

TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL

ANNUAL REPORT 2024/25 - SUMMARY

Welcome to the summary of our 2024/25 Annual Report.

An Annual Report compares Council's performance against the objectives, performance measures and budgets set in the Long Term Plan and Annual Plan for the year. It also gives details of the Council's overall financial performance for the year together with its financial position as at 30 June 2025 along with other financial data and information. The summary Annual Report is audited by Audit New Zealand and their opinion is included.

From the Mayor and Chief Executive

Tēnā koutou katoa

The 2024/2025 financial year was another busy year for Council. On top of delivering our annual work programme, we also saw a continuation of wide-ranging government reforms. This required all Councils across the country to be agile in response and change course on a number of work streams and included the completion of our Water Services Delivery Plan (WSDP), setting the future direction for water services for the district.

Council started the year with a total of 87 capital projects at a total budget of $18.5 million. We completed 43 of these within the year with an overall saving of $0.7 million against budget and have carried a further 36 projects over for delivery in the coming financial years. The remaining 8 projects were cancelled due to changes in government funding priorities which only became known after our budgets had been set.

For our work on water services reforms, we have been actively working with our neighbouring Councils to look at long term options for water service delivery under the Local Water Done Well policy. Community consultation highlighted the strong desire of our district to be independent and retain its own voice and identity.

As a result, we submitted a WSDP geared towards ongoing delivery of water, wastewater and stormwater services from within council, as opposed to merging with neighbouring councils or forming a stand-alone organisation. Collaboration with our neighbours as well as other councils wherever it creates benefits for our community will be unaffected by this decision. We are currently awaiting feedback from the Department of Internal Affairs on our WSDP. Once received, we will be working towards implementing the new structures and getting ourselves ready to meet the new requirements which come into force on 1 July 2027.

Council achieved 58.4% of its performance targets, with 7.9% not applicable for this period, leaving 33.7% not achieved. Those measures not achieved are equally distributed throughout the organisation rather than occurring in one specific area. All of these will be reviewed to better understand and address the underlying factors, with some of them having already been addressed during the financial year and others being outside council's control.

The net surplus for the year was $0.7 million compared to a budgeted surplus of $5.7 million. Borrowing increased from $36.7 million to $38.7 million instead of a forecast borrowing amount $42.2 million.

Total revenue for the year was $28.9 million, with operating expenditure at $28.2 million. The increased asset revaluations as at 30 June 2024 have had a knock-on effect on depreciation costs. We remain in a strong financial position as a small rural Council and continue to punch well above our weight whilst we focus on the basics.

Our thanks once again to both the Council team and elected members for all their hard work through the year. We have managed to achieve great outcomes with our small and dedicated Council team. A heartfelt thank you must also go to all of the community groups, volunteers and our partner organisations who year on year tirelessly contribute to making Stratford a very special place. There are some really exciting times and exciting new projects ahead for Stratford and we look forward to continuing to deliver on our commitments and support the community over the year ahead.

Neil Volzke
District Mayor

Sven Hanne
Chief Executive

Councillors at 30 June 2025


Neil Volzke, Mayor


Min McKay, Deputy Mayor


Clive Tongaawhikau


Ellen Hall


Jono Erwood


John Sandford


Mathew Watt


Annette Dudley


Grant Boyde


Amanda Harris


Vaughan Jones


Steve Beck

View our full Annual Report online at Stratford.govt.nz

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

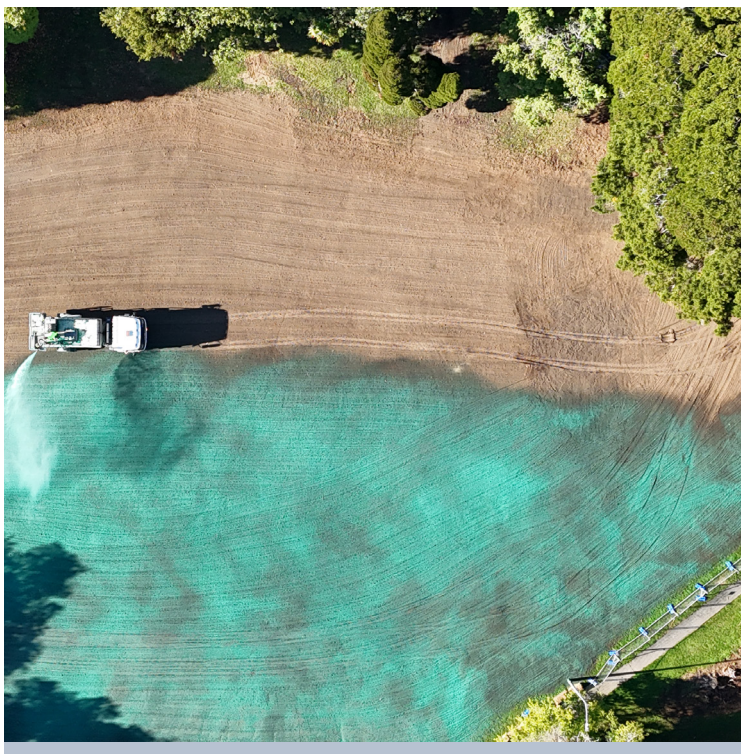
A year in pictures!



Wai o Rua - Stratford Aquatic Centre had 92,989 visitors.
(2023/24: 109,047)

Connected with and celebrated our 65+ community members through Positive Ageing events - part of our major community events programme.





The old TSB Pool Complex was demolished and the area returned to a green space.



Consulted on the future of water services delivery as part of Central Government's Local Water Done Well reforms. Received overwhelming community support on a stand alone in-house model.

Stratford schools saved over 135,000 milk bottle lids from ending up in landfill as part of our "Send ya lids to School" competition.





New retaining wall completed on Opunake Road



90% satisfaction score for parks and walkways from residents' survey.
(2023/24: 90%)



Pedestrian safety improvements on Broadway/ SH3 were completed. This work was fully funded by NZ Transport Agency Waka Kotahi.



Summer Nights concert in King Edward Park - one of our major community events.



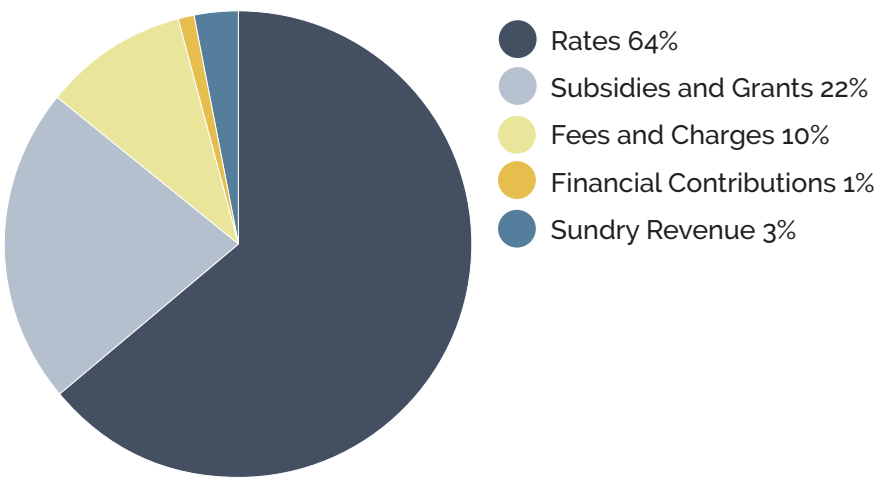
94% satisfaction score for Library services from residents' survey.
(2023/24: 97%)



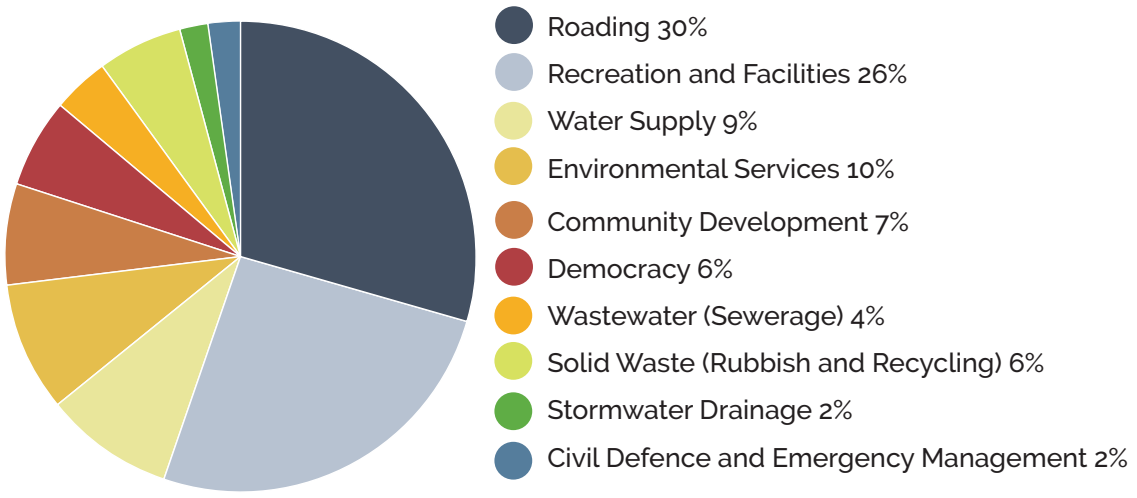
Waiwiri Road culvert replacement

Financial overview

Where the funding comes from



Where Council expenditure goes



Financial Performance

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

Summary of Statement of Comprehensive Revenue and Expense & Statement of Changes in Equity	Council			Group	
	Actual 2024/25	Budget 2024/25	Actual 2023/24	Actual 2024/25	Actual 2023/24
For the Year Ended 30 June 2025	**$000**	**$000**	**$000**	**$000**	**$000**
Operating Revenue	28,907	32,733	25,660	29,002	25,747
Less: Finance Costs	1,481	1,453	1,217	1,481	1,217
Less: Other Expenditure	26,717	25,582	24,500	27,033	24,818
Surplus (Deficit) before and after income tax	**709**	**5,698**	**(57)**	**488**	**(288)**
Revaluation of financial assets at fair value through other comprehensive revenue and expense	285	-	(49)	285	(49)
Gains/(Losses) on Property, Plant and Equipment Revaluation	-	-	52,003	-	52,003
Total comprehensive revenue and expense	**994**	**5,698**	**51,897**	**772**	**51,666**
Equity at the Beginning of the Year	493,835	478,803	441,936	496,984	445,321
Equity at the End of the Year	**494,829**	**484,602**	**493,835**	**497,757**	**496,984**
Comprising:					
Accumulated Funds	200,258	218,181	199,963	201,279	201,204
Reserves and Special Funds	9,206	7,813	8,793	9,206	8,793
Revaluation of financial assets at fair value through Other Comprehensive Revenue and Expense	(247)	-	(532)	(247)	(532)
Asset Revaluation Reserves	285,611	258,608	285,611	287,520	287,520
Equity at the End of the Year	**494,829**	**484,602**	**493,835**	**497,757**	**496,984**

Summary of Financial Position

Summary of Statement of Financial Position	Council			Group	
	Actual 2024/25	Budget 2024/25	Actual 2023/24	Actual 2024/25	Actual 2023/24
As at 30 June 2025	**$000**	**$000**	**$000**	**$000**	**$000**
Current Assets	12,122	9,387	9,646	12,331	9,995
Non-current Assets	525,986	520,167	525,071	528,737	527,920
Total Assets	**538,108**	**529,553**	**534,717**	**541,068**	**537,915**
Current Liabilities	14,279	6,959	10,182	14,309	10,231
Non-current Liabilities	29,000	37,992	30,700	29,000	30,700
Total Liabilities	**43,279**	**44,951**	**40,882**	**43,309**	**40,931**
Equity	**494,829**	**484,602**	**493,835**	**497,757**	**496,984**
Total Liabilities and Equity	**538,108**	**529,553**	**534,717**	**541,068**	**537,915**

Summary of Cash Flows

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

Summary Statement of Cash Flows	Council			Group	
	Actual 2024/25	Budget 2024/25	Actual 2023/24	Actual 2024/25	Actual 2023/24
For the year ended 30 June 2025	**$000**	**$000**	**$000**	**$000**	**$000**
Net Cash Flow from Operating Activities	9,198	12,417	6,400	9,060	6,298
Net Cash Flow from Investing Activities	(10,042)	(18,516)	(8,187)	(9,842)	(8,070)
Net Cash Flow from Financing Activities	2,000	5,513	3,000	2,000	3,000
Net Increase (decrease) in Cash, Cash Equivalents and Bank Overdrafts	**1,156**	**(586)**	**1,213**	**1,218**	**1,228**
Cash, Cash Equivalents and Bank Overdrafts at the beginning of the year	1,828	692	615	1,920	692
Cash, Cash Equivalents and Bank Overdrafts at the end of the year	**2,984**	**106**	**1,828**	**3,138**	**1,920**

Financial overview

Capital Expenditure

Capital expenditure totalled $9,014,000 for the year ended 30 June 2025 ($8,159,587 last year). The capital expenditure is mainly under budget due to NZ Transport Agency Waka Kotahi declined capital roading projects not proceeding and the deferring of the subdivision and Stratford Grit Tanks to 2025/26, due to still being in design phase.

Key variations to the budget are:	**Actual 2024/25**	**Budget 2024/25**
Capital expenditure per function area of Council For the year ending 30 June 2025	**$000**	**$000**
Recreation and Facilities	1,113	1,084
Democracy	283	308
Community Development	131	2,670
Roading	5,307	8,205
Stormwater Drainage	202	650
Wastewater (Sewerage)	864	885
Solid Waste	15	60
Water Supply	1,100	4,654
Total Expenditure	**9,015**	**18,516**

Net Deficit

The net surplus of $709,000, is less than the budgeted surplus of $5,698,000, primarily due to the decision of NZ Transport Agency Waka Kotahi to decline funding for some capital roading projects and the significant increase in depreciation due to higher than expected asset revaluations as at 30 June 2024.

Benchmarks

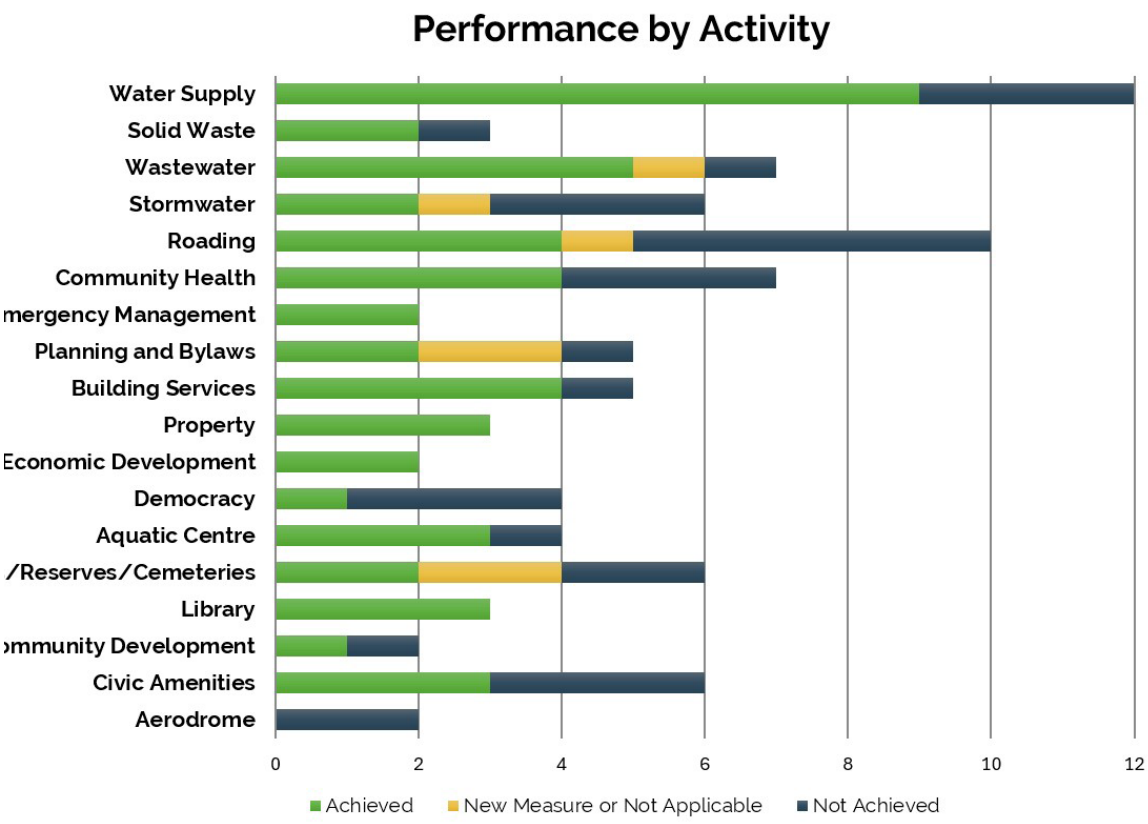
Net debt levels are within the targeted limits. Council has gross borrowings of $38.7 million at interest rates ranging from 1.04% to 5.67% and financial investments of $14.6 million. The actual rates increase of 15.37% was higher than budgeted and outside the LTP limit.

		Council's Target (limits)	Actual - 2024/25	Actual - 2023/24
Debt	Net debt as a % of total annual revenue	115%	89%	89%
Income & Affordibility	% Rates Increase	<7%	15.37%	7.84%

Non-financial performance measures

The following section summarises Council's performance against measures set out in the Long Term Plan 2024-34. The year 2024/25 is the first year of reporting against this plan.

Council has 89 performance measures which were set by Council during the Long Term Plan 2024-34 process. Of these, 52 measures were achieved, 30 measures were not achieved, and 7 measures were not applicable.





Stratford Library

Material measures disclosed include:

- 50% of residents were satisfied with roads in the Stratford District Council Annual Residents Survey (against a target of >50%).
- The average quality of ride on sealed road network, measured by smooth travel exposure for urban roads was 55% (against a target of >60%) and for rural roads was 95% (against a target of >91%).
- There was one abatement and one infringement notice and no enforcement orders, or convictions (against a target of <1) issued during the reporting period for our Wastewater networks. Further information is available in the 2024/25 Annual Report.
- Median response time (32 minutes against target of 2 hours) and resolution response time (1 hour, 40 minutes against target of 9 hours) for wastewater overflows are all within targets.
- Drinking water median response time (25 minutes against target of 2 hours) and resolution time (1 hour, 30 minutes against target of 9 hours) for urgent requests are within targets.
- The Council updated its measures to the Department of Internal Affairs (DIA) mandatory performance measures related to drinking water standards which covers the bacterial and protozoal compliance of water supplies, but now is directly referenced to the relevant rules in the Drinking Water Quality Assurance Rules 2022.
- Bacteriological Compliance – Six out of the seven rules were All met (100% compliance) with the exception of the Stratford Water Supply - D3.29 Microbiological Monitoring Rule, which was Partially met (91.67% compliance) due to two non-compliances. One due to a missed sample date and the other due to an E. coli MAV exceedance in a sample taken on 13 December 2024. These were rare instances and are not expected to occur again in 2025/26.
- Protozoal Compliance – All five of the rules were All met (100% compliance).

Notes

1. Part 6 Section 98(4)(b) of the Local Government Act 2002 requires councils to make publicly available a summary of the information contained in its Annual Report.

2. 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 $33 million and it does not have public accountability as defined by XRB A1 Application of the Accounting Standards Framework.

3. Stratford District Council's summary annual report is in compliance with PBE FRS-43 Summary Financial Statements and the financial statements have been prepared in New Zealand dollars. All values have been rounded to the nearest thousand dollars ($000).

4. The summary annual report does not include all disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding of the Council's financial performance as the full financial statements.

5. The full financial statements on which this summary is based received an unmodified opinion on the audited information, excluding the Statement of Service Provision, which received a qualified opinion. These were authorised for issue by the Council on 28 October 2025.

6. This summary financial report has been examined by the auditor for consistency with the full financial report. An unmodified auditor's report is included with this summary.

7. The above is a summary of the Annual Report, but you can view the full report by going to **Stratford.govt.nz** or phoning 06 765 6099.

Events After the Balance Date

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

New Zealand Local Government Funding Agency (NZLGFA)

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

As at 30 June 2025, NZLGFA had 77 council members and eight 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 2025, NZ LGFA had borrowings totalling $25.53 billion (2024: $23.84 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 tomeet any debt obligations if further funds were required.

Three Waters Service Delivery Reforms

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

In September 2024, the Coalition Government passed the Local Government (Water Services Preliminary Arrangements) Act 2024, driving a tight timeframe for developing and implementing objectives under the Local Water Done Well (LWDW) Policy. The framework includes the opportunity for councils to establish independent or joint Water Services Council Controlled Organisations (WSCCOs).

A critical component of the legislation is the statutory requirement for all Councils to submit a Water Services Delivery Plan (WSDP) to Central Government by 3 September 2025 that explicitly shows an assessment of Council's water infrastructure, how much is needed to invest, and how Councils plan to finance and deliver it through a preferred water service delivery model.

Following overwhelming community support for retaining water services in house, Council adopted a standalone business unit as the future delivery model for Water, Wastewater and Stormwater for the Stratford district. A water services delivery plan reflecting this choice was submitted on 29 August 2025. Council is currently awaiting a decision or further engagement on this by the Department of Internal Affairs.

There has been some unbudgeted expenditure as well as revenue arising from these reforms to date. More significant financial and organisational impacts are anticipated in the subsequent financial years, once a model has been confirmed by central government. This will trigger material changes to future Annual and Long Term plans irrespective of the final delivery model.

Independent Auditor's Report

To the readers of Stratford District Council and group's summary of the annual report for the year ended 30 June 2025

The summary of the annual report was derived from the annual report of the Stratford District Council (the Council) and group for the year ended 30 June 2025.

The summary of the annual report comprises the following information on pages 3 to 5:

- the summary statement of financial position as at 30 June 2025;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2025;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision (referred to as "Non-financial performance measures").

Opinion

In our opinion:

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

However, the summary statement of service provision information includes a limitation in scope to the equivalent extent as the full audited statement of service provision. This limitation is explained below in "The full annual report and our audit report thereon" section.

Summary of the annual report

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

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

The full annual report and our audit report thereon

We expressed a qualified opinion on the statement of service provision in the full audit report and an unmodified opinion on the other audited information in the full annual report for the year ended 30 June 2025 in our auditor's report dated 28 October 2025. The basis for our qualified opinion on the statement of service provision in the full audit report is explained below.

Statement of service provision: Our work was limited with respect to the average quality of ride on the sealed local road network, measured by smooth travel exposure

The District Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2024 (the Rules) made by the Secretary for Local Government. This includes the mandatory performance measure relating to 'The average quality of ride on the sealed local road network, measured by smooth travel exposure' disclosed on page 61 of the full annual report.

This performance measure is important as it is indicative of the quality of service provided to the community.

Reported performance of this performance measure is based on surveys of road roughness and traffic volumes. The traffic volumes are based on actual counts of certain roads and the use of these counts to estimate traffic volumes on the rest of the sealed local road network.

We were unable to obtain assurance over the reliability of estimated traffic volumes used in the calculation of this performance measure. This was because the actual traffic counts used as an input to estimated traffic volumes are not sufficiently up to date, with only a small portion of the road network having counts in the last two years. In addition, Council identified certain anomalies in its estimations of traffic volumes which are yet to be resolved.

Therefore, the Council does not have sufficiently reliable data to calculate the average quality of ride on the sealed local road network measured by smooth travel exposure. The actual quality of ride on the sealed local road network may differ materially from the result reported.

As a result of these issues, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported result for the performance measure.

Emphasis of matter – Future of water delivery

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to note 33 on page 128 of the financial statements in the full annual report, which outlines that in response to the Government's Local Water Done Well reforms, the Council has decided to retain water services in house, with the Council adopting a standalone business unit as the future delivery model for water, wastewater and stormwater.

There is some uncertainty as the proposal is yet to be accepted by the Secretary for Local Government.

Information about this matter is also disclosed on page 5 of the summary of the annual report.

Council's responsibility for the summary of the annual report

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

Auditor's responsibility

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

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

In addition to reporting on the summary and full annual reports, we have carried out a limited assurance engagement related to the Council's debenture trust deed, which is compatible with the independence requirements. Other than these engagements, we have no relationship with, or interests in, the Group.



Chris Webby
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand
21 November 2025

View our full Annual Report online at Stratford.govt.nz

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