from their respective departments for discussion. This is where the process to update the risk register is initiated.

### Audit and Risk Committee

The role of the Committee is *"to assist the Council in discharging its responsibilities relative to risk management, and regulatory, legal and contractual conformance and compliance and managing risk in an appropriate manner"* (taken from the Committee's Terms of Reference).

The Committee members are able to monitor risk through the following methods:

- Reviewing the risk review report, which is a standing item on the agenda.
- Request information, either to be replied to directly at a Committee meeting, or to be placed on Matters Outstanding.
- Request a deep dive into a particular risk area be added to the annual Programme of Works.

## Definitions

The following definitions are consistent with international good practice as embodied in AS/NZS ISO 31000:2009 Risk management – Principles and guidelines:

**Risk:** The effect of uncertainty on achieving objectives.

**Risk Event:** An actual threat to Council or incident that has caused harm.

**Consequence:** Outcome of an event affecting objectives.

**Likelihood:** Chance of an event with consequences occurring.

**Risk Management:** Coordinated activities to direct and control an organisation with regard to risk.

**Risk Management Process:** The systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risk.

**Risk Management Framework:** Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation. The framework is made up of Risk Management policy, risk management processes, risk management practices and tools.

**Risk Appetite:** An organisations approach to assess and pursue, retain, take or turn away from risk.

**Risk Owner:** Person or entity with the accountability and authority to manage a risk.

**Risk Assessment:** Overall process of risk identification, risk analysis and risk evaluation.

**Risk Source:** An element which either alone or in combination has the potential to give rise to risk.

**Risk Treatment Plan:** A formal plan to record controls and mitigations to minimise the likelihood and consequence of a risk event, to be signed off by the CEO.

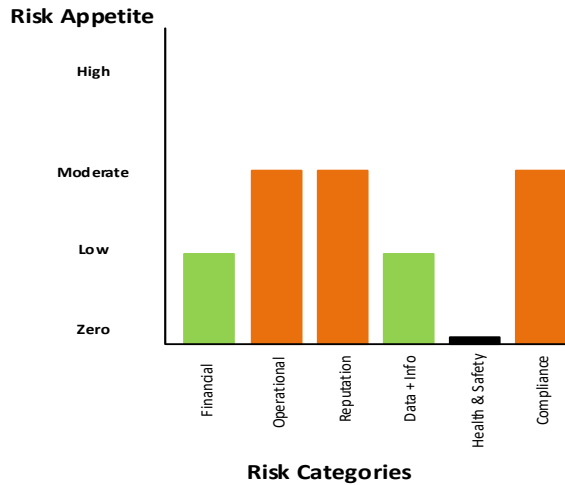
APPENDIX 2

STRATFORD DISTRICT COUNCIL  
Risk Appetite Statement

Reviewed August 2024

The risk appetite statement sets out the various risk zones in which Council is willing to operate in, with respect to Council’s risk categories. It is accepted that the risk appetite may change from time to time, depending on the threats and opportunities at the time.

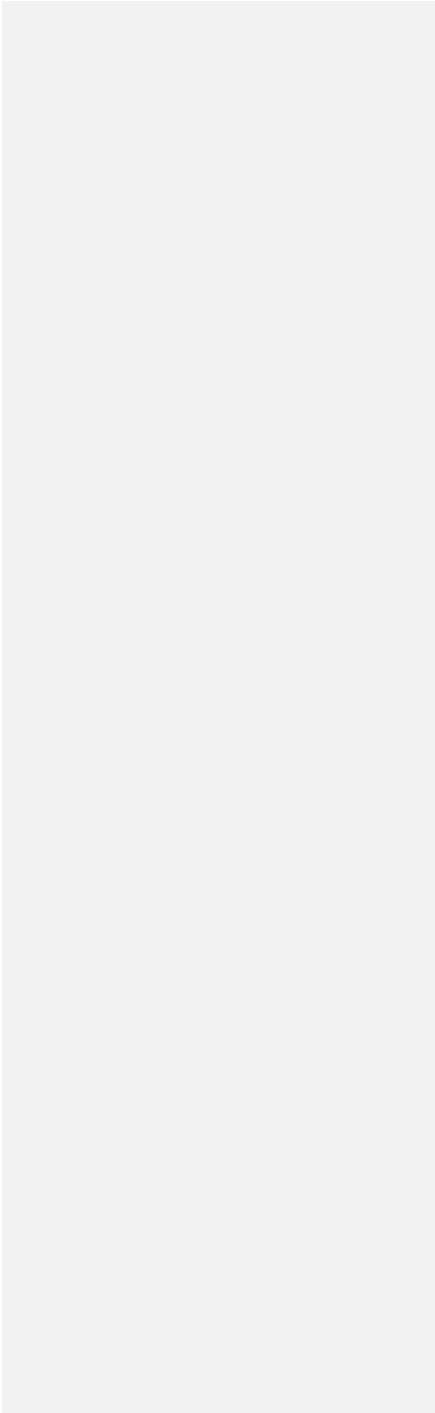
- Zero Appetite      Council is **not willing** to accept any instance of this risk occurring.
- Low Appetite      Council accepts a **low amount** of this risk occurring with active monitoring of risks in place.
- Moderate          Council **accepts that there may be risks** from time to time, and that some controls are required.
- High                **Taking risks is acceptable** if there is potential for beneficial outcomes for Council.



Potential risk events that are beyond Council’s risk appetite should be escalated to the Senior Leadership Team where a risk treatment plan can be developed and threats and actions can be monitored closely. Where a risk has been identified as more than a high risk at the residual risk level, reporting to the Audit and Risk Committee is also required.

Where Council has a zero to low level of risk appetite, resources should be prioritised towards minimising and controlling the likelihood and consequences of these risks.

Where Council accepts a moderate to high risk appetite, it is important that controls are in place and are working effectively, however resource allocation towards this will not be prioritised, unless there are significant consequences as a result of a risk event occurring. In this case, the risk appetite may be recalibrated specific to the situation.





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

**Our reference**  
F19/13/03-D21/40748

### **Karakia**

Kia uruuru mai  
Ā hauora  
Ā haukaha  
Ā haumāia  
Ki runga, Ki raro  
Ki roto, Ki waho  
Rire rire hau Paimārire

I draw in (to my being)  
The reviving essence  
The strengthening essence  
The essence of courage  
Above, Below  
Within, Around  
Let there be peace.