



Te Kaunihera-ā-Rohe o Ngāmotu

**New Plymouth
District Council**

**COUNCIL
MEETING AGENDA**

**Tuesday 14 March 2023
at 1pm**

**COUNCIL CHAMBER
LIARDET STREET, NEW PLYMOUTH**

Chairperson:	Mayor Neil	Holdom
Members:	Cr Tony	Bedford
	Cr Sam	Bennett
	Cr Max	Brough
	Cr Gordon	Brown
	Cr David	Bublitz
	Cr Anneka	Carlson
	Cr Murray	Chong
	Cr Amanda	Clinton-Gohdes
	Cr Harry	Duynhoven
	Cr Bali	Haque
	Cr Te Waka	McLeod
	Cr Dinnie	Moeahu
	Cr Marie	Pearce
	Cr Bryan	Vickery

Purpose of Local Government

The reports contained in this agenda address the requirements of the Local Government Act 2002 in relation to decision making. Unless otherwise stated, the recommended option outlined in each report meets the purpose of local government and:

- Promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.
 - Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, or transfer the ownership or control of a strategic asset to or from the Council.
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OPENING KARAKIA

Kia uruuru mai	I draw in (to my being)
Ā hauora	The reviving essence
Ā haukaha	The strengthening essence
Ā haumāia	The essence of courage
Ki runga, ki raro	Above, below
Ki roto, ki waho	Within, without
Rirerire hau paimarire	Let there be peace



Health and Safety Message

In the event of an emergency, please follow the instructions of the bus driver or Council staff.

Please exit through the main doors.

Once you reach the footpath look for some clear space to congregate safely.

Staff will guide you to an alternative route if necessary.

If there is an earthquake – drop, cover and hold where possible. Please be mindful of the glass overhead.

Please remain where you are until further instruction is given.

APOLOGIES

None advised

CONFLICTS OF INTEREST

1. People who fill positions of authority must undertake their duties free from real or perceived bias. Elected members must maintain a clear separation between their personal interests and their duties as an elected member. Failure to do so could invalidate a Council decision and leave the elected member open to prosecution and ouster from office.
2. An elected member is entitled to interact with the Council as a private citizen. However, they cannot use their position as an elected member to gain an advantage not available to the general public.
3. Elected and appointed members will:
 - Declare any interest whether pecuniary or non-pecuniary at a meeting where the interest is relevant to an item on that agenda.
 - Exclude themselves from any informal discussions with elected members relating to a matter they have an interest in.
 - Seek guidance from the Chief Executive if they are unclear of the extent of any interest.
 - Seek guidance or exemption from the Office of the Auditor General if necessary.

ADDRESSING THE MEETING

Requests for public forum and deputations need to be made at least one day prior to the meeting. The Chairperson has authority to approve or decline public comments and deputations in line with the standing order requirements.

PUBLIC FORUM

Public Forums enable members of the public to bring matters to the attention of the committee which are not contained on the meeting agenda. The matters must relate to the meeting's terms of reference. Speakers can speak for up to 5 minutes, with no more than two speakers on behalf of one organisation.

- Heather Patin-Lewis
Notable Trees – Making a Resource and Building Consent system work

- Matt Bisson
 - 7.9 million from Central Government for the Gas/Carbon capture plant
 - Three Waters Reforms

DEPUTATIONS

Deputations enable a person, group or organisation to speak to the meeting on matters contained on the agenda. An individual speaker can speak for up to 10 minutes. Where there are multiple speakers for one organisation, a total time limit of 15 minutes, for the entire deputation, applies.

- Heritage Taranaki - Annual Plan matters. Deputation rescheduled from Extraordinary Meeting 7 March 2023. Presentation attached (ECM8940824).

- Justin Smith (EV Charging Framework) – TAB 1

- Peter Hewett (EV Charging Framework) – TAB 1



The state of heritage in the New Plymouth District



HERITAGE TARANAKI INC.



Mission

To promote the conservation of historic places in Taranaki and inspire the community to preserve these for current and future generations.

Committee

- 15 members of community
- STDC and NPDC representatives
- Heritage professionals, allied professionals and advocates

Public open house evenings



Public tours of archaeological sites



Built heritage significance assessments



Supporting regional historical societies





NEW ZEALAND
ARCHAEOLOGY WEEK



Web: HeritageTaranaki.com

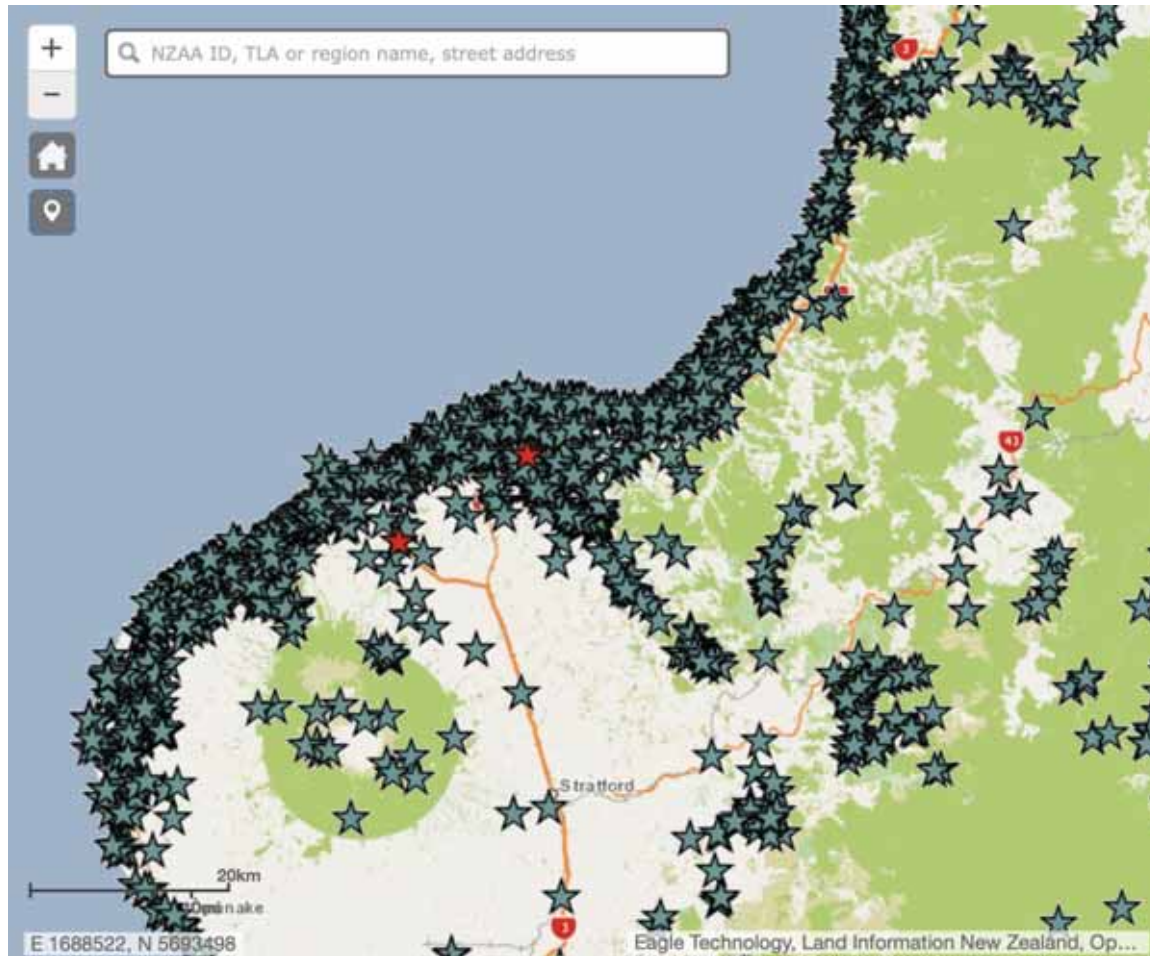
Facebook: [@heritagetaranakiincorporated](https://www.facebook.com/heritagetaranakiincorporated)

Our Heritage:

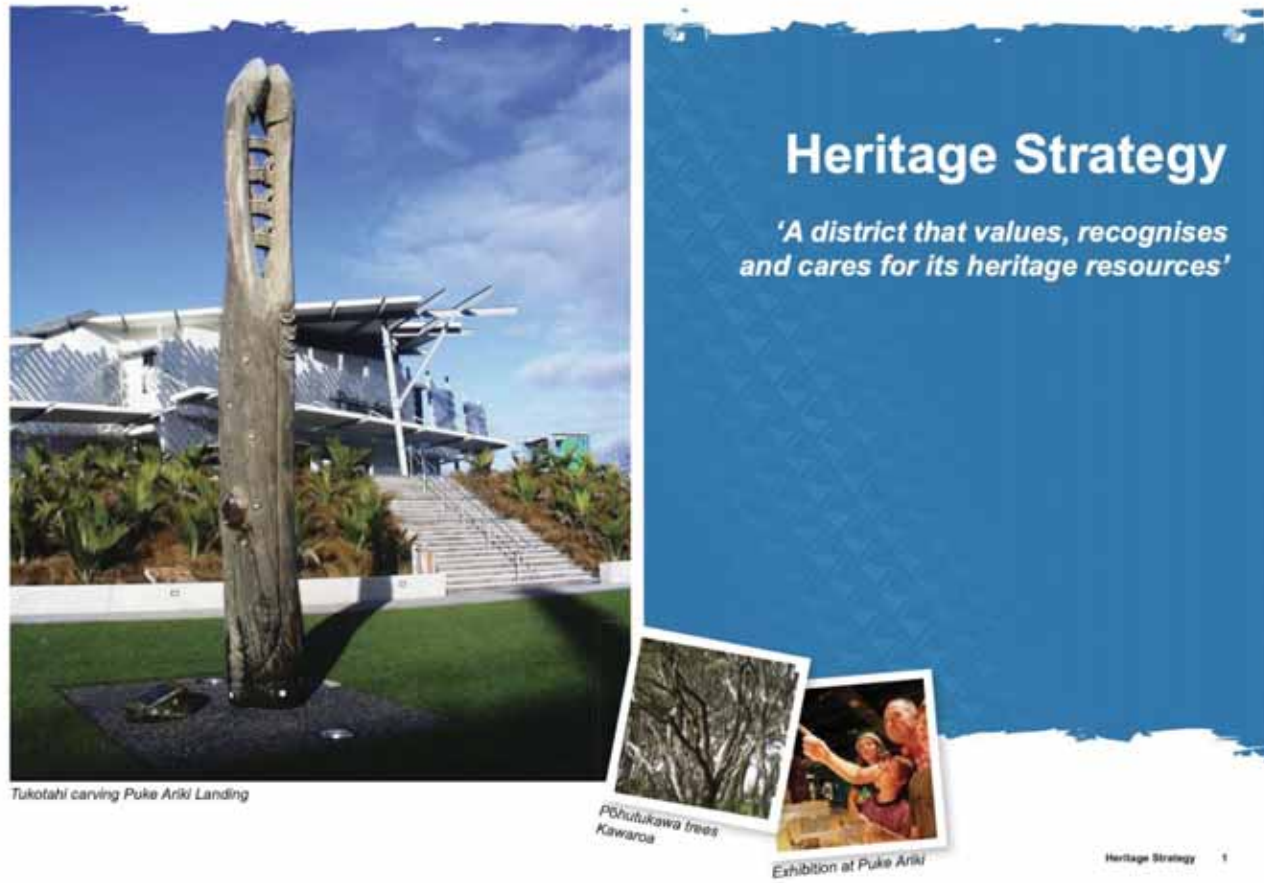
New Plymouth District



Sites, Objects and Taonga of Significance in New Plymouth



NPDC Heritage Strategy (2012)



Tukotahi carving Puke Ariki Landing

Pohutukawa trees
Kawarua

Exhibition at Puke Ariki

Heritage Strategy 1

Challenges to Heritage

New Plymouth District

Reduced hours proposed for the Taranaki Research Centre

Background:

- Purpose: Access archives, assist public, provide content for museum and exhibitions.
- Positions have been reduced and remain unfilled.
- Services are being reduced. Institutional knowledge is lost. Content can't be produced.

Request:

- We support a review of the library and TRC.
- Ask for your political support for increasing staffing levels and ensure open 7 days a week.

District plan submissions not followed through

Background:

- We submitted on the 2019 district plan and were unsuccessful.
 - Provided Heritage Buildings Reports supporting heritage listings for 90+ New Plymouth buildings.
 - Submission available at: shorturl.at/zKNPW
 - Several of them have since been demolished, others are under immediate threat of demolition (see HT Facebook).
- NPDC committed to seek additional resources to review our submission in July 2019.
- This has still not occurred.

Request:

- Ask for your support in providing an update as to why this was not followed through.
- Resource Council staff in annual plan.
- Addition of a Heritage Officer to NPDC



New Plymouth council admits more work needed to protect district's historic buildings

Andrew Owen • 05:00, Nov 03 2022



Solutions

1. Adequately resource Puke Ariki to allow the Taranaki Research Centre to operate as the research institution it was designed to be.
2. Adequately resource the NPDC planning team to fulfil the commitments made to Heritage Taranaki in 2019, with regard to our district plan submission.

PREVIOUS COUNCIL MINUTES

Recommendation:

That the minutes of the following meeting of the Council, and the proceedings of the said meeting, as circulated, be taken as read and confirmed as a true and correct record:

Extraordinary Council 07 March 2023 ECM 8941240

COMMITTEE MINUTES

Recommendation

That the minutes of the following meetings, as circulated be received and:

- a) Decisions made under delegated authority by the committees be incorporated in the minutes of this meeting of the Council.**

Strategy and Operations Committee	07 February 2023	ECM 8924211
Inglewood Community Board	15 February 2023	ECM 8928285
Clifton Community Board	16 February 2023	ECM 8930081
Waitara Community Board	17 February 2023	ECM 8931950
Kaitake Community Board	20 February 2023	ECM 8930161
Puketapu Bell-Block Community Board	21 February 2023	ECM 8932531
Community Development Committee	28 February 2023	ECM 8937257
Te Huinga Taumata	28 February 2023	ECM 8939516
Finance Audit and Risk Committee	7 March 2023	ECM 8941251

END

REPORTS

- 1 Electric Vehicle (EV) Charging framework
- 2 Supplementary Report on the Annual Report for the Year Ending 30 June 2022
- 3 NPDC Performance Report for the Period 1 July to 31 December 2022
- 4 Health, Safety & Wellbeing Quarterly Report – Period ending Dec 2022 – Due Diligence Obligations
- 5 The Sorting Depot Fees and Charges 2022/23
- 6 Surrender and Re-lease of Land – New Plymouth District Council to Papa Rererangi i Puketapu
- 7 Grant of Encroachment Licence – 28 Carrington Street, New Plymouth
- 8 Approval to Enter into a Lease – Bell Block Library and Service Centre
- 9 Approval to Enter into a Lease – Level 2, Civic Centre, New Plymouth
- 10 Exclusion of the Public for the Remainder of the Meeting

ELECTRIC VEHICLE (EV) CHARGING FRAMEWORK

MATTER / TE WHĀINGA

1. This report considers the options for installing Electric Vehicle (EV) charging stations for public use ([minute 4 Strategy and Operations Committee 16 Nov 2021](#)). This report also recommends that Council endorse an EV-charging framework.

RECOMMENDATION FOR CONSIDERATION / NGĀ WHAIKUPU

That having considered all matters raised in the report that Council:

- a) **Endorse the EV-charging framework in Appendix 1.**
- b) **Call for expressions of interest from EV-charging operators.**

STRATEGY AND OPERATIONS COMMITTEE RECOMMENDATION

2. The Strategy and Operations Committee endorsed the Officer's recommendation.

COMMUNITY BOARDS RECOMMENDATION

3. The Inglewood, Clifton, Waitara, Kaitake, and Puketapu-Bell Block Community Boards endorsed the Officer's recommendation.

TE HUINGA TAUMATUA RECOMMENDATION

4. Te Huinga Taumatua endorsed the Officer's recommendation.

COMPLIANCE / TŪTOHU	
Significance	This matter is assessed as being of some importance.
Options	<p>This report identifies and assesses the following reasonably practicable options for addressing the matter:</p> <ol style="list-style-type: none"> 1. Council endorses the EV-charging framework in Appendix 1 and call for expressions of interest from EV-charging operators. 2. Council does not endorse an EV-charging framework and continues to work with providers on a case by case basis. 3. Council considers the options for investing capital in creating council owned EV-charging assets.

COMPLIANCE / TŪTOHU	
Affected persons	The persons who are affected by or interested in this matter are the New Plymouth district community, Electric Vehicle owners within and outside the New Plymouth district.
Recommendation	This report recommends option 1 for addressing the matter.
Long-Term Plan / Annual Plan Implications	The implementation of the EV-charging framework can be undertaken within existing budgets.
Significant Policy and Plan Inconsistencies	No

EXECUTIVE SUMMARY / WHAKARĀPOPOPTOTANGA MATUA

5. It is recommended that Council adopt Option 1 of this report; to endorse an EV-charging framework in order to support public EV fast charging in the district.
6. Taking this approach will allow Council to support increasing the number of public fast chargers in the district from the current one fast charger at the New World supermarket.
7. An EV-charging framework has been developed and is recommended to apply until the district has a similar number of fast chargers to other comparable cities in New Zealand - a minimum of three fast charging sites, or the capacity to charge six EVs simultaneously.
8. Next steps are for New Plymouth District Council (NPDC) to publish an Expression of Interest to EV-charging operators, via Council procurement processes and work with the selected operator/s to select an appropriate site and implement the charging stations.
9. Any licence or changes to parking prohibitions would be brought to Council for approval.
10. Option 1 is in alignment with various Council plans and strategies, including the CBD strategy, the Integrated Transport Plan (in development), the Climate Action Framework and draft District-wide Emissions Reduction Plan, as well as the government's National Emissions Reduction Plan and various other plans and strategies from other government agencies.

BACKGROUND / WHAKAPAPA

11. Council considered a proposal to support in principle the installation of Tesla EV Chargers in November 2021. The proposal was not supported and Council resolved that *“Council officers investigate all options for the installation of an EV-charging station for public use and report back to Council within 12 months”*.
12. Tesla approached Council in 2022 and discussed an opportunity to install charging infrastructure at Puke Ariki carpark. The Council consulted with the community on this proposal and the level of community feedback showed support for more EV chargers. However, the terms of an agreement were not mutually agreed, so this was not progressed for Council consideration.

EV Vehicles and charging behaviours

13. Nationally, there are 44,310 registered EVs and 16,209 Plug-in Hybrid EVs (PHEV). In Taranaki there are 526 full battery EVs and 278 PHEVs registered as at 30 November 2022, with 439 EVs and 235 PHEVs in New Plymouth.
14. The introduction of lower purchase prices, recent subsidies and the expansion of public EV-charging has increased. Battery EV sales rose to record levels of 20 per cent of sales in December 2022 up from less than 4 per cent in January 2022.
15. 82 per cent of EV owners charge their vehicles at home, with other charging happening at workplaces or public chargers. Providing public charging does not necessarily benefit local owners of EVs for commuter and short trips, but is of most benefit for those outside the district travelling for work or pleasure.
16. The most common barrier to using a public charger is having to queue, and this issue is likely to increase as more EVs enter the market, if charging stations do not keep up with demand.

DC fast charging vs AC (Slow charging)

17. DC fast charging technology allows EV drivers to charge batteries from empty to 80 per cent in less than an hour. These facilities are suited to interregional travelling and best sited at 75km intervals nationally. Typically the user pays for the charge with an app or fob. The infrastructure often requires a dedicated transformer and is accessible to all EV drivers. Operators typically operate a nationwide network of these chargers for example Chargetnet. Tesla offers DC charging through its Supercharger network, however the connector types offered by the Supercharger network is not compatible with all EV brands.
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18. AC chargers are typically located outside retail or recreational properties and connected via the building's supply (however some have dedicated connections to the electrical network). Commercial property tenants often add these chargers as value adds to customers and guests at retail outlets, hotels and campsites. The charging is complementary to home charging as charging from empty could take between 6-12 hours. Most users consider it a "top up", or "electrified parking". Charging is often free, New Plymouth has these located at the Warehouse, Mitre 10 Mega and the airport.
 19. For further information on EV-charging types see Appendix Two.

EV-charging in the New Plymouth District

20. The current availability of DC fast EV-charging in New Plymouth is not comparable to other similar sized cities. There is one DC fast public charger in New Plymouth, located at New World supermarket. The charger, operated by Chargenet, allows for only one car to charge at a time. Additionally lack of redundancy has caused issues for tourists to the region with the Chargenet charger in New Plymouth, which has broken down several times recently.
 21. Slow chargers (AC chargers) range from AC<22KW that can take 12-24 hours to fully charge to AC -22-50KW that can take 4-7 hours to charge. There are AC (slow) chargers at five private businesses in New Plymouth that anyone can use. New Plymouth Airport has recently entered a joint venture with Powerco to install four public and two private AC chargers which are currently free to use (plus car parking fees).
 22. The typical length to charge an EV on a 50Kw DC fast charger is approximately 40-60 minutes, to a maximum of 80 per cent charge. Age and size of batteries can vary charging times.
 23. Regionally Hāwera, Opunake, Waverley, Wanganui and Mōkau have at least one DC fast EV-charging station available for the public to use.
 24. Chargenet has confirmed its EV charger at New World supermarket will be upgraded with additional chargers but were unable to provide a timeframe for this or a future roadmap of potential further New Plymouth sites in consideration.
 25. Fast chargers are in demand from visitors coming from outside the region for leisure and business. Fast chargers are best located in destination areas that are convenient, such as the central city and local town centres, providing an opportunity to shop or eat while charging.
 26. Fast chargers require significant infrastructure investment and typically require electrical network upgrades due to their high energy consumption.
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How are Councils involved in EV-charging ?

27. Councils are attractive to operators as they tend to own large portfolios of land and property and are already attracting the community and visitors to their facilities like galleries, museums and recreational reserves.
28. The commitment to supporting public EV-charging does vary by council and includes those who invest in their own charging stations and those who licence parking spaces with no financial compensation.
29. Hutt City Council worked together with Wellington City Council on a ratepayer funded project (with some EECA funding) to install Council-owned medium speed (not "Fast charging") EV charging infrastructure that was procured and installed. This will be managed by a third party and the council will retain the revenue when the project breaks even in 7-10 years.
30. Wellington City Council, Hutt City Council and Northland Regional Council have the most established networks and are working together with in joint ventures with the utility and neighbouring councils. Northland Regional Council is specifically trying to entice tourists from Auckland to visit using a trail of chargers along the Northland highways.

What are the options for NPDC to be involved in EV-charging ?

31. There are a range of options for Council to be involved in EV-charging.
 32. Using an EV-charging Framework, Council could communicate its conditions and expectations for entering a joint venture with an operator of a DC fast Charging Station. This provides clear direction to the market and a basis for negotiations. Council could seek Expressions of Interest to encourage competitive proposals from established operators. The framework would only apply until the district had comparable DC fast charging facilities to other destinations of its size. This is the preferred option.
 33. The Council could continue to work with providers on a case by case basis. This would involve reviewing each opportunity as it arises. An example is the offering from Meridian. Currently Meridian is offering to conduct feasibility studies in relation to installing AC chargers at NPDC public buildings such as the pool or library.
 34. Although the chargers are supplied at no cost they will feed from the existing electrical supply. There will need to be sufficient electricity capacity to ensure future requirements for electrical capacity can be met. There is no certainty this is feasible.
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35. Other AC chargers in the district have been successfully implemented by the private sector and have not needed any support from Council. Additionally these will use up car parking spaces close to our facilities, which may be inconvenient to non EV drivers. This proposal doesn't meet the demand for DC fast charging.
36. The Energy Efficiency and Conservation Authority provide co-funding for councils to procure and manage their own charging infrastructure either locally or for regional consortia to provide charging in regional hubs. Co-funding is offered to Local Government organisations who are willing to invest their own capital. There is no provision for this in the current or future Long-Term Plans (LTP).
37. Consortia are recommended for deploying large scale DC fast charging infrastructure hubs of 10 to 20 chargers. They rely on willing partnerships between local government, network utility companies, iwi and hapū and the commercial sector. This approach is future focused and again requires significant capital and/or time investment or from all parties. EECA is currently trialing these hubs with one in the North Island and one in the South Island. Currently stage one (of the two stage process) has closed (ROI and RFP), and successful RFP applications haven't been made publicly available so we're unable to say where these hubs will be located. Due to the trial status this is not a likely option at present.

Council could facilitate an increase in charging capacity

38. The Council has the opportunity to contribute to easing the current short fall in DC fast chargers in the district. Council can introduce a framework to communicate Council's expectations and conditions for considering proposals for DC fast charging infrastructure on council land.
39. Council hasn't signalled to operators what the requirements or it's position is on fast charging. Charging operators will still require approval for licences to occupy, satisfactory engagement and relevant consents prior to deployment.

EV-charging framework

40. In order to support EV fast charging in the district a framework has been developed to guide operators of EV chargers who would like to propose locating DC fast chargers on Council owned land (Appendix 1).
 41. This framework includes:
 - a) Rationale
 - b) Application and duration
 - c) Conditions for entering joint ventures
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- d) Implementation conditions
 - e) Site selection conditions
42. The framework is intended to remain in place until the district has facilities comparable to other cities of its size. After this time NPDC can review its need for future involvement in EV-charging according to the pace of development of EVs and their charging technology requirements.
43. This approach is not intended to preclude any consideration of future focussed EV-charging projects but provide an opportunity to close the current gap in provision in the district.

CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA ĀHUARANGI

44. Option 1, endorsing an EV-charging framework that will support EV fast charging in the district, is in alignment with the draft District-wide Emissions Reduction Plan, and supports the mitigation of climate change through the reduction of transport emissions.
45. Having an EV-charging framework which enables future charging stations will support residents and visitors to the New Plymouth. The support for provision of additional charging infrastructure allows visitors to New Plymouth who drive an EV to reliably access charging infrastructure when travelling long distances.
46. There is currently high demand on the single Chargenet charger at New World. Implementing the framework will provide a mechanism for further infrastructure to be deployed which will give EV drivers more certainty they can charge their car while in New Plymouth if they have driven in from the outside the region.
47. A key action in the National Emissions Reduction Plan is: Improving EV-charging infrastructure across Aotearoa to ensure that all New Zealanders can charge when they need to.
48. In order to reduce transport emissions, the approach will focus on rapidly adopting low emissions vehicles to meet a target of "increasing low emissions vehicles to 30 per cent of the fleet by 2035". The mechanisms to meet this target include:
- a) Clean vehicle discount
 - b) Development of a national EV-charging Strategy
 - c) Zero and low emissions truck funding
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- d) EV social leasing scheme
 - e) Scrap and replace scheme to enable low income groups to access low emissions vehicles.

THREE WATERS REFORM IMPLICATIONS

- 49. This matter does not involve an intended decision relating to, or affecting, the provision of water services.

NEXT STEPS / HĪKOI I MURI MAI

- 50. On endorsement of Option 1, Officers will implement the EV-charging Framework. Officers will initiate an Expression of Interest (EOI) for providers to put proposals to Council for supplying EV-charging on Council land. This will be undertaken via Council procurement processes. This process will outline the framework above to provide clear expectations to charging operators of Council requirements.
- 51. NPDC will then evaluate responses to the EOI and consider these against the EV-charging framework and identify a preferred supplier or suppliers.
- 52. NPDC will consider supporting the operator/s with site selection and deployment of a DC fast charger, within limits of the EV-charging Framework discussed above.
- 53. Any licence approvals and any changes to parking prohibitions will be brought to Council for approval as per standard Council reporting processes. An assessment will be made around compliance with the EV-charging framework.

SIGNIFICANCE AND ENGAGEMENT / KAUPAPA WHAKAHIRAHIRA

- 54. In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as being of some importance to the community.
 - 55. The council has adopted the Climate Action Framework, and successfully undertaken its own electric vehicle trial and is now considering other sustainable travel options. Supporting charging infrastructure providers to provide publicly available charging facilities aligns with this intent.
 - 56. The proposed Framework is aligned with the Council's Climate Action Framework and the intent of the draft Emissions Reduction Plan and the goal to reduce emissions in the district.
 - 57. The National Emissions Reductions Plan has key initiatives that support focusing on low-emissions vehicles including improving EV-charging infrastructure.
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- 58. The EV-charging framework will clearly signal to providers Council's expectations around charging infrastructure on council land. This will ensure a clear and consistent process for charging and outlines Council's role in providing land for publicly accessible charging infrastructure.
 - 59. Implementing the EV-charging framework can be undertaken under existing budgets and does not require capital investment from Council. Any specific proposals will require separate Council approval.
 - 60. Prior to this report, community feedback was gathered on an earlier proposal for an EV-charging to be installed by Tesla at Puke Ariki. Feedback was largely supportive for more EV-charging in the district. Details of this engagement can be found at Appendix Three.
 - 61. Taking into account the above matters the matter is considered of some importance as it will assist Council decision making in regards to accelerating the opportunity for fast chargers in the district.

OPTIONS

- 62. Three options have been considered for this matter:
 - Option 1** Council endorses the EV-charging framework that will support EV fast charging in the district on Council-owned land.
 - Option 2** Council does not endorse an EV-charging framework and continues to work with providers on a case by case basis.
 - Option 3** Council considers investing capital in creating council owned EV-charging assets.

Option 1 - Council endorses the EV-charging framework in Appendix 1.

Financial and Resourcing Implications / Ngā Hīraunga ā-pūtea, ā-rauemi

- 63. This report recommends endorsement of a framework for providers to supply EV fast charging on Council land. Officers will implement the framework within existing budgets. The EV-charging Framework requires costs to be met by the provider and any loss of revenue by Council (ie: from carparking) is expected to be reasonably compensated. Financial and Resourcing implications for each EV-charging site will be considered prior to confirming installation sites.

Risk Analysis / Tātaritanga o Ngā Mōrearea

- 64. There are limited risks of endorsing the framework itself as it provides certainty to providers on Council requirements.
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65. The framework ensures that risks for Council are managed by ensuring liability and costs sit with the provider. Further Council approvals will be required on detailed proposals allowing for consideration of the risks of any site-specific proposals.

Promotion or Achievement of Community Outcomes / Hāpaitia / Te Tutuki o Ngā Whāinga ā-hāpori

66. Option 1 provides Council with the opportunity to support partnership, community, sustainability and prosperity outcomes.
67. Supporting increasing EV-charging facilities supports the uptake of EVs both within and outside the district, allowing for the reduction of transport emissions.
68. Supporting increasing of EV-charging sites also encourages EV drivers from outside the district to visit New Plymouth, contributing positively to the local economy

Statutory Responsibilities / Ngā Haepapa ā-ture

69. There are no statutory responsibilities that apply to endorsing the framework. Statutory requirements will be met through the implementation of the EV-charging Framework.

Consistency with Policies and Plans / Te Paria i ngā Kaupapa Here me ngā Mahere

70. Option 1 is consistent with Council's vision for a Sustainable Lifestyle Capital, as well as the following NPDC plans and strategies:
- a) CBD Strategy – the strategy discusses limited certain areas to be car light, with the exception of low emissions vehicles.
 - b) Climate Action Framework – the draft District-wide Emissions Reduction Plan aims to lower community emissions.
 - c) Integrated Transport Plan (ITP) – in development – the ITP will provide the 30+ year vision for the district's transportation requirements and will promote the use of integrated modes and support emissions reduction from transport.

Participation by Māori / Te Urunga o Ngāi Māori

71. Council recognises iwi and hapū as mana whenua, and will work with relevant parties on potential site selection and implementation requirements
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Community Views and Preferences / Ngā tirohanga me Ngā Mariu ā-hāpori

72. There is interest from the community both within and outside the district around increasing DC fast charging in New Plymouth.
73. Prior to this report, community feedback was gathered on an earlier proposal for an EV-charging to be installed by Tesla at Puke Ariki. Feedback of this proposal was largely supportive towards EV-charging, and details of this engagement can be found at Appendix Three.

Advantages and Disadvantages

74. Advantages of this option include:
 - a) Potential to accelerate the provision of fast chargers in the district by clearly outlining Councils position and proactively seeking interest.
 - b) Council can direct operators to the preferred sites it would like public EV-charging coverage, and ensures each operator has a fair chance at acquiring a public site.
 - c) Allows the operator to carry the cost of infrastructure, installation and legal costs, including the cost to upgrade the electrical infrastructure.
75. The disadvantage of this option is that it relies on a third party to provide fast chargers.

Option 2

Council does not endorse the EV-charging framework and works with providers on a case by case basis

Financial and Resourcing Implications / Ngā Hiraunga ā-pūtea, ā-rauemi

76. The financial and resourcing implications of this decision is limited to officers' time responding to enquiries from operators and feedback from the community and public around Council's support of EV fast charging. The financial and resourcing implications for each EV-charging site would be considered on a case by case basis prior to confirming installation sites.

Risk Analysis / Tātaritanga o Ngā Mōrearea

77. If no further sites are provided in the District there is reputational risk that Council is perceived as not being proactive in promoting the opportunity for EV-charging in the District. The Council may be perceived as not being aligned with its own plans and strategies, as well as national direction on reducing transport emissions.
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Promotion or Achievement of Community Outcomes / Hāpaitia / Te Tutuki o Ngā Whāinga ā-hāpori

78. This option would not allow for Council to promote or achieve its community outcomes, particularly those relating to sustainability.

Statutory Responsibilities / Ngā Haepapa ā-ture

79. There are no statutory responsibilities that apply to this option.

Consistency with Policies and Plans / Te Paria i ngā Kaupapa Here me ngā Mahere

80. Option 2 is not consistent with Council's vision for a Sustainable Lifestyle Capital, or the following NPDC plans and strategies:
- a) CBD Strategy – the strategy discusses limited certain areas to be car light, with the exception of low emissions vehicles.
 - b) Climate Action Framework – the draft District-wide Emissions Reduction Plan aims to lower community emissions.
 - c) Integrated Transport Plan (ITP) – in development – the ITP will provide the 30+ year vision for the district's transportation requirements and will promote the use of integrated modes and support emissions reduction from transport.

Participation by Māori / Te Urunga o Ngāi Māori

81. Council recognises iwi and hapū as mana whenua, and will work with relevant parties on any site specific proposals on a case by case basis.

Community Views and Preferences / Ngā tirohanga me Ngā Mariu ā-hāpori

82. This option does not support community feedback gathered on an earlier proposal for an EV-charging to be installed by Tesla at Puke Ariki and the draft District-wide Emissions Reduction Plan, details of which can be found at Appendix Three. This feedback supports increased EV-charging in the district.

Advantages and Disadvantages

83. The advantage of this option is that financial and resourcing implications are limited to officer response time to enquiries. This is because officers will not be required to implement a framework and associated processes. Council can still consider proposals that come from providers on an ad hoc basis.

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84. The disadvantages of this option include:
- a) The lack of clear signal to operators about how the Council intends to work with them. This could result in work on both sides which does not eventuate in a desired outcome.
 - b) Reputational risk of Council not being proactive in supporting EV-charging.
 - c) Inability for Council to support the reduction of transport emissions in the district.

Option 3

Council considers the options for investing capital in creating council owned EV-charging assets.

Financial and Resourcing Implications / Ngā Hiraunga ā-pūtea, ā-rauemi

85. This option would require NPDC to provide capital investment in procuring and managing its own charging infrastructure
86. There is currently no capital funding for this type of project and therefore this funding would need to be sought via the next Long-Term Plan.
87. There is the potential to receive co-funding via central government through EECA. However, to qualify for this, Council would need to demonstrate commitment to the project through the Long-Term Plan and the ability to fund the project in its entirety if the funding bid was unsuccessful.

Risk Analysis / Tātaritanga o Ngā Mōrearea

88. There is a risk that this process would take a long time to deliver increased charging provision, due to the reliance on the LTP timeframes.
89. There is a risk that a co-funding bid may not be approved, and the cost of the project may fall entirely on Council.
90. There is a risk that the community would not support this level of investment and therefore increased chargers not provided.

Promotion or Achievement of Community Outcomes / Hāpaitia / Te Tutuki o Ngā Whāinga ā-hāpori

91. Option 3 provides Council with the opportunity to support partnership, community, sustainability and prosperity outcomes.
92. Supporting increasing EV-charging facilities supports the uptake of EVs both within and outside the district, allowing for the reduction of transport emissions.
-

-
93. Supporting increasing of EV-charging sites also encourages EV drivers from outside the district to visit New Plymouth, contributing positively to the local economy.

Statutory Responsibilities / Ngā Haepapa ā-ture

94. There is no statutory responsibility for Council to provide EV-charging directly.

Consistency with Policies and Plans / Te Paria i ngā Kaupapa Here me ngā Mahere

95. Option 3 is consistent with Council's vision for a Sustainable Lifestyle Capital, as well as the following NPDC plans and strategies:
- a) CBD Strategy – the strategy discusses limited certain areas to be car light, with the exception of low emissions vehicles.
 - b) Climate Action Framework – the draft District-wide Emissions Reduction Plan aims to lower community emissions.
 - c) Integrated Transport Plan (ITP) – in development – the ITP will provide the 30+ year vision for the district's transportation requirements and will promote the use of integrated modes and support emissions reduction from transport.

Participation by Māori / Te Urunga o Ngāi Māori

96. Council recognises iwi and hapū as mana whenua, and will work with relevant parties on potential site selection and implementation requirements.

Community Views and Preferences / Ngā tirohanga me Ngā Mariu ā-hāpori

97. There is interest from the community both within and outside the district around increasing DC fast charging in New Plymouth.
98. Prior to this report, community feedback was gathered on an earlier proposal for an EV-charging to be installed by Tesla at Puke Ariki. Feedback of this proposal was largely supportive towards EV-charging, and details of this engagement can be found at Appendix Three.

Advantages and Disadvantages

99. Advantages of this option include:
- a) Potential to gain co-funding for delivery of Council owned assets.
 - b) Potential to increase the provision of fast chargers in the District by providing infrastructure directly.
-

-
- c) Council can directly install on sites it would prefer public EV-charging coverage or benefits for the local economy.
 - d) Council can expect payback of deployment cost over 8-10 years by recovering the costs from EV drivers.

100. Disadvantages of this option are

- a) This option will take longer than an established operator could deploy therefore shortfall in EV-charging is not remedied in a timely manner.
- b) This option would divert funding from other community projects.
- c) Capital costs and operational liability fall on Council.
- d) Technology may move on before payback for deployment is achieved.

Recommended Option

This report recommends Option 1 – Council endorses the EV-charging Framework that will support EV fast charging in the district on Council-owned land for addressing the matter.

APPENDICES / NGĀ ĀPITIHINGA

Appendix 1	NPDC EV Fast Charging Framework (ECM8913567)
Appendix 2	Types of EV Chargers (ECM8910619)
Appendix 3	Community views on EV-charging (ECM8910939)

Report Details

Prepared By:	Juliet Johnson
Team:	Planning & Infrastructure
Approved By:	Kevin Strongman, Group Manager Planning & Infrastructure
Ward/Community:	New Plymouth
Date:	17 January 2023
File Reference:	ECM 8910617

-----*End of Report*-----

Appendix 1

New Plymouth District Council EV Fast Charging Framework

EV charging framework rationale

1. The EV charging framework will guide suppliers of EV chargers when applying for approval to locate charging stations on Council owned land.

EV charging framework application

2. The framework is in place until the district has a minimum of three fast charging sites within the district, or the capacity to charge six EVs simultaneously.

Conditions for entering joint ventures with NPDC for EV charging

3. Council will consider entering a joint venture for the provision of fast or ultrafast DC public charging with an established commercial fast charging company, with an existing network across New Zealand.
4. Council's role in the joint venture will be limited to being the landowner of the site for the charging station. Any public or commercial liability for the operation of the site rests on the operator.
5. The joint venture proposal will meet the definition of public charging¹ as defined by Waka Kotahi.

EV charging framework – implementation conditions

6. Charging infrastructure, including connector types, will adhere to Waka Kotahi guidance² for public charging criteria.
7. Costs for feasibility, establishment, infrastructure and legal and conveyancing and deployment costs of both parties will be borne by the applying operator, whether the site progresses or not.
8. Council will not consider public third-party advertising on EV charging sites to offset cost to the operator. However, co-funding sponsorship branding will be acceptable, conditional on meeting consenting requirements.

¹ <https://www.nzta.govt.nz/planning-and-investment/planning/transport-planning/planning-for-electric-vehicles/national-guidance-for-public-electric-vehicle-charging-infrastructure/public-charging-infrastructure-definition/>

² <https://www.nzta.govt.nz/assets/planning/EV-connectors-and-socket-outlet-recommendations.pdf>

9. Any approvals required through the District Plan will need to be sought and paid for by the applying operator.
10. Approval by Council will be required for any licence to occupy land greater than five years, as this exceeds Council officer delegation. Any changes to parking prohibitions will be subject to consultation with the community and approval at Council, as per the Traffic bylaw³.

EV charging framework – site selection conditions

11. Council owned land as a potential site for a charging station will be considered on road reserve or in off-street car parks controlled by NPDC in New Plymouth CBD and local centre zones, Inglewood, Waitara, Ōkato, Fitzroy, Ōakura, Westown, Bell Block, or other locations.
12. Sites selected for EV charging on Council land will need to be in locations fit for purpose. Sites will need to be safe and accessible for the public to use 24 hours a day, 365 days per year.
13. The current and future activity on the site is required to, at all times, co-exist with operating a charging station for the duration of the licence to occupy.
14. New Plymouth CBD sites will only be considered in:
 - a) Road reserve which can be feasibly converted from roading use to charging bays at the expense of the operator
 - b) Established unmetered car parking bays which are time restricted
 - c) Established unmetered car parks which are not time restricted
 - d) Metered car parking bays may be considered where the revenue generally generated by these bays is reasonably compensated by the applying operator in the terms of the licence to occupy.
 - e) Other land in the central city deemed appropriate for carparking
15. The operator will ensure the required upgrades to the network capacity are installed to meet or improve the capacity required by the charging station.
16. The operator is required to demonstrate the site against evaluation guidance provided by Waka Kotahi⁴ to determine if it meets best practice requirements

³ [Microsoft Word - Traffic Bylaw \(npdc.govt.nz\)](#)

⁴ <https://www.nzta.govt.nz/planning-and-investment/planning/transport-planning/planning-for-electric-vehicles/national-guidance-for-public-electric-vehicle-charging-infrastructure/setting-up-public-charging-infrastructure/evaluating-a-site/>

APPENDIX 2

EV charging behaviour according to need

EV charging divides roughly into three methods. These are:

- i. Home and workplace charging
- ii. Opportunity charging
- iii. Journey charging.

The technology and required infrastructure are different for each, as per table below:

Charger type	AC <22KW	AC or DC – 22-50KW appx.	DC >50KW
Suited to	<ul style="list-style-type: none"> • Home charging or workplace Opportunity charging. 	<ul style="list-style-type: none"> • Opportunity charging • Journey charging • Destination charging. 	<ul style="list-style-type: none"> • Journey charging.
Also known as	<ul style="list-style-type: none"> • Trickle charging • Slow charging • Electrified parking. 	<ul style="list-style-type: none"> • Medium charge • Electrified charging. 	<ul style="list-style-type: none"> • Destination charging • Fast charging • Rapid charging • Hyper charging.
Minutes to charge	From 8km/30 mins to 20km/30 mins.	40km/30 mins.	100-170km/30 mins.
Charging behaviour	<ul style="list-style-type: none"> • Overnight charging • “Electrified parking” • Battery top-ups over shorter periods of 1-2 hours. 	<ul style="list-style-type: none"> • Battery tops ups at convenient locations • Longer dwell times at shopping centres • Destination recreation and culture sites • Big box retail. 	<ul style="list-style-type: none"> • Interregional travel • Tourism • Business travel.
Suited to	<ul style="list-style-type: none"> • Visitors of amenities with long dwell times • Homes • Workplaces • Overnight fleet charging. 	<ul style="list-style-type: none"> • Visitors of amenities with moderate dwell times. 	<ul style="list-style-type: none"> • Tourists • Visitors • Business travellers.

Charger type	AC <22KW	AC or DC – 22-50KW appx.	DC >50KW
Needs electrical upgrades?	Dependent on number of charging points required. Often connected to existing supply on the facility.	Likely to require some upgrading.	Often requires both a transformer and distribution upgrade to be installed.
BYO cable?	Often 'untethered' chargers which require drivers to BYO charging cable.	No.	No.
Cost to driver if used away from home	Often offered free or for a small donation, or, included in other costs (hotels/campgrounds). Workplaces may charge staff who are regular users.	Usually paid on mobile phone app, moving towards Paywave.	Paid on mobile phone app. Typically \$10/100kms charge.
Reasons for installing as public charging	<ul style="list-style-type: none"> • Incentive to spend money with a retailer/service provider • Fleet charging for business, allowing other users for limited user in return for donation/small charge. 	<ul style="list-style-type: none"> • Used to fill gaps in charging network • Attract visitors. 	<ul style="list-style-type: none"> • Increase network capacity • Improve redundancy where only one fast charger exists.
Who deploys these chargers?	<ul style="list-style-type: none"> • Councils at recreation/culture sites • Businesses • Hotels • Campsites • Domestic EV drivers in their homes • Fleet managers. 	<ul style="list-style-type: none"> • Councils support these on public road reserve and carparks at i-Sites etc • Retail chains like New World and The Warehouse. 	<ul style="list-style-type: none"> • ChargeNet • Tesla.
Can NPDC operate this independently of a third party?	Yes, with minimal investment (see public charging operating requirements).	Yes, with significant investment (see public charging operating requirements).	No, this would require a consortium for co-funding or minimally, a third-party operator, utility upgrades and approval from other landowners for power easements.
Third party operators that have approached NPDC	<ul style="list-style-type: none"> • Jolt • Meridian • Tesla. 	<ul style="list-style-type: none"> • ChargeNet • Meridian. 	<ul style="list-style-type: none"> • Tesla • ChargeNet.

APPENDIX THREE

Community views on EV charging

The views below were gathered on a proposal to use Puke Ariki as a Tesla Supercharger site for EV charging.

The feedback from the community was largely supportive (53 v 4). Responses were received from both inside and outside the region.

Reasons for being supportive of the proposal included:

- New Plymouth is severely lacking in EV infrastructure and this should be resolved urgently. Several indicated that lack of charging deterred visitors from visiting the district.
- Visitors charging their EVs contribute to the local economy while charging, through using hospitality businesses and retail opportunities nearby.
- The proposed site is a good choice for public amenity, easy to find and offers security.
- Supporting EV chargers contributes to emissions reduction.

Those not supporting the proposal indicated that:

- As parking was at a premium, Tesla owners shouldn't get exclusive access to parking spaces even for charging.
- EV charging shouldn't be afforded nominal terms to licence public land where this wouldn't be offered to petrol stations.
- The site was deemed important to parents visiting Puke Ariki with young children and reducing the general parking capacity would be an inconvenience for this segment of the community.

Those not in favour of the proposal were not against improving the level of EV charging in New Plymouth in principle.

Feedback to the *draft District-wide Emissions Reduction Plan*, generated a number of items of feedback around the lack of EV charging in the district, and a desire for Council to support EV charging initiatives as well as compel developers to install EV charging, even though EV charging was not mentioned specifically within the Draft Plan.

Officers often receive feedback from EV drivers from outside the district which express disappointment in the standard of EV charging infrastructure. Additionally, enquiries about the likelihood of future installations are also received.

SUPPLEMENTARY REPORT ON THE ANNUAL REPORT FOR THE YEAR ENDING 30 JUNE 2022

PURPOSE / TE WHĀINGA

1. The matter for consideration by Council is to adopt New Plymouth District Council Annual Report for the year ended 30 June 2022.

RECOMMENDATION FOR CONSIDERATION / NGĀ WHAIKUPU

That, having considered all matters raised in the report Council adopt the Annual Report for the year ending 30 June 2022, subject to changes (if any) recommended by Audit New Zealand.

SIGNIFICANCE AND ENGAGEMENT / KAUPAPA WHAKAHIRAHIRA

2. This report is provided for information purposes only and has been assessed as being of some importance.

EXECUTIVE SUMMARY / WHAKARĀPOPOPTOTANGA MATUA

Audit Report

3. Audit New Zealand has issued an unmodified opinion on the financial statements. An Emphasis of Matter paragraph was noted regarding the Three Waters Reform. At the time of writing this report, three matters were still outstanding from audit. An update on these will be provided by Audit New Zealand during the meeting.

Financial reporting

4. Council finished the year with a \$5.4 million surplus. This is \$19.6 million below the projected 2021-2031 LTP surplus of \$25 million. The primary drivers for this variance are the reduction in the Perpetual Investment Fund (PIF) investment gains and the timing of receipting for subsidies and grants for capital expenditure.

Management reporting

5. The Annual Report is prepared in accordance with Generally accepted accounting principles (GAAP). This requires the inclusion of several transactions that cannot be used to fund operations. Therefore, the Annual Report surplus/deficit differs to the rating surplus/deficit that is reported to Council in the quarterly financial performance updates.
-

Non-Financial reporting

6. Council has achieved 79%, or 85 of its 108 non-financial performance measures. Covid disruptions and other global impacts have impacted Council's performance against its set targets.

BACKGROUND / WHAKAPAPA

7. Legislation requires Council to prepare an Annual Report and have it audited within four months of the financial year-end. However, due to Covid-19 the Office of the Auditor General has extended this deadline to 31 December 2022. This is the second year that this deadline has been extended.
8. Due to Audit New Zealand and WSP resourcing constrains Council has not met the extended statutory timeframe for the adoption of the Annual Report. This was a nationwide issue with 30 other Councils, audited by Audit New Zealand alone, also missing the deadline. There are no consequences to this breach for Council, however, this is noted in Audit New Zealand's audit opinion.
9. The purpose of the Annual Report is to report against measures and outcomes agreed to within the 2021-2031 Long-Term Plan. Audit New Zealand conducts an audit of the Annual Report and issues an audit opinion and an audit Management Report. The Annual Report consists of the Parent (New Plymouth District Council) and its Council Controlled Organisations' (CCO) financial statements.
10. On the 27 September 2022, the Parent financial statements were presented to Council. Due to the September deadline of delivering the report to Council, the CCO's financials were not consolidated in the Annual Report at the time. However, as the CCO's financials are independently prepared and audited, a recommendation was made by Council for the adoption of the full Annual Report, subject to changes recommended by Audit New Zealand since that date.

Audit Report

11. It is pleasing to note that Audit New Zealand have issued an unmodified opinion on the financial statements as per Appendix 1.
 12. However, Audit New Zealand has noted an 'Emphasis of Matter' regarding the Three Waters Reform and the legislation introduced by Central Government in June 2022 to establish four publicly own water services entities to take over responsibilities for service delivery and infrastructure from local authorities, with effect from 1 July 2024. The purpose of the Emphasis of Matter, which will be a standard disclosure for Councils that own and operate three water assets, is to draw attention to a matter that is fundamentally important to the users' understanding of the financial statements or the audit.
-

-
- 13. For completeness, a disclosure has also been included in the Events post Balance Date note 28 of the Annual Report.
 - 14. At the time of writing this report, three matters were still to be closed off by audit: Private equity portion of the PIF investment, three waters and roading assets revaluations. An update on these matters will be provided by Audit New Zealand at the meeting.

Financial reporting

- 15. Council finished the year with a \$5.4 million surplus. This is \$19.6 million below the projected 2021-2031 LTP surplus of \$25 million. The primary drivers for this variance are the reduction in the Perpetual Investment Fund (PIF) investment gains and the timing of receipting for subsidies and grants for capital expenditure. Note 2 of the Annual Report provides a breakdown of the other items that also contribute to this variance.
- 16. Subsequent to Council's consideration in September 2022, the changes to the draft that have impacted the Parent Annual Report Surplus/(Deficit) are explained below:

Council meeting date		27/09/2022	20/12/2022	Change	Ref	Explanation for change
Statement of Other Comprehensive Revenue and Expense (OCRE)						
	AR note	\$'000	\$'000	\$'000		
Rates	4	110,387	110,387	-		
Subsidies and grants	5	22,930	22,930	-		
Development and financial contributions		3,315	3,315	-		
Other revenue	6	33,815	50,145	(16,330)	a	reclassification of derivative financial instrument gains
Interest revenue	27	1,502	1,502	-		
Investment revenue	6	3,935	3,824	111	b	reclassification of gains to OCRE
Total operating revenue		175,884	192,103	(16,219)		
Personnel costs	7	(51,417)	(50,818)	(599)	c	reclassification of internal charges
Other expenses	8	(62,971)	(83,168)	20,197	a,c,d	a,c,d plus 2.1M coastal railway crossing land vested to Kiwi Rail and 1.1M reclassification of intangible assets
Waitara Lands Act distributions	15	(3,437)	(3,277)	(160)	d	
Depreciation and amortisation expenses	9,11	(42,008)	(43,016)	1,008	e	-101k correction to depreciation due to reclassification of asset from Intangible to operating expense; 1.109M asset revaluation impact
Interest expense	27	(6,468)	(6,468)	-		
Total operating expenditure		(166,301)	(186,747)	20,446		
Share of joint ventures surplus	13	1	1	-		
Surplus/(deficit) before taxation		9,584	5,357	4,227		
Income tax refund	22	-	-	-		
SURPLUS/(DEFICIT) AFTER TAXATION		9,584	5,357	4,227		
Other Comprehensive Revenue and Expense (OCRE)						
Financial assets fair value through OCRE	23	-	111	(111)	b	as per above
Total other comprehensive revenue and expense		0	111	(111)		
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		9,584	5,468	4,116		

Management reporting

17. It is important to note that the Annual Report is prepared in accordance with accounting standards that considers all inflows as revenues. However, some of the revenue reported is either non-cash or targeted for a specific use and cannot be used to fund operating expenditure. For example, non-cash such as vested assets; tied to a specific use such as the PIF investment gains; or dedicated to capital funding such as Waka Kotahi NZ Transport Agency subsidies and the Department of Internal Affairs contributions towards the Three Waters Reform.

18. The table below provides a reconciliation between the Annual Report financial accounting surplus of \$5.4 million and the management reporting rating deficit of \$3 million:

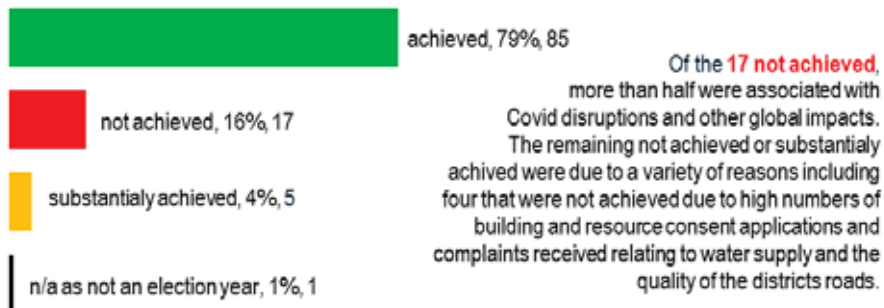
Annual Report ref	\$M Description
	5.4 Annual Report surplus
notes 9,11	43.0 accounting entry to recognise depreciation and amortisation
WOC FIS	-22.6 depreciation funded to renewals reserves
note 15	3.3 accounting entry to recognise Waitara freehold and leasehold distributions
note 14d	6.6 net loss on PIF investment
note 5	-14.8 grants and subsidies revenue for funding capital
note 6/Cflw	-16.0 accounting entry to recognise gains on derivative financial instruments
note 6/Cflw	-0.5 accounting entry to recognise forestry fair value gains
Cflw	0.4 accounting entry to recognise loss on sale of assets
note 3/Cflw	-4.5 accounting entry to recognise vested assets
note 3	-3.3 revenue recognised to fund development contributions
	-3 Rates deficit

Non-financial reporting

19. Council has 108 non-financial performance measures. The targets set against each measure, the corresponding results and commentary are set in the Council Services section of the Annual Report. Below is a summary of the 2021-22 results:

Non-financial performance measures

Council has **achieved 79%**, or **85** of its 108 non-financial performance measures set through the Long-Term Plan 2021-2031.



Summary Annual Report

20. Attached in Appendix 2 is the Summary Annual Report. Council is required to publish a copy of the Summary Annual Report within one month of adopting its Annual Report.

NEXT STEPS / HĪKOI I MURI MAI

21. Once the Annual Report is adopted by Council, the Mayor and Chief Executive Officer will sign the Letter of Representation. After this is signed Audit New Zealand will provide Council with a signed audit opinion which will be added to the Annual Report and published on NPDC's website.
22. Subsequent to this, Audit New Zealand will issue a Management Report to Council stating any recommendations for improvement. This report is presented to Council, alongside with management comments to the recommendations made.

CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA ĀHUARANGI

23. Council has considered the environmental implications of its activities, including climate change impacts, as part of its 2031-2031 Long Term Plan. Sustainability is one of the five goals that contribute towards building a vision for New Plymouth to be the Sustainable Lifestyle Capital.
24. As part of this Council is in the process of undertaking a corporate carbon footprint that will inform the creation of a district-wide Emission Reduction Plan. This will outline a pathway for Council to meet the nationally legislated target of net zero carbon by 2050. The Plan will be finalised towards the end of 2022 or early 2023.

FINANCIAL AND RESOURCING IMPLICATIONS / NGĀ HĪRAUNGA Ā-PŪTEA, Ā-RAUEMI

25. There are no significant financial or resourcing implications related to the preparation of this report. Audit New Zealand fees of \$240k are scheduled to be charged for the Annual Report audit and are four per cent above budget (\$230k).
-

IMPLICATIONS ASSESSMENT/HĪRANGA AROMATAWAI

26. This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:
- Council staff have delegated authority for any decisions made;
 - Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
 - Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
 - Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
 - Any decisions made are consistent with the Council's plans and policies;
 - No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

APPENDICES / NGĀ ĀPITI HANGA

Appendix 1	Annual Report for the year ended 30 June 2022 (ECM 8942967)
Appendix 2	Summary Annual Report for the year ended 30 June 2022 (ECM 8942970)

Report Details

Prepared By:	Loren Moore (Financial Accounting Lead)
Approved By:	Joy Buckingham (Group Manager Corporate Services)
Ward/Community:	District Wide
Date:	8 March 2023
File Reference:	ECM8875885

-----End of Report -----



Te Kaunihera-ā-Rohe o Ngāmotu
**New Plymouth
District Council**

ANNUAL REPORT 2021/22



Welcome to NPDC's Annual Report for 2021/22

Naumai ki te Pūrongo ā-tau o NPDC mō 2021/22

The Annual Report is our way of being accountable to you.

It sets out what we have achieved in the last year and looks at the progress we have made in providing the sort of district that you have said is important.

This Annual Report compares our achievements and progress to what was planned in our Long-Term Plan 2021-2031.



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Mayor's Message

Te Karere ā te Māngai ā-Kaunihera

The last financial year has been a major test for our district and the Taranaki region, when we've had to roll with the punches of lockdowns and the economic drag, to think on our feet and adapt.

On the whole, we've passed the test, but we still face a number of significant challenges.

We've stayed on track in building a Sustainable Lifestyle Capital where current and future generations will want to live, work and play – a focus that was rewarded with the Livcom International award for the World's Most Liveable City.

Our iconic Festival of Lights was a shining example of how our district is learning to surf the waves of the new reality. After our Bowl of Brooklands was named New Zealand's best large venue, it was a blow when Omicron crashed our summer events. The Festival of Lights – the summer highlight of so many people – was among the casualties. It was awesome then to see the huge success of the TSB Festival of Lights Winter Pop-up in the city centre and along the Coastal Walkway. Here's hoping its popularity keeps growing and bringing in visitors like the summer Festival of Lights.



Despite lost revenues and rising costs for materials and skilled staff, we've seen some great gains in better infrastructure. Inglewood residents are now getting cleaner and clearer water as a result of our \$10 million investment to replace the town's water pipes over the last three years. Two new reservoirs on Henwood and Mountain roads add the equivalent of 36,000 full bathtubs to the water supply for Bell Block, Waitara, Lepperton and further north. And Ōākura now has a new water treatment plant. Our \$248m investment over 10 years in Fixing our Plumbing will keep our stormwater, waste water and drinking water systems working for the next generation.

We've taken a Team Taranaki approach to growing our region's economy and making sure Taranaki people are getting a fair go from government agencies in Wellington, Waka Kotahi, in particular. We've chipped in for a pedestrian crossing so our schoolkids can safely cross the State Highway through Inglewood and we're still pushing for better maintained and safer State Highways across the region.

Together with the other Taranaki councils we're backing Venture Taranaki and our Tapuae Roa economic development plan to create a resilient economy that can better absorb and bounce back from future shocks. We've also been working closely with the European Union on our transition to sustainable energy and a low-emissions future.

Most importantly, we're working on listening better to our community, creating a new Māori ward on our council and a new community board to give the people of Puketapu-Bell Block their own voice. We look forward to hearing your feedback on our Annual Report too.

Neil Holdom
Mayor

Acting Chief Executive's Message

Karere ā te Tumu Whakarae o nāianeī



The last financial year was a challenging year as Covid, inflation, global supply chain issues and the battle for skilled staff made for a tough operating environment, but New Plymouth District Council continued to deliver core services for our residents.

NPDC achieved 79 per cent of its non-financial performance targets for the year, including things like visitor numbers at some of our facilities, customer response and consent processing times and customer satisfaction.

Our team has worked hard under difficult conditions and worked differently to achieve some good results. Our libraries, for example, continued to keep their readers happy through Covid restrictions by promoting their Click and Collect books service.

Despite the closures, an average of 9,588 visitors came to Puke Ariki and our community libraries, almost double the 5,000 target figure, while the Govett-Brewster Art Gallery also exceeded its target with a total of 63,724 visitors.

Also during this period 15,000 people attended our first ever TSB Festival of Lights Winter Pop-up event in the city centre, proving that our Sustainable Lifestyle Capital can be open to visitors all year round.

Covid also hit our rubbish costs as more people worked from home, generating more rubbish to landfill, but we made progress with Three Waters by using Government funding for stormwater projects such as the replacement of the Waiwaka Culvert and camera inspections on critical stormwater pipes to identify defects.

Our balance sheets are still in relatively good shape despite Covid driving a general rates deficit of \$4.3m. Revenues were down with venue closures and a drop in things like parking fees, while subsidy and grant revenue fell short due to the delivery of local roading work. While NPDC has upped its investment in our roads, we still have to deal with ageing structures like bridges and retaining walls, and more forestry trucks on our roads and Waka Kotahi only chipped in on \$50m of the \$69m NPDC 2021-2024 transportation work programme.

Our Perpetual Investment Fund, which helps offset rates, kept working for our people despite difficult international investment conditions. While the 0.9 per cent return was below target, it's important to bear in mind that it exceeded the target for five years running before that.

Prudent financial management enabled NPDC to buy 41 hectares of land to build a Wastewater Treatment Plant for Urenui and Ōnaero and stop pollution from septic tanks, and to support our building staff who tackled more than 3,000 building consent applications while facing staff shortage in the competitive labour market.

This Annual Report is later than usual – again due to Covid. It's a reflection of how these difficult times look set to carry on for the foreseeable future, but it also shows that NPDC is ready to meet them.

Miriam Taris
Acting Chief Executive

About this report

Kōrero e pā ana ki tēnei pūrongo

Welcome to NPDC’s Annual Report for 2021/22

Naumai ki te Pūrongo ā-tau o NPDC mō 2021/22

The Annual Report is our way of being accountable to you. It tells the financial story of our performance over the past financial year. It also sets out what we have achieved in the last year and looks at the progress we have made in providing the sort of district that you have said is important.

This Annual Report compares our achievements and progress to what was planned in our [Long-Term Plan 2021-2031](#) (LTP).

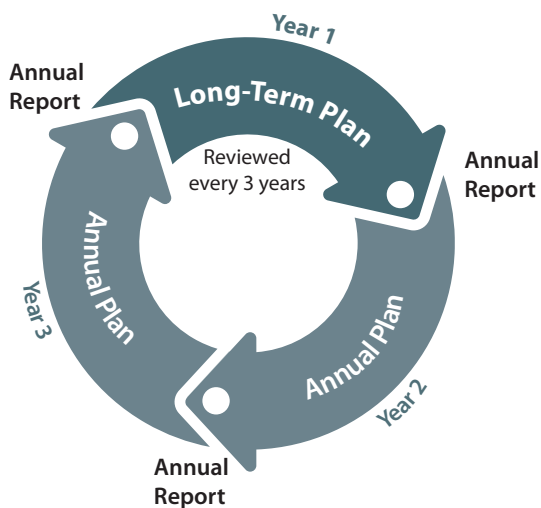
The report is divided into the following sections:

- Introduction - this includes our district highlights and a financial overview.
- Council Services - this section highlights each of our Council’s activities, their performance and how much we spent on the activities.
- Financial Statements - this section provides you with all the financial statements and accompanying notes that provide more detail.

Under the Local Government Act 2002, all councils must produce an Annual Report and have certain information audited. Audit New Zealand has successfully completed this audit and their opinion can be found on page 148.

Being accountable to our community

The following diagram shows an overview of our planning and reporting framework and how it all fits together with the Annual Report.



Quarterly reporting

NPDC publishes quarterly reports to give our community a summary of how we are progressing compared to our LTP/Annual Plans. We do this three times a year while the fourth quarterly report becomes our Annual Report.



Satisfaction surveys

NPDC contracted Research First to survey around 500 people about their satisfaction with our services.

We also used a number of in-house surveys. These were used to find the views of users of particular services.

The results help to give us an insight into the utilisation of facilities and services, and the degree of customer satisfaction, and how the community thinks we’re performing. This helps to ensure that we deliver what we said we would and that we improve performance in areas where it’s required.

Our year in review

He tirohanga whakamuri



We reviewed our Dog Control Bylaw and introduced new controls to help protect wildlife.



Inglewood's water runs clear again as a \$10m project to replace the town's water pipes over three years is completed.



NPDC buys 5.9 hectares of land in Inglewood for a wildlife rehabilitation centre and kiwi recovery house.



Adoption of the Ngāmotu New Plymouth City Centre Strategy setting the strategic direction for New Plymouth's city centre over the next 30 years.



NPDC's first ever TSB Festival of Lights Winter Pop-up celebrates Puanga and draws thousands of visitors into the City Centre.



Two drinking water reservoirs, costing \$18m, completed at Henwood and Mountain roads to supply Bell Block, Waitara, Lepperton and further north.



We allocated over \$5m to earthquake strengthening the Downtown Carpark building so it can be re-opened for public use.



The Proposed District Plan hearings commenced in July 2021. A total of 22 hearings were held, running over 65 days and involved 462 people who appeared before the Hearing Panel.

Working together with Māori

Mahi ngātahi i Ngāi Māori

NPDC is maintaining and strengthening our relationships with iwi/hapū and the Māori community and providing as many opportunities as possible for their involvement in decision-making.

We acknowledge Ngāti Maru (Taranaki) who completed and signed their Treaty of Waitangi Deed of Settlement as the last iwi within our district to achieve this. We worked closely with Ngāti Maru to support the offer that was provided by the Crown.

A huge milestone this year has been the completion and notification of the Proposed District Plan and the involvement of hapū and iwi in the hearings process. Ngā Kaitiaki forum with mandated hapū/iwi representatives and with the support of an independent planner resourced by Council, developed high quality and professional submissions on the plan. The hapū and iwi have worked tirelessly on this kaupapa and the expertise and specialised knowledge that they contributed to the plan cannot be overemphasised. The Ngā Kaitiaki model of working with mana whenua has set a benchmark for all other project and plan development and Ngā Kaitiaki will continue to provide input into environmental issues.

Significant progress has been achieved in relation to the Te Rewa Rewa Reserve through engagement and input from the hapū of Ngāti Tawhirikura and the decision-making of the Te Rewa Rewa Working Party. The Council recently approved a development plan for the hapū to achieve their aspirations for the land.

A process for the development of a co-management plan for the reserves in Waitara has begun and staff are

working with Te Kōwhatu Tū Moana, an organisation consisting of representatives of Manukorihi and Otaraua Hapū, to co-design these plans.

NPDC has begun a project with the Rohutu Block Trustees to develop an adaptation plan for this block of land which is being impacted heavily by climate change. The Council has committed funds to the project in the LTP 2021-31 as a result of submissions provided by hapū/iwi. Massey University is also working with the Trustees and the Council on a project based on 'Living With Uncertainty' and has secured funding to work with us on a research project for this community.

The establishment of a Māori Ward, Te Purutanga Mauri Pūmanawa, for the 2022 local body elections was a significant Council decision that was driven by tangata whenua and particularly the input of Te Huinga Taumatua.

NPDC continues to provide grants to Māori for marae development, urupā maintenance and resource management services and recently approved an additional fund to assist whānau/hapū/iwi and Māori to achieve their aspirations for their communities.

This report is just a snapshot of some of the projects and plans in progress where tangata whenua are working in partnership with NPDC. One of the biggest barriers to advancing is often the resourcing of hapū/iwi and the limitations of capacity and capability for engagement and involvement. To that end, NPDC has been working on possible solutions to resourcing issues which it is hoped can be implemented in the near future.



Our performance

Ō mātou whakaaturanga

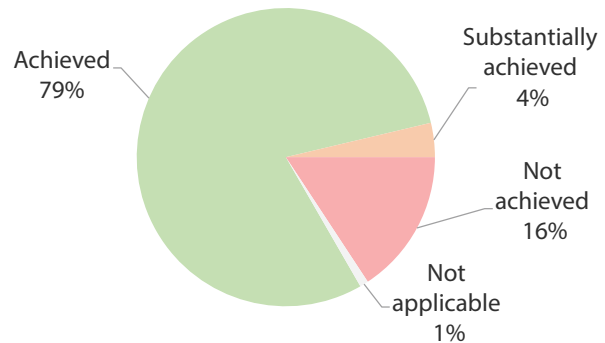
How we performed against our targets for the year

NPDC is responsible for a large range and variety of services and activities.

We have 108 non-financial performance measures set through the Long-Term Plan (LTP) 2021-2031. These measures, the targets against each, and the results for the past year, are set out in the 'Council Services' section of this Annual Report.

This year:

- We achieved the target for 85 measures.
- We substantially achieved the target for five measures.
- We did not meet the target for 17 measures.
- We had one target that did not apply as there were no elections in 2021/22.



Of the 17 performance measures that we did not achieve this year:

- Nine, in full or in part, were because of a Covid-19 associated impact.
- The other measures not achieved reflected a wide range of reasons.

Services at a glance



Full compliance with drinking water standards

33.2m litres of water per day supplied to households and businesses



1,285km of roads

62% community satisfaction



521km footpaths

88% in good or excellent condition



11,860 registered dogs

90% community satisfaction with animal control activities



49 playgrounds



21 sports parks

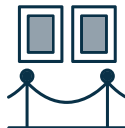
95% community satisfaction



1,001 events provided across all venues

with

170,665 attendees



8 exhibitions

with

63,724 visitors per year



9,588

average customers per week to Puke Ariki and Community Libraries



50 public toilets

87% community satisfaction

Delivering on our district's priorities

Te whakataki o ō mātou whakaarotau ā-rohe

The Long-Term Plan (LTP) 2021-2031 outlined the key challenges facing our District. For the 2021/22 year population growth was addressed through the provision of growth infrastructure (we delivered \$4.23m growth capital expenditure of the \$8.21m planned) along with ongoing planning including the initiation of the hearing of submissions on the review of the District Plan. The impacts of central government Covid-19 related decisions is reflected in 17 Council services key Performance indicators not being met for the year. There were also Covid-19 related impacts on the capex work programme deliverability that was also impacted by supply chain disruptions inflation pressures. Work related to the Council’s Climate Action Framework continued through the year including the approval of a draft Emissions Reduction Plan for community consultation. The Three Waters reform programme of central government continued with the Water Services Entities Bill introduced to the house.

Below we highlight the key achievements of the financial year for each of the three ‘Big Calls’ from the LTP 2021-2031.



Fixing our plumbing

Looking after our existing assets

In the LTP 2021-2031, \$248m was allocated for renewals for water, wastewater and stormwater services.

This last year we spent over \$5.1m renewing 5,500 metres of water pipes, mainly in Inglewood. We lined a major culvert in Waiwaka Terrace, extending its life. We spent \$348,000 lining 884 metres of sewers to stop them leaking. We spent \$650,000 on backflow preventers and other customer equipment to protect our water supply. We have also commenced designs for sewer replacements throughout the district.

Conserving your water

Setting up the contracts for the installation of water meters has been a challenge with only \$800,000 of the planned \$3.1m installation capital expenditure spent for the year. This was in part due to long lead times for procurement of meters due to the world-wide shortages of electronic components caused by the Covid pandemic.

We have completed an installation pilot project in the Brooklands area to test methodologies and logistics. We have also secured agreements for the bulk supply of water meters and installation components. The first bulk batch of meters arrived in August 2022.

Improving stormwater management in Waitara

We have focussed on two projects this year.

The first project is the delivery of the Tangaroa restoration works, albeit there has been some delay due to resourcing. This project (co-funded by Ministry for the Environment) has involved extensive cooperation with local hapū and will reduce flooding in this area. We have commenced the detailed design for this project.

The other focus has been addressing flooding issues in the Waiari catchment. Work is well underway installing a large stormwater pipe to reduce flooding in east Waitara by diverting high flows from the Waiari Stream to the Waitara River. This project has been undertaken in partnership with Waka Kotahi as part of the Princess Street/SH3 intersection upgrade. This approach has provided cost savings and is minimising disruption.



Greening our place

Extending our tracks and trails network

New Plymouth District is known for its high quality tracks and trails network. This supports a secondary network of movement (walking and cycling) by providing open space that connects to places. A range of projects identified for extending our tracks and trails network have been progressed over the first year of the LTP. Each are at different phases on the planning process, but combined will see delivery of a network.

Delivering on our district's priorities

Te whakataki o ō mātou whakaarotau ā-rohe

The Waitara to Bell Block Walkway has progressed through a developed design process that has included a co-design process with hapū and iwi including a partnership in governance. Plans have been progressed with a business case ready to submit to Waka Kotahi. The project will see work starting at Marine Park.

For the Taranaki Traverse esplanade reserve acquisitions have begun to be progressed to fill in gaps along the corridor. In addition, due to the significant cultural values associated with the Waiwhakaiho river a project scoping report is being prepared with the assistance of a number of hapū that have interests in the Waiwhakaiho. This will set the project vision, principals and way of working to ensure success of this long-term project.

The Kaitake Trail project is in the process of a strategic re-set to better align with the cultural and ecological values associated with the landscape in which the project is located. This will include exploring with hapū and other stakeholders how best to re-establish collaborative project objectives.

In addition to the above, a range of comprehensive key walking and cycling connections have been progressed through subdivision and development in Inglewood, Bell Block and Waitara.

Rolling out our Climate Action Framework

The Climate Action Framework programme of work was realigned to meet national plans and strategies, namely the first National Emissions Reduction Plan and National Adaptation Plan.

This year NPDC approved its draft District-wide Emissions Reduction Plan for consultation with the consultation period extending into the next financial year. The draft Plan pulled together the national and regional context to reduce emissions to meet nationally set targets of net zero carbon emissions by 2050. NPDC worked with sector decarbonisation specialists to inform evidence-based options to reduce organisational emissions, which were included in the consultation of the draft Plan.

A climate hazard assessment has been completed across NPDC operations, which will inform the draft District-wide Adaptation Plan, which is due for consultation in early 2023.

Planting Our Place

NPDC's Planting our Place, a core component of the Climate Action Framework, has made considerable progress with planting projects amounting to near 4.85 hectares and exceeded the yearly target of 1.7 hectares. This planting activity has seen NPDC forge partnerships with hapū and community groups. Ngāti Tawhirikura and Rotary have both led planting projects that Council has supported that have contributed to the overall planting work. NPDC has completed a five year programme

A panel contract for plant supply and planting services has been established building the capacity of our suppliers and NPDC has partnered with Wild for Taranaki to access their on-line Action Hub providing a central portal for tracking planting progress.

The Te Korowai o Tanē annual grant was established with four community and not-for-profit applicants receiving \$20,000 of the \$30,000k grant for planting on their own land.



Building a multi-sport hub

This year detailed planning was initiated to build a multi-sport hub at New Plymouth Racecourse. With funding of \$38.5m approved in the LTP 2021-2031, and a wider focus on health and well-being implemented by Council and hapū, work got underway to set the capital funding profile as well as the development of a 30-year operational cost model. The high-level goals of accessibility, equity and sustainability along with meeting the needs of community sport and active recreation were set. Key cultural principles of mahi ngātahi (working together in partnership), kia tika, kia pono, (transparency and openness) hauora (wellness) and ūkaipōtanga, (identity) and mātauranga (knowledge). Accordingly the project has become known as the Tūparikino Active Community Hub.

The draft masterplan was re-examined and the result was a shift in the location of the main indoor hub building out of the infield to be integrated with the existing TSB Stadium. The consortium of BOON, Tennant Brown and Isthmus were appointed as the lead design team and a project governance group was formed.

Financial summary

Whakarāpopototanga ā-pūtea

Overall results at a glance

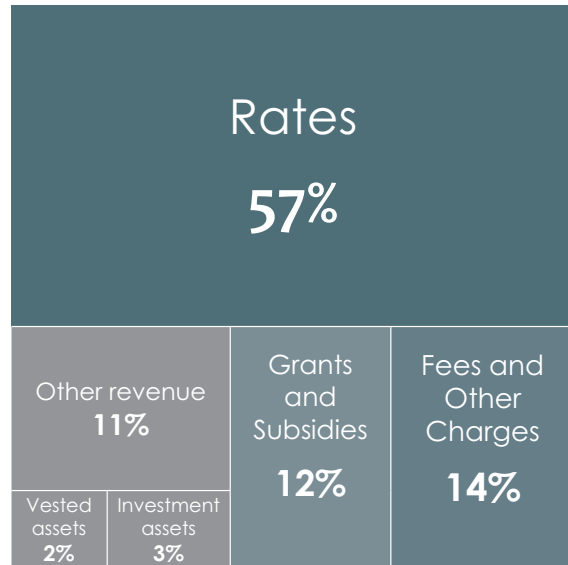
NPDC recorded a surplus for the year of \$5.4m compared to a budget surplus of \$25m. The primary drivers for this variance are the reduction in the Perpetual Investment Fund (PIF) investment gains during the year and the timing of receipting for subsidies and grants.

Operating revenue

NPDC receives income from a variety of sources, including rates, subsidies for capital expenditure funding, fees and charges and from our investment on the PIF.

The diagram on the right displays the various income sources, showing that in 2021/22 rates accounted for 57 per cent of NPDC’s funding, with fees and other charges coming second at 14 per cent.

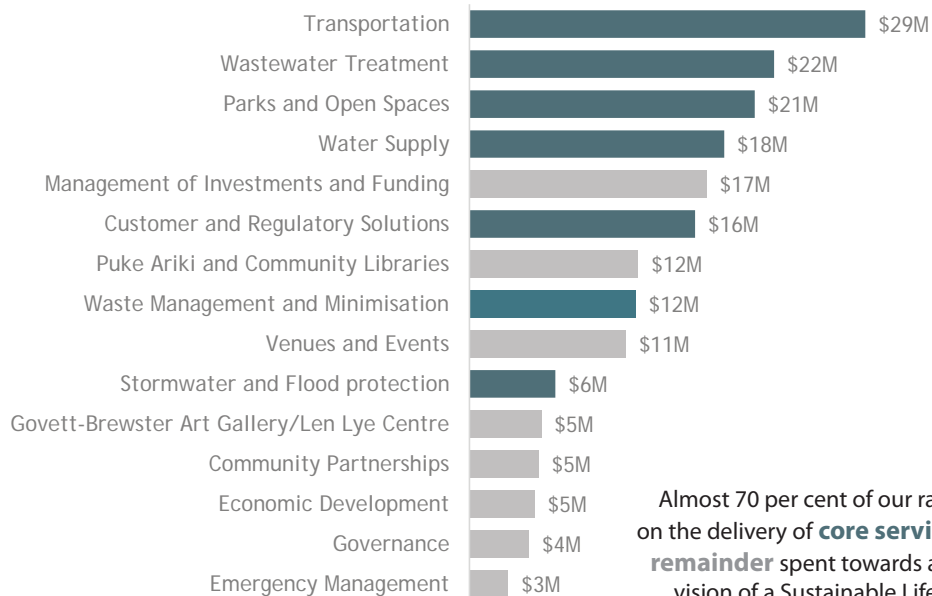
The residential median rate (including GST) was increased in line with our budget by 9.6 in 2021/22, whilst rising interest rates and volatile global investment markets have lower our PIF investment returns below budget by \$16m. The fund closed the year with a balance of \$339m after a release payment of \$9.5m to Council. Since inception (November 2004) the PIF has paid \$240.5m in release payments to NPDC and achieved an annual return of 6.9 per cent per annum.



Operating expenditure

Operating expenditure of \$186.8m is \$9.5m higher than budget. The graph below shows where the money was spent by NPDC activity.

Operating expenditure by activity (in millions)



Almost 70 per cent of our rates are spent on the delivery of **core services** with the **remainder** spent towards achieving our vision of a Sustainable Lifestyle Capital.

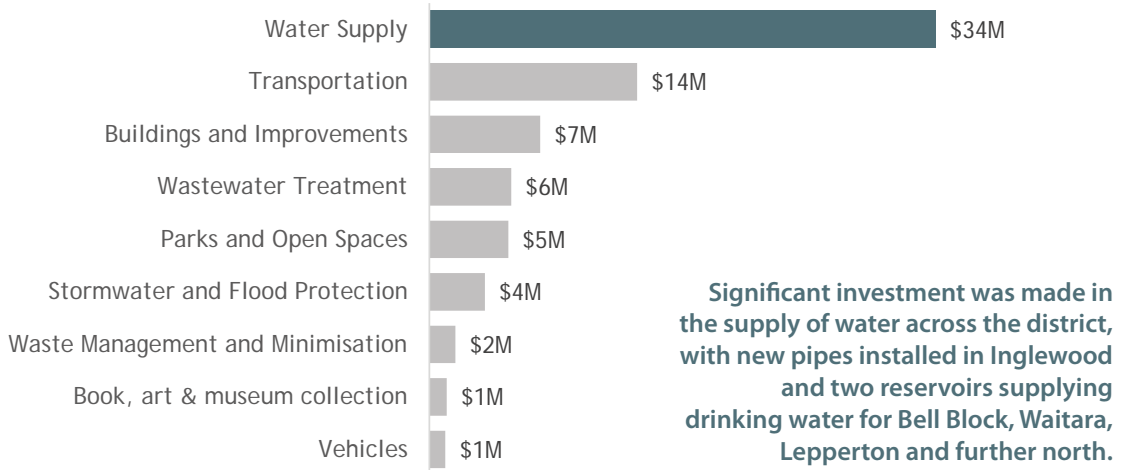
Financial summary

Whakarāpopototanga ā-pūtea

Capital expenditure

During the year NPDC added \$74m of new assets through its renewal and capital works programme. This covered all activities within our district. The graph below shows the breakdown of capital expenditure by category.

Capital expenditure by activity (in millions)



Borrowings

No additional borrowings were raised by Council in 2021/22. The graph below shows Council's debt levels over the past three years.

Council borrowings (in millions)



Financial summary

Whakarāpopototanga ā-pūtea

Summary Statement of Comprehensive Revenue and Expense for the year ended 30 June 2022

	COUNCIL			GROUP	
	2021/22 Actual \$'000	2021/22 Budget \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Rates revenue	110,387	109,750	98,360	110,301	98,285
Perpetual Investment Fund	3,824	19,660	65,945	3,824	65,945
Other revenue	77,892	72,840	73,901	85,059	80,641
Total operating revenue	192,103	202,250	238,206	199,184	244,871
Interest costs	6,468	6,920	5,983	6,468	5,983
Perpetual Investment Fund	2,639	1,140	2,216	2,639	2,216
Other expenses	177,640	169,210	180,403	185,269	189,321
Total operating expenditure	186,747	177,270	188,602	194,376	197,520
Share of joint venture surplus	1	-	219	1	219
(Deficit)/surplus before taxation	5,357	24,980	49,823	4,809	47,570
Income tax (expense)/refund	-	-	-	110	190
(DEFICIT)/SURPLUS AFTER TAXATION	5,357	24,980	49,823	4,919	47,760
Gain/(loss) on property, plant and equipment revaluations	484,863	-	-	489,942	-
Financial assets fair value movement (could be reclassified to surplus/(deficit))	111	-	-	111	-
Total other comprehensive revenue and expense	484,974	-	-	490,053	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	490,331	24,980	49,823	494,972	47,760

Summary Statement of Financial Position as at 30 June 2022

	COUNCIL			GROUP	
	2021/22 Actual \$'000	2021/22 Budget \$'000	2020/21 Actual Restated \$'000	2021/22 Actual \$'000	2020/21 Actual Restated \$'000
Current assets	308,564	344,630	370,813	310,082	370,885
Non-current assets	3,575,491	3,217,670	3,038,831	3,585,525	3,043,720
Total assets	3,884,505	3,562,300	3,409,644	3,895,607	3,414,605
Current liabilities	95,057	73,440	94,228	97,788	97,427
Non-current liabilities	162,704	205,120	179,003	164,672	179,003
Total liabilities	257,761	278,560	273,231	262,460	276,430
TOTAL EQUITY/NET ASSETS	3,626,744	3,283,740	3,136,413	3,633,147	3,138,175

Summary Statement of Cash Flows for the year ended 30 June 2022

	COUNCIL			GROUP	
	2021/22 Actual \$'000	2021/22 Budget \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Net cash flows from operating activities	18,635	32,330	26,217	20,877	25,878
Net cash flows from investing activities	(26,723)	(55,360)	(46,864)	(27,613)	(47,703)
Net cash flows from financing activities	-	23,030	30,000	-	30,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS AT 1 JULY	(8,088)	-	9,353	(6,736)	8,175
CASH AND CASH EQUIVALENTS AT 1 JULY	44,059	18,750	34,706	46,338	38,163
CASH AND CASH EQUIVALENTS AT 30 JUNE	35,971	18,750	44,059	39,602	46,338

A close-up photograph of water splashing into a pool, creating ripples and bubbles. The water is clear and bright, with a lens flare effect in the lower-left corner. The background is a soft, out-of-focus light blue and white.

Council Services

Ngā Ratonga ā te Kaunihera

Introduction to Council Services

Whakarapopoto ki ngā Ratonga ā-Kaunihera

Our activities and performance

NPDC is responsible for a large range and variety of services and activities.

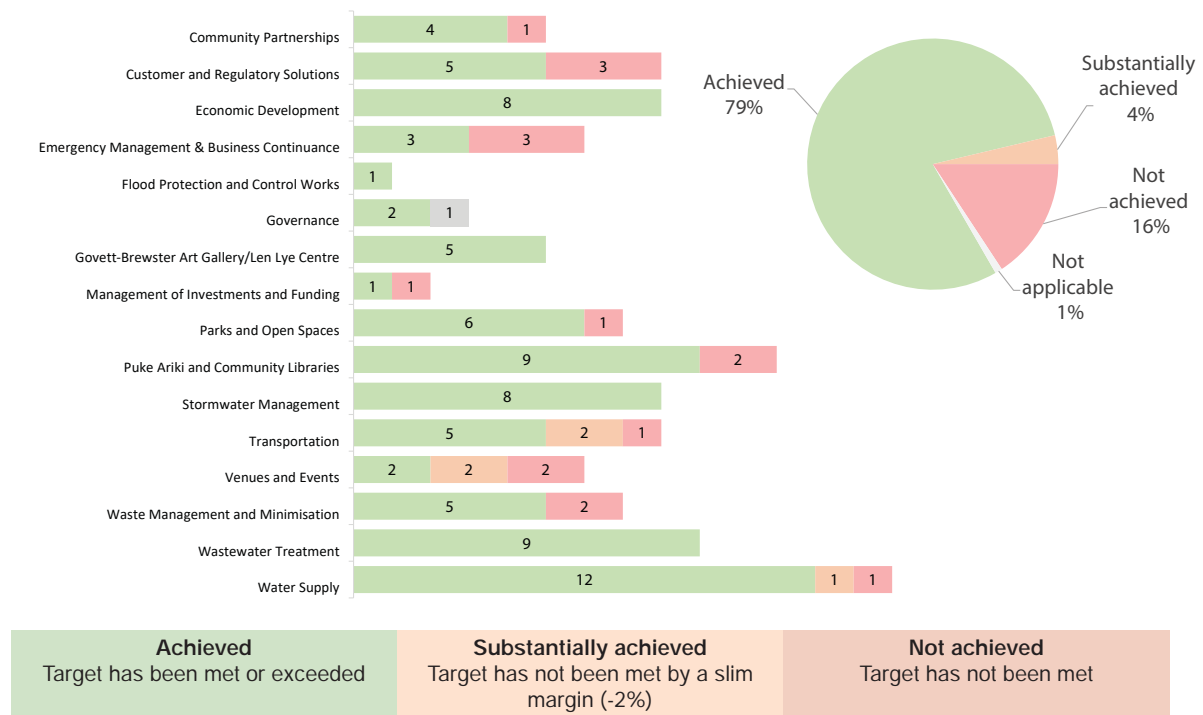
In addition to the 16 activity groups, the Council also carries out internal functions, such as financial management and property maintenance, but the costs of these are allocated over the 16 activities. This is because services such as financial management are 'inputs' into the Council's activities whereas the Council's activities themselves are services actually received and used by the community.

We have 108 non-financial performance measures set through the Long-Term Plan (LTP) 2021-2031. These measures, the targets against each, and the results for the past year, are set out in this section. All percentage results have been rounded to remove any decimal places.

This year:

- We achieved the target for 85 measures.
- We substantially achieved the target for five measures.
- We did not meet the target for 17 measures.
- We had one target that did not apply as there were no elections in 2021/22.

Performance measures



Community satisfaction survey

NPDC contracted Research First to survey around 500 people about their satisfaction with our services. The survey is conducted in a way that is statistically robust and provides results which have a margin of error of plus or minus 4.3 per cent at the 95 per cent confidence interval.

The satisfaction levels from the Research First survey exclude those people who did not have a view on satisfaction or dissatisfaction or simply did not know due to not using the facility or service. Removing the 'don't knows' from the calculation enables better comparison between our activities, allowing for more informed Council decision-making.

In-house surveys

The Council also uses a number of in-house surveys for some KPIs. These are used to find the views of users of particular services. The Council does not use sampling methodologies for these surveys that are statistically valid.

Introduction to Council Services

Whakarapopoto ki ngā Ratonga ā-Kaunihera

The table below shows the contribution each Council service makes toward the goals of NPDC’s strategic framework (our community outcomes). A medium rating indicates that the activity **contributes** to the outcome. A high rating indicates the activity makes a **strong contribution** to the outcome. NPDC’s LTP 2021-2031 provides further information on how each service contributes to our community outcomes.



Partnerships



Delivery



Community



Sustainability



Prosperity

	Partnerships	Delivery	Community	Sustainability	Prosperity
Community Partnerships	High	Medium	High	Medium	Medium
Customer and Regulatory Solutions	Medium	Medium	High	Medium	High
Economic Development	High	Medium	Medium	Medium	High
Emergency Management and Business Continuance	High	High	High	Medium	Medium
Flood Protection and Control Works		Medium	Medium	Medium	Medium
Governance	High	High	High		
Govett-Brewster Art Gallery/ Len Lye Centre	Medium	Medium	High		Medium
Management of Investments and Funding	Medium	High	Medium	Medium	Medium
Parks and Open Spaces	Medium	Medium	High	High	Medium
Puke Ariki and Community Libraries	Medium	Medium	High		Medium
Stormwater Management		Medium	High	Medium	Medium
Transportation	Medium	Medium	Medium	Medium	High
Venues and Events	Medium	Medium	High		Medium
Waste Management and Minimisation	Medium	Medium	Medium	High	Medium
Wastewater Treatment		Medium	Medium	High	Medium
Water Supply		Medium	High	Medium	High

Community Partnerships

Ngā rangapū ā-hapori

What we do

We offer advice, support and partnerships to encourage a strong and connected community. We also provide a Central City Facilitator and a Housing for the Elderly service.

The Community Partnerships team supports community organisations, educational institutions, iwi, business and central government agencies to plan for and respond to the changing needs of our community. We are a conduit between the Council and the community, keeping aware of the evolving needs of the community, and communicating those needs to councillors and staff.

Our team also manages and distributes NPDC's community grants funding scheme. This includes annual contestable funding for projects and initiatives that meet set criteria, and multi-year partnerships with aligned organisations and groups. We also manage relationships with our funding partners, such as New Plymouth Partners, Toi Foundation and Taranaki Electricity Trust.

The Central City Facilitator is charged with championing a vibrant central city. This role is about encouraging people into the city centre to help revitalise the area and support local business.

Our Housing for the Elderly scheme provides affordable housing for eligible elderly people in the district. We also visit our tenants regularly to support and monitor their well-being.



Significant effects on community well-being

The Community Partnerships service contributes to the social, economic, environmental and cultural well-beings, as outlined in the LTP. There are no negative impacts on community well-being.

Significant challenges during the year

Covid-19 restrictions continued to hinder community organisations operations. However, groups have begun to adapt, and have changed the way they provide their services.

Community Partnerships

Ngā rangapū ā-hapori

Our commitment to you

	Target	Result	Comment
Build strategic relationships that support collaboration, capability and capacity in the community sector.			
The percentage of partners satisfied with NPDC's advice and involvement in community initiatives.	95%	100%	Responses received from 10 of 12 partners surveyed. (2020/21: 100% - Achieved)
The percentage of residents satisfied with NPDC's advice and support to community groups (satisfaction survey ¹).	90%	91%	(2020/21: 88% (target exceeds peer group average - Achieved)
Provide a 'start-up' fund to support creativity and collaboration in new community initiatives.			
The number of initiatives receiving 'start-up' financial support.	3	3	Initiatives were support for Matariki event in Waitara, capacity building support for New Plymouth Women's Centre and funding for Great Lives Our Way to support individuals facing disabilities in our community. (2020/21: Three - Achieved)
Provide effective funding support for community organisations and initiatives.			
The percentage of key performance indicators achieved by recipients of NPDC's grants (as set out in funding contracts).	95%	90%	Some community organisations were prevented from delivering their usual services due to Covid-19 disruptions. (2020/21: 83% - Not achieved)
Effectively coordinate and administer the Housing for the Elderly service.			
The percentage of tenants satisfied with the service.	90%	98%	Responses received from 69 tenants. (2020/21: 97% - Achieved)

¹ All satisfaction survey targets are excluding 'don't know' responses.

Community Partnerships

Ngā rangapū ā-hapori

Funding Impact Statement for the year ended 30 June 2022

	Notes	Actual 2021/22 (\$m)	LTP 2021/22 (\$m)	A/Plan 2020/21 (\$m)
Sources of operating funding				
General rates, uniform annual charges, rates penalties		4.87	4.87	3.34
Targeted rates		-	-	-
Subsidies and grants for operating purposes		0.08	0.06	0.06
Fees and charges		1.17	1.16	1.12
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	0.05	-
Total operating funding (A)		6.12	6.14	4.52
Applications of operating funding				
Payments to staff and suppliers		(4.42)	(4.46)	(3.38)
Finance costs		-	-	(0.03)
Internal charges and overheads applied		(1.25)	(1.27)	(0.59)
Other operating funding applications		-	-	-
Total applications of operating funding (B)		(5.67)	(5.73)	(4.00)
Surplus/(deficit) of operating funding (A - B)		0.44	0.41	0.52
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		0.01	0.13	(0.02)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding (C)		0.02	0.13	(0.02)
Applications of capital funding				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		(0.03)	(0.15)	-
- to replace existing assets		(0.21)	(0.13)	(0.11)
(Increase)/decrease in reserves		(0.21)	(0.26)	(0.38)
(Increase)/decrease of investments		-	-	-
Total applications of capital funding (D)		(0.46)	(0.54)	(0.49)
Surplus/(deficit) of capital funding (C-D)		(0.44)	(0.41)	(0.51)
Funding balance (A-B) + (C-D)		-	-	0.01

Variance explanation Actual 2021/22 to LTP 2021/22

There are no material variances for this activity.

Customer and Regulatory Solutions

Ngā Whakatika i ngā Kiritaki me ngā Waeture

What we do

Our service develops, implements and enforces national and local rules that protect the natural and built environment, and public and environmental health.

As the first point of contact for the public, the Customer Services team assists people by telephone, email, or in person at the Civic Centre. We manage the collation and production of Land Information Memoranda reports and make public bookings for three community halls. We also provide case management for cross-council projects and events involving multiple NPDC teams.

Regulatory Services process building, land use, and subdivision consents. We also process food, alcohol, health and encroachment licences, and issue dog licences. We monitor and enforce legislation and bylaws, including parking and noise nuisances. We work with other teams to develop the District Plan and other policies that guide development of the district.

As a Building Consent Authority our building team processes building consents, and provides inspection services through to code of compliance status. As a Territorial Authority (TA), we inspect dangerous and insanitary buildings. We also manage complaints and disputes regarding buildings, and certain earthquake-prone building processes under the Building Act 2004. We are audited biennially to ensure quality standards are foremost in our day to day activities.



Significant effects on community well-being

The Customer and Regulatory Solutions service contributes to the social, economic, environmental and cultural well-beings, as outlined in the LTP. However, NPDC acknowledges that there can be a negative impact on social and economic well-being as we may constrain the ability of individuals or groups to undertake desired activities. This is mitigated through informing the community and having fair and transparent processes.

Significant challenges during the year

The recruitment of skilled staff across the Customer and Regulatory Solutions service has presented a challenge. Ensuring maintenance of operations within the Covid-19 traffic light system along with limitations on personnel availability due to illness has been difficult. The building and resource consent services this year again experienced sustained high levels of consents resulting from growth, which given the rigorous compliance checks and reporting, has challenged the teams to achieve the required timeframes. Processing resource consent applications under both the Operative and Proposed District Plans along with new legislative requirements added additional complexity to planning consent processes. Covid-19 restrictions have impacted our ability to follow-up incomplete dog registrations in-person, where officers normally visit properties to confirm the existence of unregistered dogs. This has resulted in the development of a targeted work plan to address the percentage of known dogs registered.

Customer and Regulatory Solutions

Ngā Whakatika i ngā Kiritaki me ngā Waeture

Our commitment to you

	Target	Result	Comment
Animal control processes contribute to a safe and healthy community.			
The percentage of animal control emergency situations ¹ responded to within two hours.	100%	100%	All emergencies were responded to within two hours. (2020/21: 100% - Achieved)
The percentage of known dogs registered.	95%	92%	There are 11,860 known dogs registered in the district and 1,013 unregistered dogs, compared to 11,911 registered and 638 unregistered in 2020/21 . Covid-19 restrictions have had an impact on officers being able to follow-up non-registrations in person, such as by visiting properties and sighting dogs to confirm that a dog exists. A work plan targeting registrations is to commence at the end of the dog registration period (1 September 2022). (2020/21: 95% - Achieved)
The percentage of residents satisfied with animal control activities (satisfaction survey ²).	90%	90%	(2020/21: 90% (target exceeds peer group average) - Achieved)
Respond to logged complaints in a timely manner.			
The percentage of formal complaints that receive an interim reply or are resolved within five working days.	90%	90%	There were 297 formal complaints received, compared to 246 in 2020/21. (2020/21: 90% - Achieved)
Process requests for official information within timeframes set under Local Government Official Information and Meetings Act (1987).			
The percentage of requests for official information completed within statutory timeframes.	100%	100%	There were 276 official information requests received, compared to 274 in 2020/21. (2020/21: 100% - Achieved)
Conduct licensing inspections in accordance with statutory requirements.			
All businesses required to be licensed are inspected in accordance with statutory requirements.	100%	100%	NPDC has a total of 224 licensed premises in the district. (2020/21: 100% - Achieved)

¹ Animal control emergency situations: assisting emergency services, attacks by dogs, stock on roads and injured animals.

² All satisfaction survey targets are excluding 'don't know' responses.

Customer and Regulatory Solutions

Ngā Whakatika i ngā Kiritaki me ngā Waeture

	Target	Result	Comment
Process consent applications within statutory timeframes.			
The percentage of building applications processed within statutory timeframes (consents and code compliance certificates).	100%	92%	<p>There were 3,195 building applications processed, compared to 3,401 the previous year.</p> <p>The decrease in compliance is a direct result of carrying three vacancies for the majority of the year in the Building Inspectorate Team who are responsible for processing Code Compliance Certificates (CCC). Recruitment is ongoing and once complete will have a direct and positive impact on CCC timeframe compliance. Building Consent compliance performance in isolation is 98.8%, which places us 11th out of 81 registered BCA's in New Zealand.</p> <p>(2020/21: 94% - Not achieved)</p>
The percentage of non-notified resource management consents processed within statutory timeframes.	100%	80%	<p>There were 445 non-notified consents processed, compared to 393 the previous year.</p> <p>The decrease in compliance with timeframes is due to a range of factors including a review being undertaken of the waivers and extensions able to be granted under s37 of the Resource Management Act and an increase in resource consents processed, with a high proportion of these consents having high complexity.</p> <p>(2020/21: 96% - Not achieved)</p>

Customer and Regulatory Solutions

Ngā Whakatika i ngā Kiritaki me ngā Waeture

Funding Impact Statement for the year ended 30 June 2022

	Notes	Actual 2021/22 (\$m)	LTP 2021/22 (\$m)	A/Plan 2020/21 (\$m)
Sources of operating funding				
General rates, uniform annual charges, rates penalties		2.21	2.21	4.26
Targeted rates		-	0.04	-
Subsidies and grants for operating purposes		0.00	-	-
Fees and charges		9.17	9.25	8.61
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		0.69	0.81	0.72
Total operating funding (A)		12.07	12.31	13.59
Applications of operating funding				
Payments to staff and suppliers	1	(12.03)	(8.70)	(7.38)
Finance costs		-	-	(0.04)
Internal charges and overheads applied		(3.92)	(3.93)	(5.44)
Other operating funding applications		-	-	-
Total applications of operating funding (B)		(15.96)	(12.63)	(12.86)
Surplus/(deficit) of operating funding (A - B)		(3.89)	(0.32)	0.73
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		(0.03)	(0.03)	(0.03)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding (C)		(0.03)	(0.03)	(0.03)
Applications of capital funding				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		-	-	-
- to replace existing assets		0.01	(0.05)	(0.54)
(Increase)/decrease in reserves		3.91	0.40	(0.15)
(Increase)/decrease of investments		-	-	-
Total applications of capital funding (D)		3.92	0.35	(0.69)
Surplus/(deficit) of capital funding (C-D)		3.89	0.32	(0.72)
Funding balance (A-B) + (C-D)		-	-	0.01

Variance explanation Actual 2021/22 to LTP 2021/22

1. Operating expenses are higher than budgeted due to engaging contractors to cover staff vacancies and process building consents in order to meet statutory timeframes due to increased demand for building and resource consents.

Economic Development

Whakawhanake Ohaoha

What we do

We work collaboratively to identify and embrace opportunities for economic growth and diversification in the district.

NPDC works with the other Taranaki councils, central government, and a number of agencies in the region to develop and improve the local economy. This includes directly funding and overseeing the Venture Taranaki Trust, a Council Controlled Organisation responsible for promoting regional development and tourism in the district.

Our priorities for economic development are set out in Tapuae Roa: Make Way for Taranaki – the Regional Economic Development Strategy and Action Plan adopted in February 2018. Tapuae Roa takes a cross-regional approach, focusing on unlocking opportunities for economic growth in the region.

This work is complemented by the initiatives and outcomes identified in the Taranaki 2050 Roadmap and their associated pathway action plans. The Taranaki 2050 Roadmap helps direct the priorities for regional development in the region, with a particular focus on transitioning to a low emissions economy.



Significant effects on community well-being

The Economic Development service contributes to the social, economic, environmental and cultural well-beings, as outlined in the LTP. There are no negative impacts on community well-being.

Significant challenges during the year

Covid-19 continued to provide challenges for organisations in the district such as the uncertainty and disruptions from changing alert levels. Staff sickness and isolation also impacted on our district's organisations. However domestic tourism and spending numbers have greatly improved. The construction sector was very busy but continued to be constrained by materials and skilled labour shortages and the effects of the war in Ukraine are beginning to flow through. The ongoing housing shortage has continued to impact on those most vulnerable in our community and also businesses needing to bring staff into the district.

Venture Taranaki needed to navigate Covid restrictions, illnesses, event cancellations and ongoing disruption to work programmes throughout the period, whilst at the same time managing high levels of support engagement with the business community. The Taranaki Business Survey in June showed the business community is cautiously optimistic about prospects for improvement in the next 12 months, as we all continue to adapt to new ways of working.

Venture Taranaki welcomed a new Chief Executive, Chair and four trustees.

Economic Development

Whakawhanake Ohaoha

Our commitment to you

	Target	Result	Comment
Promote the New Plymouth District and the Taranaki region as a vibrant and desirable place to work, live, learn, play and invest.			
The number of major events attracted or retained.	4	13	Events were Jennian Homes Charles Tour Taranaki 2021; Vero International Festival of Historic Motoring 2021/2022; Central Districts Cricket 2021/2022; New Plymouth World Triathlon Continental Cup 2022; NZ Schools Tri Champs & NZ Sprint Tri Champs 2022; Taste and Tales 2022; The Good Home Taranaki Off-road Half Marathon 2022; Synthony 2022; TSB Festival of Lights pop-up 2022. AmeriCARna, Jetsprints, WOMAD and Oxfam Trailwalker were cancelled due to Covid-19 restrictions. (2020/21: 16 - Achieved)
Undertaking initiatives to support investment into Taranaki.	5	8	(2020/21: New measure)
The number of engagements ¹ with visitor industry operators.	1,000	1,706	(2020/21: New measure)
The number of talent initiatives ² .	2	23	Higher demand in the talent area due to labour and student shortage as a result of Covid-19 and border closures. (2020/21: New measure)
Facilitate, promote, and support sustainable business growth, innovation, investment and employment opportunities in Taranaki.			
The level of annual investment in regional businesses (subject to central government policy).	\$1,000,000	\$1,404,809	\$1,309,642 in New Plymouth District and \$95,167 in wider Taranaki region. (2020/21: \$5,574,986 - Achieved)
The annual percentage of clients satisfied with Venture Taranaki business support services.	>85%	93%	Rounded up from 92.5%. The survey goes to those who have accessed Venture Taranaki programmes and services. (2020/21: 93% - Achieved)
The level of annual investment ³ in the management capability of Taranaki's small and medium-sized businesses.	\$240,000	\$286,023	\$279,393 in New Plymouth District and \$6,630 in wider Taranaki region. Investment was across 234 vouchers (2020/21: 189 vouchers). (2020/21: \$358,200 - Achieved)
Number of enterprise referrals and connections made by Venture Taranaki staff.	200	579	Higher demand due to Covid-19 with additional funding provided. (2020/21: New measure)

¹ Engagement is defined as a significant interaction made with an external party.

² Talent initiatives are those that facilitate the retention, growth or attraction of talent (i.e. human resources) in/into Taranaki.

³ Investment includes capability development and voucher funding as part of the nationwide Regional Business Partner Network.

Economic Development

Whakawhanake Ohaoha

Funding Impact Statement for the year ended 30 June 2022

	Notes	Actual 2021/22 (\$m)	LTP 2021/22 (\$m)	A/Plan 2020/21 (\$m)
Sources of operating funding				
General rates, uniform annual charges, rates penalties		4.16	4.16	3.99
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		-		-
Total operating funding (A)		4.16	4.16	3.99
Applications of operating funding				
Payments to staff and suppliers	1	(4.58)	(3.40)	(3.38)
Finance costs		-	-	(0.02)
Internal charges and overheads applied		(0.70)	(0.70)	(0.51)
Other operating funding applications		-	-	-
Total applications of operating funding (B)		(5.28)	(4.10)	(3.91)
Surplus/(deficit) of operating funding (A - B)		(1.12)	0.06	0.08
Sources of capital funding				
Subsidies and grants for capital expenditure		-		-
Development and financial contributions		-		-
Increase/(decrease) in debt		(0.01)	(0.01)	(0.01)
Gross proceeds from sale of assets		-		-
Lump sum contributions		-		-
Other dedicated capital funding		-		-
Total sources of capital funding (C)		(0.01)	(0.01)	(0.01)
Applications of capital funding				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		-	-	-
- to replace existing assets		-		-
(Increase)/decrease in reserves		1.14	(0.04)	(0.07)
(Increase)/decrease of investments		-	-	-
Total applications of capital funding (D)		1.14	(0.04)	(0.07)
Surplus/(deficit) of capital funding (C-D)		1.12	(0.05)	(0.08)
Funding balance (A-B) + (C-D)		-	0.01	-

Variance explanation Actual 2021/22 to LTP 2021/22

1. Operating expenses are higher than forecast due to unbudgeted contributions by NPDC towards regional recovery operations following Covid-19 (recognised as unbudgeted revenue under the Emergency Management and Business Continuance Council Service). There were also unbudgeted payments made to Venture Taranaki Trust to stimulate the local economy following disruptions caused by Covid-19.

Emergency Management and Business Continuance

Whakahaere Wā Mōrearea me te Tōnuitanga Pakihi

What we do

We identify and understand local hazards and risks, building capability and capacity to respond to and recover from emergencies.

As a member of the Taranaki Civil Defence Emergency Management Group (CDEM Group), NPDC works with the three Taranaki councils, the community, and other agencies to plan for and manage responses to emergency events. We also educate our communities about potential hazards and about how to prepare and recover from emergencies associated with these hazards.

We make sure the information we have about hazards and risks in the district is up to date, and review a range of Council plans in accordance with that information.

We also manage NPDC's internal emergency management response outside of civil defence activation, including business continuance. Our systems and processes ensure NPDC can continue to operate as well as possible during an emergency, major or minor.

NPDC also administers the Taranaki Emergency Management Office on behalf of the four local authorities in Taranaki.



Significant effects on community well-being

The Emergency Management and Business Continuance service contributes to the social, economic, environmental and cultural well-beings, as outlined in the LTP. There are no negative impacts on community well-being.

Significant challenges during the year

The increase of Covid-19 created significant challenges. This, combined with staff working from home and continuing backfilling roles within the Civil Defence Emergency Management Team, was challenging. This has impacted on our ability to deliver key outcomes. The number of experienced response staff that can, and are willing to, assist during a response in the Emergency Operation Centre has also been identified as a risk.

Emergency Management and Business Continuance

Whakahaere Wā Mōrearea me te Tōnuitanga Pakihi

Our commitment to you

	Target	Result	Comment
Ensure NPDC is ready for, can respond to, and can recover from emergencies.			
Emergency processes and plans are reviewed and updated annually.	Emergency plans are reviewed and updated as per exercise schedule	Achieved	Processes continue to be reviewed and updated. (2020/21: Realignment underway - substantially achieved)
Recruit, train, and maintain a database of staff and volunteers capable of responding to an emergency.	Maintain 150 recruited and trained staff and volunteers	136	The loss of trained staff and volunteers is due to a combination of NPDC staff turnover and a reduction in community volunteer capacity throughout the year. Volunteer recruitment and training is a priority over the next six months. (2020/21: New measure)
Ensure the NPDC Emergency Operations Centre (EOC) is fit for purpose.	Complete monthly system checks and an annual EOC capability audit	Achieved	Monthly system checks and annual capacity audit completed. (2020/21: New measure)
Develop and implement an NPDC emergency exercise programme.	Complete NPDC emergency exercise programme	Not achieved	Due to Covid-19 and a vacant lead position an emergency exercise programme was not completed. (2020/21: New measure)
Assist the New Plymouth community in becoming ready for, responding to, and recovering from emergencies.			
Civil Defence centres are identified, assessed and formalised with Memorandum(s) of Understanding.	4	4	Four Civil Defence centres identified, assessed and formalised with MOUs: Owae Marae Waitara, TET Stadium Inglewood, Ōākura Bowling Club and City West Church New Plymouth. (2020/21: New measure)
Engage with key community groups, and stakeholders (particularly iwi and hapū) to develop community emergency response capability.	Establish a team that can deliver a community-based emergency response capability	Not achieved	NPDC was required to shift focus from community resilience to organisational resilience and business continuity with existing resource to ensure we were prepared for the Omicron outbreak. This work has been completed, and resource has been refocused on building community capacity. (2020/21: New measure)

Emergency Management and Business Continuance

Whakahaere Wā Mōrearea me te Tōnuitanga Pakihi

Funding Impact Statement for the year ended 30 June 2022

	Notes	Actual 2021/22 (\$m)	LTP 2021/22 (\$m)	A/Plan 2020/21 (\$m)
Sources of operating funding				
General rates, uniform annual charges, rates penalties		1.39	1.39	1.17
Targeted rates		-	-	-
Subsidies and grants for operating purposes	1	2.19	1.48	1.26
Fees and charges		0.05	0.22	-
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-
Total operating funding (A)		3.63	3.09	2.43
Applications of operating funding				
Payments to staff and suppliers		(2.42)	(2.25)	(1.67)
Finance costs		(0.07)	(0.04)	(0.03)
Internal charges and overheads applied		(0.76)	(0.69)	(0.62)
Other operating funding applications		-	-	-
Total applications of operating funding (B)		(3.25)	(2.98)	(2.32)
Surplus/(deficit) of operating funding (A - B)		0.38	0.11	0.11
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		(0.01)	(0.07)	0.11
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding (C)		(0.01)	(0.07)	0.11
Applications of capital funding				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		(0.15)	(0.03)	(0.20)
- to replace existing assets		-	-	-
(Increase)/decrease in reserves		(0.22)	(0.02)	(0.02)
(Increase)/decrease of investments		-	-	-
Total applications of capital funding (D)		(0.37)	(0.05)	(0.22)
Surplus/(deficit) of capital funding (C-D)		(0.38)	(0.12)	(0.11)
Funding balance (A-B) + (C-D)		-	(0.01)	-

Variance explanation Actual 2021/22 to LTP 2021/22

1. Revenue is higher than forecast due to unbudgeted contributions towards regional recovery operations following Covid-19 (recognised as unbudgeted expenditure under the Economic Development Council Service).

Flood Protection and Control Works

Tiakina Waipuke me ngā Mahinga Whakahaere

What we do

Our flood protection and control works provide flood protection systems to urban areas in the New Plymouth District. We monitor and maintain three flood protection dams and diversion tunnels.



Significant effects on community well-being

The Flood Protection and Control Works service contributes to the social, economic, environmental and cultural well-beings, as outlined in the LTP. However, NPDC acknowledges that there can be a negative impact on social, economic and environmental well-being if flood infrastructure is insufficient to deal with severe storms. This is managed through taking the probability of severe storms into account when designing the capacity of protection systems, and managing development in flood risk areas.

Significant challenges during the year

We have reviewed our dams in terms of new Dam Safety Regulations and identified a number of additional inspections and data requirements which will require substantial work. These may lead to additional physical improvements.

Highlands Park Bund was reclassified under the Potential Impact Classification as a “High” impact dam. Implementation of dam safety management for Highlands Park dam may require upgrades to the structure.

The tight labour market has meant we have been unable to recruit a suitably qualified person to manage our flood protection assets.

Our commitment to you

	Target	Result	Comment
Effectively maintain NPDC’s flood protection and control works.			
Major flood protection and control works are maintained, repaired and renewed in accordance with asset management plans and annual works programme.	Achieved	Achieved	(2020/21: Achieved)

Flood Protection and Control Works

Tiakina Waipuke me ngā Mahinga Whakahaere

Funding Impact Statement for the year ended 30 June 2022

	Notes	Actual 2021/22 (\$m)	LTP 2021/22 (\$m)	A/Plan 2020/21 (\$m)
Sources of operating funding				
General rates, uniform annual charges, rates penalties		0.29	0.29	0.11
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		-	-	-
Total operating funding (A)		0.29	0.29	0.11
Applications of operating funding				
Payments to staff and suppliers		(0.19)	(0.06)	(0.04)
Finance costs		-	-	(0.01)
Internal charges and overheads applied		(0.09)	(0.18)	(0.02)
Other operating funding applications		-	-	-
Total applications of operating funding (B)		(0.28)	(0.24)	(0.07)
Surplus/(deficit) of operating funding (A - B)		0.01	0.05	0.04
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		(0.01)	(0.01)	(0.01)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding (C)		(0.01)	(0.01)	(0.01)
Applications of capital funding				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		-	-	-
- to replace existing assets		(0.02)	(0.05)	(0.03)
(Increase)/decrease in reserves		0.02	0.01	(0.01)
(Increase)/decrease of investments		-	-	-
Total applications of capital funding (D)		0.00	(0.04)	(0.04)
Surplus/(deficit) of capital funding (C-D)		(0.01)	(0.05)	(0.05)
Funding balance (A-B) + (C-D)		-	-	(0.01)

Variance explanation Actual 2021/22 to LTP 2021/22

There are no material variances for this activity.

Governance

Kāwanatanga

What we do

We support the Mayor, councillors and community board members to be effective, representative and accountable decision makers. We also make sure people have easy access to the information they need to be involved in Council decision making.

The Governance service supports, facilitates and administers Council, committee and community board meetings and coordinates a range of civic functions. We also provide administrative services for Te Tai Pari Trust, a statutory organisation established by the New Plymouth District Council (Waitara Lands) Act 2018, which allocates funding from the Waitara Perpetual Community Fund. Every three years, we are responsible for managing local authority elections.



Significant effects on community well-being

The Governance service contributes to the social well-being, as outlined in the LTP. There are no negative impacts on community well-being.

Significant challenges during the year

Covid-19 restrictions have resulted in increased agility resulting in meetings and District Plan hearings being held, in person, online and/or a mixture of both.

The majority of the Proposed District Plan hearings have been held during this year. The engagement with submitters and commissioners and the administration of the hearing processes has been challenging.

Representation Review processes (which commenced in 2020/2021) were concluded with the release of the Local Government Commission Determination in March 2022. The Commission upheld Council's final proposal without amendment. The new electoral structure (effective from the October 2022 election) has seen changes to General Ward boundaries and names, a move to a mixed model (with both Māori and General Ward and at-large representation), the introduction of Te Purutanga Mauri Pūmanawa (Māori Ward) and the establishment of a Puketapu-Bell Block Community Board.

Governance

Kāwanatanga

Our commitment to you

	Target	Result	Comment
Effectively manage local elections in accordance with statutory requirements.			
Elections and polls comply with the provisions of the Local Electoral Act 2001 and are without successful petitions for inquiry into the conduct of elections.	Achieved	N/A	No triennial elections in this year. (2020/21: Achieved)
Ensure NPDC processes comply with statutory requirements.			
The Long-Term Plan, Annual Plan and Annual Report* are each adopted within statutory timeframes.	Full compliance	Achieved	Parliament extended the annual report timeframe as a flow-on impact from Covid-19 (LGA 2002, s67(5)). (2020/21: Achieved)
Meeting agendas are available as specified by legislation.	Full compliance	Achieved	Meeting agendas provided online within statutory timeframes. Hard copies available to members of the public on request. (2020/21: Achieved)

* The results are for the Long-Term plan 2021-2031 and Annual Report 2020/21.

Governance

Kāwanatanga

Funding Impact Statement for the year ended 30 June 2022

	Notes	Actual 2021/22 (\$m)	LTP 2021/22 (\$m)	A/Plan 2020/21 (\$m)
Sources of operating funding				
General rates, uniform annual charges, rates penalties		4.29	4.29	4.63
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges		0.01	0.01	0.01
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-
Total operating funding (A)		4.30	4.30	4.64
Applications of operating funding				
Payments to staff and suppliers		(2.05)	(2.17)	(2.25)
Finance costs		-	-	(0.01)
Internal charges and overheads applied		(2.22)	(2.19)	(2.31)
Other operating funding applications		-	-	-
Total applications of operating funding (B)		(4.26)	(4.36)	(4.57)
Surplus/(deficit) of operating funding (A - B)		0.03	(0.06)	0.07
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		(0.01)	(0.01)	(0.01)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding (C)		(0.01)	(0.01)	(0.01)
Applications of capital funding				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		(0.05)	(0.40)	-
- to replace existing assets		-	-	-
(Increase)/decrease in reserves		0.03	0.47	(0.05)
(Increase)/decrease of investments		-	-	-
Total applications of capital funding (D)		(0.03)	0.07	(0.05)
Surplus/(deficit) of capital funding (C-D)		(0.03)	0.06	(0.06)
Funding balance (A-B) + (C-D)		-	-	0.01

Variance explanation Actual 2021/22 to LTP 2021/22

There are no material variances for this activity.

Govett-Brewster Art Gallery/Len Lye Centre

Te Whare Toi ā Govett-Brewster me Len Lye

What we do

We provide the community access to innovative and provocative art created by national and international contemporary artists.

The Govett-Brewster Art Gallery/Len Lye Centre presents a dynamic range of contemporary art exhibitions including works by local, national, and international artists. Exhibitions are supported by an extensive programme of public and community events, education programmes, and other opportunities for audiences to engage with art and encourage dialogue about the world we live in.

In 2015 the Govett-Brewster Art Gallery extended the building to home the Len Lye Centre, New Zealand's first institution dedicated to a single artist, which provides a continuous access to the art and ideas of Len Lye, a pioneering filmmaker and kinetic sculptor.



Significant effects on community well-being

The service contributes to the social, economic and cultural well-beings, as outlined in the LTP. There are no negative impacts on community well-being.

Significant challenges during the year

Covid-19 restrictions caused challenges to the Gallery's operations this year, as the safety of visitors and staff were prioritised. The Gallery was closed to public entry on 28 days over the year – 23 due to the lockdown in August to September 2021, and a further five days in March to April 2022 as the Gallery moved into a split-shift model in response to the Omicron outbreak. Despite these closures, the Gallery still welcomed a higher number of visitors than the previous year. In addition, while a total number of 27 public engagement events were cancelled or postponed due to physical distancing requirements and exhibition changeovers were extended to support the distancing of installation crews, a number of previously postponed audience engagement events were still able to be held. Furthermore, the Gallery proactively reintroduced a number of programme events which resulted in successfully providing an extensive offering to the community.

Govett-Brewster Art Gallery/Len Lye Centre

Te Whare Toi ā Govett-Brewster me Len Lye

Our commitment to you

	Target	Result	Comment
Provide access to an engaging range of contemporary art from New Zealand and around the world.			
The annual number of exhibitions on offer.	7	8	The shift towards fewer, larger exhibitions was made in response to staff availability and lockdown restrictions, resulting in a lower total figure compared to the previous year. (2020/21: 14 - Achieved)
The annual number of visitor entries.	60,000	63,724	The Gallery welcomed 63,724 visitors during the year, well ahead of 60,748 the previous year. Visitors were from New Plymouth District (32.3%), Auckland (25.9%), Wellington (10%), Waikato (8.8%) and elsewhere in Taranaki (5.9%). (2020/21: 60,748 (target 50,000) - Achieved)
The annual number of audience engagement events ¹ .	50	115	While Covid-19 restrictions caused the cancellation of 27 events throughout the year, a high result was due to the reintroduction of a number of programme events and previously postponed events. (2020/21: New measure)
The percentage of residents satisfied with the service (satisfaction survey ²).	65%	77%	(2020/21: 73% (target meets or exceeds peer group average) - Achieved)
The percentage of customers satisfied with their overall experience at the Govett-Brewster Art Gallery/Len Lye Centre (in-house surveys).	82%	93%	Rounded down from 93.4%. In-house surveys were taken throughout the year, with 181 participants – lower than previous years due to physical distancing requirements. Results reflect survey responses ‘very satisfied’ (66.3%), ‘satisfied’ (19.9%) and ‘somewhat satisfied’ (7.2%). (2020/21: 87% - Achieved)

¹ These include formal ticketed events such as the Monica Brewster evenings, free and paid gallery and exhibition tours, targeted free events such as Sense Art tours, Gallery Babes and Gallery Seniors, education programmes including Young Visionaries, family art and workshops, and other public talks, lectures, tours and workshops.

² All satisfaction survey targets are excluding ‘don’t know’ responses.

Govett-Brewster Art Gallery/Len Lye Centre

Te Whare Toi ā Govett-Brewster me Len Lye

Funding Impact Statement for the year ended 30 June 2022

	Notes	Actual 2021/22 (\$m)	LTP 2021/22 (\$m)	A/Plan 2020/21 (\$m)
Sources of operating funding				
General rates, uniform annual charges, rates penalties		4.30	4.30	4.75
Targeted rates		-	-	-
Subsidies and grants for operating purposes		0.25	0.26	0.38
Fees and charges		0.60	0.51	0.72
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-
Total operating funding (A)		5.14	5.07	5.85
Applications of operating funding				
Payments to staff and suppliers		(3.40)	(3.46)	(4.03)
Finance costs		-	-	(0.03)
Internal charges and overheads applied		(1.27)	(1.38)	(1.51)
Other operating funding applications		-	-	-
Total applications of operating funding (B)		(4.67)	(4.84)	(5.57)
Surplus/(deficit) of operating funding (A - B)		0.47	0.23	0.28
Sources of capital funding				
Subsidies and grants for capital expenditure		0.03	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		0.08	0.06	0.02
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding (C)		0.11	0.06	0.02
Applications of capital funding				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		(0.09)	(0.08)	(0.05)
- to replace existing assets		(0.03)	(0.13)	(0.17)
(Increase)/decrease in reserves		(0.46)	(0.08)	(0.10)
(Increase)/decrease of investments		-	-	-
Total applications of capital funding (D)		(0.58)	(0.29)	(0.32)
Surplus/(deficit) of capital funding (C-D)		(0.47)	(0.23)	(0.30)
Funding balance (A-B) + (C-D)		-	-	(0.02)

Variance explanation Actual 2021/22 to LTP 2021/22

There are no material variances for this activity.

Management of Investments and Funding

Whakahaere o ngā Haumitanga me ngā Pūtea Mōni

What we do

Our role is to develop, manage and protect key NPDC funding sources.

Our service manages all NPDC owned investments. We also manage income not assigned to other Council activities and all of Council's borrowing. This includes:

- NPDC's Perpetual Investment Fund (PIF) managed by the New Plymouth PIF Guardians Ltd.
- One hundred per cent ownership of Papa Rererangi i Puketapu Limited, the Council Controlled Trading Organisation that runs the New Plymouth Airport.
- Administration of 1,500 property leases and agreements.
- Production forestry on NPDC owned land and two joint venture forestry investments.
- Minor equity investments in Civic Assurance Limited and the Local Government Funding Agency.
- Administering Waitara leasehold property leases and freeholding and administering the funds derived according to the New Plymouth District Council (Waitara Lands) Act 2018.



Significant effects on community well-being

The Management of Investments and Funding service contributes to the social, economic, environmental and cultural well-beings, as outlined in the LTP. There are no negative impacts on community well-being.

Significant challenges during the year

As with any investment fund, a key challenge is always volatility in the markets and the resulting impact on the value of the PIF. Post Covid-19 financial markets were unpredictable, however positive returns were achieved during the financial year.

Management of Investments and Funding

Whakahaere o ngā Haumitanga me ngā Pūtea Mōni

Our commitment to you

	Target	Result	Comment
Manage the Perpetual Investment Fund (PIF) to provide sustainable NPDC revenue.			
The annual return from the PIF received by NPDC.	3.3% + CPI + management fees and costs	0.9%	<p>Target was 11.4% (3.3% + CPI + management costs).</p> <p>A prime focus for the Council is to ensure that returns from the PIF are at a level that meets its objectives for the fund. The New Plymouth PIF Guardians have a service performance indicator to achieve the total return on the portfolio (net of all costs) measured on a rolling five-year basis, this is currently a target of 3.3% per annum plus NZ inflation (as measured by the Consumers Price Index). The actual return net of costs was 0.9% for the 12 month period to 30 June 2022. The total return of the portfolio for the past five years is 7.9% per year which is 1.6% above the rolling five-year target.</p> <p>(2020/21: 23.7% - Achieved)</p>
Manage NPDC’s borrowing programme in accordance with the Liability Management Policy. ¹			
Debt levels comply with limits set by policy.	All measures met	All measures met ²	(2020/21: All measures met - Achieved)

¹ The Liability Management Policy is incorporated within the Treasury Management Policy which was updated and approved by the Council on 2 June 2020.

² Council in compliance with all measures as per below:

Measure	Target	2021/22 results	2020/21 results
1. Net debt/revenue	<135%	-107.3%	-60.1%
2. Net interest/rvenue	<10%	2.9%	3.6%
3. Net interest/rates income	<20%	4.5%	5.4%
4. Liquidity/external debt	>110%	186.5%	212.0%

The result for measure 1 is negative as the Council's net debt is nil. This is because the Council's liquid assets are greater than borrowings.

Management of Investments and Funding

Whakahaere o ngā Haumitanga me ngā Pūtea Mōni

Funding Impact Statement for the year ended 30 June 2022

	Notes	Actual 2021/22 (\$m)	LTP 2021/22 (\$m)	A/Plan 2020/21 (\$m)
Sources of operating funding				
General rates, uniform annual charges, rates penalties	1	(6.18)	(6.71)	(9.98)
Targeted rates		-	-	-
Subsidies and grants for operating purposes		-	-	-
Fees and charges	2	2.04	1.29	2.52
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	3	13.64	12.14	12.80
Total operating funding (A)		9.50	6.72	5.34
Applications of operating funding				
Payments to staff and suppliers		(6.80)	(6.77)	(1.55)
Finance costs		(1.41)	(1.91)	(1.31)
Internal charges and overheads applied		(0.57)	(0.81)	(0.34)
Other operating funding applications		-	-	-
Total applications of operating funding (B)		(8.78)	(9.49)	(3.20)
Surplus/(deficit) of operating funding (A - B)		0.71	(2.77)	2.14
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt	4	(0.99)	(1.90)	(0.14)
Gross proceeds from sale of assets	5	4.17	7.39	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding (C)		3.18	5.49	(0.14)
Applications of capital funding				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service	6	(4.22)	-	-
- to replace existing assets		-	-	-
(Increase)/decrease in reserves		0.33	(2.73)	(2.02)
(Increase)/decrease of investments		-	-	-
Total applications of capital funding (D)		(3.89)	(2.73)	(2.02)
Surplus/(deficit) of capital funding (C-D)		(0.71)	2.76	(2.16)
Funding balance (A-B) + (C-D)		-	(0.01)	(0.02)

Variance explanation Actual 2021/22 to LTP 2021/22

1. Less operating funding was required to subsidise rates due to additional rates collected compared to forecast.
2. More revenue than forecast was received from Waitara freehold lease agreements, rent on commercial properties and proceeds from harvesting Council-owned forestry assets.
3. Revenue is higher than forecast due to greater investment gains realised on the Council's Perpetual Investment Fund compared to budgeted performance (due to the impact of inflation during the year).
4. Actual repayments received from Papa Rererangi i Puketapu Limited ("PRIP") were lower than forecast due to the impact of Covid-19 on PRIP's operations during the year.
5. The volume of sales of Waitara freehold properties during the year was lower than expected.
6. Unbudgeted property purchase during the year due to land becoming available for sale which will support future development of the area surrounding New Plymouth Airport.

Parks and Open Spaces

Ngā Papa Rēhia me ngā Wāhi Tuwhera

What we do

The Parks and Open Spaces team manages a diverse range of parks, public spaces and public assets in the district.

Our role is to provide, develop and maintain NPDC's recreational facilities and open spaces under the Local Government Act 2002, the Reserves Management Act 1977 and the Resource Management Act 1991. Our assets and services include:

- Pukekura Park.
- Brooklands Zoo.
- 1,600 hectares of local, historic, coastal, esplanade and recreation reserves.
- 49 playgrounds, 21 sports grounds and nine skatepark sites.
- 82 kilometres of walkways, including 12.7 kilometres of Coastal Walkway.
- Campgrounds.
- Public art and monuments.
- 52 public toilets.
- Street trees and urban streetscapes and pocket parks.
- A crematorium and 15 operational cemeteries.



Significant effects on community well-being

The Parks and Open Spaces service contributes to the social, economic, environmental and cultural well-beings, as outlined in the LTP. However, NPDC acknowledges that there can be a negative impact on social well-being because the existing design of parks and open space could lead to crime and injury. This is mitigated through best practice crime prevention and injury prevention through environmental design.

Significant challenges during the year

The Kaitake Trail project is in the process of a strategic reset to better align with the cultural and ecological values associated with the landscape in which the project is located. This will include exploring with hapū and other stakeholders how best to re-establish collaborative project objectives.

The destruction of the Ahu Ahu swing bridge during a storm event has created delays in progression of delivery of walking and cycling connections to avoid Hauranga pā. Additional resource consent considerations and consultation with hapū is underway to ensure the bridge can be reinstated and delivery of the walkway progressed.

Parks and Open Spaces

Ngā Papa Rēhia me ngā Wāhi Tuwhera

Our commitment to you

	Target	Result	Comment
Maintain quality district parks, reserves and open spaces.			
The percentage of residents satisfied with the quality of the district's parks and reserves, including the Coastal Walkway and Pukekura Park (satisfaction survey ¹).	95%	98%	(2020/21: 97% - Achieved)
The percentage of residents satisfied with the quality of the district's urban landscapes and streets (satisfaction survey ¹).	95%	92%	NPDC recognises there are issues with our urban landscape and streets, particularly in New Plymouth CBD, and are addressing this through the recently completed Ngāmotu New Plymouth City Centre Strategy. (2020/21: 91% - Not achieved)
The percentage of residents satisfied with the quality of the district's sports parks (satisfaction survey ¹).	85%	95%	(2020/21: 89% (target 95%) - Not achieved)
The percentage of residents satisfied with the quality of the district's playgrounds (satisfaction survey ¹).	95%	95%	(2020/21: 93% - Substantially achieved)
The percentage of Brooklands Zoo visitors satisfied with the zoo (in-house survey).	90%	100%	One hundred and seven Brooklands Zoo visitors were surveyed. (2020/21: 100% - Achieved)
Maintain access to the district's parks, reserves and open spaces.			
The percentage of households in the district that are within 500 metres of a park, reserve or neighbourhood open space.	80%	84%	(2020/21: 84% (target 71%) - Achieved)
Provide quality public toilets across the district.			
The percentage of the community satisfied with the quality of the district's public toilets (satisfaction survey ¹).	80%	87%	(2020/21: 82% - Achieved)

¹ All satisfaction survey targets are excluding 'don't know' responses.

Parks and Open Spaces

Ngā Papa Rēhia me ngā Wāhi Tuwhera

Funding Impact Statement for the year ended 30 June 2022

	Notes	Actual 2021/22 (\$m)	LTP 2021/22 (\$m)	A/Plan 2020/21 (\$m)
Sources of operating funding				
General rates, uniform annual charges, rates penalties		17.14	17.14	15.60
Targeted rates		-	-	-
Subsidies and grants for operating purposes		0.07	0.01	0.01
Fees and charges		2.24	2.15	2.03
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-
Total operating funding (A)		19.44	19.30	17.64
Applications of operating funding				
Payments to staff and suppliers	1	(14.04)	(11.84)	(11.14)
Finance costs		(0.56)	(0.56)	(0.90)
Internal charges and overheads applied		(3.01)	(2.62)	(2.76)
Other operating funding applications		-	-	-
Total applications of operating funding (B)		(17.61)	(15.02)	(14.80)
Surplus/(deficit) of operating funding (A - B)		1.83	4.28	2.84
Sources of capital funding				
Subsidies and grants for capital expenditure	2	0.03	1.50	-
Development and financial contributions		0.06	0.55	0.92
Increase/(decrease) in debt	3	1.41	0.46	2.74
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding (C)		1.50	2.51	3.65
Applications of capital funding				
Capital expenditure:				
- to meet additional demand		(0.12)	(0.27)	(0.43)
- to improve the level of service	2	(0.07)	(2.98)	(3.82)
- to replace existing assets	4	(2.17)	(4.83)	(1.73)
(Increase)/decrease in reserves		(0.97)	1.29	(0.51)
(Increase)/decrease of investments		-	-	-
Total applications of capital funding (D)		(3.33)	(6.79)	(6.49)
Surplus/(deficit) of capital funding (C-D)		(1.83)	(4.28)	(2.84)
Funding balance (A-B) + (C-D)		-	-	-

Variance explanation Actual 2021/22 to LTP 2021/22

1. Operating expenses are higher than budgeted due to lake dredging delayed from the prior year due to Covid-19.
2. The Kaitake Trail development project is undergoing a strategic reset, which resulted in less capital expenditure than budgeted. Grant funding associated with the project was therefore deferred.
3. Additional borrowings were undertaken during the year to fund higher than expected operating costs.
4. Forecast capital work to renew the Kawarua sea wall and bridges in Council-owned parks were not completed during the year, and have been carried over to the 2022/23 year.

Puke Ariki and Community Libraries

Puke Ariki me ngā Whare Pukapuka ā-hapori

What we do

We are an integrated knowledge hub comprising a museum, a central library, five community libraries, a mobile library, a digital library, and a visitor information centre.

Puke Ariki and the Community Libraries provide access to a wealth of quality physical and digital resources to both residents and visitors to the region. We offer a range of knowledge, collections, exhibitions, experiences and information to meet the evolving needs of our communities.

Our range of programming is based on literacy and digital needs, and on learning experiences that meet and reflect the needs of our people. We offer space for people to study and connect in a safe, neutral environment. Our dynamic people-orientated facilities protect and promote access to the heritage of the district, to the national heritage of Aotearoa New Zealand, and for lifelong learning opportunities.

The Museum cares for thousands of objects, artworks and archival material. These collections are exhibited in three long-term and three temporary gallery spaces that also host national and international touring exhibitions. They are available for viewing and research by visiting public and increasingly on line.



Significant effects on community well-being

The Puke Ariki and Community Libraries service contributes to the social, economic and cultural well-beings, as outlined in the LTP. There are no negative impacts on community well-being.

Significant challenges during the year

The effects of Covid-19 continued to be felt at Puke Ariki during the year. Regional and international travel restrictions contributed to a fall in visitation and retail spend. A significant number of public events/programmes were cancelled and there was a temporary closure of facilities or reduced hours of operation due to limited staffing levels. International freight delays resulted in irregular delivery of resources and disruptions to workflows and exhibition planning. The restrictions, however, also enabled innovation and opportunity. Puke Ariki trialed new services to meet changing community needs including the introduction of a 'click and collect' system within the libraries, and the museum continued to focus on creating digital experiences in relation to exhibitions.

Puke Ariki and Community Libraries

Puke Ariki me ngā Whare Pukapuka ā-hapori

Our commitment to you

	Target	Result	Comment
Provide an accessible and informative point of contact and booking service for visitors to New Plymouth District.			
The percentage of customers satisfied with the i-SITE Visitor Information Centre (in-house survey).	98%	100%	Responses received from 189 customers surveyed. (2020/21: 100% (target 95%) - Achieved)
Ensure library collections, including digital resources, are available to meet the needs of the community.			
The number of items per capita is maintained.	3 to 3.5 items	3.3 items	Library collections are made available to meet community needs. Library collections are within the appropriate range of items per capita, including both print and digital material. (2020/21: New measure)
Number of annual physical visits across Puke Ariki and community libraries (except during times of closure).			
Average customers per week.	5,000 per week	9,588 per week	Measure includes Puke Ariki and Community Libraries (except Urenui and Mobile libraries). (2020/21: New measure)
Provide access to online information using public computing devices.			
Free WiFi available and access to online information using public computers and customer devices is available.	Free access at all libraries	Achieved	Free WiFi and access to online information using public computers and customer devices was available, except during periods of closure due to alert levels or specific government Covid-19 regulations. (2020/21: New measure)
We offer widely accessible and engaging education programmes and public and community programmes.			
The annual number of programmed learning opportunities on offer.	1,200	1,017	This includes 585 facilitated school education programmes (15,043 attendees) conducted throughout Puke Ariki, the Taranaki Research Centre, Discover It! and Community Libraries. There were limited events, programmes and educational opportunities offered under the Covid-19 Protection Framework settings. (2020/21: 1,728 - Achieved)
The number of participants attending.	29,000	20,079	There were limited events, programmes and educational opportunities offered under the Covid-19 Protection Framework settings. (2020/21: 40,829 - Achieved)

Puke Ariki and Community Libraries

Puke Ariki me ngā Whare Pukapuka ā-hapori

	Target	Result	Comment
The percentage of participants satisfied with programmes (in-house).	95%	96%	Teachers gave 100% satisfaction for education programmes. (2020/21: 96% - Achieved)
Provide new, dynamic exhibitions regularly to ensure visitor engagement and repeat visits.			
Refresh of permanent galleries.	1	1	Reef Alive Stages 1, 2 and 3 were completed. Stage 4 delayed by Covid-19. (2020/21: New measure)
Temporary exhibitions annually.	2	2	<i>Wildlife Photographer of the Year</i> (14 August to 14 November 2021) and <i>Map It</i> (4 December 2021 to 29 May 2022). (2020/21: New measure)
Additional exhibitions per year in other Gallery spaces.	4	4	<i>This is Our World</i> and <i>Impermanence</i> : both exhibited in the Lane and Wall Galleries. (2020/21: New measure)
Provide online access to the heritage collection through a variety of platforms.			
Addition of digital product/experiences and other digital platform exhibitions per year.	4	5	Completed projects include <i>1896: Christopher Aubrey's Taranaki</i> Virtual Tour, <i>Home Work Taranaki Art 2020</i> Virtual Tour, Vernon Browser Upgrade, <i>Points of View</i> Virtual Tour, and <i>Impermanence</i> Virtual Tour. (2020/21: New measure)

Puke Ariki and Community Libraries

Puke Ariki me ngā Whare Pukapuka ā-hapori

Funding Impact Statement for the year ended 30 June 2022

	Notes	Actual 2021/22 (\$m)	LTP 2021/22 (\$m)	A/Plan 2020/21 (\$m)
Sources of operating funding				
General rates, uniform annual charges, rates penalties		11.32	11.32	11.00
Targeted rates		-	-	-
Subsidies and grants for operating purposes		0.54	0.56	0.40
Fees and charges		0.35	0.48	0.42
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-
Total operating funding (A)		12.21	12.36	11.83
Applications of operating funding				
Payments to staff and suppliers		(6.74)	(6.64)	(6.01)
Finance costs		-	-	(0.16)
Internal charges and overheads applied		(3.34)	(3.32)	(3.61)
Other operating funding applications		-	-	-
Total applications of operating funding (B)		(10.09)	(9.96)	(9.78)
Surplus/(deficit) of operating funding (A - B)		2.12	2.40	2.05
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		0.04	-	0.25
Increase/(decrease) in debt		(0.12)	0.09	1.16
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding (C)		(0.08)	0.09	1.41
Applications of capital funding				
Capital expenditure:				
- to meet additional demand		-	-	(0.24)
- to improve the level of service		(0.06)	(0.05)	(1.24)
- to replace existing assets		(1.40)	(1.38)	(2.03)
(Increase)/decrease in reserves		(0.58)	(1.06)	0.05
(Increase)/decrease of investments		-	-	-
Total applications of capital funding (D)		(2.04)	(2.49)	(3.46)
Surplus/(deficit) of capital funding (C-D)		(2.12)	(2.40)	(2.05)
Funding balance (A-B) + (C-D)		-	-	-

Variance explanation Actual 2021/22 to LTP 2021/22

There are no material variances for this activity.

Stormwater Management

Whakahaere Wai Marangai

What we do

Our service collects and disposes of stormwater runoff from urban areas, and manages and maintains our stormwater network.

Stormwater is rainwater that flows from surfaces such as roofs, gardens, footpaths and roads. NPDC's stormwater drainage schemes include New Plymouth, Bell Block, Waitara, Inglewood, Urenui, Ōnaero, Lepperton, Egmont Village, Ōākura and Okato.

To manage stormwater in the district we operate and maintain 312 kilometres of stormwater pipes, and a number of detention areas and engineered wetlands.



Significant effects on community well-being

The Stormwater Management service contributes to the social, economic and environmental well-beings, as outlined in the LTP. However, NPDC acknowledges that there can be a negative impact on social and economic well-being if systems are insufficient to deal with severe storms. This is mitigated through ensuring a consistent level of protection and improving systems where needed. NPDC also acknowledges that there can be a negative impact on environmental and cultural well-being arising from stormwater discharges affecting water quality. This is mitigated by requiring onsite disposal of stormwater where possible, and providing wetland treatment facilities.

Significant challenges during the year

We have experienced supply chain issues and inflation has impacted our ability to complete projects. For example, the lead time for some products like the liner for Waiwaka Terrace culvert has extended significantly and the cost of materials such as steel have increased significantly this year.

Covid-19 lockdowns and illness with contractors has impacted staffing levels and led to delays in some projects.

Some of the Government's Three Waters stimulus funding was applied to stormwater projects such as the replacement of the Waiwaka Culvert and used to do CCTV inspections on critical stormwater pipes in order to identify defects.

We have completed a stormwater model for Waitara. This will enable us to undertake modelling and assess the best methods of addressing the stormwater issues in Waitara.

Two significant projects have commenced in Waitara with detailed design for the Tangaroa Stream well underway and the installation of a large pipe to divert flood waters from the Waiari Catchment down SH3 to the Waitara River (this work is being undertaken in partnership with Waka Kotahi as part of the installation of a roundabout at the Princess Street/SH3 intersection).

Stormwater Management

Whakahaere Wai Marangai

Our commitment to you

	Target	Result	Comment
Provide a stormwater management system that protects people and property.			
The number of flooding events in the district per financial year.	0	0	(2020/21: None - Achieved)
The number of habitable floors affected in each flooding event (per 1,000 properties connected to NPDC's stormwater system).	1 or less	0	(2020/21: None - Achieved)
Comply with all resource consents for discharges from our stormwater system.			
The number of abatement notices received.	0	0	(2020/21: None - Achieved)
The number of infringement notices received.	0	0	(2020/21: None - Achieved)
The number of enforcement orders received.	0	0	(2020/21: None - Achieved)
The number of convictions received.	0	0	(2020/21: None - Achieved)
Respond to service requests in a timely manner.			
Note. The times shown for 'attendance' and 'resolution' are reported by NPDC's operation and maintenance contractor, Citycare, as part of their contracted responsibilities. This includes travel time. The accuracy of these times have been verified by NPDC.			
The median response time to a flooding event (from the time that NPDC receives notification to the time service personnel reach the site).	One hour	0.61 hours	(2020/21: 0.49 hours - Achieved)
Ensure customers are satisfied with the performance of our stormwater system.			
The number of complaints received about the performance of NPDC's stormwater system (per 1,000 properties connected).	8 or less	5.56	There were 162 complaints from 31,679 connections to the stormwater system. The measure allows for 63 or less complaints for each quarter. (2020/21: 4.95 (target 7 or less) - Achieved)

Stormwater Management

Whakahaere Wai Marangai

Funding Impact Statement for the year ended 30 June 2022

	Notes	Actual 2021/22 (\$m)	LTP 2021/22 (\$m)	A/Plan 2020/21 (\$m)
Sources of operating funding				
General rates, uniform annual charges, rates penalties		2.26	2.26	1.82
Targeted rates		-	-	-
Subsidies and grants for operating purposes		0.07	-	-
Fees and charges		0.03	0.01	0.01
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-
Total operating funding (A)		2.36	2.27	1.83
Applications of operating funding				
Payments to staff and suppliers		(1.18)	(0.78)	(0.76)
Finance costs		(0.16)	(0.16)	(0.48)
Internal charges and overheads applied		(0.66)	(0.66)	(0.17)
Other operating funding applications		-	-	-
Total applications of operating funding (B)		(2.00)	(1.60)	(1.42)
Surplus/(deficit) of operating funding (A - B)		0.36	0.67	0.41
Sources of capital funding				
Subsidies and grants for capital expenditure	1	1.70	-	-
Development and financial contributions		0.45	0.32	0.36
Increase/(decrease) in debt	2	2.21	1.53	5.70
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding (C)		4.36	1.85	6.06
Applications of capital funding				
Capital expenditure:				
- to meet additional demand		(0.10)	(0.18)	(1.55)
- to improve the level of service	2	(3.31)	(2.07)	(4.66)
- to replace existing assets	1	(1.91)	(0.51)	(0.33)
(Increase)/decrease in reserves		0.60	0.24	0.06
(Increase)/decrease of investments		-	-	-
Total applications of capital funding (D)		(4.72)	(2.52)	(6.48)
Surplus/(deficit) of capital funding (C-D)		(0.36)	(0.67)	(0.42)
Funding balance (A-B) + (C-D)		-	-	(0.01)

Variance explanation Actual 2021/22 to LTP 2021/22

1. Additional funding not budgeted in the LTP was received from the Department of Internal Affairs to replace culverts at Waiwaka Terrace.
2. Additional work was undertaken during the year compared to budget to upgrade stormwater services at Bromley Street, New Plymouth and in Waitara.

Transportation

Ngā waka kawenga

What we do

We manage an efficient transport network enabling the safe and effective movement of people, goods and services around the district.

Transportation operates and maintains the district’s existing transport network, and plans and prepares for future growth and development in the district.

Working within a complex mix of policy, legislation, and national and regional strategies, we develop, maintain and renew assets in the network. We also conduct traffic management on all roads except state highways. Our service includes:

- 1,285 kilometres of roads.
- 521 kilometres of footpaths.
- 166 bridges and 97 culverts
- Over 8,000 street lights.
- Over 11,000 traffic signs.
- Five tunnels.
- Cycleways, bus shelters, traffic lights, and traffic management.



Significant effects on community well-being

The Transportation service contributes to the social, economic and environmental well-beings, as outlined in the LTP. However, NPDC acknowledges that there can be a negative impact on all four well-beings.

Social well-being can be impacted through limited opportunities for vulnerable users to cross major roads and severing communities. This is mitigated by providing safe pedestrian crossing facilities and providing education programmes to schools.

Economic well-being can be impacted due to the increasing cost of maintaining and operating the transportation network. This is mitigated through asset management planning.

Environmental well-being can be impacted through the negative impact of motor vehicles. This is mitigated through developing infrastructure and education around sustainable transport modes.

Cultural well-being can be impacted by transport projects impacting on cultural sites and values. This is mitigated by engaging with iwi and others when proposing transport options.

Significant challenges during the year

Council activities have been maintained at their existing levels of service, however community satisfaction level with our road network continues to decline. This perception isn’t helped by the unusually high number of ‘minor events’ we had in 2021/22, which principally disrupted our rural links, and the various maintenance issues on the district’s State Highways (managed by Waka Kotahi), which rub off on Council.

Council have identified that the previous investment levels were no longer sustainable in order to maintain existing levels of service, hence Council’s LTP 2021-2031 budgeted for a reasonable funding increase. This increase was particularly related to the renewal of Council’s deteriorating urban arterial roads, the management of ageing structures (bridges and retaining walls), and the increasing impact of forestry activity on rural low volume roads.

Transportation

Ngā waka kawenga

Unfortunately Waka Kotahi only funded \$25m (or 37 per cent) of the \$69m NPDC 2021-2024 maintenance, operations and renewals transportation programme. Since Council’s strategic alignment and investment business case was strong and robust Council kept to the recommended programme as the consequences of not following it would be a significant reduction in levels of service (in both urban and rural areas). This meant the effective financial assistance rate (FAR) from Waka Kotahi was down from 51 per cent to 37 per cent.

As noted earlier in this report, there have been delays in the Coastal Walkway extension to Waitara. However, this delay is not expected to result in a change to the overall completion date of this six year project.

On a positive note, NPDC and the Stratford District Council agreed to join forces in the management of both districts street lighting. A single contract will be going out for tender early in the first quarter of 2022/23, and will include all of New Plymouth and Stratford’s district street lights. It will also include the State Highway street lights within those two districts.

Our commitment to you

	Target	Result	Comment
Provide a local roading network that is safe for all road users.			
The change from the previous financial year in the number of fatality and serious injury crashes on the district’s local roading network.	Reducing	-2	Results extracted from Crash Analysis System in July 2022, but data reliability dependent on input timelines in data processing. ¹ (2020/21: -4 - Achieved)
Provide good quality district roads.			
The average quality of ride on the district’s sealed local road network, as measured by smooth travel exposure.	88%	87%	New higher specification measuring equipment has resulted in a more accurate measure. (2020/21: 88% - Achieved)
The percentage of residents satisfied with the overall quality of the district’s roads (satisfaction survey ²).	85%	62%	There has been a steady decline in overall satisfaction results since 2015 and recently, particularly from the Inglewood community. The survey shows community dissatisfaction is due to potholes, quality and lack of maintenance and road surface issues. Comments in the survey suggest these concerns are largely about community dissatisfaction with state highways rather than NPDC’s local roads. (2020/21: 67% - Not achieved)

	2021/22		2020/21	
	Change	Actual	Change	Actual
Deaths and Serious Injuries (DSI)				
Fatal crashes	+1	3	+1	2
Serious injury crashes	-3	16	-5	19

² All satisfaction survey targets are excluding ‘don’t know’ responses.

Transportation

Ngā waka kawenga

	Target	Result	Comment
Appropriately maintain the district's sealed roads.			
The minimum percentage of the sealed local road network that is resurfaced.	4%	7.7%	Road resurfacing is a seasonal activity (November to April) but this year's output included an added amount that was affected by Covid-19 in the previous financial year. (2020/21: 4.4% (target 5.7%) - Not achieved)
Provide a high quality and safe footpath network.			
The percentage of footpaths that meet the levels of service and service standards in current condition surveys, as set out in the Transportation Asset Management Plan.	More than 90% of footpath length surveyed in good or excellent condition	88%	Condition surveys are carried out every three years due to the slow change in any footpath condition. The last condition survey was carried out in 2019/20 and the next one is due in 2022/23. (2020/21: 88% - Substantially achieved)
Footpath length recorded as failed.	Less than 1% of footpath length recorded as failed	0.3%	(2020/21: 0.3% - Achieved)
Respond to service requests in a timely manner.			
The percentage of roading and footpath related customer service requests responded to within target timeframes. ³	95%	97%	(2020/21: 98% - Achieved)
Provide a quality and safe cycle network.			
The percentage of residents satisfied with the quality and safety of the district's cycle network (satisfaction survey ⁴).	85%	86%	With a historic declining overall perceived satisfaction rating, it is pleasing that this latest survey poll changed that trend in a positive manner. Nevertheless the latest published 'Communities at Risk' indicates that cyclists in our district are exposed to a high risk of high severity crashes (DSI) compared to the rest of New Zealand. There is however a reasonable walking/cycling capital investment budget going forward to improve the walking/cycling network, particularly the connectivity gaps. (2020/21: 81% - Not achieved)

³ Service request timeframes:

- one day for an electrical fault with traffic signals, flooding, diesel spills, chemical spills or a slip to be cleared.
- three days for street lighting faults and potholes.
- five days for traffic counts, bus shelter repairs, road marking enquiries, culvert maintenance, rubbish bins, reinstatement of footpaths and debris in the roadside channel.
- ten days for road surface faults, kerb and channel repairs, new kerb and channel, missing road signs and vegetation clearing.

⁴ All satisfaction survey targets are excluding 'don't know' responses.

Transportation

Ngā waka kawenga

Funding Impact Statement for the year ended 30 June 2022

	Notes	Actual 2021/22 (\$m)	LTP 2021/22 (\$m)	A/Plan 2020/21 (\$m)
Sources of operating funding				
General rates, uniform annual charges, rates penalties		14.27	14.27	10.10
Targeted rates		4.45	4.45	4.37
Subsidies and grants for operating purposes	1	4.77	5.83	4.27
Fees and charges		0.42	0.85	0.35
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		0.53	0.58	0.53
Total operating funding (A)		24.44	25.98	19.62
Applications of operating funding				
Payments to staff and suppliers	1	(12.16)	(13.03)	(9.89)
Finance costs		(1.09)	(1.09)	(1.11)
Internal charges and overheads applied		(2.91)	(3.28)	(2.46)
Other operating funding applications		-	-	-
Total applications of operating funding (B)		(16.16)	(17.40)	(13.45)
Surplus/(deficit) of operating funding (A - B)		8.28	8.58	6.17
Sources of capital funding				
Subsidies and grants for capital expenditure	2	6.73	10.38	8.41
Development and financial contributions		0.47	0.09	0.51
Increase/(decrease) in debt	3	3.18	4.61	0.88
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding (C)		10.38	15.08	9.80
Applications of capital funding				
Capital expenditure:				
- to meet additional demand		(0.53)	(1.08)	(0.47)
- to improve the level of service	3	(5.12)	(7.09)	(2.90)
- to replace existing assets	2	(11.09)	(16.06)	(15.50)
(Increase)/decrease in reserves		(1.92)	0.59	2.91
(Increase)/decrease of investments		-	-	-
Total applications of capital funding (D)		(18.66)	(23.64)	(15.97)
Surplus/(deficit) of capital funding (C-D)		(8.28)	(8.56)	(6.17)
Funding balance (A-B) + (C-D)		-	0.02	-

Variance explanation Actual 2021/22 to LTP 2021/22

1. Less maintenance work was undertaken during the current year as a result of Covid-19, which reduced operating payments made by NPDC. Since fewer costs were incurred, less operating subsidy revenue was provided to fund this work.
2. Subsidies and grants for capital expenditure was lower than budget due to delays in capital spent for the associated assets. The complexity of projects such as Te Rewa Rewa Bridge and the Waitara Walkway prolonged the planning phase, consequently delaying funding. Staff shortages due to Covid-19 and lost working days due to flooding events have also contributed to the delays in capital spent, impacting the associated funding.
3. Planned work to extend the coastal walkway from Bell Block to Waitara was delayed. This meant fewer capital costs were incurred, and therefore less debt funding was required. This project will be carried forward to future years.

Venues and Events

Ngā hinonga me Ngā Whakaaturanga

What we do

We attract and manage a diverse range of events in the district, manage Council-owned venues and operate and manage the district pools.

Our Venues and Events service plans and delivers the annual TSB Festival of Lights, the Home and Lifestyle Expo and a number of civic and community events, including local Waitangi Day celebrations. We also facilitate a number of local events in other parts of the district.

We also secure and manage a diverse programme of events at the Bowl of Brooklands, TSB Showplace, TSB Stadium and Yarrow Stadium. Much of our events work is aligned with, and supportive of, the 2020-2030 Taranaki Regional Events Strategy.

This service is also responsible for the Todd Energy Aquatic Centre and other community pools. The Aquatic Centre provides for a range of ages and activities, including learn to swim and fitness classes. The district's four community pools are seasonal, operating over the summer months. NPDC also provides financial support for the Bell Block Community Pool.



Significant effects on community well-being

The Venues and Events service contributes to the social, economic and cultural well-beings, as outlined in the LTP.

However, NPDC acknowledges that there can be a negative impact on social well-being due to the risk of inappropriate behaviour associated with patrons of events. This is mitigated through working with the Police and security providers for major events.

NPDC also acknowledges that there can be a negative impact on environmental well-being from events creating external impacts and waste, as well as district pools impacting on water quality. These are mitigated through resource consent processes, a zero waste policy, and meeting relevant standards.

Significant challenges during the year

The events industry plays a significant role in the district's community - economically and socially, and the events and venues industry has been strongly affected by the disruptive effects of Covid-19.

In response to the Covid-19 pandemic, our live events and venues, along with the rest of New Zealand, were forced to close and adapt to changing alert levels and Covid-19 Vaccination Certificate (CVC) requirements. As event and venue managers, considerable time was spent working on how to safely manage our venues, balancing the health and safety of staff, sponsors and attendees while working to minimise the losses caused by disruption.

Covid-19 also saw challenges for us in terms of returning to a standard supply of many event support business services. These included businesses in the fields of lighting, technical, and event staff with some permanently closing as a result of the pandemic.

The heavy demand on the TSB Stadium from both commercial and community users has also proved a challenge to balance. Ageing facilities have required additional maintenance matters to be addressed.

Venues and Events

Ngā hinonga me Ngā Whakaaturanga

Our commitment to you

	Target	Result	Comment
Provide high quality pools that encourage community participation in aquatic activities.			
The percentage of residents satisfied with NPDC's swimming facilities (satisfaction survey ¹).	94%	93%	This survey result has been impacted by Covid-19 with closure of the aquatic facilities for a period. (2020/21: 96% - Achieved)
The number of pool patrons per year.	390,000	227,032	Impacted by Covid-19. Under the Government's Covid-19 Protection Framework, aquatics facilities were closed for a period and restrictions on gathering numbers and capacity limits were in place for much of the year. (2020/21: 386,525 - Substantially achieved)
Provide a range of appealing events at high quality venues.			
The percentage of residents satisfied with NPDC's events (satisfaction survey ¹).	95%	93%	This survey result has been impacted by Covid-19 with cancellations of some events, including WOMAD in 2022 and a lack of international acts at the Bowl. (2020/21: 94% - Substantially achieved)
The percentage of residents satisfied with NPDC's events venues (satisfaction survey ¹).	93%	96%	(2020/21: 92% (target 95%) - Not achieved)
Provide a network of high quality venues that create opportunities for the community to attend arts, cultural, sporting and recreation activities.			
The number of attendees and events/bookings across all venues.	260,000 attendees	170,665 attendees	Impacted by Covid-19. Under the Government's Covid-19 Protection Framework venues facilities were closed for a period and restrictions on gathering numbers and capacity limits were in place for much of the year. Numbers do not include attendees at the annual TSB Festival of Lights (120-150k, cancelled in 2021/22 due to Covid-19) or any community or Civic events, however the result does include estimated attendees at this year's TSB Festival of Lights Winter Pop-Up. 2020/21: 225,938 (target 300,000 attendees) - Not achieved)
	1,000 events	1,001 events	The targeted number of events were able to take place however the number of community attending the events was reduced due to Covid-19 capacity and gathering restrictions. (2020/21: 995 (target 1,100 events) - Not achieved)

¹ All satisfaction survey targets are excluding 'don't know' responses.

Venues and Events

Ngā hinonga me Ngā Whakaaturanga

Funding Impact Statement for the year ended 30 June 2022

	Notes	Actual 2021/22 (\$m)	LTP 2021/22 (\$m)	A/Plan 2020/21 (\$m)
Sources of operating funding				
General rates, uniform annual charges, rates penalties		8.72	8.72	9.10
Targeted rates		-	-	-
Subsidies and grants for operating purposes		0.54	0.82	0.76
Fees and charges	1	2.64	3.44	3.56
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-
Total operating funding (A)		11.90	12.98	13.42
Applications of operating funding				
Payments to staff and suppliers	1	(7.39)	(8.44)	(8.58)
Finance costs		-	-	(0.10)
Internal charges and overheads applied		(2.40)	(2.61)	(3.02)
Other operating funding applications		-	-	-
Total applications of operating funding (B)		(9.80)	(11.05)	(11.70)
Surplus/(deficit) of operating funding (A - B)		2.11	1.93	1.72
Sources of capital funding				
Subsidies and grants for capital expenditure		-	-	-
Development and financial contributions		0.07	0.03	-
Increase/(decrease) in debt		0.35	0.07	(0.02)
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding (C)		0.42	0.10	(0.02)
Applications of capital funding				
Capital expenditure:				
- to meet additional demand		(0.04)	(0.07)	-
- to improve the level of service		(0.46)	(0.55)	(0.06)
- to replace existing assets	2	(0.89)	(2.12)	(1.28)
(Increase)/decrease in reserves		(1.13)	0.72	(0.36)
(Increase)/decrease of investments		-	-	-
Total applications of capital funding (D)		(2.52)	(2.02)	(1.70)
Surplus/(deficit) of capital funding (C-D)		(2.11)	(1.92)	(1.72)
Funding balance (A-B) + (C-D)		-	0.01	-

Variance explanation Actual 2021/22 to LTP 2021/22

1. Less revenue was received than forecast due to the Todd Energy Aquatics Centre being closed during the Level 4 lockdown and subsequent restrictions in response to Covid-19. Some planned events were also cancelled due to Covid-19. These closures and cancellations also resulted in savings against budgeted payments to staff and suppliers, as staff were able to be reallocated to other NPDC locations.
2. Planned work to renew existing assets for the Aquatic Centre and other venues was delayed due to Covid-19, and has been carried forward to 2022/23.

Waste Management and Minimisation

Whakahaere Para me tāna Whakaitinga

What we do

We promote zero waste and waste minimisation in the district. We also manage kerbside collection, and operate four rural transfer stations and the New Plymouth Resource Recovery Facility.

Our kerbside contractors collect around 5,300 tonnes of recyclable materials, 1,500 tonnes of food scraps and 7,800 tonnes of landfill waste from more than 30,200 residential premises (and schools) in defined areas of the district each year.

The Resource Recovery Facility and our four rural transfer stations handle non-hazardous solid waste, including around 800 tonnes of green waste, 1,300 tonnes of recyclable materials and 16,800 tonnes of landfill waste per year.

The Resource Recovery Facility includes the Junction Zero Waste Hub and a transfer station run by a private operator. This facility also accepts 2,400 tonnes of recycling from the Stratford and South Taranaki districts. The Junction Zero Waste Hub diverts more than 180 tonnes of reusable or upcycled items, accepts electronic waste for recycling and provides over 52 education tours and workshops per year. The facility's transfer station consolidates and transports landfill waste to a Class 1 landfill outside the Taranaki Region.

We deliver behaviour change and waste minimisation educational programmes to various communities, businesses and schools across the district, focusing on waste reduction, reuse and recycling.



Significant effects on community well-being

The Waste Management and Minimisation service contributes to the social, economic and environmental well-beings, as outlined in the LTP. However, NPDC acknowledges that there can be a negative impact on all four well-beings.

Social and economic well-being can be impacted by the cost of waste disposal which can impact households and businesses and can result in illegal dumping. This is mitigated by community engagement and increasing accessibility to services and providing cost-effective reuse and recycling alternatives to landfill disposal.

Environmental well-being can be impacted through the landfill releasing substances such as greenhouse gases and leachate. This is mitigated through diverting waste from landfill and using best management landfill practice.

Cultural well-being can be impacted by disposal impacting on cultural values. This is mitigated through best practice landfill management and by engaging with different cultures on waste management options.

Waste Management and Minimisation

Whakahaere Para me tāna Whakaitinga

Significant challenges during the year

The impact of and recovery from Covid-19 continued to be a focus during the year, with services impacted by staff shortages resulting in the temporary suspension of glass recycling collections, delays to the kerbside collection schedule, occasional closure of The Junction shop and suspension of public education tours and workshops.

Waste disposal to landfill continues to increase, with household waste increasing more than waste disposed at transfer stations. This is likely to reflect more residents working from home and therefore generating more waste at home. Contamination in recycling collected from the kerbside has decreased as a result of ongoing community engagement work and improvements to sorting machinery, which alongside an improving recycling commodity market, has seen an increase in revenue for recycling this year.

The construction of a new transfer station at Colson Road began during the year, but Covid-19 and associated supply chain issues has delayed the completion of this project, and subsequently pushed the construction and opening of the commercial waste sorting facility into the 2022/23 year, due to the existing transfer station site not being available.

The Colson Road Landfill was progressively capped during the construction season to ensure the landfill is closed to a high standard. This will enable future uses for the site to be considered over the coming years. Despite some impacts as a result of Covid-19 and weather, significant progress with the capping work was completed during the summer construction season. Capping is likely to be continue over the next one or two construction seasons.

Our commitment to you

	Target	Result	Comment
Encourage district-wide waste minimisation.			
The reduction in total landfill waste generated per capita in the district (measured as a year on year percentage).	1%	2% increase	320kg per capita (2020/21: 314kg). This measure includes both domestic (kerbside collection) and commercial waste disposal via our transfer stations. The increase reflects the higher waste disposal at home (see measure below), but may also be associated with greater commercial activity, particularly in the construction sector. (2020/21: New measure)
The reduction in landfill waste generated per household (measured as a year on year percentage).	5%	7% increase	261kg per household (2020/21: 243kg). The increase in landfill waste is likely due in part to Covid-19 with a lockdown occurring during Quarter 1, and many residents working from home more, resulting in a higher increase compared to overall waste (see measure above). (2020/21: 4% (target 1%) - Achieved)

Waste Management and Minimisation

Whakahaere Para me tāna Whakaitinga

Comply with all resource consents related to waste management and minimisation.			
The number of abatement notices received.	0	0	(2020/21: Three - Not achieved)
The number of infringement notices received.	0	0	(2020/21: None - Achieved)
The number of enforcement orders received.	0	0	(2020/21: None - Achieved)
The number of convictions received.	0	0	(2020/21: None - Achieved)
Ensure customers are satisfied with our waste management and minimisation service.			
The number of complaints about the Council's waste management and minimisation service received (per 1,000 customers).	2 or less	1.98	There have been 60 complaints from 32,924 customers. The measure allows for 8 or less complaints for each quarter. (2020/21: 1.75 (target 3 or less) - Achieved)

Waste Management and Minimisation

Whakahaere Para me tāna Whakaitinga

Funding Impact Statement for the year ended 30 June 2022

	Notes	Actual 2021/22 (\$m)	LTP 2021/22 (\$m)	A/Plan 2020/21 (\$m)
Sources of operating funding				
General rates, uniform annual charges, rates penalties		4.10	4.10	3.13
Targeted rates		5.15	5.07	5.25
Subsidies and grants for operating purposes		-	-	-
Fees and charges	1, 2	3.25	3.18	6.27
Internal charges and overheads recovered		-	-	0.60
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-
Total operating funding (A)		12.50	12.35	15.25
Applications of operating funding				
Payments to staff and suppliers	2	(9.43)	(10.08)	(10.75)
Finance costs		-	-	(0.26)
Internal charges and overheads applied		(1.85)	(1.76)	(2.57)
Other operating funding applications		-	-	-
Total applications of operating funding (B)		(11.28)	(11.84)	(13.58)
Surplus/(deficit) of operating funding (A - B)		1.23	0.51	1.67
Sources of capital funding				
Subsidies and grants for capital expenditure		-	0.42	-
Development and financial contributions		-	-	-
Increase/(decrease) in debt		(0.54)	(0.22)	3.54
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding (C)		(0.54)	0.20	3.54
Applications of capital funding				
Capital expenditure:				
- to meet additional demand		-	-	-
- to improve the level of service		(1.42)	(1.27)	(3.60)
- to replace existing assets		(0.58)	(0.91)	(0.13)
(Increase)/decrease in reserves		1.31	1.47	(1.48)
(Increase)/decrease of investments		-	-	-
Total applications of capital funding (D)		(0.69)	(0.71)	(5.21)
Surplus/(deficit) of capital funding (C-D)		(1.23)	(0.51)	(1.67)
Funding balance (A-B) + (C-D)		-	-	-

Variance explanation Actual 2021/22 to LTP 2021/22

1. More revenue than forecast was received due to higher commodity market rates for recyclables.
2. Operating payments were less than forecast because a planned extension to commercial waste collection was deferred. This also reduced fees and charges revenue, which would have been received from users of the service.

Wastewater Treatment

Rāwekeweke Waipara

What we do

This service collects and treats domestic and industrial wastewater, returning clean water to the environment and converting treated sludge into a commercially sold bio fertiliser.

Our activities include operating and maintaining a network of infrastructure to collect and treat sewage from the urban areas of New Plymouth, Bell Block, Waitara, Inglewood and Ōākura.

The wastewater network comprises a centralised treatment plant, 33 pump stations and 685 kilometres of sewer network. On average, we handle 25 million litres of wastewater each day, servicing more than 27,000 properties. We also monitor the flow of trade waste into the network.

Part of the treatment process includes using a thermal dryer to convert treated by-products into a commercial biosolid fertiliser called Bioboost, which is available commercially.



Significant effects on community well-being

The Wastewater Management service contributes to the social, economic and environmental well-beings, as outlined in the LTP. However, NPDC acknowledges that there can be a negative impact on all four well-beings.

Social, environmental and cultural well-being can be impacted by the risk of overflows into rivers and streams. This is mitigated through regular inspections, maintenance, and renewals.

Economic well-being can be impacted through service failure impacting on local industries. This is mitigated through ensuring resilience in networks.

Significant challenges during the year

We brought in-house the operation and maintenance of our sewer network pump stations and inspections of trunk sewers. This has had a positive impact on how these services have been carried out.

We have experienced supply chain issues and inflation impacting our ability to complete projects, for example the lead time for products like pumps, and the cost of materials like steel, have increased significantly this year.

Covid-19 lockdowns and illness with contractors has impacted staffing levels and led to delays in some projects.

Some of the Government's Three Waters stimulus funding was applied to wastewater projects. One of these projects was the removal of contaminated sludge from the large lagoon at the Wastewater Treatment Plant so it can be dried and taken to landfill. Another project was the lining of sewer pipes in Urenui motor camp to reduce inflow and infiltration in order to comply with consent conditions.

We have also started preliminary works for the replacement of the Thermal Drying Facility and other infrastructure upgrade works at the Wastewater Treatment Plant. This is being partly funded by the Government as part of its Covid-19 recovery stimulus funding.

Wastewater Treatment

Rāwekeweke Waipara

Our commitment to you

	Target	Result	Comment
Provide an effective wastewater treatment and disposal system.			
The number of dry weather sewerage overflows per 1,000 connections to the wastewater system.	1.5	0.16	There were five dry weather unauthorised discharges from the sewerage system (2020/21: 21). The number of connections for 2021/22 was 30,595 (2020/21: 30,259). 2020/21: 0.69 - Achieved (target 1 or less).
Comply with all resource consents for wastewater discharge from our system.			
The number of abatement notices received.	0	0	(2020/21: None - Achieved)
The number of infringement notices received.	0	0	(2020/21: None - Achieved)
The number of enforcement orders received.	0	0	(2020/21: None - Achieved)
The number of convictions received.	0	0	(2020/21: None - Achieved)
Respond to customer and maintenance requests in a timely manner.			
Note. The times shown for 'attendance' and 'resolution' are reported by NPDC's operation and maintenance contractor, Citycare, as part of their contracted responsibilities. This includes travel time. The accuracy of these times have been verified by NPDC.			
The median response time to sewerage overflow callouts (from the time NPDC receives notification to the time that service personnel reach the site).	1 hour or less	0.70	(2020/21: 0.70 - Achieved)
The median resolution time for sewerage overflow callouts (from the time NPDC receives notification to the time that service personnel confirm resolution of the fault or interruption).	4 hours or less for sewers <250 dia	2.49	(2020/21: 2.11 - Achieved)
	8 hours or less for sewers ≥ 250 dia	No callouts	(2020/21: No callouts - Achieved)
Ensure customers are satisfied with the wastewater treatment and disposal service.			
The total number of complaints received about sewerage odour; system faults or blockages; or NPDC's response to issues with the sewerage system (per 1,000 connected properties).	13 or less	8.37	There were 209 complaints from 30,595 connections to the wastewater system. The measure allows for 99 or less complaints for each quarter. (2020/21: 6.05 - Achieved)

Wastewater Treatment

Rāwekeweke Waipara

Funding Impact Statement for the year ended 30 June 2022

	Notes	Actual 2021/22 (\$m)	LTP 2021/22 (\$m)	A/Plan 2020/21 (\$m)
Sources of operating funding				
General rates, uniform annual charges, rates penalties		-	-	-
Targeted rates		15.16	15.12	14.76
Subsidies and grants for operating purposes	1	0.51	0.50	-
Fees and charges		2.58	2.40	2.15
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-
Total operating funding (A)		18.25	18.02	16.91
Applications of operating funding				
Payments to staff and suppliers		(6.47)	(6.57)	(5.58)
Finance costs		(1.68)	(1.68)	(2.89)
Internal charges and overheads applied		(5.15)	(4.93)	(3.35)
Other operating funding applications		-	-	-
Total applications of operating funding (B)		(13.29)	(13.18)	(11.82)
Surplus/(deficit) of operating funding (A - B)		4.96	4.84	5.09
Sources of capital funding				
Subsidies and grants for capital expenditure		5.00	10.46	-
Development and financial contributions		1.25	1.51	1.18
Increase/(decrease) in debt	2	0.95	1.69	0.49
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding (C)		7.20	13.66	1.67
Applications of capital funding				
Capital expenditure:				
- to meet additional demand	3	(1.69)	(3.62)	(3.25)
- to improve the level of service	1	(6.79)	(10.89)	(1.23)
- to replace existing assets	4	(3.55)	(5.80)	(9.88)
(Increase)/decrease in reserves		(0.13)	1.81	7.60
(Increase)/decrease of investments		-	-	-
Total applications of capital funding (D)		(12.16)	(18.50)	(6.76)
Surplus/(deficit) of capital funding (C-D)		(4.96)	(4.84)	(5.09)
Funding balance (A-B) + (C-D)		-	-	-

Variance explanation Actual 2021/22 to LTP 2021/22

1. Preliminary capital work for the Thermal Dryer replacement/upgrade project scheduled to take place during the year was delayed, which resulted in less capital expenditure incurred and less associated grant funding received than forecast. This work has been carried forward to 2022/23 and is expected that Crown funding revenue budgeted towards this will be received in 2022/23 once complete.
2. Less debt funding required in the current year due to delays in capital projects resulting in less expenditure incurred.
3. Less expenditure than budgeted due to Wastewater Network modelling programme being impacted by Covid-19
4. Planned capital work, including replacement of the West Quay pump station and plant renewals, were delayed due to Covid-19. This work has been carried forward to 2022/23.

Water Supply

Whakaputunga Wai

What we do

We treat and distribute water sourced from rivers and groundwater bores in the district to provide our community with a reliable and sustainable supply of fresh water.

There are four separate water supplies in the district - New Plymouth (including Omata, Bell Block, Waitara and Urenui), Inglewood, Ōākura and Okato. Combined, these facilities supply approximately 33.2 million litres of water per day to just over 30,000 households and businesses in defined urban and rural areas.

Our service develops, operates and maintains infrastructure associated with these water supplies, which includes treatment plants, pump stations, pipe networks and storage facilities such as reservoirs.

We ensure our water supplies comply with the New Zealand Drinking-water Standards and that water is used sustainably, particularly when demand is high. We also make sure there is water available for firefighting in urban areas.



Significant effects on community well-being

The Water Supply service contributes to the social, economic and environmental well-beings, as outlined in the LTP. However, NPDC acknowledges that there can be a negative impact on all four well-beings.

Social well-being can be impacted if water provided is not safe. This is mitigated by operating our water supply in accordance with Drinking Water Standards.

Economic well-being can be impacted if water supply is not reliable. This is mitigated through providing network resilience.

Environmental and cultural well-being can be impacted by the extracting of water from streams and aquifers. This is mitigated by demand management and promoting water efficiency.

Significant challenges during the year

Setting up the contracts for the roll out of water meters to all residential properties has been a challenge. A pilot project has been completed, orders placed for the supply of meters and materials and we are currently negotiating a contract with a preferred supplier to prepare connection points for the installation of the meters.

We brought in house meter reading and backflow, restrictor and trunk main inspections this year, which has had a positive impact on how these services have been carried out.

All of our activities have experienced supply chain issues and inflation impacting our ability to complete projects. For example, products like PVC pipe have not been able to be sourced and the cost of materials such as steel have increased significantly this year.

Covid-19 lockdowns and illness with contractors has impacted staffing levels and led to delays in some projects.

Some of the Government's Three Waters Stimulus funding was applied to water projects. These projects included additional replacement of pipes in Inglewood and the installation of a bypass water main to provide a second supply to Waitara East, Onaero and Urenui.

Water Supply

Whakaputunga Wai

Our commitment to you

	Target	Result	Comment
Provide water that is safe to drink.			
Our level of compliance with Part 4 of the Drinking-water Standards (bacteria compliance criteria).	Full compliance	Full compliance	(2020/21: Full compliance - Achieved)
Our level of compliance with Part 5 of the Drinking-water Standards (protozoal compliance criteria).	Full compliance	Full compliance	(2020/21: Full compliance - Achieved)
Maintain the reticulated water network in good condition.			
The percentage of real water loss from NPDC’s networked reticulation system. ¹	20% or less	20%	(2020/21: 17.8% (target - 25% or less) - Achieved)
Respond to faults and unplanned interruptions to the water supply network in a timely manner.			
Note. The times shown for ‘attendance’ and ‘resolution’ are reported by NPDC’s operation and maintenance contractor, Citycare, as part of their contracted responsibilities. This includes travel time. The accuracy of these times have been verified by NPDC.			
The median response time to urgent callouts (from the time that NPDC receives notification to the time that service personnel reach the site).	1 hour or less	0.62	(2020/21: 0.64 - Achieved)
The median resolution time for urgent callouts (from the time NPDC receives notification, to the time that service personnel confirm resolution of the fault or interruption).	4 hours or less for mains <250 dia	1.45	(2020/21: 1.91 - Achieved)
	8 hours or less for sewers ≥ 250 dia	No callouts	(2020/21: 1.72 - Achieved)
The median response time to non-urgent callouts (from the time NPDC receives notification to the time that service personnel reach the site).	70 hours or less	43.65	Priorities 2, 3 & 4. Priority 2 only: 23.73 hours (2020/21: 20.28 hours). (2020/21: 44.19 (target 24 hours or less) - Not achieved)
The median resolution time for non-urgent callouts (from the time NPDC receives notification to the time that service personnel confirm resolution of the fault or interruption).	116 hours or less	92.88	Priorities 2, 3 & 4. Priority 2 only 43.08 hours (2020/21: 41.51 hours). (2020/21: 91.78 (target 48 hours or less) - Not achieved)

¹ Water loss calculation: We calculate the percentage of water loss by dividing the annual volume of water loss by the total amount of treated water supplied for the year (obtained from water meter records from the Water Treatment Plant). To calculate the annual volume of water loss, we determine the minimum night flow (the average flow between 2am and 4am for the lowest 20 days of the year divided by the number of connections) and subtract the legitimate night usage per property (assumed to be six litres per property per hour). The difference is the estimated volume of water loss per property.

To get the annual volume of water loss, we multiply the estimated volume of water loss per property by the number of connections, and then multiply that figure by 365.

Water Supply

Whakaputunga Wai

	Target	Result	Comment
Ensure customers are satisfied with our water supply service.			
The total number of complaints (per 1,000 connections) received about any of the following: <ul style="list-style-type: none"> • drinking water clarity, taste or odour; • drinking water pressure or flow; • continuity of supply; and • NPDC’s response to any of these issues. 	16 or less	23.14	There were 667 complaints from 28,829 connections to the water system. The measure allows for 115 or less complaints for each quarter. The high number of complaints were due to water outages during the following events: water shutdown to repair third party damage in Inglewood and Westown, main breaks in Brixton, Marfell and New Plymouth; two planned water shutdowns in Inglewood. 2020/21: 24.43 - Not achieved (target 10 or less).
Manage demand to minimise the impact of water supply activities on the environment.			
The average consumption of drinking water per day, per resident, within New Plymouth District.	300 litres per day	304 litres per day	(2020/21: 287 (target 315 litres per day) - Achieved)
The number of abatement notices received.	0	0	(2020/21: None - Achieved)
The number of infringement notices received.	0	0	(2020/21: None - Achieved)
The number of enforcement orders received.	0	0	(2020/21: None - Achieved)
The number of convictions received.	0	0	(2020/21: None - Achieved)

Water Supply

Whakaputunga Wai

Funding Impact Statement for the year ended 30 June 2022

	Notes	Actual 2021/22 (\$m)	LTP 2021/22 (\$m)	A/Plan 2020/21 (\$m)
Sources of operating funding				
General rates, uniform annual charges, rates penalties		-	-	-
Targeted rates		15.07	14.82	13.26
Subsidies and grants for operating purposes		0.01	-	-
Fees and charges		0.47	0.22	0.23
Internal charges and overheads recovered		-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	-
Total operating funding (A)		15.56	15.04	13.49
Applications of operating funding				
Payments to staff and suppliers	1	(5.75)	(7.22)	(4.30)
Finance costs		(1.49)	(1.49)	(2.16)
Internal charges and overheads applied		(4.47)	(4.37)	(2.84)
Other operating funding applications		-	-	-
Total applications of operating funding (B)		(11.70)	(13.08)	(9.30)
Surplus/(deficit) of operating funding (A - B)		3.85	1.96	4.19
Sources of capital funding				
Subsidies and grants for capital expenditure	2	1.26	-	-
Development and financial contributions	3	0.98	0.46	0.52
Increase/(decrease) in debt	1	1.49	4.76	6.10
Gross proceeds from sale of assets		-	-	-
Lump sum contributions		-	-	-
Other dedicated capital funding		-	-	-
Total sources of capital funding (C)		3.74	5.22	6.62
Applications of capital funding				
Capital expenditure:				
- to meet additional demand	4	(1.76)	(2.98)	(4.25)
- to improve the level of service	2	(2.20)	(1.50)	(4.18)
- to replace existing assets		(6.55)	(6.14)	(4.37)
(Increase)/decrease in reserves		2.92	3.44	2.00
(Increase)/decrease of investments		-	-	-
Total applications of capital funding (D)		(7.59)	(7.18)	(10.80)
Surplus/(deficit) of capital funding (C-D)		(3.85)	(1.96)	(4.18)
Funding balance (A-B) + (C-D)		-	-	0.01

Variance explanation Actual 2021/22 to LTP 2021/22

1. Planned expenditure on the Low Head dam removal will now be completed in 2022/23. This resulted in lower expenditure than budgeted, and therefore less debt funding required.
2. Three Waters stimulus funding was received from the Department of Internal Affairs in 2020/21 and was carried forward. This funding was utilised during the current year to improve existing assets.
3. More development revenue than forecast was received due to sustained growth in the district.
4. Planned expenditure on universal water metering was delayed due to Covid-19. This work has been carried forward to 2022/23.

Financial Statements

Ngā Tauāki Pūtea

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Financial Statements

Ngā Tauāki Pūtea

NEW PLYMOUTH DISTRICT COUNCIL

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE for the year ended 30 June 2022

	NOTES	COUNCIL			GROUP	
		2021/22 Actual \$'000	2021/22 Budget \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
OPERATING REVENUE						
Rates	4	110,387	109,750	98,360	110,301	98,285
Subsidies and grants	5	22,930	31,710	17,995	25,783	20,912
Development and financial contributions		3,315	2,960	2,261	3,315	2,261
Other revenue	6	50,145	36,450	52,952	54,581	57,304
Interest revenue	27	1,502	1,720	693	942	164
Investment revenue	6	3,824	19,660	65,945	4,262	65,945
Total operating revenue		192,103	202,250	238,206	199,184	244,871
OPERATING EXPENDITURE						
Personnel costs	7	(50,818)	(46,810)	(44,792)	(54,133)	(48,272)
Other expenses	8	(83,168)	(76,830)	(75,727)	(85,641)	(79,314)
Waitara Lands Act distributions	15	(3,277)	(4,850)	(18,533)	(3,277)	(18,533)
Depreciation and amortisation expenses	9,11	(43,016)	(41,860)	(43,567)	(44,857)	(45,418)
Interest expense	27	(6,468)	(6,920)	(5,983)	(6,468)	(5,983)
Total operating expenditure		(186,747)	(177,270)	(188,602)	(194,376)	(197,520)
Share of joint ventures surplus	13	1	-	219	1	219
Surplus before taxation		5,357	24,980	49,823	4,809	47,570
Income tax refund	22	-	-	-	110	190
SURPLUS AFTER TAXATION		5,357	24,980	49,823	4,919	47,760
OTHER COMPREHENSIVE REVENUE AND EXPENSE						
Net gain on property, plant and equipment and equipment revaluations	23	484,863	-	-	491,911	-
Deferred tax on property revaluation		-	-	-	(1,771)	-
Deferred tax transfers		-	-	-	(32)	-
Financial assets at fair value through other comprehensive revenue and expense	23	111	-	-	111	-
Total other comprehensive revenue and expense		484,974	-	-	490,219	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		490,331	24,980	49,823	495,138	47,760

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in note 2.

Financial Statements

Ngā Tauāki Pūtea

NEW PLYMOUTH DISTRICT COUNCIL STATEMENT OF FINANCIAL POSITION as at 30 June 2022

	NOTES	COUNCIL			GROUP	
		2021/22 Actual \$'000	2021/22 Budget \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
CURRENT ASSETS						
Cash and cash equivalents	16	35,971	18,750	44,059	39,602	46,338
Debtors and other receivables	17	17,623	18,230	13,363	18,310	14,455
Investment in CCOs and other similar entities	14	3,299	4,150	3,299	-	-
Other financial assets	14	251,507	302,680	309,936	252,008	309,936
Intangible assets	11	9	-	9	9	9
Inventory		155	150	147	154	147
Available-for-sale financial assets		-	670	-	-	-
Total current assets		308,564	344,630	370,813	310,083	370,885
NON-CURRENT ASSETS						
Property, plant and equipment	9	3,375,503	3,090,060	2,873,469	3,446,824	2,939,431
Intangible assets	11	2,372	5,760	2,974	2,430	3,037
Forestry assets	12	5,104	5,690	4,643	5,104	4,643
Investment property	10	1,250	-	1,300	1,250	1,300
Equity accounted investments	13	1,509	-	1,485	1,509	1,485
Investment in CCOs and other similar entities	14	62,672	58,190	61,769	838	727
Other financial assets	14	123,118	57,210	92,590	123,119	92,648
Deferred tax asset	22	-	-	-	38	(152)
Derivative financial instruments	24	4,413	760	601	4,413	601
Total non-current assets		3,575,941	3,217,670	3,038,831	3,585,487	3,043,720
TOTAL ASSETS		3,884,505	3,562,300	3,409,644	3,895,570	3,414,605
CURRENT LIABILITIES						
Creditors and other payables	18	24,184	24,270	25,611	26,724	28,648
Waitara Lands Act liability	15	20,479	-	22,951	20,479	22,951
Borrowings	19	44,000	44,000	40,000	44,000	40,000
Provisions	20	998	1,020	957	998	957
Employee entitlements	21	5,370	3,850	4,258	5,561	4,420
Derivative financial instruments	24	26	300	451	26	451
Total current liabilities		95,057	73,440	94,228	97,788	97,427
NON-CURRENT LIABILITIES						
Borrowings	19	159,500	179,980	163,500	159,500	163,500
Derivative financial instruments	24	312	21,630	12,075	312	12,075
Provisions	20	2,411	2,990	2,965	2,411	2,965
Employee entitlements	21	481	520	463	481	463
Deferred tax liabilities	22	-	-	-	1,765	-
Total non-current liabilities		162,704	205,120	179,003	164,469	179,003
TOTAL LIABILITIES		257,761	278,560	273,231	262,257	276,430
NET ASSETS		3,626,744	3,283,740	3,136,413	3,633,313	3,138,175
EQUITY						
Accumulated funds	23	1,606,616	1,618,350	1,592,715	1,594,494	1,579,020
Other reserves	23	2,020,128	1,665,390	1,543,698	2,038,819	1,559,155
TOTAL EQUITY		3,626,744	3,283,740	3,136,413	3,633,313	3,138,175

The accompanying notes form part of these financial statements. Explanations of major variances against budget are included in note 2.

Financial Statements

Ngā Tauāki Pūtea

NEW PLYMOUTH DISTRICT COUNCIL

STATEMENT OF CHANGES IN NET ASSETS/EQUITY

for the year ended 30 June 2022

	NOTES	COUNCIL			GROUP	
		2021/22 Actual \$'000	2021/22 Budget \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Equity at the beginning of the year		3,136,413	3,258,760	3,086,590	3,138,175	3,090,415
Total comprehensive revenue and expense		490,331	24,980	49,823	495,138	47,760
EQUITY AT THE END OF THE YEAR	23	3,626,744	3,283,740	3,136,413	3,633,313	3,138,175

The accompanying notes form part of these financial statements. Explanations of major variances against budget are included in note 2.

Financial Statements

Ngā Tauāki Pūtea

NEW PLYMOUTH DISTRICT COUNCIL

STATEMENT OF CASH FLOWS

for the year ended 30 June 2022

	NOTES	COUNCIL			GROUP	
		2021/22 Actual \$'000	2021/22 Budget \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from rates revenue		109,992	109,760	98,507	110,364	98,430
Interest received		1,469	1,720	719	906	190
Dividends received		3	-	4	3	4
Other revenue received		50,267	62,010	56,118	58,749	63,922
Payments to suppliers and employees		(128,828)	(118,180)	(115,904)	(134,918)	(123,427)
Waitara Lands Act disbursements		(5,752)	(16,060)	(6,989)	(5,752)	(6,989)
Goods and services tax (net) paid		(2,342)	-	(232)	(2,309)	(260)
Income tax refunded		-	-	-	10	187
Interest paid		(6,174)	(6,920)	(6,006)	(6,176)	(6,179)
Net cash flows from operating activities		18,635	32,330	26,217	20,877	25,878
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts from sale of property, plant and equipment		4,781	7,680	27,654	4,799	27,654
PIF release to Council		9,516	10,560	9,299	9,516	9,299
Receipts from sale of other financial assets		49,842	10,280	28,990	49,842	29,140
Borrowings advanced to Papa Rererangi i Puketapu Limited		-	-	(4,550)	-	-
Purchase of property, plant and equipment		(59,437)	(79,560)	(55,004)	(59,821)	(60,473)
Purchase of intangible assets		(760)	-	(1,136)	(784)	(1,206)
Purchase of other financial assets		(30,665)	(4,320)	(52,117)	(31,165)	(52,117)
Net cash flows from investing activities		(26,723)	(55,360)	(46,864)	(27,613)	(47,703)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from borrowings		11,000	34,030	45,000	11,000	45,000
Repayment of borrowings		(11,000)	(11,000)	(15,000)	(11,000)	(15,000)
Net cash flows from financing activities		-	23,030	30,000	-	30,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(8,088)	-	9,353	(6,736)	8,175
Cash and cash equivalents at 1 July		44,059	18,750	34,706	46,338	38,163
CASH AND CASH EQUIVALENTS AT 30 JUNE	16	35,971	18,750	44,059	39,602	46,338

The accompanying notes form part of these financial statements.

Financial Statements

Ngā Tauāki Pūtea

NEW PLYMOUTH DISTRICT COUNCIL

STATEMENT OF CASH FLOWS (CONTINUED)

for the year ended 30 June 2022

Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Surplus after taxation	5,357	49,823	4,919	47,760
<i>Non-cash items:</i>				
Depreciation and amortisation expense	43,016	43,588	44,857	45,441
Vested assets	(4,532)	(4,184)	(4,532)	(4,184)
Property, plant and equipment impairment	-	-	57	-
(Gains)/losses on sales of assets	356	(8,179)	356	(8,179)
Gains on derivative financial instruments	(16,000)	(9,244)	(16,000)	(9,244)
Gains in fair value of forestry assets	(461)	(545)	(461)	(545)
Net gain on sales included in investing activities	(1,551)	(65,752)	(2,560)	(53,812)
	20,828	(44,316)	21,717	(30,524)
<i>Add/(less) movements in other working capital items:</i>				
Change in debtors and other receivables	(4,260)	3,231	(3,855)	1,995
Change in creditors and other payables	(1,427)	5,918	(1,924)	6,512
Change in inventory	(8)	4	(7)	4
Change in Waitara Lands Act liability	(2,472)	11,562	(2,472)	-
Change in provisions	(513)	(54)	(513)	(54)
Change in tax payable	-	-	-	175
Movement in deferred tax	-	-	1,853	-
Change in employee entitlements	1,130	49	1,159	10
	(7,550)	20,710	(5,759)	8,642
NET CASH FLOW FROM OPERATING ACTIVITIES	18,635	26,217	20,877	25,878

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

1. STATEMENT OF ACCOUNTING POLICIES for the year ended 30 June 2022

1.1 Reporting Entity

New Plymouth District Council (NPDC) is a territorial authority, domiciled in New Zealand. It is governed by the following legislation:

- Local Government Act 2002 (LGA).
- The Local Government (Rating) Act 2002 (LG(R)A).

The financial statements presented are those of the New Plymouth District Council (the Council) together with its Council Controlled Organisations (CCOs) and joint ventures (the Group). The group consists of:

- Papa Rererangi i Puketapu Limited – 100% owned (Council Controlled Trading Organisation).
- New Plymouth PIF Guardians Limited – 100% owned.
- Venture Taranaki Trust – 100% owned.
- Tasmanian Land Company Limited – 100% owned.
- McKay Family Joint Venture – 56.50% owned.
- Duthie Joint Venture – 54.82% owned.

The Council's primary objective is to provide goods or services and benefit for the community rather than making a financial return. Accordingly, the Council designates itself and the Group as public benefit entities (PBEs) and applies Tier 1 PBE Accounting Standards. These standards are based on International Public Sector Accounting Standards (IPSAS), with amendments for the New Zealand environment.

The financial statements are for the year ended 30 June 2022. **The Council authorised them for issue on 14 March 2023.**

1.2 Basis of preparation

This section sets out the significant accounting policies that relate to these financial statements as a whole. Significant accounting policies have also been included in the related note disclosures.

The notes include information which is required to understand the financial statements and is material and relevant to the financial position and performance of NPDC. Information is considered relevant and material if:

- The amount is significant due to its size or nature.
- The amount is important to understanding the financial statements.
- It helps to explain the impact of significant changes in how the Council operates.
- It relates to an aspect of the Council's operations that is important to the community.

Statement of compliance

The financial statements have been prepared:

- In line with New Zealand Generally Accepted Accounting Practice (NZ GAAP), the LGA, the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R) and comply with PBE Accounting Standards.
- On a historical cost basis, except for financial instruments which have been measured at fair value and certain classes of property, plant and equipment notes which have been subsequently measured at fair value.
- On the going concern basis and the accounting policies have been applied consistently throughout the period.
- In New Zealand dollars (functional and reporting currency), rounded to the nearest thousand (\$000), unless stated otherwise.

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.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Value-in-use cash-generating assets

Cash generating assets are those assets 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 cash flows.

Foreign currency transactions

Foreign currency transactions are translated into NZD (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign exchanges gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Budget figures

The budget figures are those approved by the Council in its Long-Term Plan (LTP) 2021-2031 and have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except billed receivables and payables which include GST. Where GST is not recoverable as input tax then 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 cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

The costs of providing support services for the Council are accumulated and allocated to each Council activity using appropriate allocation bases which reflect the usage and/or capacity for each activity.

- Direct costs directly attributable to a significant activity are charged directly to that activity.
- Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Changes in accounting policies

The standards and amendments below are effective for the 2021/22 financial reporting period. Apart from additional disclosures presented in the current year due to the impact of changes to PBE IPSAS 2 as a result of the 2018 Omnibus amendments to PBE standard and the reclassification of certain intangibles as a consequence of the International Financial Reporting Interpretations Committee (IFRIC) decision in regards to the accounting treatment for Software as a Service (SaaS) arrangements, there were no effects for Council and Group from these changes.

- *PBE IPSAS 2 Cash Flow Statements (2018 Omnibus amendments to PBE Standards)*: The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.
- *PBE IPSAS 40 PBE Combinations*: Provides guidance on accounting for acquisitions and amalgamations. PBE IPSAS 40 requires a combination to be classified as either an acquisition or an amalgamation based on control and the economic substance of the combination.
- *PBE Interest Rate Benchmark Reform - Phase 2 (Amendments to PBE IPSAS 41, PBE IPSAS 9, PBE IPSAS 29 and PBE IPSAS 30)*: The Phase 2 amendments that were issued in November 2020 address issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark rate with an alternative one. The key reliefs provided by the Phase 2 amendments are for changes to contractual cash flows and hedge accounting.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

- *SaaS arrangements*: In April 2021, the IFRIC, a committee supporting profit-oriented reporting, published an agenda decision clarifying how configuration and customisation costs incurred in implementing SaaS should be accounted for.

The IFRIC concluded that SaaS arrangements are service contracts providing the customer with the right to access the SaaS provider's application software over the contract period. Costs incurred to configure or customise software in a cloud computing arrangement can be recognised as intangible assets only if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premises systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives are reviewed at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

Costs that do not result in intangible assets are expensed as incurred unless they represent payment for future services to be received. In which case a prepayment is initially recognised and then expensed as those subsequent services are received over the expected term of the cloud computing arrangement.

The New Zealand Accounting Standards Board has not issued similar guidance, however, in the absence of a PBE standard specifically dealing with such costs, management considers the IFRIC decision relevant to the accounting for similar types of arrangements of the group in accordance with PBE IPSAS 31 Intangible assets.

The group revised its accounting policy in relation to configuration and customisation costs incurred in implementing SaaS arrangements from 1 July 2021 to be consistent with the IFRIC agenda decision. However, as the change in accounting policy did not result in any significant impact on the group financial statements no changes were made to the prior year comparatives. The impact of the change in accounting policy for the current year is that some of previously capitalised intangible assets no longer meet the criteria for capitalisation and have therefore been expensed.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Entity and Group, are:

- Financial instruments

PBE IPSAS 41 *Financial Instruments* replaces PBE IPSAS 29 *Financial Instruments: Recognition and Measurement* and PBE IFRS 9 *Financial Instruments* and is effective for financial years beginning on or after 1 January 2022, with earlier adoption permitted.

The main changes compared to PBE IPSAS 29 that are relevant to the Council and Group are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.

The Council plans to apply this standard in preparing its 30 June 2023 financial statements. The Council and Group has assessed the effects of the new standard, and do not expect that it will result in a material change in the carrying values of assets or material impairment losses being recognised in the year of adoption.

- Service performance reporting

The New Zealand Accounting Standards Board (NZASB) has issued PBE FRS 48 *Service Performance Reporting* effective for periods beginning on or after 1 January 2022, with early application permitted.

The Council plans to apply this standard in preparing its 30 June 2023 financial statements. The Council and Group have not yet assessed the effects of the new standard.

In addition to the standards described above, there are various other standards and amendments which have been issued but are not yet effective. These are not expected to impact on the Council and Group's financial statements.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Critical accounting estimates and assumptions

Financial statement preparation requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from those estimates.

Estimates are continually evaluated and are based on historical experience and other factors, including expectations or future events that are considered reasonable under the circumstances.

The significant estimates and assumptions that have the greatest risk of causing a material adjustment to the reported amounts are:

- Estimating the fair value of infrastructural assets – refer note 9.
- Estimating the fair value of land and buildings – refer note 9.
- Estimating the value of forestry assets – refer note 12.
- Estimating the landfill aftercare provision – refer note 20.

Impairment of assets

At each balance date the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists (including indefinite life intangibles) the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, estimates are made of the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the greater of market value less costs to sell and value-in-use. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount with the expense being recognised in the surplus or deficit.

For non-revalued assets impairment losses are recognised as an expense immediately.

For revalued assets, other than investment property, the impairment loss is treated as a revaluation decrease to the extent it reverses previously accumulated revaluation increments for that asset class.

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 the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

1.3 Basis of consolidation

The group financial statements are prepared by adding together like items of assets, liabilities, equity, revenue and expenses on a line-by-line basis. Significant transactions and balances between the Council and its subsidiaries are eliminated in preparing the group financial statements.

The group 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 the Council obtains control of the entity and ceases when it loses that control.

1.4 Operating revenue

Accounting policy

Exchange and non-exchange revenue

Most of the Council's revenue is from non-exchange transactions accounted for under PBE IPSAS 23 (i.e. rates, subsidies and grants, provision of services partial cost recovery/subsidised, vested assets and financial/development contributions). Exchange transactions are recognised under PBE IPSAS 9 (i.e. targeted rates for water supply, provision of services full cost recovery, sale of goods, interest and dividends).

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Professional judgement is exercised to determine whether the substance of a transaction is non-exchange or exchange. Revenue is measured at fair value which is usually the cash value of a transaction. For non-exchange revenue there is a recognition of a liability to the extent of unfulfilled conditions.

Rates revenue

- General rates and uniform annual general charges (UAC) excluding water-by-meter, are recognised at the start of the financial year to which the Council rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Revenue 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. Revenue is based on the actual usage as a result of meter reading. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates 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.

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 allocated to the appropriate reserve until such time as the Council provides, or is able to provide, the service.

Waka Kotahi NZ Transport Agency (Waka Kotahi (NZTA)) roading subsidies

The Council receives funding assistance from Waka Kotahi (NZTA) which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. Roding claim payments (reimbursements) are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other grants

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.

Landfill fees

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

Sales of goods

Revenue from the sale of goods is recognised when a product is sold to the customer and title has passed.

Infringement fees and fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued.

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.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

Interest and dividends

Interest revenue is recognised using the effective interest method. Dividends are recognised when the right to receive payment has been established.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

2. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Accounting policy

The budget figures are those approved by the Entity in its LTP 2021-2031. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Explanations of major budget variances against the budget information at the start of the financial year are as follows.

Statement of Comprehensive Revenue and Expense

	Council Actual \$'000
BUDGET - SURPLUS BEFORE TAX	24,980
Unbudgeted gains of:	
- Lower investment gains in the Perpetual Investment Fund (PIF) due to rising interest rates and volatile global investment markets	(15,836)
- Lower subsidies due to timing of capex delivery associated with grant funding	(8,780)
- Net savings on various line items of other expenses and other revenue	2,152
- Additional personnel costs to support capex delivery	(1,908)
- Unbudgeted fair value gains in hedged instruments due to rising floating interest rates	9,550
- Lower distributions for Waitara land sales due to fewer property sales	1,573
- Unbudgeted district plan costs	(1,300)
- Unbudgeted software costs	(1,600)
- Coastal Walkway rail crossing vested to Kiwi Rail	(2,022)
- Reclassification of Software as a Service to operating expense as per accounting standards update	(1,452)
ACTUAL - SURPLUS BEFORE TAX	5,357

Statement of Financial Position

	Council Actual \$'000
BUDGET - TOTAL NET ASSETS	3,283,740
Higher opening balance of investments as budget figures were based on 2019/20 closing balance as opposed to 2020/21 where greater returns were achieved for the PIF	34,035
Net decrease in derivatives liability due to fair value gains in hedged instruments	25,245
Lower than budgeted borrowings arising from delayed capital expenditure and higher operational activity than planned	20,480
Timing of budget projections for CCOs' borrowings	4,482
Higher than budgeted Property, Plant and Equipment revaluation movement	340,863
Lower than expected capex spent due to timing of contract delivery	(55,420)
Waitara Lands liability budget was included in reserves as opposed to a liability in the balance sheet	(20,479)
Lower cash on hand at year end	(2,079)
Net change across several items	(4,123)
ACTUAL - TOTAL NET ASSETS	3,626,744

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

3. REVENUE CLASSIFIED AS EXCHANGE OR NON-EXCHANGE TRANSACTIONS

	NOTES	COUNCIL		GROUP	
		2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
REVENUE FROM EXCHANGE TRANSACTIONS					
Interest revenue	27	1,502	693	942	164
Investment revenue	6	3,824	65,945	3,824	65,945
Water - targeted metered rates	4	5,081	4,554	5,081	4,554
Other revenue (excluding vested assets, fines and levies)	6	44,438	47,398	48,875	51,747
Total revenue from exchange transactions		54,845	118,590	58,722	122,410
REVENUE FROM NON-EXCHANGE TRANSACTIONS					
Rates (excluding water targeted metered rates)	4	105,306	93,806	105,220	93,731
Subsidies and grants	5	22,930	17,995	25,783	20,912
Development/ financial contributions		3,315	2,261	3,315	2,261
Fines and levies	6	1,175	1,371	1,175	1,374
Vested assets	6	4,532	4,184	4,532	4,184
Services - PBE	6	-	-	438	-
Total revenue from non-exchange transactions		137,258	119,617	140,464	122,462
TOTAL OPERATING REVENUE		192,103	238,207	199,186	244,872

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

4. RATES

Breakdown of rates revenue

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
General rates	70,869	61,860	70,790	61,791
Sewerage - UAC	15,158	14,423	15,158	14,423
Water - UAC	9,677	8,262	9,670	8,256
Water - targeted metered rates	5,081	4,554	5,081	4,554
Refuse collection - UAC	5,150	4,879	5,150	4,879
Roading - UAC	4,452	4,382	4,452	4,382
TOTAL RATES REVENUE	110,387	98,360	110,301	98,285

In 2021/22, the Council allowed rate remissions of \$782,322 excluding GST (2020/21: \$659,120).

The Council's rating base information relating to the preceding financial year follows:

As at 30 June 2021	Rateable	Non-rateable
Number of rating units	38,398	1,114
Total capital value of rating units (\$m)	23,923	1,034
Total land value of rating units (\$m)	12,707	543

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

5. BREAKDOWN OF SUBSIDIES AND GRANTS

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Operating subsidies and grants - Waka Kotahi (NZTA)	4,763	4,488	4,763	4,488
Operating subsidies and grants - other	3,410	3,236	6,263	6,153
Capital Waka Kotahi (NZTA) – roads	6,600	6,473	6,600	6,473
Capital - other	8,157	3,798	8,157	3,798
TOTAL SUBSIDIES AND GRANTS	22,930	17,995	25,783	20,912

6. OTHER REVENUE

a) Breakdown of other revenue

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
User fees and charges	9,197	9,191	13,047	13,042
Regulatory revenue	5,488	5,645	5,488	5,645
Fines, levies and rebates	1,175	1,374	1,175	1,374
Property rent and charges	4,265	4,616	4,925	5,300
Waitara Lands Act - gain on sale	2,125	9,800	2,125	9,800
Rental income from investment properties	101	106	101	106
Vested assets	4,532	4,184	4,532	4,184
Other revenue	6,013	7,030	5,939	6,847
Council venue hire	708	1,019	708	1,019
Insurance recoveries	80	198	80	198
Net gain on derivative financial instruments	16,000	9,244	16,000	9,244
Net gain on forestry assets	461	545	461	545
TOTAL OTHER REVENUE	50,145	52,952	54,581	57,304

b) Breakdown of investment revenue

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Net gains on investments	3,821	65,942	4,259	65,942
Dividends	3	4	3	4
TOTAL INVESTMENT REVENUE	3,824	65,945	4,262	65,945

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

c) Operating leases as a lessor

The Council and Group leases out land, buildings and office space. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Within one year	1,676	1,654	2,289	2,378
Later than one year and not later than five years	5,387	5,583	6,878	11,018
Later than five years	7,311	8,460	9,475	12,235
TOTAL MINIMUM LEASE REVENUE	14,374	15,697	18,642	25,631
Average lease term (years)	8	9	12	13
Number of leases	490	511	523	544

No contingent rents have been recognised during the current or prior years.

Covid-19 pandemic response

In 2021/22 the Council issued \$10,375 of rent relief credits for the Council's commercial and community group tenants (2020/21: \$6,966).

7. PERSONNEL COSTS

a) Personnel costs

Accounting policy

Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund and the State Sector Retirement Savings Scheme, which are defined contribution superannuation schemes, are expensed in the surplus or deficit as incurred.

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Salaries and wages and related entitlements	49,429	43,589	52,728	47,050
Defined contribution plan employer contributions	1,389	1,203	1,405	1,222
TOTAL PERSONNEL COSTS	50,818	44,792	54,133	48,272

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

b) Elected representatives

	2021/22 Actual \$	2020/21 Actual \$
Neil Holdom (Mayor)	147,413	147,413
Tony Bedford	50,720	50,230
Sam Bennett	50,720	50,230
Gordon Brown	60,865	60,276
David Bublitz	50,720	50,230
Anneka Carlson	50,720	50,230
Murray Chong	50,720	50,230
Amanda Clinton-Gohdes	50,720	50,230
Harry Duynhoven	60,865	60,276
Richard Handley	60,865	60,276
Stacey Hitchcock	65,937	65,299
Colin Johnston	50,720	50,230
Richard Jordan	81,153	80,368
Dinnie Moeahu	50,720	50,230
Marie Pearce	50,720	50,230
TOTAL ELECTED REPRESENTATIVES REMUNERATION	933,578	925,978

2021/22 full time equivalents 15 (2020/21: 15).

Elected member professional development expenditure incurred during the year (exclusive of GST) was:

	2021/22 \$	2020/21 \$
Neil Holdom (Mayor)	3,717	3,169
Tony Bedford	-	62
Sam Bennett	1,700	1,086
Gordon Brown	-	62
David Bublitz	-	62
Anneka Carlson	2,206	5,670
Murray Chong	-	-
Amanda Clinton-Gohdes	3,228	3,852
Harry Duynhoven	1,278	62
Richard Handley	-	933
Stacey Hitchcock	1,343	1,734
Colin Johnston	-	62
Richard Jordan	-	712
Dinnie Moeahu	2,174	658
Marie Pearce	-	62
TOTAL ELECTED REPRESENTATIVES PROFESSIONAL DEVELOPMENT	15,646	18,186

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

c) Staff employed full-time equivalent

At balance date the Council employed 516 full time employees (2020/21: 464) with the balance of staff representing 116 full-time equivalent employees (2020/21: 112). A full-time employee is determined on the basis of a 40-hour working week.

d) Individuals receiving total remuneration by band

	Number of Employees 2021/22		Number of Employees 2020/21
< \$60,000	306	< \$60,000	337
\$60k - \$79,999	211	\$60k - \$79,999	200
\$80k - \$99,999	147	\$80k - \$99,999	124
\$100k - \$119,999	80	\$100k - \$119,999	55
\$120k - \$139,999	30	\$120k - \$139,999	15
\$140k - \$159,999	10	\$140k - \$199,999	7
\$160k - \$259,999	6	\$200k - \$299,999	6
\$260k - \$419,999	4	\$300k - \$399,999	1
TOTAL HEAD COUNT	794	TOTAL HEAD COUNT	745

Total remuneration includes any non-financial benefits provided to employees.

e) Severance payments

No severance payments were made to employees as at 30 June 2022 (2020/21: three payments of \$7,000, \$4,876 and \$2,342 totalling \$14,218).

f) Chief executive

In 2021/22 the total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$406,490 (2020/21: \$347,299).

During the 2020/21 year, the Chief Executive undertook a voluntary 10 per cent reduction in remuneration for six months in recognition of the impact of Covid-19 on the Council's operations.

g) Key management personnel

Due to the difficulty in determining the full-time equivalent for councillors, the full-time equivalent figure is taken as the number of councillors.

	2021/22 Actual	2020/21 Actual
Councillors, including the Mayor:		
Remuneration (\$'000)	934	926
Full-time equivalent members (as at 30 June)	15	15
Senior management team, including the Chief Executive:		
Remuneration (\$'000)	2,065	2,056
Full-time equivalent members (as at 30 June)	7	8
TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION (\$'000)	2,999	2,982
Total full-time equivalent personnel (as at 30 June)	22	23

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

8. OTHER EXPENSES

Accounting policy

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Grant expenditure

The Council's grants awarded have no substantive conditions attached.

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. They are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

Interest rate swaps

Interest rate swaps are measured at fair value with gains or losses on remeasurement recognised in the surplus or deficit in the year of remeasurement (note 24).

a) Breakdown of other expenses

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Audit fees – Annual financial statements	240	215	278	253
Audit fees - Long-Term Plan	-	136	-	136
Audit fees - Debenture Trust Deed	5	5	5	5
TOTAL PAYMENTS TO AUDIT NEW ZEALAND	245	356	283	394
General operating expenses	23,343	18,206	25,225	20,237
Direct cost of activities and materials	46,355	44,808	44,701	42,898
Consultants and legal fees	8,283	8,444	9,776	11,196
Insurance premiums	1,951	1,758	2,113	1,924
Impairment of receivables	179	150	231	153
Operating lease costs	331	384	371	449
Directors fees	-	-	478	427
Net loss on sale of assets	2,481	1,621	2,463	1,636
TOTAL OTHER EXPENSES	83,168	75,727	85,641	79,314

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

b) Operating leases as lessee

The Council and the Group lease buildings, and plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Within one year	6	18	214	220
Later than one year and not later than five years	-	8	89	296
Later than five years	-	-	-	170
TOTAL MINIMUM LEASE PAYMENTS	6	26	303	686

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

9. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Asset categories

Operational assets: These are land, buildings (including any improvements), vehicles, furniture, fittings and equipment and library books. Land is measured at fair value and buildings and the Puke Ariki book collection are measured at fair value less accumulated depreciation. Vehicles and furniture, fittings and equipment are measured at cost less accumulated depreciation and impairment losses.

Restricted assets: These are land and buildings that are subject to restrictions on use, disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977) or other restrictions (such as bequest land or buildings or donation that restricts the purpose for which the assets can be used). These assets are measured at fair value.

Infrastructural assets: These are the fixed utility systems owned by the Council. They usually display some or all of the following characteristics: part of a system or network, specialised in nature and usually do not have alternative uses, immovable and may be subject to constraints on disposal. Examples are road networks, sewer systems and water systems. These assets are measured at fair value less accumulated depreciation.

Revaluation

All property, plant and equipment except for operational motor vehicles, furniture, fittings and equipment and work-in-progress are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value, at least every three years.

Fair value is determined by reference to the depreciated replacement cost or market value on an asset class basis. The carrying values of revalued assets are assessed annually to ensure they do not differ materially from the assets' fair values. If there is a material difference then the off-cycle asset classes are revalued.

Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expense.

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 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 recognised at cost. Where an asset is acquired at no cost, or a nominal cost (e.g. vested asset), it is recognised at fair value at the date of acquisition.

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

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Disposals

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

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment other than land and restricted assets, at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Depreciation commences when the assets are ready for their intended use. Depreciation rates and useful lives are reviewed annually. Depreciation on assets is charged to the surplus and deficit. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	Years	Depreciation
Infrastructural assets		
Roading - infrastructure/formation	7 - 150	0.7% - 14.3%
Roading - land under roads		Not depreciated
Laboratory	10 - 127	0.8% - 10%
Waste management and minimisation - plant and machinery/landfill	9 - 59	1.7% - 11.1%
Waste management and minimisation - earthmoving/site works		Not depreciated
Stormwater	20 - 150	0.7% - 5%
Flood protection	38 - 200	0.5% - 2.6%
Water	5 - 120	0.8% - 20%
Wastewater	5 - 120	0.8% - 20%
New Plymouth Airport runway/services	2 - 100	1% - 50%
Work in progress		Not depreciated
Operational assets		
Land		Not depreciated
Buildings/improvements	20 - 120	0.8% - 5%
Vehicles	2 - 20	5% - 50%
Furniture, fittings and equipment	1 - 99	0% - 50%
Puke Ariki book collection (general in-use)	5 - 20	5% - 20%
Work in progress		Not depreciated
Restricted assets		
Parks and reserves		Not depreciated
Waitara Lands Act land		Not depreciated
Puke Ariki museum collection		Not depreciated
Govett-Brewster Art Gallery/Len Lye Centre collection		Not depreciated

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Critical accounting estimates and assumptions

Estimating fair value

Infrastructural assets

All infrastructural assets, excluding work in progress, were independently valued at depreciated replacement cost as detailed below:

Asset class	Valuer	Valuation date
Roading (excluding land under roads)	Alun James, WSP Opus	31 March 2022
Laboratory		
Solid Waste		
Stormwater	Alun James, WSP Opus	30 June 2022
Flood Protection		
Water		
Wastewater		
Roading (land under roads only)	Mike Drew, Director (BBS (VPM) ANZIV, MPINZ),	30 June 2022
New Plymouth Airport runway/services	TelferYoung (Taranaki) Limited	

There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction. Unit rates can vary based on asset location, topography and ground conditions.
- Contracts in the region for similar assets.
- Roads include derived values for land not held on title (road reserve). The average value of the road reserve is the current average land value calculated for each government roll number. The following factors have been applied:
 - unformed roads 55% of average value
 - formed roads (urban) 45% of average value
 - formed roads (rural) 25% of average value
- Estimates are made when determining the remaining useful life over which the assets will be depreciated. These estimates can be affected by local conditions, for example, weather patterns, and traffic growth.

If useful lives do not reflect the consumption of the benefits of the asset, then the Council could be under or over estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expense. To minimise this risk the Council has determined the infrastructural asset useful lives with reference to NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives the Council further assurance over its useful life estimates.

- The physical deterioration and condition of the assets. For example, the Council could be carrying an asset at an amount that does not reflect its physical condition. This is particularly relevant for those assets which are not visible such as stormwater, wastewater and water supply pipes that are underground. The risk is minimised by the Council performing a number of physical inspections and condition modelling assessments of assets.
- The valuation assumes that the Airport is operational and not adversely affected by the Covid-19 pandemic.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Land (operational) and parks and reserves (restricted assets)

These assets were independently valued by Mike Drew, Director (BBS (VPM) ANZIV, MPINZ), TelferYoung (Taranaki) Limited (registered valuers).

Operational land is valued as at 30 June 2022 at fair value with reference to highest and best use.

Adjustments have been made to the 'unencumbered' land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely. Such land is valued based on rural land value plus a location adjustment to reflect different zoning, which rely on the valuer's judgement.

Waitara Lands Act Land (restricted assets)

The land subject to the New Plymouth District Council (Waitara Lands) Act 2018 was revalued to fair value at 30 June 2022 by Mike Drew, Director (BBS (VPM) ANZIV, MPINZ), TelferYoung (Taranaki) Limited (registered valuers). Fair value was determined by using a discounted cash flow over a 10 year investment horizon. A number of assumptions were used for the valuation including a 10 per cent freeholding take-up in the fourth year, 8 per cent take-up in the fifth year, reducing quickly after that and having a total of 47 per cent take-up over the 10 year period. The take up rates used have been adopted based on other leasehold portfolios in New Plymouth that have offered freeholding and three years of evidence from the Waitara leases. The overall value of the net present value of the cash flow, plus the remaining leasehold portfolio, has been prorated over the remaining 337 properties. Other key assumptions used are presented in the following table:

Input	Assumption
Average section value	\$193,000
Legal fees per section	\$1,500
Valuation fees per section	\$650
Discount rate	10%

Buildings (operational)

These assets were independently valued by Mike Drew, Director (BBS (VPM) ANZIV, MPINZ), TelferYoung (Taranaki) Limited (registered valuers), at 30 June 2022.

The majority of NPDC buildings were considered to be specialised buildings where no sales market data is available to value such buildings. Fair value was estimated using the depreciated replacement cost method. Depreciated replacement cost is determined using several significant assumptions, including:

- The replacement asset is based on the replacement with modern equivalent assets using modern construction methods, technology materials, and compliance.
- The replacement cost is derived from recent construction contracts of similar assets, published construction cost data and QV Costbuilder cost information.
- Base lives vary by component and are based on the NAMS Building Component guidelines, IIMM valuation manual or on experience.
- Remaining useful lives are assessed mainly as the difference between the base life and the age of the asset, but may be extended as a result of asset condition inspections.
- Straight-line depreciation has been deducted to reflect physical condition, all relevant forms of obsolescence and optimisation.

Commercial properties have been valued on the basis of actual and/or potential net income earning capacity, capitalised at returns analysed from sales of similar commercial properties in New Plymouth.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Puke Ariki book and museum collections (restricted assets)

Library collections are valued at depreciated replacement cost. Museum collections are valued at optimised replacement cost. The most recent valuation was undertaken by the Council as at 30 June 2020 and reviewed by Kees Beentjes BSc, BE(Hons) and Chris Jenkins BE(Hons), MIPENZ, MInstD of SPM Assets Ltd. The economic impact of the Covid-19 pandemic is unlikely to significantly alter the previously used lives.

Govett-Brewster Art Gallery/Len Lye Centre collection (restricted assets)

The most recent valuation of these assets was performed by Ben Plumbly BA, First Class Honors, Director of Art, Art + Object, the 21st Century Auction House. The last revaluation was effective as at 30 June 2020.

This collection is valued at fair value using various methods as follows:

- Reference to observable prices in an active market. Where that market exists for the same or similar asset the market prices are deemed to be fair value. The values ascribed are primarily based on observable prices in both the primary retail market and the secondary auction market.
- If there is no active market, fair value is determined by other market based evidence adjudged by the valuers as active and knowledgeable participants in the market.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

2021/22	Cost/ revaluation 1 July 2021 \$'000	Accumulated depreciation & impairment charges 1 July 2021 \$'000	Carrying amount 1 July 2021 \$'000	Current year additions \$'000	Current year transfers from WIP \$'000	Current year vested \$'000	Current year disposals \$'000
COUNCIL 2021/22							
Infrastructural assets							
Roading	1,481,087	23,638	1,457,449	-	14,009	647	-
Laboratory	117	54	63	-	180	-	-
Solid waste	9,125	894	8,231	-	1,745	-	-
Stormwater	229,504	7,564	221,940	-	3,615	443	(625)
Flood protection	19,407	354	19,053	-	86	-	-
Water	188,836	13,158	175,678	-	33,458	389	(977)
Wastewater	366,413	18,107	348,306	-	5,518	629	(317)
Work in progress (WIP)	70,643	-	70,643	63,090	(73,629)	-	-
Operational assets:							
Land	77,273	153	77,120	-	4,434	2,382	-
Buildings/improvements	224,088	14,770	209,318	-	7,466	-	(1,009)
Vehicles	6,272	2,175	4,097	-	1,071	-	(958)
Furniture, fittings and equipment	28,219	22,191	6,028	-	-	-	-
Puke Ariki book collection	6,680	398	6,282	-	1,055	-	-
Restricted assets:							
Parks and reserves	193,471	-	193,471	-	880	9	-
Waitara Lands Act land	23,464	-	23,464	-	-	-	(2,105)
Puke Ariki museum collection	32,033	-	32,033	-	-	-	-
Govett-Brewster/Len Lye Centre collection	20,293	-	20,293	-	112	-	-
TOTAL COUNCIL	2,976,925	103,456	2,873,469	63,090	-	4,499	(5,991)
GROUP 2021/22							
Infrastructural assets							
Roading	1,481,087	23,638	1,457,449	-	14,009	647	-
Laboratory	117	54	63	-	180	-	-
Solid waste	9,125	894	8,231	-	1,745	-	-
Stormwater	229,504	7,564	221,940	-	3,615	443	(625)
Flood protection	19,407	354	19,053	-	86	-	-
Water	188,836	13,158	175,678	-	33,458	389	(977)
Wastewater	366,413	18,107	348,306	-	5,518	629	(317)
Work in progress (WIP)	70,662	-	70,662	63,103	(73,629)	-	-
New Plymouth Airport runway/services	18,573	714	17,859	77	-	-	-
Operational assets:							
Land	93,481	153	93,328	-	4,434	2,382	-
Buildings/improvements	253,831	15,760	238,071	-	7,466	-	(1,009)
Vehicles	6,548	2,425	4,123	-	1,071	-	(958)
Furniture, fittings and equipment	31,874	22,749	9,125	33	-	-	-
Puke Ariki book collection	6,680	398	6,282	-	1,055	-	-
Restricted assets:							
Parks and reserves	193,471	-	193,471	-	880	9	-
Waitara Lands Act land	23,464	-	23,464	-	-	-	(2,105)
Puke Ariki museum collection	32,033	-	32,033	-	-	-	-
Govett-Brewster/Len Lye Centre collection	20,293	-	20,293	-	112	-	-
TOTAL GROUP	3,045,399	105,968	2,939,431	63,213	-	4,499	(5,991)

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Current year depreciation	Accumulated depreciation disposed/revalued	Transfer non-current assets held for sale	Revaluation surplus/(deficit) 30 June 2022	Cost transfers/adjustments	Depreciation transfers/adjustments	Cost revaluation 30 June 2022	Accumulated depreciation & impairment charges 30 June 2022	Carrying amount 30 June 2022
\$'000	\$'000	(\$'000)	(\$'000)	(\$'000)	(\$'000)	\$'000	\$'000	\$'000
12,452	(32,845)	-	121,342	3,061	-	1,620,146	3,245	1,616,901
38	(60)	-	46	-	-	343	32	311
572	(1,124)	-	1,014	-	-	11,884	342	11,542
3,760	(10,900)	-	71,631	-	-	304,568	424	304,144
173	(526)	-	3,472	-	-	22,965	1	22,964
6,500	(18,656)	-	13,717	-	-	235,423	1,002	234,421
8,469	(25,160)	-	92,593	-	-	464,836	1,416	463,420
-	-	-	-	(2,775)	-	57,329	-	57,329
-	-	-	10,220	(3,060)	-	91,249	153	91,096
7,670	(20,337)	-	28,853	5,041	-	264,439	2,103	262,336
494	(557)	-	-	-	-	6,385	2,112	4,273
1,776	-	-	-	(96)	-	28,123	23,967	4,156
543	-	-	-	-	-	7,735	941	6,794
-	-	-	32,702	(5,043)	-	222,019	-	222,019
-	-	-	-	-	-	21,359	-	21,359
-	-	-	-	-	-	32,033	-	32,033
-	-	-	-	-	-	20,405	-	20,405
42,447	(110,165)	-	375,590	(2,872)	-	3,411,241	35,738	3,375,503
12,452	(32,845)	-	121,342	3,061	-	1,620,146	3,245	1,616,901
38	(60)	-	46	-	-	343	32	311
572	(1,124)	-	1,014	-	-	11,884	342	11,542
3,760	(10,900)	-	71,631	-	-	304,568	424	304,144
173	(526)	-	3,472	-	-	22,965	1	22,964
6,500	(18,656)	-	13,717	-	-	235,423	1,002	234,421
8,469	(25,160)	-	92,593	-	-	464,836	1,416	463,420
-	-	-	-	(2,775)	-	57,361	-	57,361
660	(697)	-	339	-	-	18,989	677	18,312
-	-	-	10,945	(3,060)	-	108,182	153	108,029
8,562	(22,086)	-	32,390	5,026	(4)	297,704	2,232	295,472
498	(557)	-	-	-	-	6,661	2,366	4,295
2,031	-	-	-	(81)	4	31,826	24,784	7,042
543	-	-	-	-	-	7,735	941	6,794
-	-	-	32,702	(5,043)	-	222,019	-	222,019
-	-	-	-	-	-	21,359	-	21,359
-	-	-	-	-	-	32,033	-	32,033
-	-	-	-	-	-	20,405	-	20,405
44,258	(112,611)	-	380,191	(2,872)	-	3,484,439	37,615	3,446,824

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

2020/21	Cost/ revaluation 1 July 2020 \$'000	Accumulated depreciation & impairment charges 1 July 2020 \$'000	Carrying amount 1 July 2020 \$'000	Current year additions \$'000	Current year transfers from WIP \$'000	Current year vested \$'000	Current year disposals \$'000
COUNCIL 2020/21							
Infrastructural assets							
Roading	1,467,717	11,801	1,455,916	-	11,751	1,716	(97)
Laboratory	190	35	155	-	-	-	(73)
Solid waste	9,349	428	8,921	-	2	-	(226)
Stormwater	226,540	3,644	222,896	-	2,556	609	(201)
Flood protection	19,779	182	19,597	-	-	-	(372)
Water	191,724	6,468	185,256	-	1,970	292	(5,150)
Wastewater	359,180	8,856	350,324	-	7,167	661	(595)
Work in progress (WIP)	43,713	-	43,713	61,058	(33,122)	-	(1,006)
Operational assets:							
Land	75,700	153	75,547	-	1	1,592	(20)
Buildings/improvements	221,034	7,413	213,621	-	3,175	-	(121)
Vehicles	5,757	2,136	3,621	-	1,184	-	(669)
Furniture, fittings and equipment	26,198	20,350	5,848	-	2,021	-	-
Puke Ariki book collection	5,997	-	5,997	-	683	-	-
Restricted assets:							
Parks and reserves	191,833	-	191,833	-	1,572	66	-
Waitara Lands Act land	40,681	-	40,681	-	-	-	(17,217)
Puke Ariki museum collection	31,322	-	31,322	-	711	-	-
Govett-Brewster/Len Lye Centre collection	19,964	-	19,964	-	329	-	-
TOTAL COUNCIL	2,936,678	61,466	2,875,212	61,058	-	4,936	(25,747)
GROUP 2020/21							
Infrastructural assets							
Roading	1,467,717	11,801	1,455,916	-	11,751	1,716	(97)
Laboratory	190	35	155	-	-	-	(73)
Solid waste	9,349	428	8,921	-	2	-	(226)
Stormwater	226,540	3,644	222,896	-	2,556	609	(201)
Flood protection	19,779	182	19,597	-	-	-	(372)
Water	191,724	6,468	185,256	-	1,970	292	(5,150)
Wastewater	359,180	8,856	350,324	-	7,167	661	(595)
Work in progress (WIP)	43,777	-	43,777	61,649	(33,758)	-	(1,006)
New Plymouth Airport runway/services	15,429	1	15,428	2,776	368	-	-
Operational assets:							
Land	91,908	153	91,755	-	1	1,592	(20)
Buildings/improvements	250,045	7,532	242,513	542	3,365	-	(121)
Vehicles	6,033	2,363	3,670	-	1,184	-	(669)
Furniture, fittings and equipment	28,643	20,702	7,941	1,163	2,099	-	(31)
Puke Ariki book collection	5,997	-	5,997	-	683	-	-
Restricted assets:							
Parks and reserves	191,833	-	191,833	-	1,572	66	-
Waitara Lands Act land	40,681	-	40,681	-	-	-	(17,217)
Puke Ariki museum collection	31,322	-	31,322	-	711	-	-
Govett-Brewster/Len Lye Centre collection	19,964	-	19,964	-	329	-	-
TOTAL GROUP	3,000,111	62,165	2,937,946	66,130	-	4,936	(25,778)

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Current year depreciation	Accumulated depreciation disposed/revalued	Transfer non-current assets held for sale	Revaluation surplus/(deficit) 30 June 2021	Cost transfers/adjustments	Depreciation transfers/adjustments	Cost revaluation 30 June 2021	Accumulated depreciation & impairment charges 30 June 2021	Carrying amount 30 June 2021
\$'000	\$'000	(\$'000)	(\$'000)	(\$'000)	(\$'000)	\$'000	\$'000	\$'000
11,837	-	-	-	-	-	1,481,087	23,638	1,457,449
19	-	-	-	-	-	117	54	63
466	-	-	-	-	-	9,125	894	8,231
3,931	(11)	-	-	-	-	229,504	7,564	221,940
172	-	-	-	-	-	19,407	354	19,053
6,866	(176)	-	-	-	-	188,836	13,158	175,678
9,317	(66)	-	-	-	-	366,413	18,107	348,306
-	-	-	-	-	-	70,643	-	70,643
-	-	-	-	-	-	77,273	153	77,120
7,377	(20)	-	-	-	-	224,088	14,770	209,318
453	(414)	-	-	-	-	6,272	2,175	4,097
1,841	-	-	-	-	-	28,219	22,191	6,028
398	-	-	-	-	-	6,680	398	6,282
-	-	-	-	-	-	193,471	-	193,471
-	-	-	-	-	-	23,464	-	23,464
-	-	-	-	-	-	32,033	-	32,033
-	-	-	-	-	-	20,293	-	20,293
42,677	(687)	-	-	-	-	2,976,925	103,456	2,873,469
11,837	-	-	-	-	-	1,481,087	23,638	1,457,449
19	-	-	-	-	-	117	54	63
466	-	-	-	-	-	9,125	894	8,231
3,931	(11)	-	-	-	-	229,504	7,564	221,940
172	-	-	-	-	-	19,407	354	19,053
6,866	(176)	-	-	-	-	188,836	13,158	175,678
9,317	(66)	-	-	-	-	366,413	18,107	348,306
-	-	-	-	-	-	70,662	-	70,662
713	-	-	-	-	-	18,573	714	17,859
-	-	-	-	-	-	93,481	153	93,328
8,248	(20)	-	-	-	-	253,831	15,760	238,071
476	(414)	-	-	-	-	6,548	2,425	4,123
2,071	(24)	-	-	-	-	31,874	22,749	9,125
398	-	-	-	-	-	6,680	398	6,282
-	-	-	-	-	-	193,471	-	193,471
-	-	-	-	-	-	23,464	-	23,464
-	-	-	-	-	-	32,033	-	32,033
-	-	-	-	-	-	20,293	-	20,293
44,514	(711)	-	-	-	-	3,045,399	105,968	2,939,431

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

c) Core infrastructure asset disclosures

	Additions			
	Closing book value	Assets constructed by the Council	Assets transferred to the Council	Estimated replacement cost
	\$'000	\$'000	\$'000	\$'000
2021/22 - INFRASTRUCTURAL ASSETS				
Water treatment plant and facilities	52,236	7,563	-	99,305
Other water assets	182,185	26,379	389	379,019
Wastewater treatment plant and facilities	99,362	1,183	-	178,676
Other wastewater assets	364,058	4,335	629	741,639
Stormwater drainage	304,144	3,647	443	498,406
Flood protection	22,964	86	-	25,477
Roading	1,616,901	14,009	647	1,149,874
TOTAL INFRASTRUCTURAL ASSETS	2,641,850	57,202	2,108	3,072,396
2020/21 - INFRASTRUCTURAL ASSETS				
Water treatment plant and facilities	41,814	50	-	75,060
Other water assets	133,864	1,920	292	242,533
Wastewater treatment plant and facilities	80,872	1,300	-	139,673
Other wastewater assets	267,434	5,867	661	506,760
Stormwater drainage	221,940	2,556	609	350,534
Flood protection	19,053	-	-	21,094
Roading	1,457,449	11,751	1,716	1,015,067
TOTAL INFRASTRUCTURAL ASSETS	2,222,426	23,444	3,278	2,350,720

d) Depreciation and amortisation by group of activities

	COUNCIL		GROUP	
	2021/22 Actual	2020/21 Actual	2021/22 Actual	2020/21 Actual
	\$'000	\$'000	\$'000	\$'000
Parks and Open Spaces	3,015	2,567	3,015	2,567
Transportation	12,478	11,862	12,478	11,862
Stormwater Management	3,770	3,941	3,770	3,941
Flood Protection and Control Works	173	172	173	172
Waste Management and Minimisation	731	621	731	621
Water Supply	6,746	7,112	6,746	7,112
Wastewater Treatment	8,664	9,513	8,664	9,513
Emergency Management and Business Continuance	137	59	137	59
Community Partnerships	216	201	216	201
Govett-Brewster Art Gallery/Len Lye Centre	512	503	512	503
Puke Ariki and Community Libraries	2,086	2,013	2,086	2,013
Venues and Events	1,503	1,225	1,503	1,225
Customer and Regulatory Solutions	320	382	320	382
Support Services	2,665	3,396	2,785	3,396
Council Controlled Organisations	-	-	1,721	1,851
TOTAL DEPRECIATION AND AMORTISATION	43,016	43,567	44,857	45,418

The following significant activities in both Council and Group had nil depreciation and amortisation expense in the current and prior years: Economic Development, Governance and Management of Investments and Funding.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

e) Work in progress

Property, plant and equipment in the course of construction by class of asset are detailed below.

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Wastewater	19,855	40,678	19,855	40,678
Solid waste	3,860	4,073	3,860	4,073
Water	8,750	4,038	8,750	4,038
Stormwater	7,038	5,136	7,038	5,136
Flood protection	-	39	-	39
Buildings/improvements	3,465	7,131	3,497	7,131
Roading	6,929	4,521	6,929	4,521
New Plymouth Airport runway/services	-	-	-	19
Vehicles	190	-	190	-
Furniture, fittings and equipment	7,242	5,027	7,242	5,027
TOTAL WORK IN PROGRESS	57,329	70,643	57,361	70,662

f) Significant capital projects

Significant work in progress for 2021/22 as follows:

	Total budget \$'000	Total expenditure \$'000	Variance \$'000	Comments
Thermal Drier Facility Crown Infrastructure funded	10,412	5,386	5,026	Enabling works progressing well on site, and will be complete for the main contract commencement.
Universal water metering	3,018	736	2,282	The project remains on track to meet the overall planned schedule with the main construction contract now planned to commence in late August.
Coastal Walkway extension to Waitara	3,017	711	2,306	The current stage is behind schedule, due to delays working out our partnering arrangements with iwi/hapū. Overall the project is still scheduled to complete on time.
Kaitake Trail	1,509	152	1,357	Pending discussions with Taranaki Regional Council (TRC) on the ongoing funding for the trail. TRC are addressing cultural matters and the Council will continue discussions with the hapū before a new recommendation is presented.
	17,956	6,985	10,971	

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

g) Capital commitments

The amount of commitments for acquisition of property, plant and equipment is:

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Building/improvements	299	167	299	167
Roading	-	-	-	-
Waste Management and Minimisation	46	36	46	36
Wastewater	1,956	2,274	1,956	2,274
Water	1,459	3,350	1,459	3,350
Stormwater	104	537	104	539
New Plymouth Airport runway/services	-	784	-	784
Parks and Open Spaces	601	-	601	-
	4,465	7,148	4,465	7,150

h) Insurance cover

	Cover	Sum insured \$'000
Total value of all assets covered by insurance contracts	Material damage and forestry	677,038
Total value of all assets covered by financial risk sharing arrangements	Local Authority Protection Programme	2,112,314
Total value of all assets that are self-insured	Self-insurance	1,200

As guardians of community assets with a gross current replacement cost of \$3.9 billion¹ the Council is responsible for ensuring that it is adequately protected from a range of perils so critical assets can be repaired or replaced as soon as possible after an event and service delivery is disrupted as little as possible. Those perils include volcanic, earthquake, flood, storm, fire and tsunami hazards.

¹ The optimised depreciated replacement cost of those assets is \$2.8 billion. Of that amount, around half is not insured as it is the roading network. The recovery from widespread damage to the network is expected to be assisted by central government.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

10. INVESTMENT PROPERTY

Accounting policy

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value at each reporting date.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

The Metro Plaza building, located in New Plymouth's Central Business District was purchased by the Council in 2020 and will be held as an investment property until such time that the land can be redeveloped.

a) Breakdown of investment property and further information

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
BALANCE AT 1 JULY	1,300	1,300	1,300	1,300
Additions from acquisitions	9	-	9	-
Fair value losses on valuation	(59)	-	(59)	-
BALANCE AT 30 JUNE	1,250	1,300	1,250	1,300

b) Revenue and expenses in relation to investment properties

	COUNCIL AND GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000
Rental income	101	106
Direct operating expenses from investment property generating revenue	74	107
Contractual obligations for operating expenditure	40	40

c) Valuation

Independent registered valuers TelferYoung (Taranaki) Limited have valued investment property as at 30 June 2022 (2020/21: TelferYoung (Taranaki) Limited).

An inspection of the investment property was undertaken and a review of more recent commercial sales and leases was used to confirm the current market value reported.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

11. INTANGIBLE ASSETS

Accounting policy

Intangible assets are defined as identifiable non-monetary assets without physical form. Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

Software acquisition and development

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

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs, maintenance and web related costs are recognised in the surplus or deficit when incurred.

Software as a Service (SaaS)

SaaS arrangements are service contracts providing the customer with the right to access the SaaS provider's application software over the contract period. Costs incurred to configure or customise software in a cloud computing arrangement can be recognised as intangible assets only if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premises systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives are reviewed at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

Costs that do not result in intangible assets are expensed as incurred unless they represent payment for future services to be received. In which case a prepayment is initially recognised and then expensed as those subsequent services are received over the expected term of the cloud computing arrangement.

Carbon credits

Purchased carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of computer software, the major class of intangible assets, is five to 12 years (eight per cent to 21 per cent).

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

	COUNCIL		GROUP	
	Computer software \$'000	Total \$'000	Computer software \$'000	Total \$'000
At 30 JUNE 2021				
Cost	12,894	12,894	13,024	13,024
Accumulated amortisation and impairment	(9,920)	(9,920)	(9,987)	(9,987)
NET BOOK AMOUNT	2,974	2,974	3,037	3,037
30 JUNE 2022				
Opening net book amount	2,974	2,974	3,037	3,037
Additions	290	290	294	294
Work in progress	470	470	491	491
Disposals	(67)	(67)	(67)	(67)
Amortisation	(569)	(569)	(599)	(599)
Transfers to expenses	(726)	(726)	(726)	(726)
CLOSING NET BOOK AMOUNT	2,372	2,372	2,430	2,430
At 30 JUNE 2022				
Cost	12,638	12,638	12,792	12,792
Accumulated amortisation and impairment	(10,266)	(10,266)	(10,362)	(10,362)
NET BOOK AMOUNT	2,372	2,372	2,430	2,430

The Council currently holds carbon credits with a net book value of \$9,173 (2020/21: \$9,173).

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

In 2021/22 there were no intangible asset capital commitments (2020/21: \$nil).

Carbon credits are expected to be fully utilised by the Council in satisfying carbon obligations from its landfill. As such, no impairment has been recognised (2020/21: nil).

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

12. FORESTRY ASSETS

Accounting policy

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

	COUNCIL AND GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000
BALANCE AT 1 JULY	4,643	4,097
Gains arising from changes in fair value less estimated point of sale costs attributable to price changes	490	547
Other changes	(29)	(1)
BALANCE AT 30 JUNE	5,104	4,643

The Council owns 246.8 hectares (2020/21: 249.1 hectares) of pinus radiata forest which are at varying stages of maturity ranging from one to 40 years. In addition, the Council is involved in two joint ventures (refer note 13) comprising 95.3 hectares (2020/21: 95.3 hectares) at varying stages of maturity ranging from 21 to 30 years (2020/21: 21 to 30 years).

There are no restrictions over the title of forestry assets. No forestry assets are pledged as security for liabilities.

Valuation

Independent registered valuers, PF Olsen Limited have valued forestry assets as at 30 June 2022 based on methodology recommended by the New Zealand Institute of Forestry.

A discount rate of seven per cent, applied to pre-tax cash flows, has been used (2020/21: seven per cent).

No allowance for inflation has been provided.

The sensitivity of crop value to discount rate is shown below:

As at 30 June 2022	6%	7% (as used)	8%
Tree crop value (\$m)	6	5	5

Log prices are based on a three year historical rolling average. Costs are current average costs and no allowance has been made for cost improvements in future operations.

The sensitivity of crop value to changes in log prices and production costs is shown below:

As at 30 June 2022	10%	Base (as used)	-10%
Tree crop value (\$m)	6	5	4

Key financial risks arise from increase in costs associated with logging/loads and cartage harvesting costs. Also there is a risk in sale price for forestry. The Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future. Therefore, no measures have been taken to manage the risks of a decline in timber prices. The Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

13. EQUITY ACCOUNTED INVESTMENTS (JOINT VENTURES)

Accounting policy

A joint venture is a binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control. Joint control is the agreed sharing of control over an activity.

Investments in joint ventures are accounted for in the Council's financial statements using the equity method of accounting. The investment is initially recognised at cost. The carrying amount is increased or decreased to recognise the Council's share of the change in the net assets of the entity after the date of acquisition. The Council's share of the surplus or deficit is recognised in the Council's surplus or deficit.

If the share of deficits of the joint venture equals or exceeds the interest in the joint venture, the Council discontinues recognising its share of further deficits. After the Council's interest is reduced to zero, additional deficits are provided as a liability to the extent that the Council has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports surpluses, the Council will resume recognising its share of those surpluses after its share of the surpluses equals the share of deficits not recognised.

Breakdown of investment in joint venture and further information

As at 30 June 2022, the Council is involved in two forestry joint venture agreements (2020/21: two forestry joint ventures) - Duthie Joint Venture (Council share 54.8 per cent) and McKay Joint Venture (Council share 56.5 per cent). Both joint ventures are domiciled in New Zealand.

The Council's interest in the forestry joint ventures is measured using the equity method of accounting in the group financial statements.

	DUTHIE JV		MCKAY JV		TOTAL Council and Group	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Investment (at cost)	192	192	568	568	760	760
Summarised financial information of joint ventures:						
- Non-current assets: forestry	542	510	2,152	2,139	2,694	2,649
- Current liabilities: creditors and other payables	(3)	(2)	(3)	(4)	(6)	(6)
Net assets	539	508	2,149	2,135	2,688	2,643
Gain on forestry assets	31	47	3	365	34	412
Operating expenditure	(8)	(7)	(10)	(6)	(18)	(13)
Net surplus/(deficit)	23	40	(7)	359	16	399
Attributable to Council and Group¹	9	19	(8)	200	1	219
Reconciliation to equity accounted carrying amount						
Joint ventures net assets (\$'000)	539	508	2,149	2,135	2,688	2,643
Council and Group's share	54.82%	54.82%	56.50%	56.50%	-	-
Equity accounted carrying amount (\$'000)	295	278	1,214	1,207	1,509	1,485
Risks associated with the Council's investment in joint ventures						
Shareholder funding commitments for next three years	21	21	14	16	35	37

¹ Share of joint venture surplus attributable to Council and Group = gain on forestry assets x Council and Group share of joint venture - total operating expenditure.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

14. OTHER FINANCIAL ASSETS

Accounting policy

a) Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short term profit taking. Financial assets in this category are included in current assets. After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

Included in this category is the Council's investment in Tasmanian Land Company Limited and the Perpetual Investment Fund.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition financial assets in this category are measured at amortised cost using the effective interest rate method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as interest. The Council's loans and receivables comprise debtors and other receivables, LGFA borrower notes, term deposits, related party loans and community loans.

Impairment

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit. Impairment is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the debt. The Council has no impairment for the year ended 30 June 2022 (2020/21: Nil).

c) Fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. The Council includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- bonds and shareholdings in NZ Local Government Funding Agency (NZ LGFA) and shareholdings in Civic Financial Services Limited.

d) Subsidiaries

The Council consolidates in the group financial assets those entities it controls. Control exists if all three of the following elements are present: power over the entity, exposure to variable returns from the entity and the ability for the Council to use its power to affect those variable returns.

Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The financial statements of the Group's controlled entities are included in the Group financial statements from the date that control commences until the date that control ceases.

The Council's investment in its subsidiaries (Papa Rererangi i Puketapu Limited, New Plymouth PIF Guardians limited and Venture Taranaki Trust) are carried at cost in the Council's financial statements and are consolidated at Group level.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
CURRENT ASSETS				
Other financial assets				
Term deposits with maturities of four to 12 months	8,317	37,606	8,818	37,606
Waitara Perpetual Community Fund	17,616	12,645	17,616	12,645
Bonds, shares and other investments (PIF)	225,574	259,685	225,574	259,685
Total other financial assets	251,507	309,936	252,008	309,936
Investment in CCOs and similar entities				
Loan to Papa Rererangi i Puketapu Limited	3,299	3,299	-	-
Total investment in CCOs and similar entities	3,299	3,299	-	-
NON-CURRENT ASSETS				
Other financial assets				
Term deposits with maturities greater than 12 months	480	-	480	-
Community and other loans	6,024	2,974	6,024	3,032
Bonds, shares and other investments (PIF)	113,422	86,699	113,423	86,699
LGFA borrower notes	3,192	2,917	3,192	2,917
Total other financial assets	123,118	92,590	123,119	92,648
Investment in CCOs and similar entities				
Unlisted shares in Civic Financial Services Ltd and the LGFA	838	727	838	727
Unlisted shares in Papa Rererangi i Puketapu Limited	49,138	49,138	-	-
Loan to Papa Rererangi i Puketapu Limited	11,800	11,800	-	-
Unlisted shares in Tasmanian Land Company Limited	896	104	-	-
Total investment in CCOs and similar entities	62,672	61,769	838	727

a) Breakdown of Council's investment in subsidiaries

Investment In	Principal Activity	2021/22 Actual \$'000	2020/21 Actual \$'000
Papa Rererangi i Puketapu Limited	Operates the New Plymouth Airport	64,237	64,237
New Plymouth PIF Guardians Limited	Oversees the Council's Perpetual Investment Fund	-	-
Venture Taranaki Trust	Taranaki's regional development agency	-	-
Tasmanian Land Company Limited	In voluntary liquidation	896	104
TOTAL INVESTMENT		65,133	64,341

b) Unlisted shares in subsidiaries (investment in CCOs)

Papa Rererangi i Puketapu Limited (PRIP)

The Council's unlisted shares in PRIP of \$49.1m (2020/21: \$49.1m) includes a \$14.1m 99-year finance lease for land. Under a finance lease, substantially all the risks and rewards incidental to legal ownership are transferred by the Council to PRIP. The substance of the transaction is that the Council has made a contribution to PRIP reflective of the difference between the fair value of the land (\$14.1m) and the present value of the minimum lease payments (\$99).

The leasehold interest in the land was last valued as at 30 June 2022 by TelferYoung (Taranaki) Limited in accordance with 2022 International Valuation Standards. The fair value of the land at 30 June is \$16,932,879 (2020/21: \$16,207,879).

While the land is owned by the Council, the Crown retains a 50 per cent beneficial interest, including a share of any proceeds if it were to be sold in the future. The land cannot be disposed of without prior consent from the Crown.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Tasmanian Land Company (TLC)

The business operations of TLC were sold on 31 March 2016. As at 30 June 2018, TLC remained a Council Controlled Organisation. On 21 June 2018, TLC was placed into members' voluntary liquidation. The balance remaining with TLC will be transferred to Mercer in the future, once all the companies in the group have been wound up. As at 30 June 2022 and 30 June 2021, the Council held 100 per cent of the 88,459,358 issued shares of TLC.

c) Loans to Papa Rererangi i Puketapu Limited (PRIP)

On 3 July 2017 the Council entered into a facility agreement with PRIP, making available to the Company both a non-current loan facility and a current facility. An initial non-current loan of \$3.5m was advanced to PRIP in partial satisfaction of the transfer price of the assets purchased from the Council. Subsequent advances have been made during the year for operations.

The interest rate on the non-current loan has been set at the Council's cost of funds plus 0.75 per cent per annum, currently 4.1 per cent (2020/21: 4.1 per cent). The interest rate on the current loan has been set at the Council's cost of funds plus 0.25 per cent per annum, currently 3.2 per cent (2020/21: 3.5 per cent).

d) Bonds, shares and other investments (PIF)

The PIF is recorded at fair value and has been independently valued by Mercer. Gains or losses on remeasurement are recognised in the surplus or deficit. The Council's \$0.8m (2020/21 \$0.1m) investment in Tasmanian Land Company is included in the cash allocation balance.

	COUNCIL	
	2021/22 Actual \$'000	2020/21 Actual \$'000
OPENING BALANCE	346,488	292,253
Revenue and gains:		
Net unrealised gains	5,792	65,750
Total revenue and gains	5,792	65,750
Less direct expenses	2,639	2,216
NET SURPLUS FOR THE YEAR	3,153	63,534
Transfers in/(out) of the fund:		
Reimbursement of costs to the Council	(232)	(217)
Release to the Council (including interest)	(9,516)	(9,082)
Total transfers in/(out) of the fund	(9,747)	(9,299)
Net change in PIF investment	(6,594)	54,235
CLOSING BALANCE	339,894	346,488
<i>Portfolio asset allocation:</i>		
Alternative assets	60,170	60,776
Private equity	80,907	55,995
Developed market global equities	120,514	150,589
Emerging markets	17,695	21,547
Fixed revenue	40,563	44,103
Cash	20,045	13,478
CLOSING BALANCE	339,894	346,488

Through the PIF, the Council has commitments to subscribe to a number of private equity funds. As of 30 June 2022 \$42.3m (2020/21: \$28.9m) of this commitment was yet to be called up.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

15. WAITARA LANDS ACT

The New Plymouth District Council (Waitara Lands) Act 2018 (the Act) was passed by Parliament and became effective from 17 March 2019. The Act allows leaseholders of 780 identified properties to purchase freehold their leased land at market value and allows for other land parcels amounting to 118 hectares to be gifted and/or purchased by hapū.

The land is recognised under restricted assets (refer note 9) as a result of the Act which enforces restrictions on the ownership and disposal of the land by the Council.

On 17 March 2020 \$1.57m of land previously held by Council vested in Te Kāwhatu Tū Moana Trust.

Freehold sales

For the year ended 30 June, 33 properties were purchased freehold (2020/21: 239). At year end, 455 properties in total have been purchased since the Act came into effect. Proceeds from the sales to date amount to \$51.9m.

For the year ended 30 June, proceeds from the freehold sales have been distributed as follows:

	COUNCIL AND GROUP			
	2020/21 Total sales	Share of sales proceeds from former Borough and portfolio land	Share of sales proceeds from other land	2021/22 Total sales
	\$'000	\$'000	\$'000	\$'000
Waitara Perpetual Community Fund ¹	8,991	851	608	1,459
Hapū Land Fund ²	8,991	851	608	1,459
Taranaki Regional Council (River Fund) ³	8,930	-	1,216	1,216
NPDC (reimburse costs)	263	-	34	34
TOTAL FREEHOLD SALES	27,175	1,702	2,466	4,168

Leasehold income

For the year ended 30 June, leasehold incomes have been distributed as follows:

	COUNCIL AND GROUP			
	2020/21 Total leasehold income	Share of leasehold income from former Borough and portfolio land	Share of leasehold income from other land	2021/22 Total leasehold income
	\$'000	\$'000	\$'000	\$'000
Waitara Perpetual Community Fund ¹	386	211	93	304
Hapū Land Fund ²	386	211	93	304
Taranaki Regional Council (River Fund) ³	221	-	185	185
NPDC (reimburse costs)	333	1	166	167
TOTAL LEASEHOLD INCOME	1,326	423	537	960

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Distributions

For the year ended 30 June, proceeds from the Waitara Lands Act have been distributed as follows:

	COUNCIL AND GROUP				
	2020/21 Total distributions	Share of freehold sales	Share of leasehold income	Interest earned	2021/22 Total distributions
	\$'000	\$'000	\$'000	\$'000	\$'000
Hapū Land Fund ²	9,382	1,459	304	113	1,876
Taranaki Regional Council (River Fund) ³	9,151	1,216	185	0	1,401
TOTAL WAITARA LANDS ACT DISTRIBUTION EXPENSE	18,533	2,675	489	113	3,277

Waitara Lands Act restricted reserves and liability

The Council recognises a liability for funds held on behalf the Hapū Land Fund and the Taranaki Regional Council (River Fund) until such time that the funds can be remitted. The amounts held in the Waitara Perpetual Community Fund are included in Council's restricted reserves until the annual releases are determined by the Council for distribution in accordance with Council's Long Term policy.

	COUNCIL AND GROUP				
	Balance at 1 July 2021	Net gain/ (losses) on investments	Share of distributions	Payments made	Balance at 30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000
Restricted reserves					
Waitara Perpetual Community Fund ¹	18,461	(1,856)	1,763	(3)	18,365
Total restricted reserves	18,461	(1,856)	1,763	(3)	18,365
Liability					
Hapū Land Fund ²	18,475	113	1,763	(250)	20,100
Taranaki Regional Council (River Fund) ³	4,476	-	1,401	(5,499)	379
Total liability	22,951	113	3,164	(5,749)	20,479
TOTAL WAITARA LANDS ACT RESTRICTED RESERVES AND LIABILITY	41,412	(1,743)	4,927	(5,752)	38,844

¹ The Council holds funds in term deposit on behalf of the Waitara Community Board for the establishment of Waitara Perpetual Community Fund (refer note 14).

At 30 June, \$0.1m was held on a separate bank account (refer note 16) (2020/21: \$1.5m) and \$17.6m was held on term deposit at an interest rate of 1.48 per cent (2020/21: \$12.6m at 1.57 per cent). At 30 June there was \$0.6m yet to be transferred by the Council to the Waitara Perpetual Community Fund bank account (2020/21: \$4m).

² The Council holds funds in a separate bank account held for the establishment of the Hapū Land Fund (refer note 16). At 30 June, the balance of the account was \$19.3m (2020/21: \$14.2m). As at 30 June there was \$0.6m yet to be transferred by the Council to the bank account (2020/21: \$3.6m).

³ During the year, cash distributions totalling \$1.4m were made to the Taranaki Regional Council (River Fund) (2020/21: \$9.1m). At 30 June 2022, there was \$0.4m yet to be distributed (2020/21: \$4.4m).

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

16. CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents are made up of cash on hand, on-demand deposits and other short-term highly liquid investments, net of bank overdrafts classified under current liabilities. The carrying value of cash at bank and short-term deposits with original maturities less than three months approximates their fair value.

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Cash at bank and on hand	35,971	44,059	39,602	46,338
TOTAL CASH AND CASH EQUIVALENTS	35,971	44,059	39,602	46,338

Funds subject to restrictions

The Council holds unspent funds of \$43.1m (2020/21: \$52.9m) that are subject to restrictions and are included in cash and cash equivalents and other financial assets. These unspent funds relate to trusts and bequests received, term deposits associated with underlying loans, lump sum contributions, Waitara Lands Act operations account, Waitara Perpetual Community Fund and Hapū Land and other funds received with restrictions where the spending of the funds is separately monitored. The restrictions generally specify how the funds are required to be spent

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

17. DEBTORS AND OTHER RECEIVABLES

Accounting policy

Short term receivables are recorded at the amount due less any provision for uncollectability.

Fair value: receivables are generally short-term and non-interest bearing and receipt is normally on 30-day terms. Therefore, the carrying value of receivables approximates their fair value.

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Net trade receivables				
Trade receivables	7,720	6,642	8,169	7,168
Rates receivables	3,441	3,045	3,441	3,045
Other receivables	815	250	910	630
Provision for doubtful receivables	(965)	(782)	(972)	(782)
NET DEBTORS	11,011	9,155	11,548	10,061
Other prepayments	880	747	900	777
Accruals				
Accrued revenue	1,882	1,953	1,890	1,933
GST receivable	3,850	1,508	3,972	1,684
	5,732	3,461	5,862	3,617
TOTAL DEBTORS AND OTHER RECEIVABLES	17,623	13,363	18,310	14,455
<i>Total receivables comprise:</i>				
Receivables from exchange transactions ¹	14,293	11,731	14,980	12,457
Receivables from non-exchange transactions ²	3,330	1,633	3,330	1,998
TOTAL DEBTORS AND OTHER RECEIVABLES	17,623	13,364	18,310	14,455

¹ Includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.

² Includes outstanding amounts for rates, grants, infringements and fees and charges that are partly subsidised by rates.

Ageing profile of total receivables	2021/22			2020/21		
	Gross \$'000	Provision for uncollectability \$'000	Net \$'000	Gross \$'000	Provision for uncollectability \$'000	Net \$'000
COUNCIL						
Not past due	13,903	-	13,903	10,014	-	10,014
Past due 1-30 days	278	-	278	231	-	231
Past due 31-60 days	197	-	197	177	-	177
Past due 61-90 days	41	-	41	66	-	66
Past due >90 days	4,169	(965)	3,204	3,658	(783)	2,875
TOTAL	18,588	(965)	17,623	14,146	(783)	13,363
GROUP						
Not past due	14,583	-	14,583	10,906	-	10,906
Past due 1-30 days	289	-	289	422	-	422
Past due 31-60 days	200	-	200	189	-	189
Past due 61-90 days	41	-	41	66	-	66
Past due >90 days	4,169	(972)	3,197	3,658	(786)	2,872
TOTAL	19,282	(972)	18,310	15,241	(786)	14,455

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

All receivables greater than 30 days in age are considered to be past due.

A receivable is considered to be uncollectable when there is evidence the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

The Council does not provide for any provision for uncollectability on rates receivable as it has various powers under the LG(R)A to recover any outstanding debts.

The provision for uncollectability of other receivables has been calculated based on a review of specific overdue receivables.

The Council holds no other collateral as security or other credit enhancements over receivables that are either past due or uncollectable.

Movements in the provision for receivables that are not considered collectable as follows:

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
At 1 July	782	630	782	630
Additional provisions made during the year	183	152	190	152
TOTAL PROVISION FOR UNCOLLECTABILITY	965	782	972	782

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

18. CREDITORS AND OTHER PAYABLES

Accounting policy

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms. Therefore, the carrying value of creditors and other payables approximates their fair value. All amounts in creditors and other payables are assessed as exchange as these balances arose from transactions carried out on normal business terms.

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Trade payables	15,750	14,946	16,476	16,180
Deposits and bonds	1,672	1,455	1,672	1,455
Revenue in advance	3,472	7,333	5,108	8,631
Contract retentions	170	402	151	499
Other payables	1,216	644	2,192	1,052
Accrued interest on borrowings	1,125	831	1,125	831
TOTAL CREDITORS AND OTHER PAYABLES	24,184	25,611	26,724	28,648
TOTAL CREDITORS AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS	24,184	25,611	26,724	28,648

19. BORROWINGS

Accounting policy

All loans and borrowings are initially recognised at fair value of the consideration received plus transaction costs.

All borrowing costs are recognised as an expense in the period in which they are incurred and are calculated 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 the balance date.

	COUNCIL AND GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000
Current		
Debenture stock	29,000	29,000
Local Government Funding Agency	15,000	11,000
TOTAL CURRENT BORROWINGS	44,000	40,000
Non-Current		
Debenture stock	5,000	5,000
Local Government Funding Agency	154,500	158,500
TOTAL NON-CURRENT BORROWINGS	159,500	163,500

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Interest terms

The Council has \$54.5m of its total debt of \$203.5m issued at fixed rates of interest (2020/21: \$54.5m of \$203.5m). The remainder of the Council's loans are issued at floating interest rates. For floating rate debt, the interest rate is reset quarterly based on the 90-day bank bill rate plus a margin for credit risk.

Interest rates range from 1.2 per cent to 5.5 per cent (2020/21: 0.3 per cent to 5.5 per cent) – weighted average rate of 3.2 per cent (2020/21: 2.9 per cent). Total interest costs were \$6.5m (2020/21: \$6m).

The Council has a number of interest rate swaps and forward interest rates swaps in place to fix and manage interest payments (refer note 24).

Security

The Council's loans have been issued in accordance with the LGA. The loans are secured through the debenture trust deed over all rates. As at 30 June, the Council has issued to its bankers security certificates totalling \$16.8b (2020/21: \$14.4b) to secure the various bank loan facilities, bank overdraft and guarantees issued on behalf of the Council.

Fair value

Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of the majority of secured loans approximates their fair value. There are \$49.5m (2020/21: \$54.5m) of secured loans that have been issued at fixed rate and have greater than 12 months to maturity. The fair value of these loans is \$49.8m (2020/21: \$54.9m). Fair value has been determined using contractual cash flows discounted using a rate based on market borrowing rates at balance date of 3.0 per cent (2020/21: 2.82 per cent).

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

20. PROVISIONS

Accounting policy

A provision is recognised 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 an outflow of future economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at balance date and are discounted to present value where the effect is material.

	COUNCIL AND GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000
Current provisions		
Weather-tightness claims	-	-
Landfill aftercare provision	318	277
Other	680	680
TOTAL CURRENT PROVISIONS	998	957
Non-current provisions		
Landfill aftercare provision	2,411	2,965
TOTAL NON-CURRENT PROVISIONS	2,411	2,965

	Weather-tightness Claims	Landfill Aftercare	Carbon Credits	Other	Council and Group
BALANCE AT 30 JUNE 2021	-	3,242	-	680	3,922
Additional provisions made	-	41	-	-	41
Amounts used	-	(554)	-	-	(554)
BALANCE AT 30 JUNE 2022	-	2,729	-	680	3,409

a) Weather-tightness claims

No new claims have been lodged with the Weather-tight Homes Resolution Service (WHRS) in the year to 30 June 2022 (2020/21: Nil). All claims have been lodged as at 30 June.

The Council acknowledges that it may be liable for claims in the future relating to weather-tightness of buildings not yet identified. Information regarding these potential claims is subject to extreme uncertainty and therefore no provision or contingent liability has been made for any potential future claims.

b) Landfill closure and aftercare liability

The long-term nature of these liabilities means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and known changes to legal requirements, an inflation factor of 2.35 per cent (2020/21: 2.35 per cent) and a discount rate of 2.90 per cent (2020/21: 2.90 per cent).

The Council has responsibility under the consent to provide ongoing maintenance and monitoring of a landfill after a site is closed. Post-closure responsibilities include: treatment and monitoring of leachate, groundwater and surface monitoring, gas monitoring and recovery, implementation of remedial measures such as needling for cover and control systems, ongoing site maintenance for drainage systems and final cover and vegetation.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

21. EMPLOYEE ENTITLEMENTS

Accounting policy

Provision is made in respect of the Council's liability for retiring gratuity allowances, annual and long service leave and sick leave.

The retirement gratuity liability and long service leave liability is assessed on an actuarial basis using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement.

Liabilities for accumulating short-term compensated absences (e.g. annual and sick leave) are measured as the additional amount of unused entitlement accumulated at the balance sheet date.

Sick leave, annual leave, vested long service leave and non-vested long service leave and retirement gratuities that are expected to be settled within 12 months of balance date are classified as current.

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Current employee entitlements				
Accrued pay and sick leave	1,701	1,326	1,701	1,326
Annual leave	3,669	2,932	3,860	3,094
TOTAL CURRENT EMPLOYEE ENTITLEMENTS	5,370	4,258	5,561	4,420
Non-current employee entitlements				
Long service leave	85	79	85	79
Retirement gratuities	396	384	396	384
TOTAL NON-CURRENT EMPLOYEE ENTITLEMENTS	481	463	481	463

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

22. TAX

Accounting policy

Income tax

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 surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax and deferred tax are calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax

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 statement of financial position 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 surpluses 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 and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

a) Components of tax expense

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Current tax	-	-	48	-
Deferred tax	-	-	(158)	(190)
TOTAL INCOME TAX (REFUND)/EXPENSE	-	-	(110)	(190)

b) Relationship between tax expense and accounting profit

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Surplus/(deficit) before tax	5,357	49,823	4,809	47,570
Tax at 28 per cent	1,500	13,951	1,347	13,320
(Less)/plus tax effect of non-assessable revenue	(1,500)	(13,951)	(1,457)	(13,510)
TOTAL INCOME TAX/(REFUND)	-	-	(110)	(190)

c) Current tax asset/(liability)

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
TAX (PAYABLE)/RECEIVABLE	-	-	-	-

The Council has \$475,114 (2020/21: \$913,318) unrecognised tax losses available to carry-forward.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

d) Group deferred tax asset/(liability)

	Property, plant and equipment	Other provisions and tax losses	Total
	\$'000	\$'000	\$'000
BALANCE AT 1 JULY 2020	264	56	320
Charged to surplus or deficit	(163)	10	(153)
Adjustments to current tax in prior years	(319)	-	(319)
BALANCE AT 30 JUNE 2021	(218)	66	(152)
Charged to surplus or deficit	-	158	158
Charged to other comprehensive revenue and expense	(1,771)	-	(1,771)
BALANCE AT 30 JUNE 2022	(1,989)	224	(1,765)

23. EQUITY AND CAPITAL MANAGEMENT

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.
- Ordinary reserves.
- Restricted reserves.
- Asset revaluation reserves.

Accumulated funds

Accumulated funds are the capital fund made up of accumulated surpluses and deficits. A surplus in any year is added to the fund and a deficit in any year is deducted from the fund.

Ordinary reserves

Ordinary reserves are reserves created by Council decision. The Council may alter the purpose of a reserve without reference to a third party or the Courts. Transfers to and from these reserves is at the discretion of the Council.

Restricted reserves

Restricted reserves are those reserves 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. Transfer from these reserves can be made for certain specified purposes or when certain specified conditions are met.

Asset revaluation reserves

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

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Accumulated funds				
BALANCE AT 1 JULY	1,592,715	1,556,947	1,579,020	1,545,315
Transfer (to)/from reserves	8,544	(14,055)	10,555	(14,055)
Surplus for the year	5,357	49,823	4,919	47,760
TOTAL ACCUMULATED FUNDS AT 30 JUNE	1,606,616	1,592,715	1,594,494	1,579,020
Reserves include:				
BALANCE AT 30 JUNE				
Property, plant and equipment revaluation reserve	1,935,841	1,450,978	1,954,503	1,466,374
Fair value through other comprehensive revenue and expense	134	23	134	23
Foreign currency translation reserve	-	-	29	5
Transfer to restricted reserves	30,573	49,606	30,573	49,606
Transfer from restricted reserves	(39,235)	(35,539)	(39,235)	(35,539)
Interest on restricted reserves	122	59	122	59
Opening balance reserves	92,693	78,571	92,693	78,627
TOTAL RESERVES	2,020,128	1,543,698	2,038,819	1,559,155
Property, Plant and Equipment Revaluation Reserve				
BALANCE AT 1 JULY	1,450,978	1,451,050	1,466,374	1,466,409
Revaluation gains	484,863	-	491,911	-
Deferred tax on revaluation	-	-	(1,771)	-
Deferred tax liability on revaluation transferred from accumulated funds	-	-	(2,011)	-
Transfer to accumulated funds on disposal of property	-	(72)	-	(35)
TOTAL REVALUATION RESERVE AT 30 JUNE	1,935,841	1,450,978	1,954,503	1,466,374
<i>Property revaluation reserves for each asset class consist of:</i>				
- Infrastructure	1,628,448	1,235,636	1,628,448	1,235,636
- Operational land	54,638	44,418	69,493	59,815
- Operational buildings	105,490	56,361	109,297	56,360
- Restricted land	136,400	103,697	136,400	103,697
- Operational library	(472)	(472)	(472)	(472)
- Restricted art/museum	11,338	11,338	11,338	11,338
	1,935,841	1,450,978	1,954,503	1,466,374

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

a) Ordinary and restricted reserves

	Balance at 1 July \$'000	Transfers into fund \$'000	Transfers out of fund \$'000	Balance at 30 June \$'000
2021/22 - COUNCIL AND GROUP				
Renewal and disaster funds	45,957	22,722	(26,628)	42,101
Restricted reserves, Trust and bequest funds ¹	14,635	657	(2,484)	12,808
Waitara Perpetual Community Fund (note 15)	18,461	3,510	(3,606)	18,365
Operating reserve funds	12,306	441	(3,202)	9,445
Development funds	1,334	3,315	(3,315)	1,334
TOTAL ORDINARY AND RESTRICTED RESERVES	92,693	30,695	(39,235)	84,153
2020/21 - COUNCIL AND GROUP				
Renewal and disaster funds	33,754	25,396	(13,193)	45,957
Restricted reserves, Trust and bequest funds ¹	19,183	706	(5,254)	14,635
Waitara Perpetual Community Fund (note 15)	8,652	9,841	(32)	18,461
Operating reserve funds	13,859	11,402	(12,955)	12,306
Smoothing reserve funds	1,845	-	(1,845)	-
Development funds	1,333	2,261	(2,260)	1,334
TOTAL ORDINARY AND RESTRICTED RESERVES	78,626	49,606	(35,539)	92,693

¹The opening balance of the operating reserves funds for the Council only is \$12,306k, which differs from the Group value of \$12,250k by \$56k. Transfers in and out of the fund are the same for both Council and Group.

b) Purpose of each reserve

Council created reserves include self-insurance (disaster) reserves, trust and bequest reserves and reserves for different areas of benefit.

Renewal and disaster funds

The Council sets aside funding to meet the renewal of its infrastructural and operating assets to ensure the continued ability to provide services. The renewal funds are applied to all activities throughout Council. The Council maintains a disaster fund as part of its insurance strategies, which can be made available for specific unforeseen events. This reserve is built up annually from general rates and can only be used with Council approval.

Restricted reserves, Trust and bequest funds

These reserves have been created for funds which are restricted for a particular purpose such as bequests or operations in trust under specific Acts. Changing the use of the funds would need court or third party approval. Transfers from these reserves can be made only for certain specified purposes, or when specified conditions are met. Deductions are made where the funds have been used and interest is added to these reserves where applicable. Restricted reserves include the heritage funds, proceeds from sale of Junction Road leases, Ngāmotu Masonic Lodge Bursary Fund and certain bequest funds: Monica Brewster, Molly Morpeth Canaday and J T Gibson. These funds are applied to infrastructural asset activities and Puke Ariki and Len Lye Centre/Govett-Brewster Art Gallery activities.

Other reserves

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers. Any surplus or deficit relating to these separate areas is applied to the specific reserves. Other reserves include the following:

- Operating reserve funds
These are set aside to fund short-term operational matters such as holding short-term surpluses arising from water supply and wastewater treatment operations and some internal services.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

- **Smoothing reserve funds**
These fund significant costs incurred generally every three years. An annual general charge is made to level out the impacts of these costs on rates. These include asset revaluations, Long-Term Plan audit fee, Council elections and orthophotography. These funds are applied to infrastructural services, some internal services and civic and democracy services.
- **Development funds**
These arise from development and financial contributions levied by the Council for capital works and are intended to contribute to the growth related capital expenditure in the infrastructural asset activities of Roads, Water Supply, Wastewater, Stormwater, Flood Protection, Parks, Recreation and Events, Puke Ariki and Govett-Brewster Art Gallery/ Len Lye Centre. These reserves also include the waste management and minimisation fund which was set up for capital, renewal and emergency maintenance works associated with the District's solid waste disposal systems.

c) Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The LGA requires the Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interest of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and other financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires the Council to make adequate and effective provision in its Long-Term Plan and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The LGA also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's Long-Term Plan.

24. FINANCIAL RISK MANAGEMENT

Accounting policy

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date the contract is entered into. They are subsequently re-measured to fair value each month with the associated gains or losses recognised in the surplus or deficit.

Derivative financial instruments are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Derivative financial instruments that are settled within 12 months are treated as current.

The Council does not designate any derivatives as hedging instruments.

a) Market risk

Interest rate risk

Interest rate risk is the risk that the Council may be affected by changes in the general level of interest rates. The Council is exposed to interest rate risk as it borrows funds at floating interest rates. The risk is managed by the use of interest rate swaps contracts (derivative financial instruments).

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Ngā tuhituhi ki ngā Tauāki Pūtea

Under interest rate swap contracts the Council agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Council to mitigate the risk of changing interest rates on debt held.

The fair values of interest rate swaps are measured against the prevailing market conditions at balance date. The Council's interest rate swaps have been independently valued using Hedgebook software, which uses daily rate feeds of floating rate references such as BKBM (Bank Bill Market Rate) and BBSW (Bank Bill Swap Rate) from industry benchmark sources. The fair value of interest rate swaps are disclosed below.

Outstanding fixed or floating	COUNCIL AND GROUP					
	Average Contract Fixed Interest		Notional Principal Amount		Fair Value	
	2021/22 %	2020/21 %	2021/22	2020/21	2021/22	2020/21
Less than one year	4.00	4.34	6,000	19,000	(26)	(451)
One to five years	3.56	3.56	91,000	73,000	1,826	(3,340)
Greater than five years	3.52	3.75	76,000	70,000	2,275	(8,134)
	3.56	3.73	173,000	162,000	4,075	(11,925)

Sensitivity analysis

The tables below illustrate the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on the Council's financial instrument exposures at balance date.

30 JUNE 2022	COUNCIL \$'000				GROUP \$'000			
	-100pbs		+100pbs		-100pbs		+100pbs	
	Surplus	Equity	Surplus	Equity	Surplus	Equity	Surplus	Equity
Financial assets								
Cash at bank and term deposits	-	-	-	-	-	-	-	-
Derivative financial instruments	(5,242)	-	4,860	-	(5,242)	-	4,860	-
LGFA borrower notes	(2,793)	-	108	-	(2,793)	-	108	-
Financial liabilities								
Derivative financial instruments	(839)	-	772	-	(839)	-	772	-
Borrowings - secured loans	5,084	-	(5,083)	-	5,084	-	(5,083)	-
TOTAL SENSITIVITY	(3,790)	-	657	-	(3,790)	-	657	-

30 JUNE 2021	COUNCIL \$'000				GROUP \$'000			
	-100pbs		+100pbs		-100pbs		+100pbs	
	Surplus	Equity	Surplus	Equity	Surplus	Equity	Surplus	Equity
Financial assets								
Cash at bank and term deposits	-	-	-	-	-	-	-	-
Derivative financial instruments	(483)	-	449	-	(483)	-	449	-
LGFA borrower notes	(106)	-	107	-	(106)	-	107	-
Financial liabilities								
Derivative financial instruments	(6,212)	-	5,689	-	(6,212)	-	5,689	-
Borrowings - secured loans	5,343	-	(5,344)	-	5,343	-	(5,344)	-
TOTAL SENSITIVITY	(1,458)	-	901	-	(1,458)	-	901	-

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

b) Credit risk

Credit risk is the risk that a third party will default on its obligation to the Council, causing the Council to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits, which gives rise to credit risk.

The Council is exposed to credit risk as a guarantor of all of New Zealand Local Government Funding Agency's (LGFA) borrowings. Information about this exposure is explained in note 26.

The PIF invests in a variety of investments; equities, bonds and private equity funds. Credit risk is managed by diversification of the investment portfolio in accordance with advice from New Plymouth PIF Guardians Limited (NPG), which includes limits set on individual investments in any one financial institution or organisation.

The Council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover debt from ratepayers.

The Council holds no collateral or credit enhancements for financial instruments that give rise to credit risk.

The Council's Treasury Management Policy limits the amount of credit exposure to any one financial institution or organisation. The Council's maximum credit exposure for each class of financial instrument is as follows:

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
MAXIMUM EXPOSURE TO CREDIT RISK				
Cash at bank and term deposits	44,768	81,665	48,420	83,944
Debtors and other receivables	16,743	12,616	17,410	13,678
Community and related party loans	21,122	18,073	6,024	3,032
LGFA borrower notes	3,192	2,917	3,192	2,917
Bonds, shares and other investments (PIF)	339,892	346,488	338,997	346,384
	425,718	461,759	414,043	449,955
CREDIT QUALITY OF FINANCIAL ASSETS				
Counterparties with credit ratings - cash at bank and term deposits; LGFA borrower notes				
AA- or higher	51,930	73,754	55,562	76,033
A-	1,029	10,828	1,029	10,828
TOTAL CASH AT BANK AND TERM DEPOSITS	52,959	84,582	56,591	86,861

c) Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Council aims to maintain flexibility in funding by keeping credit lines available.

The Council manages its borrowings in accordance with its funding and financial policies, which includes a Treasury Management Policy.

The Council has a maximum amount that can be drawn down against call facilities at two separate banks totalling \$24m (2020/21: \$24m). There are no restrictions on the use of the facilities. At balance date \$5m had been drawn down on these facilities (2019/20: Nil).

The Council is exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 26.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Contractual maturity analysis of financial liabilities (excluding derivative financial instruments)

The following tables analyse the Council's financial assets and liabilities (excluding derivative financial instruments) into maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments and receipts.

COUNCIL 2022	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying amount (assets/ liabilities) \$'000
Financial assets					
Cash and cash equivalents	35,971	-	-	35,971	35,971
Debtors and other receivables	16,743	-	-	16,743	16,743
Term deposits	8,342	498	-	8,840	8,797
Community and related party loans	3,456	3,813	16,887	24,156	21,123
LGFA borrower notes	273	2,021	1,470	3,764	3,192
TOTAL FINANCIAL ASSETS	64,785	6,332	18,357	89,474	85,826
Financial liabilities					
Creditors and other payables	20,712	-	-	20,712	20,712
Borrowings	44,342	81,555	98,193	224,090	203,500
TOTAL FINANCIAL LIABILITIES	65,054	81,555	98,193	244,802	224,212

COUNCIL 2021	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Contractual cash flows \$'000	Carrying amount \$'000
Financial assets					
Cash and cash equivalents	44,059	-	-	44,059	44,059
Debtors and other receivables	12,616	-	-	12,616	12,616
Term deposits	37,671	-	-	37,671	37,606
Community and related party loans	4,030	3,951	17,480	25,461	18,073
LGFA borrower notes	186	1,631	1,650	3,467	2,917
TOTAL FINANCIAL ASSETS	98,952	5,582	19,130	123,274	115,271
Financial liabilities					
Creditors and other payables	18,278	-	-	18,278	18,278
Borrowings	40,082	73,644	104,024	217,750	203,500
TOTAL FINANCIAL LIABILITIES	58,360	73,644	104,024	236,028	221,778

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

GROUP 2022	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Contractual cash flows \$'000	Carrying amount \$'000
Financial assets					
Cash and cash equivalents	39,602	-	-	39,602	39,602
Debtors and other receivables	17,409	-	-	17,410	17,410
Term deposits	8,342	498	-	8,840	9,298
Community and related party loans	(434)	1,873	110	1,549	6,024
LGFA borrower notes	273	2,021	1,470	3,764	3,192
TOTAL FINANCIAL ASSETS	65,192	4,392	1,580	71,165	75,526
Financial liabilities					
Creditors and other payables	21,616	-	-	21,616	21,616
Borrowings	44,342	81,555	98,193	224,090	203,500
TOTAL FINANCIAL LIABILITIES	65,958	81,555	98,193	245,706	225,116

GROUP 2021	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000	Contractual cash flows \$'000	Carrying amount \$'000
Financial assets					
Cash and cash equivalents	46,338	-	-	46,338	46,338
Debtors and other receivables	13,678	-	-	13,678	13,678
Term deposits	37,610	-	-	37,610	37,606
Community and related party loans	131	2,011	218	2,360	3,032
LGFA borrower notes	186	1,631	1,650	3,467	2,917
TOTAL FINANCIAL ASSETS	97,943	3,642	1,868	103,453	103,571
Financial liabilities					
Creditors and other payables	20,020	-	-	20,020	20,017
Borrowings	40,082	73,644	104,024	217,750	203,500
TOTAL FINANCIAL LIABILITIES	60,102	73,644	104,024	237,770	223,517

d) Fair value estimation

For those instruments recognised at fair value in the Statement of Financial Position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1). Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2). Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3). Financial instruments valued using models where one or more significant inputs are not observable.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the Statement of Financial Position.

	VALUATION TECHNIQUE			
	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$'000	\$'000	\$'000	\$'000
30 JUNE 2022 - COUNCIL				
Financial assets				
Bonds, shares and other investments (PIF)	339,892	226,470	32,515	80,907
Shares in Civic Financial Services Ltd and the LGFA	838	-	838	-
Derivative financial instruments	4,413	-	4,413	-
Financial liabilities				
Derivative financial instruments	338	-	338	-
30 JUNE 2021 - COUNCIL				
Financial assets				
Bonds, shares and other investments (PIF)	346,488	259,789	30,704	55,995
Shares in Civic Financial Services Ltd and the LGFA	3,644	-	3,644	-
Derivative financial instruments	601	-	601	-
Financial liabilities				
Derivative financial instruments	12,526	-	12,526	-
30 JUNE 2022 - GROUP				
Financial assets				
Bonds, shares and other investments (PIF)	338,997	226,470	32,515	80,012
Shares in Civic Financial Services Ltd and the LGFA	838	-	838	-
Derivative financial instruments	4,413	-	4,413	-
Financial liabilities				
Derivative financial instruments	338	-	338	-
30 JUNE 2021 - GROUP				
Financial assets				
Bonds, shares and other investments (PIF)	346,384	259,789	30,704	55,891
Shares in Civic Financial Services Ltd and the LGFA	3,644	-	3,644	-
Derivative financial instruments	601	-	601	-
Financial liabilities				
Derivative financial instruments	12,526	-	12,526	-

There were no transfers between the different levels of the fair value hierarchy.

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
BALANCE AT 1 JULY	55,995	41,235	56,103	39,873
Gain and losses recognised in other comprehensive revenue and expense	-	-	-	-
Purchases	11,210	5,398	11,210	5,398
Sales	(8,201)	(4,062)	(8,201)	(4,062)
Transfers into level 3	-	-	-	-
Gains and losses recognised in the surplus or deficit	21,903	13,424	21,092	14,894
BALANCE AT 30 JUNE	80,907	55,995	80,204	56,103

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

e) Reconciliation of movements in liabilities arising from financing activities

The table below provides a reconciliation between the opening and closing balance of liabilities with cash flows that were, or future cash flows that will be, classified as a financing activity in the Statement of Cash Flows.

	COUNCIL		GROUP	
	2021/22 Debentures and other loans \$'000	2020/21 Debentures and other loans \$'000	2021/22 Debentures and other loans \$'000	2020/21 Debentures and other loans \$'000
BALANCE AT 1 JULY	203,500	173,500	203,500	173,500
Cash inflows	11,000	45,000	11,000	45,000
Cash outflows	(11,000)	(15,000)	(11,000)	(15,000)
Non-cash changes	-	-	-	-
BALANCE AT 30 JUNE	203,500	203,500	203,500	203,500

f) Financial instrument risks

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. A balance is achieved through having variable terms that spread the risk of fluctuating interest rates. Council mitigates exposure to cash flow interest rate risk by having a mixture of floating and fixed loans and using interest rate swaps.

	COUNCIL AND GROUP	
	2021/22 Actual	2020/21 Actual
Derivative financial instruments		
Non-current asset portion	4,413	601
Current liability portion	(26)	(451)
Non-current liability portion	(312)	(12,075)
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS	4,075	(11,925)

Foreign exchange and equity price risk

Price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Council is exposed to equity securities price risk on its investments arising from market movements in listed securities.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Council is exposed to currency risk on its investments as some are denominated in various foreign currencies.

Both price and currency risks are managed by diversifying the Council's investment portfolio in accordance with the Treasury Management Policy and advice from NPG.

The foreign exchange sensitivity is based on a reasonably possible movement in foreign exchange rates, with all other variables held constant, measured as a percentage movement in the foreign exchange rate.

	2021/22 \$'000				2020/21 \$'000			
	-100pbs		+100pbs		-100pbs		+100pbs	
	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity
PIF Investments								
Foreign exchange risk	7,869	-	(7,869)	-	9,887	-	(9,887)	-
Equity price risk	(16,586)	-	16,586	-	(20,191)	-	20,191	-
TOTAL SENSITIVITY	(8,717)	-	8,717	-	(10,304)	-	10,304	-

The PIF investments are fully hedged in the base currency, mitigating the foreign exchange risk.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

g) Financial instrument categories

Financial Assets	Financial Liabilities
FAIR VALUE THROUGH SURPLUS OR DEFICIT	FAIR VALUE THROUGH SURPLUS OR DEFICIT
Interest rate swaps - refer notes 24(a), 24(d)	Interest rate swaps - refer notes 24(a), 24(d)
Bonds, shares and other investments (PIF) – refer note 14	
LOANS AND RECEIVABLES	LOANS AND RECEIVABLES
Cash and cash equivalents – refer note 16	Creditors and other payables – refer note 18
Debtors and other receivables – refer note 17	Borrowings – refer note 19
Other financial assets – refer note 14	- Debenture stock
- Term deposits	- Local Government Funding Agency
- Loan to Papa Rererangi i Puketapu Ltd	
- Community loans	
- Local Government Funding Agency borrower notes	
FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND EXPENSE	
Other financial assets – refer note 14	
- Local Government Funding Agency	
- Civic Financial Services Ltd	

The carrying amount is the approximate fair value for each of these classes of financial instruments, as shown in the Statement of Financial Position.

25. RELATED PARTY TRANSACTIONS

The consolidated financial statements include the results and assets and liabilities of the Council and other entities in which the Council has a controlling interest. Any related party disclosures also have been made for transactions with entities within the 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.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that is it reasonable to expect Council and Group would have adopted in dealing with the party at arms-length in the same circumstances.

During the year councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the Council (such as payment of rates). These goods and services were supplied on normal commercial terms.

No provision has been required, nor any expense recognised, for impairment of receivables for any loans or other receivables to related parties (2020/21: Nil).

Refer to note 7 for key management personnel disclosures.

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

26. CONTINGENT LIABILITIES AND ASSETS

Contingent liabilities

Contingent liabilities include those items where a liability may be incurred if certain events or outcomes occur, or where a present obligation exists but the extent of the liability cannot be measured reliably for recognition in the financial statements.

Management consider the likelihood of a particular event or outcome occurring to determine whether a contingent liability should be disclosed. No disclosure is made when the possibility of an outflow of resources is considered to be remote. Where amounts are disclosed the amount shown is the maximum potential cost.

Emissions Trading Scheme (ETS)

The Council has 235.9 hectares (2020/21: 235.9 hectares) of pre-1990 forest land determined under the Climate Change Response Act 2002 (CCR). Under the ETS, the Council will incur financial penalties should the land be deforested as defined by CCR. At year end approximately 0.4 hectares (2020/21: 0.4 hectares) had been harvested but not yet replanted. There is a four year stand- down period allowed between harvest and replanting. The Council intends to replant and/or let that portion naturally regenerate and has not given notice of intention to deforest. The Council does not consider it has a contingent liability in relation to this matter.

Local Government Funding Agency (LGFA)

The Council is a shareholder and guarantor of the LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. The financial strength of LGFA was reaffirmed by Fitch Ratings who maintained the LGFA domestic currency credit rating at 'AA+' in October 2021 while the 'AAA' rating from S&P Global Ratings remains the same as the New Zealand Government.

The Council is one of 30 local authority shareholders and 68 local authority guarantors of the LGFA. The aggregate amount of uncalled shareholder capital is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of LGFA's borrowings. This is based on the Council's rates as a proportion of the total rates for all guaranteeing local authorities. At 30 June 2022 LGFA had borrowings totalling \$15.8b (2020/21: \$13.6b).

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 LGFA defaulting on repayment of interest or capital to be very low on the basis that the Council 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 recover sufficient funds to meet any debt obligations if further funds were required.

RiskPool

RiskPool provides public liability and professional indemnity insurance for its members. The Council is a member of RiskPool. The Trust Deed of RiskPool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any fund year, then the board may make a call on members for the fund year. The Council has been asked to make calls in the past for fund years as a result of deficits incurred due to the leaky building issue.

A call for \$100,000 was made by the board of Civic Liability RiskPool during the year to 30 June 2019. There will be no further calls made until the RiskPool is wound up. It is expected that the amount of the call will be less than \$100,000. No call was made during the year to 30 June 2022 (2020/21: \$nil).

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

Event underwriting

In May 2021 Council entered into an agreement to underwrite the Taranaki Arts Festival Trust for an one off payment up to \$1.9m in case of a pandemic related cancellation of WOMAD between 2022 and 2026 inclusive. The underwrite is for a period of five years.

The cancellation of the 2022 WOMAD was funded by Central Government and no claims were made against the current agreement as at 30 June.

Weather events

A large slip occurred on Council owned reserve land as a result of heavy rainfall events in July 2022, which has affected adjoining land owners' property. Council has completed a range of legal and geotechnical assessments and decided not to contribute to remediation of the slip. It is currently too early to determine whether any formal claim will be made against Council as a result, and what the financial exposure might be.

There were no other known material contingent liabilities as at 30 June apart from the disclosed above (2020/21: nil).

Contingent assets

There are no known material contingent assets as at 30 June 2022 (2020/21: nil).

27. FINANCE INCOME AND FINANCE COSTS

	COUNCIL		GROUP	
	2021/22 Actual \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Finance income				
Interest income - term deposits	920	820	942	841
Interest income - related party loans	582	550	-	-
Other interest	-	(677)	-	(677)
Total finance income	1,502	693	942	164
Interest on bank borrowing (note 19)	(6,464)	(5,983)	(6,464)	(5,983)
IRD use of money	(4)	-	(4)	-
Total finance costs	(6,468)	(5,983)	(6,468)	(5,983)
NET FINANCE COSTS	(4,966)	(5,290)	(5,526)	(5,819)

Notes to the Financial Statements

Ngā tuhituhi ki ngā Tauāki Pūtea

28. EVENTS OCCURRING AFTER THE BALANCE DATE

Three Waters Reform

The Government launched the Three Waters Reform Programme in July 2020 to reform local government three water service delivery arrangements. On 2 June 2022 the Government introduced the Water Services Entities Bill to Parliament. On 19 July 2022 Council approved a submission against the Bill and the Reforms.

On 8 December 2022 the Government introduced the Water Services Legislation Bill (the Bill) which amends the Water Services Entities Bill and the Local Government Act 2002 to further the transfer of water services and responsibilities to the new entities. The Bill received the Royal Assent on 14 December 2022 and became the Water Services Entities Act 2022 (the Act).

The Act specifies the ownership, governance and accountability arrangements for four new water service entities, including provisions for the Western-Central Water Services Entity to pay Council an amount equivalent to the total debt related to water services infrastructure. Council water services (water, wastewater and stormwater) will be transferred to the Western-Central Water Service Entity on 1 July 2024, and NPDC will hold two shares in that Entity.

As part of the Three Waters Reform, the Government has provided a 'Better Off' Funding package, to be released in two tranches. Council approved applying for \$7.9m in the first tranche at a Council meeting on 27 September 2022. The second tranche of funding is \$24.9m and will be available to Council from 1 July 2024, however application towards this funding is yet to be determined as part of the Long-Term Plan 2024-2034. Accepting the funding does not commit Council to support the Three Waters Reform but does bring obligations to provide information to the Department of Internal Affairs for the transition due to enactment of the Water Services Entities Act noted above.

Future for Local Government review

The Government established the Future for Local Government Review in April 2021 to investigate the future of local government and make recommendations on the roles and functions, representation and governance arrangement, and funding and financing of local government. The review panel released its draft report on 28 October 2022.

Resource Management Act replacement

In February 2021 the Government announced it would repeal the Resource Management Act 1991 and replace it with three different Acts. The Natural and Built Environments Bill and the Spatial Planning Bill were introduced to Parliament on 15 November 2022.

Other matters

On 8 July 2022 the Council accepted the resignation of Chief Executive Craig Stevenson. Jacqueline Baker became Acting Chief Executive until 14 September 2022 when Miriam Taris began a six month role as Interim Chief Executive. On 20 December 2022 the Council appointed Gareth Green to the Chief Executive position from 27 March 2023.

The Council decided to promote the New Plymouth District Council (Perpetual Investment Fund) Bill to Parliament on 27 September 2022. This Bill provides principles and requirements for the future management of the Perpetual Investment Fund. On 7 December 2022 this Bill received its first reading and was referred to the Governance and Administration Committee.

The Council agreed on 20 December 2022 to approve an additional \$24.5m budget for the renewal of the Thermal Dryer Facility at the New Plymouth Wastewater Treatment on top of the budget included in the Long-Term Plan 2021-2031. The Council also agreed to delay the main control and laboratory building renewal to 2027/28 and 2028/29.

Funding Impact Statement

Ngā tuhituhi ki ngā Tauāki Pūtea

NEW PLYMOUTH DISTRICT COUNCIL FUNDING IMPACT STATEMENT FOR WHOLE OF COUNCIL for the year ended 30 June 2022

	Annual Plan 2020/21 (\$m)	Annual Report 2020/21 (\$m)	Annual Plan 2021/22 (\$m)	Actual 2021/22 (\$m)
Sources of operating funding				
General rates, uniform annual charges, rates penalties	61.92	61.86	70.42	70.87
Targeted rates	36.04	36.50	39.33	39.52
Subsidies and grants for operating purposes	6.61	7.72	8.95	8.17
Fees and charges	18.24	28.04	25.97	25.72
Interest and dividends from investments	12.54	10.92	12.28	13.67
Local authorities fuel tax, fines, infringement fees, and other receipts	0.85	1.34	1.38	1.22
Total operating funding (A)	136.20	146.38	158.33	159.16
Applications of operating funding				
Payments to staff and suppliers	(131.42)	(136.37)	(131.32)	(134.54)
Finance costs	(7.04)	(5.98)	(6.92)	(6.47)
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	(138.46)	(142.35)	(135.58)	(141.01)
Surplus/(deficit) of operating funding (A - B)	(2.26)	4.03	22.76	18.15
Sources of capital funding				
Subsidies and grants for capital expenditure	8.63	10.26	22.76	14.76
Development and financial contributions	2.36	2.26	2.96	3.32
Increase in debt	12.33	28.45	23.03	0.05
Gross proceeds from sale of assets	17.40	26.89	7.68	4.17
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	40.72	67.86	56.43	22.29
Applications of capital funding				
Capital expenditure				
- to meet additional demand	(5.61)	(7.92)	(8.21)	(4.23)
- to improve the level of service	(12.41)	(25.36)	(30.32)	(26.42)
- to replace existing assets	(31.74)	(25.03)	(41.03)	(30.31)
(Increase)/decrease in reserves	11.30	(95.72)	6.93	(6.47)
(Increase)/decrease of investments	-	82.14	(6.56)	26.97
Total applications of capital funding (D)	(38.46)	(71.89)	(79.19)	(40.45)
Surplus/(deficit) of capital funding (C - D)	2.26	(4.03)	(22.77)	(18.16)
FUNDING BALANCE (A - B) + (C - D)	-	-	(0.01)	-

Other information to be provided

Clause 5(4), Local Government (Financial Reporting and Prudence) Regulations 2014

Depreciation and amortisation expense

Depreciation expense	36.74	43.59	41.86	43.02
less deferred/unfunded	(18.30)	(24.41)	(19.30)	(20.46)
Net funding transferred to renewals reserves	18.44	19.18	22.57	22.57

Disclosure Statement

Tauākī Whawhāki

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

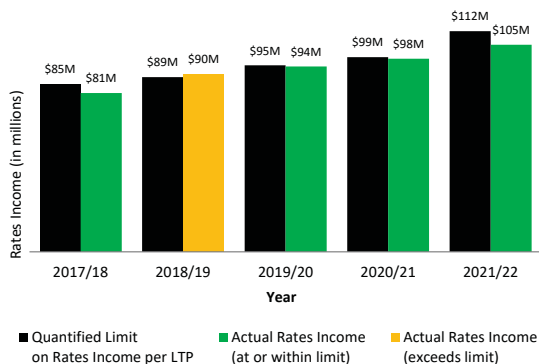
The Council meets the rates affordability benchmark if:

- 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 benchmark

The following graph compares The Council’s actual rates income in actual dollars with the quantified limit on rates contained in the Financial Strategy included in the Council’s Long-Term Plans (LTP).

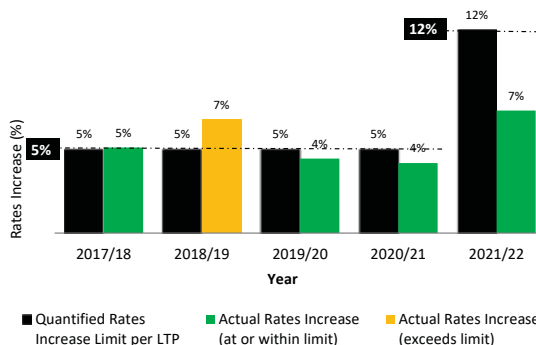
In 2018/19 the Council resolved to exceed the rates limit to achieve outcomes proposed in the LTP 2018-2028.



Rates increases benchmark

The following graph compares NPDC’s actual rates increases with a quantified limit on rates increases contained in the Financial Strategy included in NPDC’s LTP. The quantified limit for 2017-2021 is that the rates increase will not exceed the five per cent limit set in the LTP 2015-2025 and 2018-2028. For 2021/22 it must not exceed the 12 per cent limit set in the LTP 2021-2031.

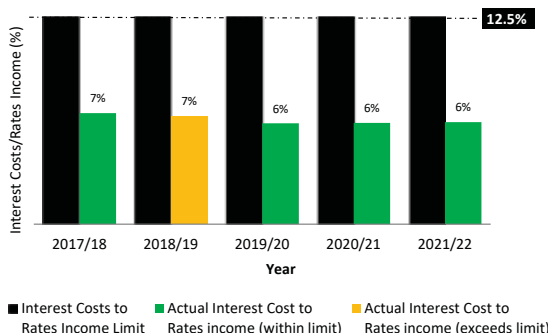
In 2018/19 NPDC resolved to exceed the rates limit to achieve outcomes proposed in the LTP 2018-2028.



Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

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 LTP. The quantified limit is that interest costs on external debt should be less than 12.5 per cent of annual rates revenue.



Disclosure Statement

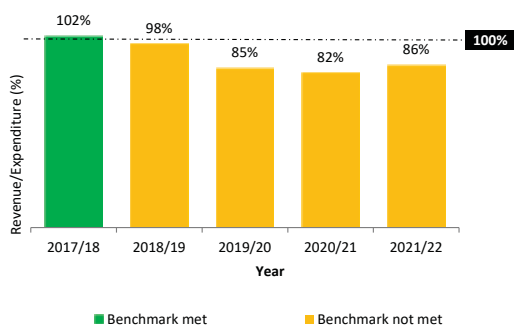
Tauākī Whawhāki

Balanced budget benchmark

The following graph displays the Council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative instruments and revaluations of property, plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expenses.

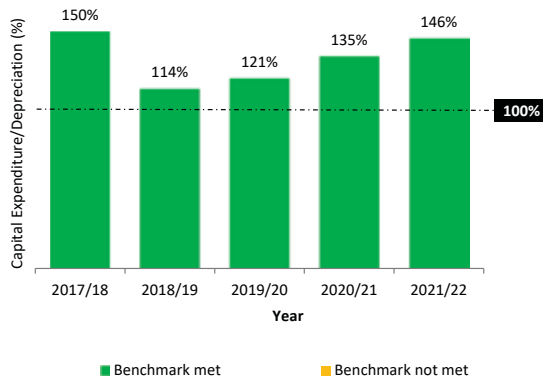
The benchmark has not been met since the introduction of the Waitara Lands Act in 2018/19, requiring the recognition of the net income from the section sales as a liability to be distributed.

In addition, from 2019/20 the results had declined further due to increased depreciation on long life assets, because of the 30 June 2019 revaluation, not being funded by current ratepayers.



Essential services benchmark

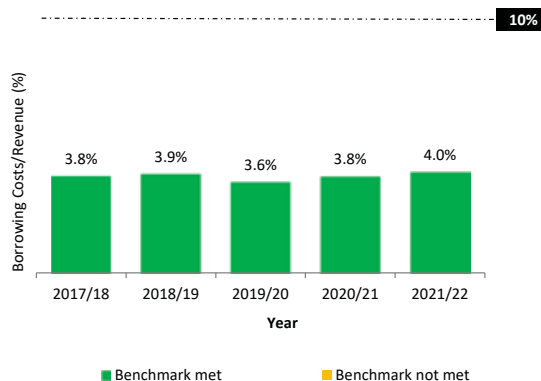
The following graph displays the Council’s capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services is greater than depreciation on network services.



Debt servicing benchmark

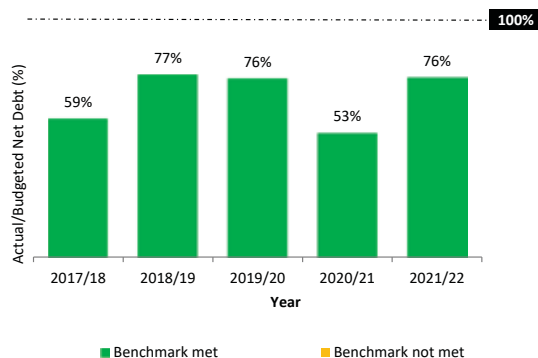
The following graph displays the Council’s borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative instruments and revaluations of property, plant or equipment).

Because Statistics New Zealand projects the population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowings costs equal or are less than 10 per cent 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.



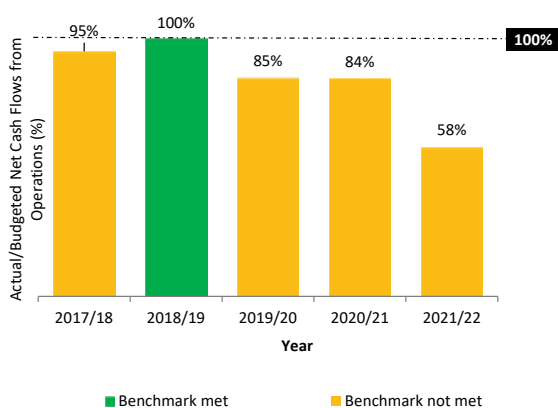
Disclosure Statement

Tauākī Whawhāki

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. 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.

On the occasions where the benchmark was not met this was primarily due to fluctuations in investment income and the recognition of the Waitara Lands Act distributions. In 2021/22, the timing of budgeting and receipting of government grants has impacted on the results being lower than prior years.



Council Controlled Organisations

Ngā Tōpūtanga Mā Te Kaunihera e Whakahaere

The Council is a shareholder or has an ownership interest in the following Council Controlled Organisations:

- Forestry Joint Ventures
- New Plymouth PIF Guardians Limited
- Papa Rererangi i Puketapu Limited.
- Tasmanian Land Company Limited
- Venture Taranaki Trust



Forestry Joint Ventures

Nature and scope of activity

The Council has two joint venture forestry developments that have varying levels of Council ownership (55 to 57 per cent) and are therefore deemed to be Council Controlled Organisations. For convenience they are covered by one combined statement of intent. The woodlots will complement the harvest regime of the Council’s own forestry investment activities.

Forest plantations have been established under the following agreements:

- McKay Family Joint Venture (56.5 per cent) – 83.5 hectares.
- Duthie Joint Venture (54.8 per cent) – 22.7 hectares.

Under the joint venture agreements a total of 113 hectares are managed. The landowners of each joint venture provide land and property related inputs. The Council provides management and tending programmes for the crop. Both parties share the returns from the forest harvest on an agreed ration of respective inputs.

The Council’s longer term objective for these investments is to review its involvement after each joint venture is harvested.

Key performance results for 2021/22

Operational performance

1. Complete all programmes outlined in the Forest Management Plans and Agreements.
Assessment: The regime set out in the joint venture agreement was fully completed historically. Aside from inspection and general maintenance, no further work has been required subsequent to this. All programmes outlined in the Forest Management Plan for 2021/22 have been completed.
2. Report annually in compliance with agreements.
Assessment: The joint venture forest has been inspected by PF Olsen Limited with reports sent to the owners annually.

Financial Performance

	Actual 2021/22 (\$m)	Budget 2021/22 (\$m)	Projected 2022/23 (\$m)	Projected 2023/24 (\$m)
Operating expenditure (NPDC funded)	18	14	16	7

Significant policies and objectives on ownership and control

These joint ventures were originally set up to augment the harvest rotation for Council owned forestry. The Council will currently retain the joint ventures to harvest and then review its future position. There are no formal board structures.

New Plymouth PIF Guardians Limited

Nature and scope of activity

New Plymouth PIF Guardians Limited (NPG) is a 100 per cent Council owned company with an independent board of directors. NPG was formally Taranaki Investment Management Limited and changed its name during 2017 when Council resolved to change the organisational architecture for the management of the Perpetual Investment Fund (PIF) by moving to a full outsourced model. Mercer New Zealand Limited (Mercer) manage the PIF.

Key performance results for 2021/22

Operational performance

A Governance Deed was entered into between the Council and NPG on 1 March 2017 and sets out the objectives for the management of the PIF:

1. Portfolio return target: A prime focus for the Council is to ensure that returns from the PIF are at a level that meets its objectives for the fund. The total return on the portfolio (net of all costs) measured on a rolling five-year basis is currently a target of 3.3 per cent per annum plus NZ inflation (as measured by the Consumers Price Index).

Assessment: Actual return net of costs was 0.9 per cent for the 12 month period to 30 June 2022. The total return of the portfolio for the past five years is 7.9 per cent per annum which is 1.6 per cent above the rolling five year target. Actual returns were affected by the lingering effect of Covid-19 on global economic growth uncertainty. Coupled with higher inflation and increased interest rates, the listed investment markets were volatile and suffered declines over the last 12 months, resulting in actual PIF returns for the year ending 30 June 2022 being lower than forecast.

2. Market comparison target: The portfolio has two distinct categories of assets:

- a) Listed Securities (equities/fixed income/cash) comprising \$198m.

The return on this proportion of the portfolio is targeted to be 0.5 per cent per annum above the weighted average benchmark, before fees. NPG will measure and report on these securities quarterly, annually and on a rolling five year basis.

Assessment: The total gross return on Listed Securities for the 12 month period to 30 June 2022 was -7.1 per cent which was 0.7 per cent better than the benchmark of -7.8 per cent.

- b) Unlisted Securities (private equity/alternative assets) comprising \$141.1m.

These assets are illiquid, are largely not traded on markets and are valued infrequently. Therefore performance cannot be compared to benchmark returns on a short term basis. NPG will report on the performance of these securities annually.

Assessment: The return for the 12 month period to 30 June 2022 from private equity and alternative assets was 16.3 per cent.

3. Reporting target

Provide a quarterly report to the shareholder covering activities undertaken by the Company, and the performance of and significant issues relating to the Perpetual Investment Fund. The report will provide the information outlined in the Governance Deed.

Assessment: Quarterly reports have been provided throughout the year with information provided as per the Governance Deed.

4. Timely response target

Provide investment advice within one month to the shareholder on any significant developments that may have an impact on either the income stream to the Council or the value of the Council's PIF.

Assessment: Information has been provided by the Directors in a timely manner throughout the year. Mercer provided monthly reports to the shareholder during the year.

New Plymouth PIF Guardians Limited

Financial Performance

1. NPG is operated on a full cost recovery basis and is therefore budgeted to operate at a nil net cost.

Assessment: Net profit for the year was nil. The sum below reflects its expected management costs, which are charged to the Council.

	Actual 2021/22 (\$m)	Budget 2021/22 (\$m)	Projected 2022/23 (\$m)	Projected 2023/24 (\$m)
Operating revenue/expenditure	239	278	281	284
Net profit	-	-	-	-

Fund Performance

1. PIF release payment and closing balance of the fund target.

Assessment: Release payment was as planned however, as mentioned in the Portfolio return target above, actual returns were affected by the lingering effect of Covid-19 on global economic growth uncertainty. Coupled with higher inflation and increased interest rates, the listed investment markets were volatile and suffered declines over the last 12 months, resulting in actual PIF returns for the year ending 30 June 2022, and consequently the closing balance of the fund, being lower than forecast.

	Actual 2021/22 (\$m)	Budget 2021/22 (\$m)	Projected 2022/23 (\$m)	Projected 2023/24 (\$m)
Release payment	9.7	9.3	9.8	10.3
Closing balance of the fund	339.9	345.4	355.0	364.6

2. Maintain PIF within the strategic asset allocation (SAA) target.

Assessment: The fund was within the SAA ranges during the twelve month period to 30 June 2022.

Significant policies and objectives on ownership and control

The performance of Mercer will be monitored and reviewed by NPG, a Council Controlled Organisation with a board of highly experienced directors.

Papa Rererangi i Puketapu Limited

Nature and scope of activity

In July 2017, the Council established Papa Rererangi i Puketapu Ltd (PRIP) as a separate Council Controlled Trading Organisation (CCTO) to manage the full operations of New Plymouth Airport and to oversee a major redevelopment of the Airport's terminal and surrounding infrastructure. The Council still retains ownership of the Airport company, the Aerodrome Operator Certificate and is the sole Shareholder.

The organisation is classed as a semi-commercial investment within the Council's Investment Policy.

PRIP's prime purpose is to operate the Airport on a sustainable commercial basis, to optimise the use of its assets and generate a reasonable return on investment. To ensure the ongoing safe and successful operation of the Airport, whilst facilitating the growth of tourism and trade by working with key stakeholders to sustainably increase passenger numbers and develop other commercial activity.

The Airport provides services to allow the safe and efficient facilitation of travellers and freight and, ancillary to this, it leases terminal space and land at the Airport.

In the management of the Airport operations, PRIP has the autonomy to set the following charges at the Airport:

- Fees and associated charges in respect to vehicle parking.
- Landing and parking charges from regular passenger transport services.
- Landing and parking charges from general aviation aircraft.
- Revenue from tenant's leases and rents, licences, concession based contracts and lessees outgoings.

As landlord, PRIP also has the power to enter into any building or ground lease agreements on Airport land.

The Airport is viewed as an essential infrastructure asset for the district and the Taranaki region and has a key role to play in the economic performance, growth and development of the area. PRIP will work collaboratively with the Council, the Venture Taranaki Trust, the Taranaki Chamber of Commerce, New Plymouth Partners, the iwi and hapū and other relevant key stakeholders, ensuring a combined approach to achieve the region's desired strategic goals.

Key performance results for 2021/22

Operational performance

1. Maintain the Airport facilities to avoid any disruption of scheduled commercial flights other than for weather or airline related problems.

Assessment: The existing Airport facilities have been well maintained throughout the year and there has been no diversion of regular passenger transport services resulting from Airport operations.

2. Meet all the operating, maintenance, capital expenditure and interest cost.

Assessment: All operating costs associated with the day-to-day management of the Airport have been met from Airport revenue. Loans have been made available from NPDC to assist with capital expenditure, with interest also being fully serviced from Airport revenue. Due to the ongoing recovery from the worldwide pandemic (Covid-19) and further lockdown measures during August to December 2021, airport operations have been impacted, passenger numbers and revenue have been lower than forecast in the 2021/22 budget.

3. Manage New Plymouth Airport in full compliance with the approved operating procedures of the Civil Aviation Authority Rule Part 139.

Assessment: Under an agreement with the Civil Aviation Authority (CAA), PRIP manages the Airport on behalf of the Aerodrome Operator Certificate holder, NPDC. During the period the Airport has been managed in full compliance with the CAA Rule Part 139.

Papa Rererangi i Puketapu Limited

Financial Performance

	Actual 2021/22 (\$m)	Budget 2021/22 (\$m)	Projected 2022/23 (\$m)	Projected 2023/24 (\$m)
Operating revenue	4,632	6,417	7,748	8,300
Operating expenditure	(3,328)	(3,015)	(3,105)	(3,200)
Depreciation, interest and tax	(2,242)	(2,118)	(2,755)	(3,099)
Net profit/(loss) before tax	(938)	1,284	1,888	2,001

Revenue assessment: Covid-19 and the subsequent lockdowns had a significant impact. Passenger numbers were budgeted at 365,000 but actuals were 243,828. The major revenue streams, landing charges, car parking and café revenues all were lower as a result. PRIP requested and received the Wage Subsidy and other government support of \$70,081 in 2021/22.

Expenses assessment: Operational expenses were over budget due to the closure of the terminal tenant The Hangar, consultancy fees were also a contributing factor due to planning requirements and future planning.

Significant policies and objectives on ownership and control

PRIP operates as a standalone company governed by an independent skills based Board of directors and employs its own Chief Executive and staff. All Airport operations and assets are managed by the PRIP Chief Executive who has overall responsibility for implementing the company's strategic direction.

Tasmanian Land Company Limited

Nature and scope of activity

New Plymouth District Council is a 100 per cent shareholder in Tasmanian Land Company Limited (TLC). TLC owned 100 per cent of Tasman Farms Limited (TFL) and its subsidiary The Van Diemen's Land Company (VDL).

The business operations of TLC were sold on 31 March 2016. As at 30 June 2020, TLC remained a Council Controlled Organisation.

On 21 June 2018, TFL was placed into members' voluntary liquidation. The \$0.9m balance remaining with TLC will be transferred to Mercer in the future, once all the companies in the group have been wound up.

The wind up is delayed due to a dispute regarding a possible additional milk solids payment from Fonterra Australia. A hearing was held in December 2020 for the claim of AUD\$2.3m by Van Dairy Group Pty Limited (formerly Moon Lake Investments). TLC is awaiting a judgement in relation to the litigation in the Supreme Court of Tasmania.

Significant policies and objectives on ownership and control

This investment forms part of the Council's Investment Policy.

Venture Taranaki Trust

Nature and scope of activity

Venture Taranaki Trust (Venture Taranaki) is a Council Controlled Organisation whose Board of Trustees is appointed by the council. Venture Taranaki is the economic development agency and regional tourism organisation for the Council, responsible for delivering the Council’s active economic development and tourism initiatives as set out in its statement of intent. Its vision is “Taranaki – the envy of New Zealand for sustainable business, talent, investment and lifestyle”.

Venture Taranaki’s objectives are to:

- Provide leadership and support for the development and implementation of local, regional and implementation of local national strategies for the creation of a vibrant and prosperous New Plymouth District economy and Taranaki regional economy.
- Facilitate, promote, encourage and support sustainable enterprise growth, investment and employment opportunities in New Plymouth District and the Taranaki region.
- Support the district’s commercial enterprises, large and small, mature or start-up to establish, flourish and prosper.

Key performance results for 2021/22

Operational performance

Activity	Measure	Target		Outcomes 2021/22
Fostering innovation and resilience.	Undertaking environmental scans and regional economic monitoring.	Number of regional monitoring updates released.	4	Achieved. Five updates released, including Taranaki Trends (2), business survey (2) and export Taranaki network.
	Championing innovation and sustainability.	Number of initiatives targeting or supporting innovation and sustainability.	4	Achieved. Four sector diversification initiatives supported.
	Fostering sector diversification and growth.	Number of initiatives targeting sector diversification and growth.	4	Achieved. Five sector diversification initiatives supported.
Enterprise and support enablement.	Enterprise connection and signposting.	Number of referrals and connections made by Venture Taranaki staff.	200	Achieved. 579 referrals recorded.
	Enterprise support.	Net Promoter Scores (NPS) on support experience.	≥+50	Achieved. NPS 62.
		Number of support engagements.	4,000	Achieved. 11,338 client support engagements recorded.
		Breadth of enterprise support activity undertaken (number of different support initiatives).	5	Achieved. 12 enterprise support initiatives delivered.

Venture Taranaki Trust

Activity	Measure	Target	Outcomes 2021/22
Promoting Taranaki as a great place to live, learn, work, invest, create and play.	Overseeing regional events strategy.	Number of engagements with regional events organisers and operators.	25 Achieved. 1,623 engagements recorded.
	Administer the Major Events Fund.	Number of major events funded in accordance with the criteria of NPDC's major events fund.	4 Achieved. 13 events (meeting NPDC criteria) attracted or retained.
	Destination Promotion and Attraction.	Number of destination promotion and attraction initiatives.	2 Achieved. Three campaigns delivered.
		Number of engagements with visitor industry operators (including local operators, other regional tour organisations, national and international tourism agencies).	1,000 Achieved. 1,706 visitor industry engagements recorded.
	Facilitating talent attraction and retention.	Number of talent initiatives.	2 Achieved. 23 talent initiatives delivered
	Identify and facilitating opportunities for investment into and within Taranaki.	Undertake initiatives to support investments in Taranaki.	5 Achieved. Eight initiatives undertaken.
Supporting/facilitating investment enquiries or opportunities into or within Taranaki.		10 Achieved. 19 investment enquiries recorded.	

Financial Performance

Funds received from Council are the primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its objectives as specified in the Trust Deed.

	Actual 2021/22 (\$m)	Budget 2021/22 (\$m)	Projected 2022/23 (\$m)	Projected 2023/24 (\$m)
Operating expenditure (NPDC funded)	3.6	3.4	3.5	3.6

Significant policies and objectives on ownership and control

The Council appoints trustees to the Venture Taranaki Trust. This is to ensure the necessary independence, public credibility and specialised governance that the trust needs in order to be effective in delivering economic development programmes, while retaining accountability to the district's community

Auditor's Report

Pūrongo Kaiarotake Pūtea



Auditor's Report

Pūrongo Kaiarotake Pūtea

Auditor's Report

Pūrongo Kaiarotake Pūtea

Auditor's Report

Pūrongo Kaiarotake Pūtea

Auditor's Report

Pūrongo Kaiarotake Pūtea

Statement of Compliance and Responsibility

Te Tauāki Tūtohu me Takohanga

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

Responsibility

The Council and management of New Plymouth District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.

The Council and management of New Plymouth District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and the management of New Plymouth District Council, the annual financial statements for the year ended 30 June 2022 fairly reflect the financial position, operations and service performance of New Plymouth District Council.




Neil Holdom
Mayor

Miriam Taris
Acting Chief Executive





Contact NPDC
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More information:
 npdc.govt.nz  [NewPlymouthDistrictCouncil](https://www.facebook.com/NewPlymouthDistrictCouncil)  [@NPDCouncil](https://twitter.com/NPDCouncil)



Te Kaunihera-ā-Rohe o Ngāmotu

**New Plymouth
District Council**

Summary

ANNUAL REPORT

2021/22



Welcome to NPDC's Annual Report for 2021/22

Naumai ki te Pūrongo ā-tau o NPDC mō 2021/22

This summary is a snapshot of our activities from 1 July 2021 to 30 June 2022. For more information on all our activities, including NPDC's financial health, please refer to the full Annual Report. Copies of the full Annual Report are available on request. Phone 06-759 6060 for a copy to be posted to you or read it online at [New Plymouth District Council \(npdc.govt.nz\)](https://www.npdc.govt.nz)

The information in this summary is taken from the audited Annual Report 2021/22 which was adopted by the Council on **14 March 2023**.



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Mayor's Message

Te Karere ā te Māngai ā-Kaunihera

The last financial year has been a major test for our district and the Taranaki region, when we've had to roll with the punches of lockdowns and the economic drag, to think on our feet and adapt.

On the whole, we've passed the test, but we still face a number of significant challenges.

We've stayed on track in building a Sustainable Lifestyle Capital where current and future generations will want to live, work and play – a focus that was rewarded with the Livcom International award for the World's Most Liveable City.

Our iconic Festival of Lights was a shining example of how our district is learning to surf the waves of the new reality. After our Bowl of Brooklands was named New Zealand's best large venue, it was a blow when Omicron crashed our summer events. The Festival of Lights – the summer highlight of so many people – was among the casualties. It was awesome then to see the huge success of the TSB Festival of Lights Winter Pop-up in the city centre and along the Coastal Walkway. Here's hoping its popularity keeps growing and bringing in visitors like the summer Festival of Lights.

Despite lost revenues and rising costs for materials and skilled staff, we've seen some great gains in better infrastructure. Inglewood residents are now getting cleaner and clearer water as a result of our \$10 million investment to replace the town's water pipes over the last three years. Two new reservoirs on Henwood and Mountain roads add the equivalent of 36,000 full bathtubs to the water supply for Bell Block, Waitara, Lepperton and further north. And Ōākura now has a new water treatment plant. Our \$248m investment over 10 years in Fixing our Plumbing will keep our stormwater, waste water and drinking water systems working for the next generation.

We've taken a Team Taranaki approach to growing our region's economy and making sure Taranaki people are getting a fair go from government agencies in Wellington, Waka Kotahi, in particular. We've chipped in for a pedestrian crossing so our schoolkids can safely cross the State Highway through Inglewood and we're still pushing for better maintained and safer State Highways across the region.

Together with the other Taranaki councils we're backing Venture Taranaki and our Tapuae Roa economic development plan to create a resilient economy that can better absorb and bounce back from future shocks. We've also been working closely with the European Union on our transition to sustainable energy and a low-emissions future.

Most importantly, we're working on listening better to our community, creating a new Māori ward on our council and a new community board to give the people of Puketapu-Bell Block their own voice. We look forward to hearing your feedback on our Annual Report too.

Neil Holdom
Mayor



Acting Chief Executive's Message

Karere ā te Tumu Whakarae o nāianeī



The last financial year was a challenging year as Covid, inflation, global supply chain issues and the battle for skilled staff made for a tough operating environment, but New Plymouth District Council continued to deliver core services for our residents.

NPDC achieved 79 per cent of its non-financial performance targets for the year, including things like visitor numbers at some of our facilities, customer response and consent processing times and customer satisfaction.

Our team has worked hard under difficult conditions and worked differently to achieve some good results. Our libraries, for example, continued to keep their readers happy through Covid restrictions by promoting their Click and Collect books service.

Despite the closures, an average of 9,588 visitors came to Puke Ariki and our community libraries, almost double the 5,000 target figure, while the Govett-Brewster Art Gallery also exceeded its target with a total of 63,724 visitors.

Also during this period 15,000 people attended our first ever TSB Festival of Lights Winter Pop-up event in the city centre, proving that our Sustainable Lifestyle Capital can be open to visitors all year round.

Covid also hit our rubbish costs as more people worked from home, generating more rubbish to landfill, but we made progress with Three Waters by using Government funding for stormwater projects such as the replacement of the Waiwaka Culvert and camera inspections on critical stormwater pipes to identify defects.

Our balance sheets are still in relatively good shape despite Covid driving a general rates deficit of \$4.3m. Revenues were down with venue closures and a drop in things like parking fees, while subsidy and grant revenue fell short due to the delivery of local roading work. While NPDC has upped its investment in our roads, we still have to deal with ageing structures like bridges and retaining walls, and more forestry trucks on our roads and Waka Kotahi only chipped in on \$50m of the \$69m NPDC 2021-2024 transportation work programme.

Our Perpetual Investment Fund, which helps offset rates, kept working for our people despite difficult international investment conditions. While the 0.9 per cent return was below target, it's important to bear in mind that it exceeded the target for five years running before that.

Prudent financial management enabled NPDC to buy 41 hectares of land to build a Wastewater Treatment Plant for Urenui and Ōnaero and stop pollution from septic tanks, and to support our building staff who tackled more than 3,000 building consent applications while facing staff shortage in the competitive labour market.

This Annual Report is later than usual – again due to Covid. It's a reflection of how these difficult times look set to carry on for the foreseeable future, but it also shows that NPDC is ready to meet them.

Miriam Taris
Acting Chief Executive

Our year in review

He tirohanga whakamuri



We reviewed our Dog Control Bylaw and introduced new controls to help protect wildlife.



Inglewood's water runs clear again as a \$10m project to replace the town's water pipes over three years is completed.



NPDC buys 5.9 hectares of land in Inglewood for a wildlife rehabilitation centre and kiwi recovery house.



Adoption of the Ngāmotu New Plymouth City Centre Strategy setting the strategic direction for New Plymouth's city centre over the next 30 years.



NPDC's first ever TSB Festival of Lights Winter Pop-up celebrates Puanga and draws thousands of visitors into the City Centre.



Two drinking water reservoirs, costing \$18m, completed at Henwood and Mountain roads to supply Bell Block, Waitara, Lepperton and further north.



We allocated over \$5m to earthquake strengthening the Downtown Carpark building so it can be re-opened for public use.



The Proposed District Plan hearings commenced in July 2021. A total of 22 hearings were held, running over 65 days and involved 462 people who appeared before the Hearing Panel.

Our performance

Ō mātou whakaaturanga

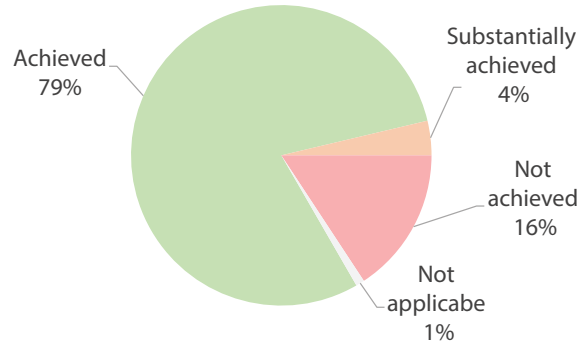
How we performed against our targets for the year

NPDC is responsible for a large range and variety of services and activities.

We have 108 non-financial performance measures set through the Long-Term Plan (LTP) 2021-2031. These measures, the targets against each, and the results for the past year, are set out in the 'Council Services' section of this Annual Report.

This year:







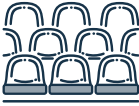



- We achieved the target for 85 measures.
- We substantially achieved the target for five measures.
- We did not meet the target for 17 measures.
- We had one target that did not apply as there were no elections in 2021/22.



Of the 17 performance measures that we did not achieve this year:

- Nine, in full or in part, were because of a Covid-19 associated impact.
- The other measures not achieved reflected a wide range of reasons.

Services at a glance

 <p>Full compliance with drinking water standards</p> <p>33.2m litres of water per day supplied to households and businesses</p>	 <p>1,285km of roads</p> <p>62% community satisfaction</p>  <p>521km footpaths</p> <p>88% in good or excellent condition</p>	 <p>11,860 registered dogs</p> <p>90% community satisfaction with animal control activities</p>	 <p>49 playgrounds</p>  <p>21 sports parks</p> <p>95% community satisfaction</p>
 <p>1,001 events provided across all venues</p> <p>with</p> <p>170,665 attendees</p>	 <p>8 exhibitions</p> <p>with</p> <p>63,724 visitors per year</p>	 <p>9,588 average customers per week to Puke Ariki and Community Libraries</p>	 <p>50 public toilets</p> <p>87% community satisfaction</p>

Delivering on our district's priorities

Te whakataki o ō mātou whakaarotau ā-rohe

The Long-Term Plan (LTP) 2021-2031 outlined the key challenges facing our District. For the 2021/22 year population growth was addressed through the provision of growth infrastructure (we delivered \$4.23m growth capex expenditure of the \$8.21m planned) along with ongoing planning including the initiation of the hearing of submissions on the review of the District Plan. The impacts of central government Covid-19 related decisions is reflected in 17 Council services key Performance indicators not being met for the year. There were also Covid-19 related impacts on the capex work programme deliverability that was also impacted by supply chain disruptions inflation pressures. Work related to the Council's Climate Action Framework continued through the year including the approval of a draft Emissions Reduction Plan for community consultation. The Three Waters reform programme of central government continued with the Water Services Entities Bill introduced to the house.

Below we highlight the key achievements of the financial year for each of the three 'Big Calls' from the LTP 2021-2031.



Fixing our plumbing

Looking after our existing assets

In the LTP 2021-2031, \$248m was allocated for renewals for water, wastewater and stormwater services.

This last year we spent over \$5.1m renewing 5,500 metres of water pipes, mainly in Inglewood. We lined a major culvert in Waiwaka Terrace, extending its life. We spent \$348,000 lining 884 metres of sewers to stop them leaking. We spent \$650,000 on backflow preventers and other customer equipment to protect our water supply. We have also commenced designs for sewer replacements throughout the district.

Conserving your water

Setting up the contracts for the installation of water meters has been a challenge with only \$800,000 of the planned \$3.1m installation capital expenditure spent for the year. This was in part due to long lead times for procurement of meters due to the world-wide shortages of electronic components caused by the Covid pandemic.

We have completed an installation pilot project in the Brooklands area to test methodologies and logistics. We have also secured agreements for the bulk supply of water meters and installation components. The first bulk batch of meters arrived in August 2022.

Improving stormwater management in Waitara

We have focussed on two projects this year.

The first project is the delivery of the Tangaroa restoration works, albeit there has been some delay due to resourcing. This project (co-funded by Ministry for the Environment) has involved extensive cooperation with local hapū and will reduce flooding in this area. We have commenced the detailed design for this project.

The other focus has been addressing flooding issues in the Waiari catchment. Work is well underway installing a large stormwater pipe to reduce flooding in east Waitara by diverting high flows from the Waiari Stream to the Waitara River. This project has been undertaken in partnership with Waka Kotahi as part of the Princess Street/SH3 intersection upgrade. This approach has provided cost savings and is minimising disruption.



Greening our place

Extending our tracks and trails network

New Plymouth District is known for its high quality tracks and trails network. This supports a secondary network of movement (walking and cycling) by providing open space that connects to places. A range of projects identified for extending our tracks and trails network have been progressed over the first year of the LTP. Each are at different phases on the planning process, but combined will see delivery of a network.

Delivering on our district's priorities

Te whakataki o ō mātou whakaarotau ā-rohe

The Waitara to Bell Block Walkway has progressed through a developed design process that has included a co-design process with hapū and iwi including a partnership in governance. Plans have been progressed with a business case ready to submit to Waka Kotahi. The project will see work starting at Marine Park.

For the Taranaki Traverse esplanade reserve acquisitions have begun to be progressed to fill in gaps along the corridor. In addition, due to the significant cultural values associated with the Waiwhakaiho river a project scoping report is being prepared with the assistance of a number of hapū that have interests in the Waiwhakaiho. This will set the project vision, principals and way of working to ensure success of this long-term project.

The Kaitake Trail project is in the process of a strategic re-set to better align with the cultural and ecological values associated with the landscape in which the project is located. This will include exploring with hapū and other stakeholders how best to re-establish collaborative project objectives.

In addition to the above, a range of comprehensive key walking and cycling connections have been progressed through subdivision and development in Inglewood, Bell Block and Waitara.

Rolling out our Climate Action Framework

The Climate Action Framework programme of work was realigned to meet national plans and strategies, namely the first National Emissions Reduction Plan and National Adaptation Plan.

This year NPDC approved its draft District-wide Emissions Reduction Plan for consultation with the consultation period extending into the next financial year. The draft Plan pulled together the national and regional context to reduce emissions to meet nationally set targets of net zero carbon emissions by 2050. NPDC worked with sector decarbonisation specialists to inform evidence-based options to reduce organisational emissions, which were included in the consultation of the draft Plan.

A climate hazard assessment has been completed across NPDC operations, which will inform the draft District-wide Adaptation Plan, which is due for consultation in early 2023.

Planting Our Place

NPDC's Planting our Place, a core component of the Climate Action Framework, has made considerable progress with planting projects amounting to near 4.85 hectares and exceeded the yearly target of 1.7 hectares. This planting activity has seen NPDC forge partnerships with hapū and community groups. Ngāti Tawhirikura and Rotary have both led planting projects that Council has supported that have contributed to the overall planting work. NPDC has completed a five year programme

A panel contract for plant supply and planting services has been established building the capacity of our suppliers and NPDC has partnered with Wild for Taranaki to access their on-line Action Hub providing a central portal for tracking planting progress.

The Te Korowai o Tanē annual grant was established with four community and not-for-profit applicants receiving \$20,000 of the \$30,000k grant for planting on their own land.



Building a multi-sport hub

This year detailed planning was initiated to build a multi-sport hub at New Plymouth Racecourse. With funding of \$38.5m approved in the LTP 2021-2031, and a wider focus on health and well-being implemented by Council and hapū, work got underway to set the capital funding profile as well as the development of a 30-year operational cost model. The high-level goals of accessibility, equity and sustainability along with meeting the needs of community sport and active recreation were set. Key cultural principles of mahi ngātahi (working together in partnership), kia tika, kia pono, (transparency and openness) hauora (wellness) and ūkaipōtanga, (identity) and mātauranga (knowledge). Accordingly the project has become known as the Tūparikino Active Community Hub.

The draft masterplan was re-examined and the result was a shift in the location of the main indoor hub building out of the infield to be integrated with the existing TSB Stadium. The consortium of BOON, Tennant Brown and Isthmus were appointed as the lead design team and a project governance group was formed.

Financial summary

Whakarāpopototanga ā-pūtea

Overall results at a glance

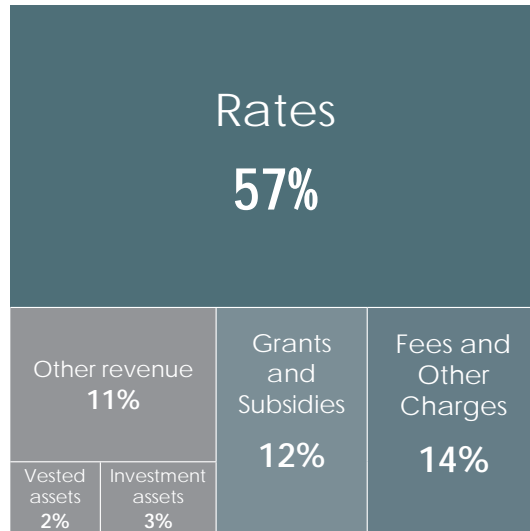
NPDC recorded a surplus for the year of \$5.4m compared to a budget surplus of \$25m. The primary drivers for this variance are the reduction in the Perpetual Investment Fund (PIF) investment gains during the year and the timing of receipting for subsidies and grants.

Operating revenue

NPDC receives income from a variety of sources, including rates, subsidies for capital expenditure funding, fees and charges and from our investment on the PIF.

The diagram on the right displays the various income sources, showing that in 2021/22 rates accounted for 57 per cent of NPDC’s funding, with fees and other charges coming second at 14 per cent.

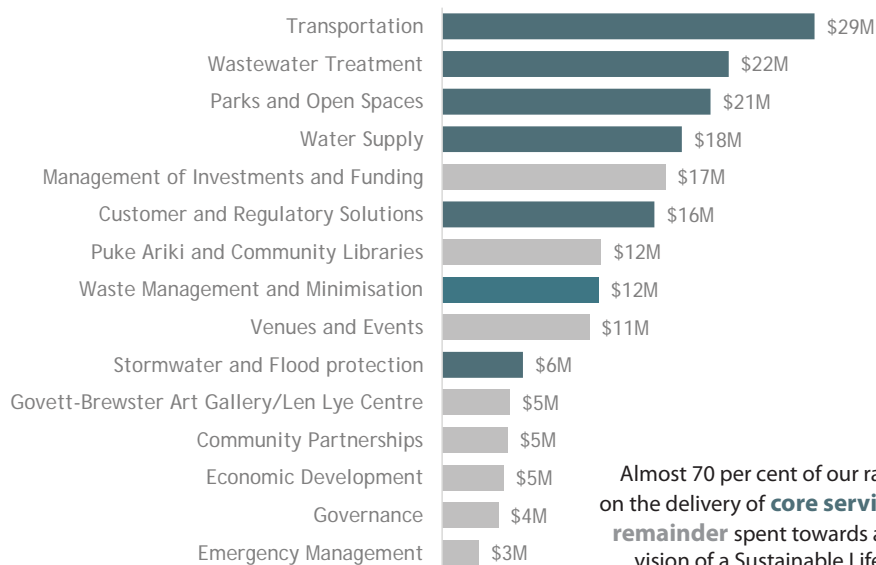
The residential median rate (including GST) was increased in line with our budget by 9.6 in 2021/22, whilst rising interest rates and volatile global investment markets have lower our PIF investment returns below budget by \$16m. The fund closed the year with a balance of \$339m after a release payment of \$9.5m to Council. Since inception (November 2004) the PIF has paid \$240.5m in release payments to NPDC and achieved an annual return of 6.9 per cent per annum.



Operating expenditure

Operating expenditure of \$186.8m is \$9.5m higher than budget. The graph below shows where the money was spent by NPDC activity.

Operating expenditure by activity (in millions)



Almost 70 per cent of our rates are spent on the delivery of **core services** with the **remainder** spent towards achieving our vision of a Sustainable Lifestyle Capital.

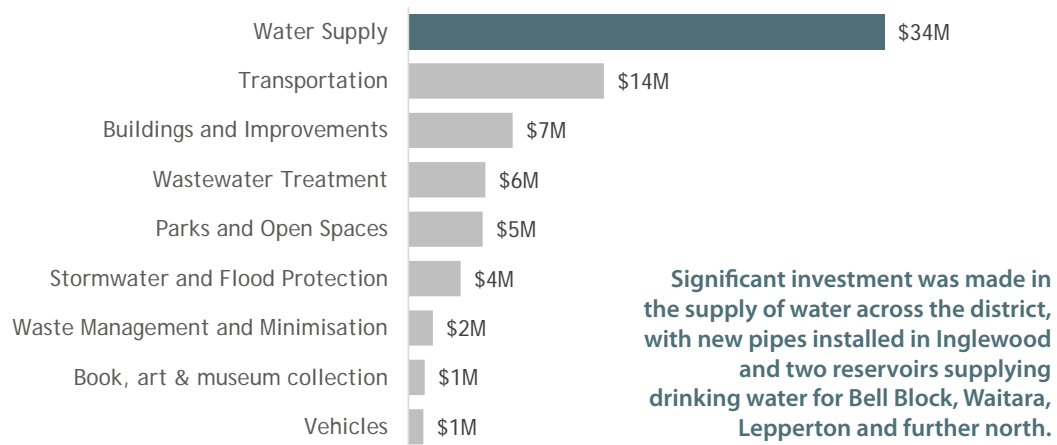
Financial summary

Whakarāpopototanga ā-pūtea

Capital expenditure

During the year NPDC added \$74m of new assets through its renewal and capital works programme. This covered all activities within our district. The graph below shows the breakdown of capital expenditure by category.

Capital expenditure by activity (in millions)



Borrowings

No additional borrowings were raised by Council in 2021/22. The graph below shows Council's debt levels over the past three years.

Council borrowings (in millions)



Financial summary

Whakarāpopototanga ā-pūtea

Summary Statement of Comprehensive Revenue and Expense for the year ended 30 June 2022

	COUNCIL			GROUP	
	2021/22 Actual \$'000	2021/22 Budget \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Rates revenue	110,387	109,750	98,360	110,301	98,285
Perpetual Investment Fund	3,824	19,660	65,945	3,824	65,945
Other revenue	77,892	72,840	73,901	85,059	80,641
Total operating revenue	192,103	202,250	238,206	199,184	244,871
Interest costs	6,468	6,920	5,983	6,468	5,983
Perpetual Investment Fund	2,639	1,140	2,216	2,639	2,216
Other expenses	177,640	169,210	180,403	185,269	189,321
Total operating expenditure	186,747	177,270	188,602	194,376	197,520
Share of joint venture surplus	1	-	219	1	219
(Deficit)/surplus before taxation	5,357	24,980	49,823	4,809	47,570
Income tax (expense)/refund	-	-	-	110	190
(DEFICIT)/SURPLUS AFTER TAXATION	5,357	24,980	49,823	4,919	47,760
Gain/(loss) on property, plant and equipment revaluations	484,863	-	-	489,942	-
Financial assets fair value movement (could be reclassified to surplus/(deficit))	111	-	-	111	-
Total other comprehensive revenue and expense	484,974	-	-	490,053	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	490,331	24,980	49,823	494,972	47,760

Summary Statement of Financial Position as at 30 June 2022

	COUNCIL			GROUP	
	2021/22 Actual \$'000	2021/22 Budget \$'000	2020/21 Actual Restated \$'000	2021/22 Actual \$'000	2020/21 Actual Restated \$'000
Current assets	308,564	344,630	370,813	310,082	370,885
Non-current assets	3,575,491	3,217,670	3,038,831	3,585,525	3,043,720
Total assets	3,884,505	3,562,300	3,409,644	3,895,607	3,414,605
Current liabilities	95,057	73,440	94,228	97,788	97,427
Non-current liabilities	162,704	205,120	179,003	164,672	179,003
Total liabilities	257,761	278,560	273,231	262,460	276,430
TOTAL EQUITY/NET ASSETS	3,626,744	3,283,740	3,136,413	3,633,147	3,138,175

Summary Statement of Changes in Net Assets/Equity for the year ended 30 June 2022

	COUNCIL			GROUP	
	2021/22 Actual \$'000	2021/22 Budget \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Equity at the beginning of the year	3,136,413	3,258,760	3,086,590	3,138,175	3,090,415
Total comprehensive revenue and expense	490,331	24,980	49,823	494,972	47,760
EQUITY AT THE END OF THE YEAR	3,626,744	3,283,740	3,136,413	3,633,147	3,138,175

Financial summary

Whakarāpopototanga ā-pūtea

Summary Statement of Cash Flows for the year ended 30 June 2022

	COUNCIL			GROUP	
	2021/22 Actual \$'000	2021/22 Budget \$'000	2020/21 Actual \$'000	2021/22 Actual \$'000	2020/21 Actual \$'000
Net cash flows from operating activities	18,635	32,330	26,217	20,877	25,878
Net cash flows from investing activities	(26,723)	(55,360)	(46,864)	(27,613)	(47,703)
Net cash flows from financing activities	-	23,030	30,000	-	30,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS AT 1 JULY	(8,088)	-	9,353	(6,736)	8,175
CASH AND CASH EQUIVALENTS AT 1 JULY	44,059	18,750	34,706	46,338	38,163
CASH AND CASH EQUIVALENTS AT 30 JUNE	35,971	18,750	44,059	39,602	46,338

Summary accounting policies

Part 6 section 98 of the Local Government Act 2002 (LGA) requires the New Plymouth District Council (the Council) to make publicly available a summary of the information contained in its Annual Report. The specific disclosures included in the summary financial report have been extracted from the full financial report adopted by the Council on 14 March 2023. However, the summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding.

The Council is a territorial authority, domiciled in New Zealand. It is governed by the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002 (LG(R)A).

The Council's primary objective is to provide goods or services and benefit for the community rather than making a financial return. Accordingly, the Council designates itself and the Group as public benefit entities (PBEs). The full financial statements on which these summary financial statements have been based were prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), applying Tier 1 PBE Accounting Standards. These summary accounts comply with PBE FRS 43, Summary Financial Statements.

The financial statements are presented in New Zealand Dollars (NZD) and all values are rounded to the nearest thousand dollars (\$000), unless otherwise stated.

The summary has been examined for consistency with the full annual report and was audited by Audit New Zealand on behalf of the Auditor-General. The audited information, excluding the Council Services statement, received an unmodified audit opinion on 14 March 2023.

Financial summary

Whakarāpopototanga ā-pūtea

Summary additional disclosures

Explanations for major budget variances from the Council budget figures in the Long-Term Plan 2021-2031 are shown in the table below. The table variances are from the detailed breakdown in note 2 of the full Annual Report.

Statement of Comprehensive Revenue and Expense

	Council Actual \$'000
BUDGET - SURPLUS BEFORE TAX	24,980
Unbudgeted gains of:	
- Lower investment gains in the Perpetual Investment Fund (PIF) due to rising interest rates and volatile global investment markets	(15,725)
- Lower subsidies due to timing of capex delivery associated with grant funding	(8,258)
- Net savings on various line items of other expenses and other revenue	2,278
- Additional personnel costs to support capex delivery	(2,507)
- Unbudgeted fair value gains in hedged instruments due to rising floating interest rates	9,550
- Lower distributions for Waitara land sales due to fewer property sales	1,413
- Unbudgeted district plan costs	(1,300)
- Unbudgeted software costs	(1,600)
- Coastal Walkway rail crossing vested to Kiwi Rail	(2,022)
- Reclassification of Software as a Service to operating expense as per accounting standards update	(1,452)
ACTUAL - SURPLUS BEFORE TAX	5,357

Statement of Financial Position

	Council Actual \$'000
BUDGET - TOTAL NET ASSETS	3,283,740
Higher opening balance of investments as budget figures were based on 2019/20 closing balance as opposed to 2020/21 where greater returns were achieved for the PIF	34,035
Net decrease in derivatives liability due to fair value gains in hedged instruments	25,245
Lower than budgeted borrowings arising from delayed capital expenditure and higher operational activity than planned	20,480
Timing of budget projections for CCO's borrowings	4,482
Higher than budgeted Property, Plant and Equipment revaluation movement	339,754
Lower than expected capex spent due to timing of contract delivery	(51,271)
Waitara Lands liability budget was included in reserves as opposed to a liability in the balance sheet	(20,479)
Lower cash on hand at year end	(3,070)
Net change across several items	(6,172)
ACTUAL - TOTAL NET ASSETS	3,626,744

Financial summary

Whakarāpopototanga ā-pūtea

Contingent liabilities

Contingent liabilities include those items where a liability may be incurred if certain events or outcomes occur, or where a present obligation exists but the extent of the liability cannot be measured reliably for recognition in the financial statements.

Management consider the likelihood of a particular event or outcome occurring to determine whether a contingent liability should be disclosed. No disclosure is made when the possibility of an outflow of resources is considered to be remote. Where amounts are disclosed the amount shown is the maximum potential cost.

Emissions Trading Scheme (ETS)

The Council has 235.9 hectares (2020/21: 235.9 hectares) of pre-1990 forest land determined under the Climate Change Response Act 2002 (CCR). Under the ETS, the Council will incur financial penalties should the land be deforested as defined by CCR. There was no harvest in 2021/22 (2020/21: 0.4 hectares) had been harvested but not yet replanted. There is a four year stand- down period allowed between harvest and replanting. The Council intends to replant and/or let that portion naturally regenerate and has not given notice of intention to deforest. The Council does not consider it has a contingent liability in relation to this matter.

Local Government Funding Agency (LGFA)

The Council is a shareholder and guarantor of the LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. The financial strength of LGFA was reaffirmed by Fitch Ratings who maintained the LGFA domestic currency credit rating at 'AA+' in October 2021 while the 'AAA' rating from S&P Global Ratings remains the same as the New Zealand Government.

The Council is one of 30 local authority shareholders and 68 local authority guarantors of the LGFA. The aggregate amount of uncalled shareholder capital is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of LGFA's borrowings. This is based on the Council's rates as a proportion of the total rates for all guaranteeing local authorities. At 30 June 2022 LGFA had borrowings totalling \$15.8b (2020/21: \$13.6b).

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 LGFA defaulting on repayment of interest or capital to be very low on the basis that the Council 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 recover sufficient funds to meet any debt obligations if further funds were required.

RiskPool

RiskPool provides public liability and professional indemnity insurance for its members. The Council is a member of RiskPool. The Trust Deed of RiskPool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any fund year, then the board may make a call on members for the fund year. The Council has been asked to make calls in the past for fund years as a result of deficits incurred due to the leaky building issue.

A call for \$100,000 was made by the board of Civic Liability RiskPool during the year to 30 June 2019. There will be no further calls made until the RiskPool is wound up. It is expected that the amount of the call will be less than \$100,000. No call was made during the year to 30 June 2022 (2020/21: \$nil).

Financial summary

Whakarāpopototanga ā-pūtea

Event underwriting

In May 2021 Council entered into an agreement to underwrite the Taranaki Arts Festival Trust for a one off payment up to \$1.9m in case of a pandemic related cancellation of WOMAD between 2022 and 2026 inclusive. The underwrite is for a period of five years.

The cancellation of the 2022 WOMAD was funded by Central Government and no claims were made against the current agreement as at 30 June.

Weather events

A large slip occurred on Council owned reserve land as a result of heavy rainfall events in July 2022, which has affected adjoining land owners' property. Council has completed a range of legal and geotechnical assessments and decided not to contribute to remediation of the slip. It is currently too early to determine whether any formal claim will be made against Council as a result, and what the financial exposure might be.

There were no other known material contingent liabilities as at 30 June apart from the disclosed above (2020/21: nil).

Contingent assets

There are no known material contingent assets as at 30 June 2022 (2020/21: nil).

Events occurring after the balance date

Three Waters Reform

The Government launched the Three Waters Reform Programme in July 2020 to reform local government three water service delivery arrangements. On 2 June 2022 the Government introduced the Water Services Entities Bill to Parliament. On 19 July 2022 Council approved a submission against the Bill and the Reforms.

On 8 December 2022 the Government introduced the Water Services Legislation Bill (the Bill) which amends the Water Services Entities Bill and the Local Government Act 2002 to further the transfer of water services and responsibilities to the new entities. The Bill received the Royal Assent on 14 December 2022 and became the Water Services Entities Act 2022 (the Act).

The Act specifies the ownership, governance and accountability arrangements for four new water service entities, including provisions for the Western-Central Water Services Entity to pay Council an amount equivalent to the total debt related to water services infrastructure. Council water services (water, wastewater and stormwater) will be transferred to the Western-Central Water Service Entity on 1 July 2024, and NPDC will hold two shares in that Entity.

As part of the Three Waters Reform, the Government has provided a 'Better Off' Funding package, to be released in two tranches. Council approved applying for \$7.9m in the first tranche at a Council meeting on 27 September 2022. The second tranche of funding is \$24.9m and will be available to Council from 1 July 2024, however application towards this funding is yet to be determined as part of the 2024-2034 Long-Term Plan. Accepting the funding does not commit Council to support the Three Waters Reform but does bring obligations to provide information to the Department of Internal Affairs for the transition due to enactment of the Water Services Entities Act noted above.

Future for Local Government review

In February 2021 the Government announced it would repeal the Resource Management Act 1991 and replace it with three different Acts. The Natural and Built Environments Bill and the Spatial Planning Bill were introduced to Parliament on 15 November 2022.

Financial summary

Whakarāpopototanga ā-pūtea

Resource Management Act replacement

In February 2021 the Government announced it would repeal the Resource Management Act 1991 and replace it with three different Acts. The Natural and Built Environments Bill and the Spatial Planning Bill were introduced to Parliament on 15 November 2022.

Other matters

On 8 July 2022 the Council accepted the resignation of Chief Executive Craig Stevenson. Jacqueline Baker became Acting Chief Executive until 14 September 2022 when Miriam Taris began a six month role as Interim Chief Executive. On 20 December 2022 the Council appointed Gareth Green to the Chief Executive position from 27 March 2023.

The Council decided to promote the New Plymouth District Council (Perpetual Investment Fund) Bill to Parliament on 27 September 2022. This Bill provides principles and requirements for the future management of the Perpetual Investment Fund.

Auditor's Report

Pūrongo Kaiarotake Pūtea

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Auditor's Report

Pūrongo Kaiarotake Pūtea



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npdc.govt.nz



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[@NPDCouncil](https://twitter.com/NPDCouncil)

NPDC PERFORMANCE REPORT FOR PERIOD 1 JULY TO 31 DECEMBER 2022

PURPOSE/ TE WHĀINGA

1. The purpose of this report is to advise of Council's performance for the period 1 July to 31 December 2022 of the 2022/23 financial year.

RECOMMENDATION / NGĀ WHAIKUPU

That, having considered all matters raised in the report, the report be noted by Council.

FINANCE, AUDIT & RISK COMMITTEE RECOMMENDATION

2. The Finance, Audit and Risk Committee endorsed the Officer's recommendation.

SIGNIFICANCE AND ENGAGEMENT / TOHUTOHU KAI WHAKAHAERE

3. This report is provided for information purposes only, and has been assessed as being of some importance.

BACKGROUND / WHAKAPAPA

4. Council's performance and progress towards meeting its objectives and key performance measures, as set out in its Long-Term Plan (LTP) 2021-2031, are reported on a quarterly basis. The quarterly report also covers information on financial performance.
5. Council has 108 Key Performance Indicators (KPI) of which 74 have been achieved or are on track. Twenty-three KPIs do not have data available yet and will be reported in the annual report. Five KPIs are behind target relating to Customer and Regulatory Solutions (responding to logged complaints in a timely manner), Economic Development (level of annual investment in regional businesses), Management of Investments and Funding (annual return from the Perpetual Investment Fund received by NPDC), Venues and Events (number of pool patrons) and Waste Management and Minimisation (reduction in total landfill waste generated per capita in the district). Six KPIs have not been met relating to:
 - a) Customer and Regulatory Solutions (processing of official information requests, building applications and non-notified resource consents within statutory timeframes).
 - b) Governance (adoption of Annual Report within statutory timeframe).

-
- c) Transportation (footpath length recording as failed).
 - d) Water Supply (number of abatement notices received).
6. This report covers the financial performance and performance against objectives for the period 1 July to 31 December 2022 of the 2022/23 financial year. The highlights and issues are set out in the performance report.
 7. Council adopted the Annual Plan 2022/23 with a balanced budget and a budgeted operating surplus of \$16.54 million.
 8. The first six months of the financial year shows a current overall rating deficit of \$4.2m against a budgeted deficit of \$0.7m. The noteworthy financial considerations for the quarter include:
 - a) Six months of the financial year have passed, and timing issues continue to trigger some variances against Council's core operating revenue and expenditure budgets.
 - b) Over and above timing differences, \$0.31m of the favourable variance in other expenses relates to the delay in painting Puke Ariki. This will now be undertaken in the 2025 financial year. Offsetting the favourable variance in other expenses, information technology costs are \$0.7m over budget; community grants are ahead of budget by \$0.3m; and additional costs have been incurred in the parks activity, including tree removal, rubbish and waste removal and demolition and asbestos work at the Lepperton Hall.
 - c) Building and resource consent revenue is behind budget for the quarter (\$0.43m) as consent applications have reduced.
 - d) Finance costs are above budget by \$0.55m. Interest expense was budgeted at 2.85 per cent per annum and the current weighted average cost of funds is 3.83 per cent per annum. Staff are working with treasury advisors to reduce the impact of interest costs on the current financial year, as well as the 2023/24 Annual Plan. Applying the recommended strategy is anticipated to reduce interest costs by \$0.9m in the current financial year, reducing the previous forecast unfavourable year end variance to approximately \$0.5m.
 9. The operating deficit to period six is \$11.11m against a budgeted surplus of \$0.007m. The unfavourable variance of \$11.12m is largely explained through the following variances to budget;
 - a) Investment revenue is below budget (\$9.6m) as year to date gains total \$0.3m. Two quarterly release payments have been received by Council this financial year totalling \$5.6m. The Waitara Perpetual fund has increased in value by \$0.2m for the year to date.
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- b) Subsidy revenue is largely on budget overall, however a \$0.9m unfavourable variance relates to the timing of capex spend in the NZTA local roading programme and a \$0.3m unfavourable variance for the Tangaroa stormwater project. Revenue is recognised in the Statement of Comprehensive Revenue and Expense when the capital works are undertaken. Operating subsidies of \$1.7m favourable to budget offset the unfavourable variance, and relate to the timing of other expenditure in the Statement of Comprehensive Revenue and Expense.
 - c) The sale of land through the Waitara Lands Act has diminished, resulting in an unfavourable variance to budgeted revenue of \$3.1m, partially offset with distribution payments also behind budget with a favourable variance of \$1.6m.
 - d) Depreciation and amortisation expense has an unfavourable variance of \$1.5m. Asset revaluations for the 2022 financial year have now been finalised, increasing asset values on the Statement of Financial Position, which in turn, has increased depreciation expense.
 - e) As noted above, interest expense is unfavourable to budget (\$0.5m) as the current average interest rate is 98 basis points above budget.
 - f) The unrealised gain on interest rate swaps of \$4.4m is an accounting entry reflecting the increase in actual interest rates subsequent to Council's swaps being transacted. These movements are a normal result of implementing Council's treasury strategy.
- 10. Budgeted capital expenditure based on the revised budget (including net carry forwards \$3.3m) for the 2023 financial year is \$100.7m. Year to date spend is \$41.6m representing 41.3 per cent of the total revised budget.
 - 11. Initial financial forecasts prepared alongside the 2023/24 Annual Plan indicated a year end deficit position in the region of \$4m to 6m. These forecasts are currently being updated from period seven, with any potential financial implications for the current financial year able to be considered alongside the Annual Plan.
 - 12. Costs increase due to inflation are impacting our significant capital projects and we are re-assessing projects business cases.
 - a) Tuparakino Active Community Hub: Elected Members review workshop to be completed in February to inform options, scope and delivery timing.
 - b) Coastal Walkway to Waitara: Detailed Business Case issued to Waka Kotahi for approval of scope and external funding.
-

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- c) Kawaroa Destination Play: Fundraising continues through NP Partner organisation and Philanthropic Trust. Scope will be staged based on funding.
 - d) Waitara Stormwater Upgrade: Construction work has commenced (Richmond Street). Project is progressing well, with strong partnership with iwi and hapū.
 - e) Thermal Dryer Facility: Enabling work progressing well on site. Additional funding approved as per Council meeting December 2022.
 - f) Universal Water metering: Project is progressing as per plan, about 70 per cent of the meters to be installed by June 2024.

FINANCIAL AND RESOURCING IMPLICATIONS / NGĀ HĪRANGA Ā-PŪTEA, Ā-RAUEMI

- 13. There are no financial and resourcing implications associated with performance reporting. The performance report includes financial and resourcing implications against key performance indicators where relevant.

IMPLICATIONS ASSESSMENT / HĪRANGA AROMATAWAI

- 14. This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:
 - Council staff have delegated authority for any decisions made;
 - Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
 - Council staff have considered how the matter will promote the social, economic, environmental, and cultural well-being of communities in the present and the future.
 - Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
 - Any decisions made are consistent with the Council's plans and policies; and
 - No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

APPENDIX

- Appendix 1: NPDC Quarter 2 Performance Report for the period 1 July to 31 December 2022 (ECM 8925202)
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Report Details

Prepared By: Mitchell Dyer (Corporate Planning and Policy Lead)
Team: Corporate Planning and Policy
Approved By: Joy Buckingham (Corporate Services Manager)
Ward/Community: District-wide
Date: 7 February 2023
File Reference: ECM 8925203

-----*End of Report*-----



Performance Report

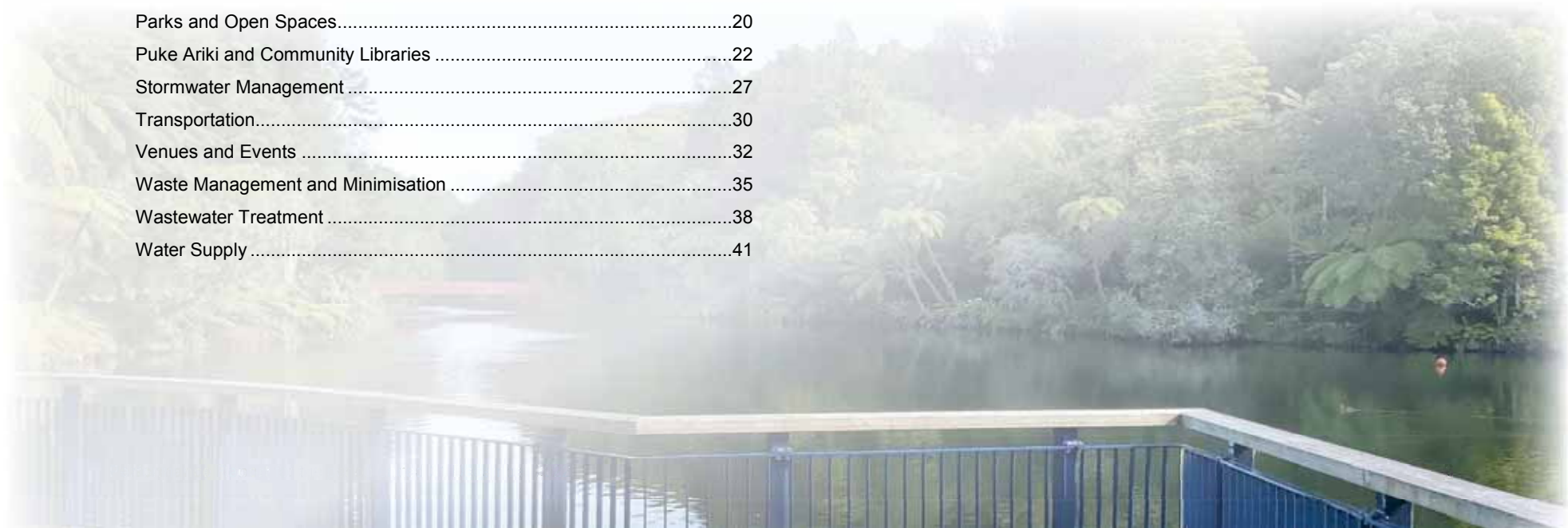
for period 1 July to 31 December 2022



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Year In Review

1 July to 31 December 2022



The **second quarter** saw a major campaign to get out the vote for the local elections with voters turning out in numbers well above the national average to elect a new NPDC governance team as we moved into summer across the organisation with road maintenance, outdoor pools reopening and the return of events such as the TSB Festival of Lights and concerts at the Bowl of Brooklands after last summer's season of Covid cancellations.

October 2022

- The city's Pack Howitzer is removed from the foreshore for refurbishment by army volunteers.
- Three primary schools are among the first groups to receive funding from NPDC's new Te Korowai o Tāne (Planting our Place) fund.
- A flurry of last-minute votes pushes New Plymouth District's voter turnout to 45%, way ahead of the national average of 40% in the local body elections.
- Final election result show Neil Holdom confirmed as Mayor for three more years and four new Councillors including the district's first Māori Ward Councillor.
- Artist Amanda Watson takes her canvases into Pukekura Park in a project to capture images of its natural forest areas.
- TSB Stadium marks 30 years with a Taranaki All Stars exhibition basketball match and a party to celebrate the huge range of events it's hosted.
- The Len Lye Cinema hosts The Show Me Shorts Film Festival with nine short films from around the country and the nine-day Latin American and Spain Film Festival.

November

- The Len Lye Cinema hosts the Japanese Film Festival over two days.
- The \$20m Waitara Stormwater Project, which is expected to take 10 years, starts with the installation of a stormwater pipe along Richmond Street.
- NPDC receives 251 pieces of feedback on the Waste Management and Minimisation Plan which will guide how we reuse, recycle and dispose of waste over the next six years.
- NPDC's Ngāmotu New Plymouth City Centre Strategy picked up an Award of Excellence Master Planning and Urban Design Strategy in the New Zealand Institute of Landscape Architecture Awards 2022.
- The Todd Energy Aquatic Centre opens its outdoor pools for the summer season along with pools in Waitara, Inglewood and Ōkato.
- NPDC's \$3m summer road resealing programme starts, with about 80km of urban and rural roads set for resealing by the end of April.
- Five of the 90 volunteers who help the TSB Showplace are recognised with awards for each giving more than 50 years of service.
- Fourteen grassroots organisations each receive about \$3k from NPDC's one-off Youth Connectedness Fund to help young people stay active after two years of Covid and lockdowns.

December

- Works by 11 local, national and international artists go on display as part of Te Au: Liquid Constituencies exhibition at the Govett-Brewster Art Gallery.
- Fitzroy Pool reopens for the summer with a new, accessible on-site toilet and changing room.
- Colossal Squid: Freaky Features (Te Ngū Tipua: Ngā Wāhanga Weriweri) opens in Puke Ariki's Lane Gallery as part of a Te Papa touring exhibition.
- The giant walk-through bauble light display makes its debut on Puke Ariki Landing.
- Waitara gets a festive facelift with a \$200k upgrade to its Christmas light display.
- Let's Go rolls out its Ride Summertime Rolls programme of summer cycling events.
- Two pontoons damaged or washed away in August storms are reinstalled on Waitara River.
- Egmont Road traffic management system begins on Boxing Day, managing car parking up to the North Egmont Visitor Centre.
- The TSB Festival of Lights returns to Pukekura Park after skipping a year due to Covid, with 13 new light installations and a line-up of performers from around the country and overseas.
- Taupō District Council Chief Executive Gareth Green is announced as the new NPDC Chief Executive from 27 March.
- About 7,000 fans pack the Bowl of Brooklands from A Summer's Day Live, headlined by UK reggae legends UB40, on 30 December.

The **first quarter** saw NPDC moving ahead with major infrastructure projects, while dealing with Covid-related and weather disruptions, rolling out a multi-faceted election campaign to encourage people to stand and vote, and working with partners to realise on-the-job training projects in construction and infrastructure.

July 2022	August	September
<ul style="list-style-type: none"> NPDC buys a Waiau Road property as a possible site for a wastewater treatment plant for Urenui and Onaero residents. Taranaki-based artist Wharehoka Smith's latest exhibition, Nekenekehia Tukua, opens at NPDC's Puke Ariki Museum. New Plymouth and the Lithuanian capital of Vilnius form a partnership on energy transition and climate change during the first-ever delegation to New Zealand under the EU-funded Urban and Regional Cooperation programme. The international Zoo Aquarium Association gives NPDC's Brooklands Zoo the tick of approval for animal welfare with accreditation that is reviewed every three years. Cleaning begins after one of NPDC Wastewater Treatment Plant's two bioreactor basins after it is emptied of 9,500 cubic meters of wastewater. NPDC and Taranaki Foundation launch the landmark Destination Play project at Kāwaroa Park. NPDC's TSB Festival of Lights is crowned New Zealand's Favourite Event and Best Local Government Event, and the GIS team gets an award for Best Use of Technology for Oxfam Trailwalker 2021, at the New Zealand Event Association awards. Eleven local people receive NPDC Citizens Awards for their outstanding contributions to the District. Tickets for WOMAD 2023 go on sale, marking its return to the Bowl of Brooklands after Covid scuppered the 2022 festival. 	<ul style="list-style-type: none"> District-wide installation of residential water meters begins. NPDC teams up with Chorus to brighten up five Telecom cabinets with work by local artists. Local Government New Zealand gives NPDC an A grade in its independent CouncilMARK report, up from the 2019 score of BBB. The Creative Communities fund receives a record 32 applications after an NPDC promotion focusing on grants for young dancers were putting New Plymouth centre stage on the national dance circuit. NPDC's Len Lye Cinema is the sole Taranaki host for the Whānau Mārama: New Zealand International Film Festival. NPDC receives 77 nominations for the 2022 election, up from 58 candidates in the 2019 election. NPDC staff and contractors clear more than 40 slips from roads and set up portaloos in Waitara and Inglewood after several days of heavy rain overwhelms waste water systems and the roads network. Work begins on the I Am Hana mural by Mr G on the outside back wall on NPDC's Puke Ariki Library to mark 50 years since the Māori language petition to Parliament. The NPDC/WITT-Te Pūkenga infrastructure training park, Te Kua Matahanganga, opens Bell Block. 	<ul style="list-style-type: none"> About 11 tonnes of CO₂ emissions were avoided in the month-long Fresh Air Challenge/Te Wero Hauhau, run by NPDC's Let's Go team to encourage people to take up active travel. New Plymouth Airport is named medium-sized airport of the year and medium infrastructure project of the year at the delayed 2021 New Zealand Airports Association awards. Almost 40 food outlets join NPDC's Bring It! to encourage people to carry reusable food containers. The completed I Am Hana mural on Puke Ariki Library is marked with a street party and other events and receives national news coverage. For people wanting to pay tribute to the late Queen Elizabeth II, a condolence book was provided and a floral tributes space set aside at the Pukekura Park band rotunda. Govett-Brewster Art Gallery/Len Lye Centre offered a full week of activities to mark Te Wiki o te reo Māori/Māori Language Week. NPDC launches its Vote promotion to encourage voting as part of its 2022 election campaign. Fourteen new zero waste bin stations installed and promoted around the district and CBD. The second Build a Bridge project to give high school students a stepping stone into a construction career sees three NPDC foot bridges completed ahead of schedule. The news that NPDC's TSB Festival of Lights is returning to Pukekura Park this summer after a two-year hiatus is widely welcomed.

A photograph of two young children in a lush, green forest. They are sitting on a mossy concrete ledge overlooking a small stream. The child on the left is wearing a blue patterned hat and a green shirt, leaning over the ledge. The child on the right is wearing a yellow shirt and is holding a long, thin stick that is partially submerged in the water. The background is filled with dense foliage and ferns.

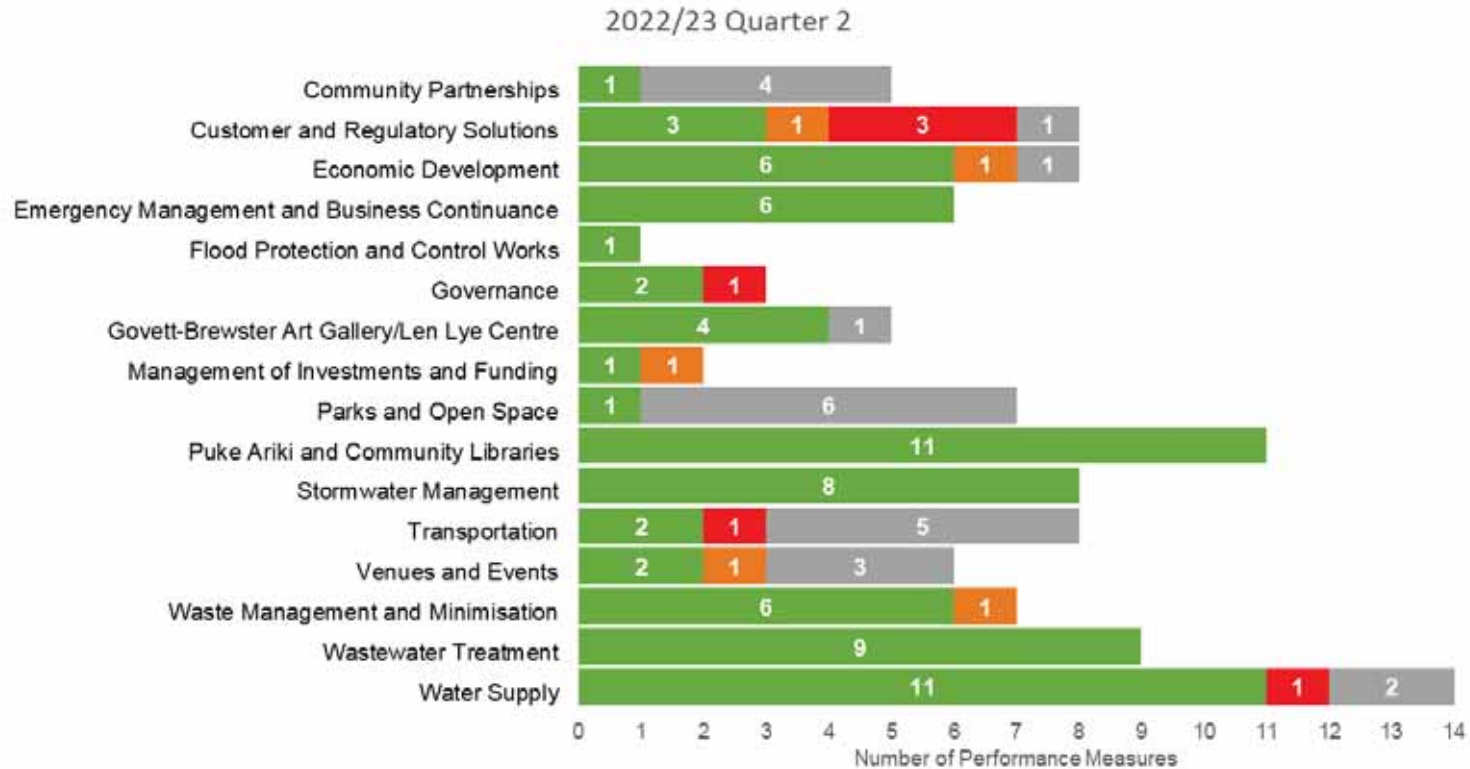
Long-Term Plan 2021-2031 Performance Measures

Overview

Performance measures help us report back on our service performance. Targets are set for the full financial year. The graph below gives an overview of how we're tracking on performance measures across NPDC for 2022/23 Quarter 1 (LTP 2021-2031: 108 performance measures). A summary comparison is shown for the same period last year.

2022/23 Q1 (108)	74 Achieved or on target	5 Behind target	6 Target not met	23 Data not yet available
2021/22 Q2 (107)*	72 Achieved or on target	7 Behind target	2 Target not met	26 Data not yet available

* One measure in Governance not applicable as no triennial elections in 2020/21.

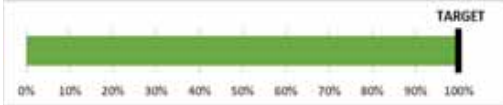



Community Partnerships



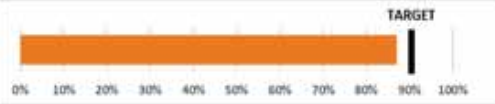

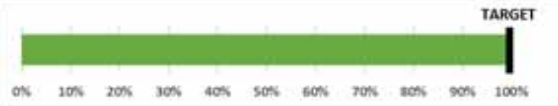
<p>Build strategic relationships that support collaboration, capability and capacity in the community sector.</p>		<p>Provide a 'start-up' fund to support creativity and collaboration in new community initiatives.</p>
<p>Not yet available</p> <p>The percentage of partners satisfied with NPDC's advice and involvement in community initiatives.</p> <p>Target: 95%</p> <p>Annual measure provided at the completion of Q4.</p>	<p>Not yet available</p> <p>The percentage of residents satisfied with NPDC's advice and support to community groups (satisfaction survey).</p> <p>Target: 90%</p> <p>Annual measure provided at the completion of Q4.</p>	<p>Achieved - 3</p> <p>The number of initiatives receiving 'start up' financial support.</p> <p>Target: 3</p> <p>An increase from same period last year (2). Three initiatives funded in this quarter: Funding workshops for social enterprise; attracting the International Film Festival to New Plymouth; and support for youth initiatives in Waitara.</p> <p>Q1: No initiatives</p>
<p>Provide effective funding support for community organisations and initiatives.</p>		<p>Effectively coordinate and administer the Housing for the Elderly service.</p>
<p>Not yet available</p> <p>The percentage of key performance indicators achieved by recipients of the NPDC's grants (as set out in funding contracts).</p> <p>Target: 95%</p> <p>Annual measure provided at the completion of Q4.</p>	<p>Not yet available</p> <p>The percentage of tenants satisfied with the service.</p> <p>Target: 90%</p> <p>Annual measure provided at the completion of Q4.</p>	

Customer and Regulatory Solutions



Animal control processes contribute to a safe and healthy community.		
<p style="text-align: center;">On target – 100%</p> <p>The percentage of animal control emergency situations¹ responded to within two hours.</p> <p style="text-align: center;">Target: 100%</p>  <p>Consistent with same period last year (100%). All emergencies responded to within two hours.</p> <p>Q1: 100%</p>	<p style="text-align: center;">On target – 87%</p> <p>The percentage of known dogs registered.</p> <p style="text-align: center;">Target: 95%</p>  <p>Consistent with same period last year (87%). Staff continue to actively follow up with owners of unregistered dogs and infringements issued to non-compliant owners. It is anticipated target will be met.</p> <p>Q1: 83%</p>	<p style="text-align: center;">Not yet available</p> <p>The percentage of residents satisfied with animal control activities (satisfaction survey).</p> <p style="text-align: center;">Target: 90%</p> <p>Annual measure provided at the completion of Q4.</p>

¹ Animal control emergency situations: assisting emergency services, attacks by dogs, stock on roads and injured animals.

Customer and Regulatory Solutions

Respond to logged complaints in a timely manner.	Process requests for official information within timeframes set under Local Government Official Information and Meetings Act (1987).	Conduct licensing inspections in accordance with statutory requirements.
<p>Behind target – 87%</p> <p>The percentage of formal complaints that receive an interim reply or are resolved within five working days.</p> <p>Target: 90%</p>  <p>A decrease from the same period last year (93%). 140 formal complaints received to date (83 in Q1, 57 in Q2), compared to 151 for the same period last year. Data on this KPI is now reported weekly to the Executive Leadership Team to drive an improved response rate across the organisation.</p> <p>Q1: 84% (correction from previously reported result 81%)</p>	<p>Target not met – 96%</p> <p>The percentage of requests for official information completed within statutory timeframe.</p> <p>Target: 100%</p>  <p>A decrease from the same period last year (100%). 143 official information requests received to date (82 in Q1 and 61 in Q2), compared to 146 for the same period last year. Data on this KPI is now reported weekly to the Executive Leadership Team to drive an improved response rate across the organisation.</p> <p>Q1: 93% (correction from previously reported result 96%)</p>	<p>On target – 100%</p> <p>All businesses required to be licensed are inspected in accordance with statutory requirements.</p> <p>Target: 100%</p>  <p>Consistent with the same period last year (100%). We have a total of 224 licensed premises in the district. All premises are inspected when new or renewal applications are received, or on a report of non-compliance. All licensing requirements have been met.</p> <p>Q1: 100%</p>

Customer and Regulatory Solutions

Process consent applications within statutory timeframes.	
<p style="text-align: center;">Target not met – 76%</p> <p>The percentage of building applications processed within statutory timeframes (consents and code compliance certificates).</p> <p style="text-align: center;">Target: 100%</p>  <p>A decrease from same period last year (94%). There have been a total of 1,542 building applications processed to date (873 in Q1, 669 in Q2), compared to 1,607 for same period last year.</p> <p>Both compliance rates have been affected this quarter as follows:</p> <ul style="list-style-type: none"> • Building Consents: 82% compliance. Consent processing contractors unable to be engaged due to remote access outage causing future workflow scheduling issues. • Code Compliance Certificates: 70% compliance. New process implemented because of an IANZ audit, which in the short term heavily increased the team workload but is expected to enable a steadier workflow in the medium to long term. <p>The Building Team is currently carrying four vacancies.</p> <p>Q1: 88%</p>	<p style="text-align: center;">Target not met – 88%</p> <p>The percentage of non-notified resource management consents processed within statutory timeframes.</p> <p style="text-align: center;">Target: 100%</p>  <p>A decrease from same period last year (92%). There have been a total of 177 non-notified consents processed to date (100 in Q1 and 77 in Q2). Eight resource consents exceeded timeframes – four land use and four subdivision compared to nine for same period last year.</p> <p>Within this period the Government released the National Policy Statement for Highly Productive Land (NPS-HPL), enhancing protection for the most productive land. This increased the complexity when processing rural subdivision and land use.</p> <p>Q1: 87%</p>



Economic Development



Promote the New Plymouth District and the Taranaki region as a vibrant and desirable place to work, live, learn, play and invest.		
<p style="text-align: center;">Achieved - 12</p> <p>The number of major events attracted or retained.</p> <p style="text-align: center;">Target: 4</p> <p>An increase from same period last year (10). The events contracted in this quarter were: TAFT - Taranaki Garden Festival (Nov 2022); Steelformers Around the Mountain Relay (Nov 2022); Spiegel Fest (Nov 2022); Coastal Five (Nov 2022); NZ Tattoo & Art Festival (Nov 2022); Summer Friends (Dec 2022); Dream 11 Super Smash (Dec 2022-Jan 2023); Fade Out (Apr 2023); Gallagher Chiefs vs Queensland Reds (May 2023).</p> <p>Q1: Three</p>	<p style="text-align: center;">Achieved - 7</p> <p>Undertaking initiatives to support investment in Taranaki.</p> <p style="text-align: center;">Target: 5</p> <p>An increase from same period last year (6). The three initiatives in this quarter were: Branching Out Phase Two funding secured to incentivise investment and de-risk diversification opportunities; Co-work and support Engineering Taranaki Consortium on 2023 Business Plan; Initial discussion between NPDC and the Farmers Market to improve the offering and outcomes of the market.</p> <p>Q1: Four</p>	<p style="text-align: center;">On target - 475</p> <p>The number of engagements¹ with visitor industry operators.</p> <p style="text-align: center;">Target: 1,000</p> <p>A decrease from same period last year (718). Engagement with operators varies throughout the year depending on campaign and project activity.</p> <p>Q1: 329</p>



¹ Engagement is defined as a significant interaction made with an external party.

Economic Development

<p>Promote the New Plymouth District and the Taranaki region as a vibrant and desirable place to work, live, learn, play and invest.</p>	<p>Facilitate, promote, and support sustainable business growth, innovation, investment and employment opportunities in Taranaki</p>	
<p style="text-align: center;">Achieved - 6</p> <p>The number of talent initiatives².</p> <p style="text-align: center;">Target: 2</p>  <p>A decrease from same period last year (8). The three initiatives in this quarter were: Develop a regional international education group; Engineering Talent campaign; Facilitate networking, discussions, and collaboration in the International Education sector through larger events in Taranaki.</p> <p>Q1: Three</p>	<p style="text-align: center;">Behind target - \$288,396</p> <p>The level of annual investment in regional businesses (subject to central government policy).</p> <p style="text-align: center;">Target: \$1,000,000</p>  <p>A decrease from same period last year (\$938,030). These amounts vary during the year depending on the timing of funding rounds and grants available.</p> <p>Q1: \$205,798</p>	<p style="text-align: center;">Not yet available</p> <p>The annual percentage of clients satisfied with Venture Taranaki business support services.</p> <p style="text-align: center;">Target: >85%</p> <p>Annual measure provided at the completion of Q4.</p>


² Talent initiatives are those that facilitate the retention, growth or attraction of talent (i.e. human resources) in/into Taranaki.

Economic Development

Facilitate, promote, and support sustainable business growth, innovation, investment and employment opportunities in Taranaki	
<p style="text-align: center;">On target - \$176,097</p> <p>The level of annual investment³ in the management capability of Taranaki's small and medium sized businesses.</p> <p style="text-align: center;">Target: \$240,000</p>  <p>A decrease from the same period last year (\$272,366). Q1: \$105,915</p>	<p style="text-align: center;">Achieved - 348</p> <p>Number of enterprise referrals and connections made by Venture Taranaki staff.</p> <p style="text-align: center;">Target: 200</p>  <p>An increase from the same period last year (328). Q1: 191</p>


³ Investment includes capability development and voucher funding as part of the nationwide Regional Business Partner Network.

Emergency Management and Business Continuance

Ensure NPDC is ready for, can respond to, and can recover from emergencies.		
<p style="text-align: center;">On target</p> <p>Emergency processes and plans are reviewed and updated annually.</p> <p>Target: Emergency plans are reviewed and updated as per exercise schedule</p> <p>Emergency plans have been reviewed and Business Continuity Plans 2022/23 have been updated. The Crisis Plan is being updated to a Coordinated Incident Management System structure.</p>	<p style="text-align: center;">On target - 130</p> <p>Recruit, train, and maintain a database of staff and volunteers capable of responding to an emergency.</p> <p>Target: Maintain 150 recruited and trained staff and volunteers</p>  <p>Volunteer's database is regularly reviewed and updated. All volunteers are being contacted in Q3 regarding upcoming training for 2023.</p> <p>Q1: 124</p>	<p style="text-align: center;">On target</p> <p>Ensure the NPDC Emergency Operations Centre (EOC) is fit for purpose.</p> <p>Target: Complete monthly system checks and an annual EOC capability audit</p> <p>Monthly checks completed. Annual EOC capability Audit is scheduled to be completed in Q3.</p>

<p style="text-align: center;">Achieved - 3</p> <p>Develop and implement an NPDC emergency exercise programme.</p> <p>Target: Undertake two emergency exercises</p> <p>Exercises completed: ShakeOut 27 October 2022; Potable Water Resilience Assessment 10 November 2022. Emergency exercise dates are being reviewed for 2023.</p> <p>Q1: One</p>
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Emergency Management and Business Continuance

<p>Assist the New Plymouth community in becoming ready for, responding to, and recovering from emergencies</p>	
<p style="text-align: center;">On target - 4</p> <p>Civil Defence centres are identified, assessed and formalised with Memorandum(s) of Understanding.</p> <p style="text-align: center;">Target: 6</p>  <p>Ōākura Bowling Club assessment completed and MOU to be formalised in Q3. In line with MOUs, annual community meetings/reviews will commence in Q3.</p> <p>Q1: Four</p>	<p style="text-align: center;">On target</p> <p>Engage with key community groups, and stakeholders (particularly iwi and hapū) to develop community emergency response capability.</p> <p style="text-align: center;">Target: Establish a team that can deliver a community-based emergency response capability</p> <p>Continue to engage with community groups to progress the delivery of community-based emergency response capability. Marketing campaign to be developed for delivery Q4.</p>

Flood Protection and Control Works



Effectively maintain NPDC's flood protection and control works.

On target

Major flood protection and control works are maintained, repaired and renewed in accordance with the asset management plans and annual works programme.

Target: Achieved




Governance



Effectively manage local elections in accordance with statutory requirements.	Ensure NPDC processes comply with statutory requirements.	
<p style="text-align: center;">On target</p> <p>Elections and polls comply with the provisions of the Local Electoral Act 2001 and are without successful petitions for inquiry into the conduct of elections.</p> <p style="text-align: center;">Target: Full compliance</p> <p>2022 elections completed. Full compliance no process issues raised.</p>	<p style="text-align: center;">Target not met</p> <p>The Long-Term Plan, Annual Plan and Annual Report are each adopted within statutory timeframes.</p> <p style="text-align: center;">Target: Full compliance</p> <p>Annual Report 2021/22 was due to be adopted on 20 December 2022. This item was withdrawn from the agenda pending Audit New Zealand completing the audit process.</p> <p>Preparatory work on the Annual Plan 2023/24 continued.</p>	<p style="text-align: center;">On target</p> <p>Meeting agendas are available as specified by legislation.</p> <p style="text-align: center;">Target: Full compliance</p> <p>Meeting agendas provided online within statutory timeframes. Hard copies available to members of the public on request.</p>


Govett-Brewster Art Gallery/Len Lye Centre



Provide access to an engaging range of contemporary art from New Zealand and around the world.		
<p style="text-align: center; color: green; font-weight: bold; font-size: 1.2em;">Achieved - 7</p> <p>The annual number of exhibitions on offer.</p> <p style="text-align: center; font-weight: bold;">Target: 7</p>  <p>An increase from same period last year (3). One exhibition opened during the second quarter <i>Te Au: Liquid Constituencies</i>.</p> <p>Q1: Six</p>	<p style="text-align: center; color: green; font-weight: bold; font-size: 1.2em;">On target – 40,243</p> <p>The annual number of visitor entries.</p> <p style="text-align: center; font-weight: bold;">Target: 60,000</p>  <p>Year to date visitor numbers have significantly increased from the equivalent period last year (28,230). The Gallery attracted 21,287 visitors during the second quarter (8,081 visitor entries in October, 6,176 in November and 7,030 in December).</p> <p>Q1: 18,956</p>	<p style="text-align: center; color: green; font-weight: bold; font-size: 1.2em;">On target – 48</p> <p>The annual number of audience engagement events.¹</p> <p style="text-align: center; font-weight: bold;">Target: 50</p>  <p>A slight decrease from same period last year (51). The Gallery delivered 22 audience engagement events during the second quarter (six in October, nine in November and seven in December).</p> <p>Q1: 26</p>

¹ These include formal ticketed events such as the Monica Brewster evenings, free and paid gallery and exhibition tours, targeted free events such as Sense Art tours, Gallery Babes and Gallery Seniors, education programmes including Young Visionaries, family art and workshops, and other public talks, lectures, tours and workshops.

Govett-Brewster Art Gallery/Len Lye Centre

Provide access to an engaging range of contemporary art from New Zealand and around the world.	
<p style="text-align: center;">Not yet available</p> <p>The percentage of residents satisfied with the service (satisfaction survey).</p> <p style="text-align: center;">Target: 65%</p> <p>Annual measure provided at the completion of Q4.</p>	<p style="text-align: center;">On target – 86%</p> <p>The percentage of customers satisfied with their overall experience at the Govett-Brewster Art Gallery/Len Lye Centre (in-house surveys).</p> <p style="text-align: center;">Target: 82%</p>  <p>A decrease from same period last year (93%), Year to date a total of 114 visitors have been surveyed, reporting being satisfied (25%) or very satisfied (61%).</p> <p>Q1: 89%</p>

Management of Investments and Funding



Manage the Perpetual Investment Fund (PIF) to provide sustainable NPDC revenue.	Manage NPDC's borrowing programme in accordance with the Liability Management Policy ¹ .
<p style="text-align: center;">Behind target</p> <p>The annual return from the PIF received by NPDC.</p> <p style="text-align: center;">Target: 3.3% + CPI + management fees and costs</p> <p>The fund has an unrealised loss of \$5.6m for the six months to 31 December 2022.</p> <p>NPDC have received \$5.5m from the PIF for the year to date.</p>	<p style="text-align: center;">On target</p> <p>Debt levels comply with limits set by policy.</p> <p style="text-align: center;">Target: All measures met</p> <p>Net debt as at 31 December 2022 was -\$149m ².</p> <ul style="list-style-type: none"> • Net debt of total revenue is 164.2%² - TMP maximum limit is 135%. • Net interest expense on external debt is 3.7% of total revenue – TMP maximum limit is 10%. • Net interest expense on external debt of total annual rates income is 5.7% - TMP maximum limit is 20%. • Liquidity is 143.6% over existing debt – TMP target is to be greater than 110%.

¹ The Liability Management Policy is incorporated within the Treasury Management Policy (TMP) which was updated and approved by the Council on 2 June 2020.


² The result for these measures are negative as the Council's net debt is nil. This is because the Council's liquid assets are greater than borrowings.

Parks and Open Spaces



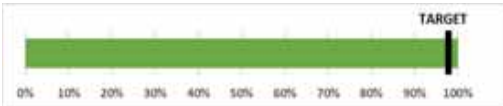
Maintain quality district parks, reserves and open spaces.		
<p style="text-align: center;">Not yet available</p> <p>The percentage of residents satisfied with the quality of the district's parks and reserves, including the Coastal Walkway and Pukekura Park (satisfaction survey).</p> <p style="text-align: center;">Target: 95%</p> <p>Annual measure provided at the completion of Q4.</p>	<p style="text-align: center;">Not yet available</p> <p>The percentage of residents satisfied with the quality of the district's urban landscapes and streets (satisfaction survey).</p> <p style="text-align: center;">Target: 95%</p> <p>Annual measure provided at the completion of Q4.</p>	<p style="text-align: center;">Not yet available</p> <p>The percentage of residents satisfied with the quality of the district's sports parks (satisfaction survey).</p> <p style="text-align: center;">Target: 85%</p> <p>Annual measure provided at the completion of Q4.</p>
<p style="text-align: center;">Not yet available</p> <p>The percentage of residents satisfied with the quality of the district's playgrounds (satisfaction survey).</p> <p style="text-align: center;">Target: 95%</p> <p>Annual measure provided at the completion of Q4.</p>	<p style="text-align: center;">Not yet available</p> <p>The percentage of Brooklands Zoo visitors satisfied with the zoo (in-house survey).</p> <p style="text-align: center;">Target: 90%</p> <p>Annual measure provided at the completion of Q3.</p>	

Parks and Open Spaces

Maintain access to the district's parks, reserves and open spaces.	Provide quality public toilets across the district.
<p style="text-align: center;">On target - 84%</p> <p>The percentage of households in the district that are within 500 metres of a park, reserve or neighbourhood open space.</p> <p style="text-align: center;">Target: 80%</p>  <p>Consistent with same period last year (84%). Additional esplanade reserves and park land was acquired during 2021/22. Further refinement of the PedShed mapping will provide a finer grained assessment of walkability and new processes for asset data collection on land acquired is being developed.</p> <p>Q1: 84%</p>	<p style="text-align: center;">Not yet available</p> <p>The percentage of the community satisfied with the quality of the district's public toilets (satisfaction survey).</p> <p style="text-align: center;">Target: 80%</p> <p>Annual measure provided at the completion of Q4.</p>

Puke Ariki and Community Libraries



Provide an accessible and informative point of contact and booking service for visitors to New Plymouth District.	Ensure library collections, including digital resources, are available to meet the needs of the community.	Number of annual physical visits across Puke Ariki libraries (except during times of closure).
<p style="text-align: center;">On target – 100%</p> <p>The percentage of customers satisfied with the i-SITE Visitor Information Centre (in-house survey).</p> <p style="text-align: center;">Target: 98%</p>  <p>Consistent with same period last year (100%). Customer feedback is ongoing throughout the year. Since July 2022 the i-SITE has welcomed visitors from over 37 countries.</p> <p>Q1: 100%</p>	<p style="text-align: center;">On target – 3.1</p> <p>The number of items per capita is maintained.</p> <p style="text-align: center;">Target: 3 to 3.5 items</p> <p>A decrease from same period last year (3.2).</p> <p>The population estimate for the New Plymouth District increased to 87,700 from 80,679 in October 2022. This figure was applied in calculations for Q2</p> <p>Q1: 3.4</p>	<p style="text-align: center;">On target – 9,500</p> <p>Average customers per week.</p> <p style="text-align: center;">Target: > previous year</p> <p>The previous year's result was 9,588 per week (Annual Report 2021/22). Figure includes all Puke Ariki and Community Libraries excepting the Urenui Library and the Mobile Library.</p> <p>This quarter has seen a return to pre-Covid visitation levels across the libraries.</p> <p>Q1: 9,242 (correction from previously reported result 11,994)</p>

Puke Ariki and Community Libraries

Provide access to online information using public computing devices.




On target

Free WiFi available and access to online information using public computers and customer devices is available.



Target: Free access at all libraries

Free WiFi and access to free public computers and printing is a service that continues to have a high uptake. This is especially so as central government moves more of their activities online.

Puke Ariki and Community Libraries

Offer widely accessible and engaging education programmes and public and community programmes.		
<p style="text-align: center;">Achieved – 1,334</p> <p>The annual number of programmed learning opportunities on offer.</p> <p style="text-align: center;">Target: 1,200</p>  <p>An increase on the Covid impacted numbers from the same period last year (425). Most events and programmes now available as normal.</p> <p>Q1: 781</p>	<p style="text-align: center;">Achieved – 23,536</p> <p>The number of participants attending.</p> <p style="text-align: center;">Target: 29,000</p>  <p>A decrease on the same period last year (9,961). Most events and programmes now available as normal.</p> <p>Q1: 14,102</p>	<p style="text-align: center;">On target – 96%</p> <p>The percentage of participants satisfied with programmes (in-house survey).</p> <p style="text-align: center;">Target: 95%</p>  <p>Customer feedback is ongoing throughout the year. Year to date a total of 195 participants have been surveyed.</p> <p>Q1: Percentage not yet available</p>

Puke Ariki and Community Libraries

Provide new, dynamic exhibitions regularly to ensure visitor engagement and repeat visits.		
<p style="text-align: center;">On target – 0</p> <p>Refresh of permanent galleries.</p> <p style="text-align: center;">Target: 1</p> <p>A decrease from the same period last year (1).</p> <p>The <i>Reef Alive!</i> diorama is due to finish early 2023, which will complete the refresh of this area and meet the target. Planning is in progress to refresh parts of the Geology section of the Taranaki Naturally Gallery.</p> <p>Q1: No refresh of permanent galleries</p>	<p style="text-align: center;">On target – 1</p> <p>Temporary exhibitions annually.</p> <p style="text-align: center;">Target: 2</p>  <p>A decrease from the same period last year (2).</p> <p><i>Nekenekehia Tukua: A WharehokaSmith exhibition</i>, opened 2 July 2022 and has been extended to March 2023 due to popular demand. <i>State of Nature: Picturing the Silent Forest</i> is scheduled to be on show from April 2023.</p> <p>Q1: One</p>	<p style="text-align: center;">On target – 1</p> <p>Additional exhibitions per year in other Gallery spaces.</p> <p style="text-align: center;">Target: 4</p>  <p>A decrease from the same period last year (2).</p> <p><i>Te Ngū Tipua: Ngā Wāhanga Weriweri Colossal Squid: Freaky Features</i> opened on 3 December 2022. Planning is underway for additional exhibitions with progress being made on Te Mahere Pā and Gallery concept.</p> <p>Q1: No additional exhibitions</p>

Puke Ariki and Community Libraries

Provide online access to the heritage collection through a variety of platforms.

On target – 2

Addition of digital product/experiences and other digital platform exhibitions per year.

Target: 4



A decrease from the same period last year (4).

Super Squid Game for *Te Ngū Tipua: Ngā Wāhanga Weriwiri Colossal Squid: Freaky Features* completed. Three further projects in progress.

Q1: One

Stormwater Management



Provide a stormwater management system that protects people and property.	
<p>On target - 0</p> <p>The number of flooding events in the district per financial year.</p> <p>Target: 0</p> <p>Consistent with same period last year. There have been no flooding events in the district.</p>	<p>On target - 0</p> <p>The number of habitable floors affected in each flooding event (per 1,000 properties connected to NPDC's stormwater system).</p> <p>Target: 1 or less</p> <p>Consistent with same period last year. No flooding events which have flooded habitable floors.</p>

Stormwater Management

Comply with all resource consents for discharges from our stormwater system.		
<p>On target – 0</p> <p>The number of abatement notices received.</p> <p>Target: 0</p> <p>Consistent with same period last year. No abatement notices received.</p>	<p>On target - 0</p> <p>The number of infringement notices received.</p> <p>Target: 0</p> <p>Consistent with same period last year. No infringement notices received.</p>	<p>On target - 0</p> <p>The number of enforcement orders received.</p> <p>Target: 0</p> <p>Consistent with same period last year. No enforcement orders received.</p>

<p>On target - 0</p> <p>The number of convictions received.</p> <p>Target: 0</p> <p>Consistent with same period last year. No convictions received.</p>

Stormwater Management

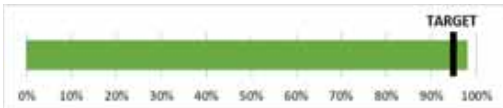
Respond to service requests in a timely manner.	Ensure customers are satisfied with the performance of our stormwater system.
<p style="text-align: center;">On target – 0.56 hours</p> <p>The median response time to a flooding event (from the time that NPDC receives notification to the time service personnel reach the site).</p> <p style="text-align: center;">Target: One hour</p> <p>A decrease from same period last year (0.64 hours). Q1: 0.58 hours</p>	<p style="text-align: center;">On target – 2.01</p> <p>The number of complaints received about the performance of NPDC’s stormwater system (per 1,000 properties connected).</p> <p style="text-align: center;">Target: 8 or less</p> <p>A decrease from same period last year (2.21). The measure allows for 63 or less complaints for each quarter. There have been 64 complaints to date (46 in Q1 and 18 in Q2) from 31,904 connections to the wastewater system. Q1: 1.44</p>

Transportation



<p>Provide a local roading network that is safe for all road users.</p>	<p>Provide good quality district roads.</p>	
<p style="text-align: center;">Not yet available</p> <p>The change from the previous financial year in the number of fatality and serious injury crashes on the district's local roading network.</p> <p style="text-align: center;">Target: Reducing</p> <p>Annual measure provided at the completion of Q4.</p>	<p style="text-align: center;">Not yet available</p> <p>The average quality of ride on the district's sealed local road network, as measured by smooth travel exposure.</p> <p style="text-align: center;">Target: 89%</p> <p>Annual measure provided at the completion of Q4.</p>	<p style="text-align: center;">Not yet available</p> <p>The percentage of residents satisfied with the overall quality of the district's roads (satisfaction survey).</p> <p style="text-align: center;">Target: 85%</p> <p>Annual measure provided at the completion of Q4.</p>
<p>Appropriately maintain the district's sealed roads.</p>	<p>Provide a high quality and safe footpath network.</p>	
<p style="text-align: center;">Not yet available</p> <p>The minimum percentage of the sealed local road network that is resurfaced.</p> <p style="text-align: center;">Target: 4%</p> <p>Annual measure provided at the completion of Q4.</p>	<p style="text-align: center;">Achieved - 93.5%</p> <p>The percentage of footpaths that meet the levels of service and service standards in current condition surveys, as set out in the Transportation Asset Management Plan.</p> <p style="text-align: center;">Target: More than 90% of footpath length surveyed in good or excellent condition</p> <p>The footpath condition rating survey was completed in Q1. This survey is measured every three years with the next condition survey due in 2025/26. An increase from the 2019/20 survey (88%).</p>	<p style="text-align: center;">Target not met – 3%</p> <p>Footpath length recorded as failed.</p> <p style="text-align: center;">Target: Less than 1% of footpath length recorded as failed</p> <p>The footpath condition rating survey was completed in Q1. A new automated survey scooter with two camera mounted devices has been used for the first time. This was to automatically capture additional fault data that was missed by the previous visual rating system.</p> <p>This survey is measured every three years with the next condition survey due in 2025/26. An increase in the footpath length recorded as failed from the 2019/20 survey (0.3%).</p>

Transportation

Respond to service requests in a timely manner.	We provide a quality and safe cycle network.
<p style="text-align: center;">On target – 98%</p> <p>The percentage of roading and footpath related customer service requests responded to within target timeframes¹.</p> <p style="text-align: center;">Target: 95%</p>  <p>An increase from same period last year (97%). There have been a total of 1,944 customer service requests to date, of which 44 were responded to late (1,096 customer service requests, 25 responded to late in Q1 and 848 customer service requests, 19 responded to late in Q2).</p> <p>Q1: 98%</p>	<p style="text-align: center;">Not yet available</p> <p>The percentage of residents satisfied with the quality and safety of the district’s cycle network (satisfaction survey).</p> <p style="text-align: center;">Target: 85%</p> <p>Annual measure provided at the completion of Q4.</p>

¹ Service request timeframes:

- One day for an electrical fault with traffic signals, flooding, diesel spills, chemical spills or a slip to be cleared.
- Three days for street lighting faults and potholes.
- Five days for traffic counts, bus shelter repairs, road marking enquiries, culvert maintenance, rubbish bins, reinstatement of footpaths and debris in the roadside channel.
- Ten days for road surface faults, kerb and channel repairs, new kerb and channel, missing road signs and vegetation clearing.

Venues and Events



Provide high quality pools that encourage community participation in aquatic activities.	
<p style="text-align: center;">Not yet available</p> <p>The percentage of residents satisfied with NPDC's swimming facilities (satisfaction survey).</p> <p style="text-align: center;">Target: 94%</p> <p>Annual measure provided at the completion of Q4.</p>	<p style="text-align: center;">Behind target – 171,489</p> <p>The number of pool patrons per year.</p> <p style="text-align: center;">Target: 390,000</p> <p>An increase by more than double on the Covid impacted numbers from the same period last year (42,250), with visitation numbers almost back to normal patterns of use. National lifeguard recruitment challenges continue to have an impact on delivery of some programmes, pool opening hours and services which is having a small impact on attendance numbers.</p> <p>Q1: 74,589</p>

Venues and Events

Provide a range of appealing events at high quality venues.	
<p>Not yet available</p> <p>The percentage of residents satisfied with NPDC's events (satisfaction survey).</p> <p>Target: 95%</p> <p>Annual measure provided at the completion of Q4.</p>	<p>Not yet available</p> <p>The percentage of residents satisfied with NPDC's events venues (satisfaction survey).</p> <p>Target: 93%</p> <p>Annual measure provided at the completion of Q4.</p>

Venues and Events

Provide a network of high quality venues that create opportunities for the community to attend arts, cultural, sporting and recreation activities.

The number of attendees and events/bookings across all venues.

On target – 124,453

Target: 280,000 attendees



On target - 478

Target: 1,000 events



There has been a significant increase in attendees compared to the Covid impacted numbers from the same period last year (75,553) and an increase in events from the same period last year (421). Some hesitancy remains in relation to event attendance and numbers are yet to increase to pre-Covid levels. We are also seeing a reluctance in the spending of disposable income on tickets. The quarter did see the return of the first international act to the Bowl (UB40) with 7,000 attendees. This was the highest number of ticket sales for a UB40 concert in NZ.

Note: Festival of Lights attendee numbers are not captured as part of this report.

Q1: 68,948 attendees, 313 events/bookings.

Waste Management and Minimisation



Encourage district-wide waste minimisation.	
<p>Behind target – 3% increase</p> <p>The reduction in total landfill waste generated per capita in the district (measured as a year on year percentage).</p> <p>Target: 5%</p> <p>A total of 169kg per capita of waste was landfilled in the district during July to December 2022 compared to same period last year (165kg* per capital of waste). The planned opening of the Commercial Waste Sorting Facility in Q4 is anticipated to contribute to the target reduction for the district.</p> <p>Q1: 9% increase</p> <p>* Correction from same period last year - 159kg.</p>	<p>On target – 6% reduction</p> <p>The reduction in landfill waste generated per household (measured as a year on year percentage).</p> <p>Target: 5%</p> <p>Waste collected at the kerbside reduced by 6% (127kg per household) compared to same period last year (134kg per household).</p> <p>Q1: 6% reduction</p>

Waste Management and Minimisation

Comply with all resource consents related to solid waste collection and management.		
<p>On target – 0</p> <p>The number of abatement notices received.</p> <p>Target: 0</p> <p>Consistent with same period last year. No abatement notices received. Two abatement notices received for in 2020/21 relating to Colson Road landfill still active pending mitigation plan due in April 2023.</p>	<p>On target – 0</p> <p>The number of infringement notices received.</p> <p>Target: 0</p> <p>Consistent with same period last year. No infringement notices received.</p>	<p>On target – 0</p> <p>The number of enforcement orders received.</p> <p>Target: 0</p> <p>Consistent with same period last year. No enforcement orders received.</p>

<p>On target – 0</p> <p>The number of convictions received.</p> <p>Target: 0</p> <p>Consistent with same period last year. No convictions received.</p>

Waste Management and Minimisation

Ensure customers are satisfied with our waste management and minimisation service.

On target – 1.32

The number of complaints about NPDC's waste management and minimisation service received (per 1,000 customers).

Target: 2 or less

An increase from same period last year (0.73). The measure allows for 16 or less complaints for each quarter. There have been a total of 40 complaints to date (27 in Q1 and 13 in Q2) from 33,072 customers.

Q1: 0.89

Wastewater Treatment



Provide an effective wastewater treatment and disposal system.

On target – 0.06

The number of dry weather sewerage overflows per 1,000 connections to the wastewater system.

Target: 1.5

A decrease from same period last year (0.07). The measure allows for 11.6 or less overflows for each quarter. There have been a total of two dry weather overflows to date (one in Q1 and one in Q2) from 30,856 connections to the wastewater system. The overflow in Q2 was at Shearer Reserve Ōākura due to a blockage in the reticulation.

Q1: 0.03

¹ Based upon the sum of the following: Sewer Drainage Charges Commercial/Industrial + Half Charge + Residential, Farm, Small Holdings as per Audit NZ instruction.

Wastewater Treatment

Comply with all resource consents for wastewater discharge from our system.		
<p>On target – 0</p> <p>The number of abatement notices received.</p> <p>Target: 0</p> <p>Consistent with same period last year. No abatement notices received.</p>	<p>On target – 0</p> <p>The number of infringement notices received.</p> <p>Target: 0</p> <p>Consistent with same period last year. No infringement notices received.</p>	<p>On target – 0</p> <p>The number of enforcement orders received.</p> <p>Target: 0</p> <p>Consistent with same period last year. No enforcement orders received.</p>

<p>On target – 0</p> <p>The number of convictions received.</p> <p>Target: 0</p> <p>Consistent with same period last year. No convictions received.</p>

Wastewater Treatment

Respond to customer and maintenance requests in a timely manner.		Ensure customers are satisfied with the wastewater treatment and disposal service
<p>On target – 0.62 hours</p> <p>The median response time to sewerage overflow callouts (from the time NPDC receives notification to the time that service personnel reach the site).</p> <p>Target: 1 hour or less</p> <p>A decrease from same period last year (0.70 hours).</p> <p>Q1: 0.59 hours</p>	<p>The median resolution time for sewerage overflow callouts (from the time NPDC receives notification to the time that service personnel confirm resolution of the fault or interruption)</p> <p>On target – 2.22 hours</p> <p>Target: 4 hours or less for sewers <250 dia</p> <p>On target – no callouts</p> <p>Target: 8 hours or less for sewers ≥ 250 dia</p> <p>A decrease from same period last year (2.99 hours) for <250 dia, with no callouts for ≥250 dia.</p> <p>Q1: 2.28 hours for <250 dia, with no callouts for ≥250 dia</p> <p>dia = diameter</p>	<p>On target – 2.72</p> <p>The total number of complaints received about sewerage odour; system faults or blockages; or NPDC’s response to issues with the sewerage system (per 1,000 connected properties).</p> <p>Target: 13 or less</p> <p>A decrease from same period last year (3.40). The measure allows for 100 or less complaints for each quarter. There have been a total of 84 complaints to date (45 in Q1 and 39 in Q2) from 30,856 connections to the wastewater system.</p> <p>Q1: 1.46</p>

Water Supply



Provide water that is safe to drink.		Maintain the reticulated water network in good condition.
<p>On target</p> <p>Our level of compliance with Part 4 of the Drinking-water Standards (bacteria compliance criteria).</p> <p>Target: Full compliance</p>	<p>On target</p> <p>Our level of compliance with Part 5 of the Drinking-water Standards (protozoal compliance criteria).</p> <p>Target: Full compliance</p>	<p>Not yet available</p> <p>The percentage of real water loss from NPDC's networked reticulation system¹.</p> <p>Target: 20% or less</p> <p>Annual measure provided at the completion of Q4.</p>

¹ We calculate water loss following the method contained within Water New Zealand's Benchmarking of Water Losses in New Zealand Manual.

Water Supply

Respond to faults and unplanned interruptions to the water supply network in a timely manner.	
<p>On target – 0.52 hours</p> <p>The median response time to urgent callouts (from the time NPDC receives notification to the time that service personnel reach the site).</p> <p>Target: 1 hour or less</p> <p>A decrease from same period last year (0.65 hours). Q1: 0.58 hours</p>	<p>The median resolution time for urgent callouts (from the time NPDC receives notification, to the time that service personnel confirm resolution of the fault or interruption)</p> <p>On target – 1.34 hours</p> <p>Target: 4 hours or less for mains <250 dia</p> <p>On target – no callouts</p> <p>Target: 8 hours or less for mains ≥ 250 dia</p> <p>A decrease from same period last year (1.58 hours) for <250 dia. Consistent with same period last year with no callouts for ≥250 dia. Q1: 1.30 hours for <250 dia, with no callouts for ≥250 dia. dia = diameter</p>

Water Supply

Respond to faults and unplanned interruptions to the water supply network in a timely manner.		Ensure customers are satisfied with our water supply service.
<p>On target – 45.19 hours</p> <p>The median response time to non-urgent callouts (from the time NPDC receives notification to the time that service personnel reach the site).</p> <p>Target: 70 hours or less</p> <p>A decrease from same period last year (45.24 hours).</p> <p>Q1: 44.73 hours</p>	<p>On target – 70.45 hours</p> <p>The median resolution time for non-urgent callouts (from the time NPDC receives notification to the time that service personnel confirm resolution of the fault or interruption).</p> <p>Target: 116 hours or less</p> <p>A decrease from same period last year (95.95 hours).</p> <p>Q1: 77.56 hours</p>	<p>On target – 6.12</p> <p>The total number of complaints (per 1,000 connections) received about any of the following:</p> <ul style="list-style-type: none"> • drinking water clarity, taste, or odour; • drinking water pressure or flow; • continuity of supply; and • NPDC’s response to any of these issues. <p>Target: 16 or less</p> <p>A decrease from same period last year (10.34). The measure allows for 116 or less complaints for each quarter. There have been a total of 178 complaints (54 in Q1 and 124 in Q2) from 29,094 connections to the water system. Many of the complaints in Q2 related to low water pressure and no water due to a fire hydrant replacement in Mangorei in October 2022.</p> <p>Q1: 1.86</p>

Water Supply

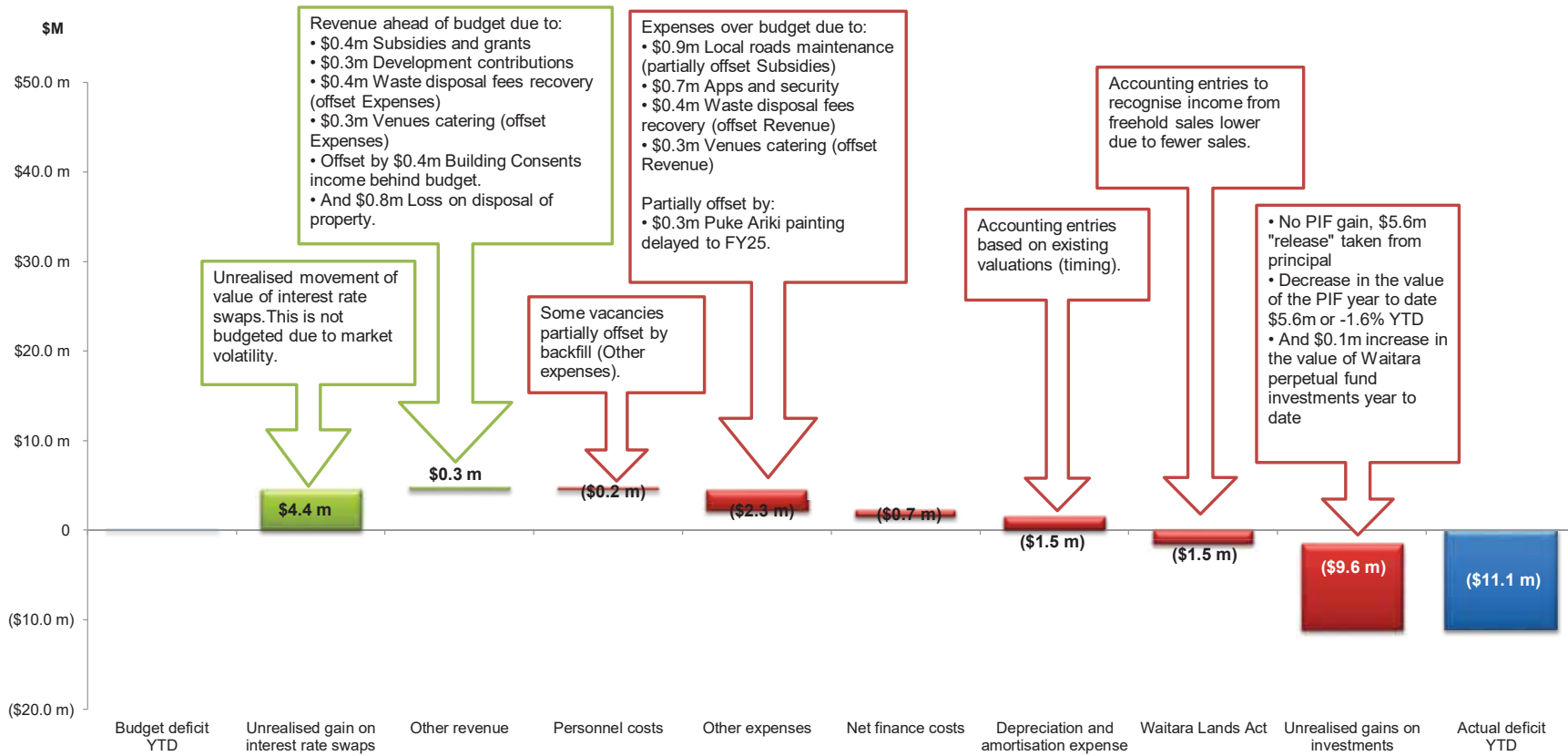
Manage demand to minimise the impact of water supply activities on the environment.		
<p style="text-align: center;">Not yet available</p> <p>The average consumption of drinking water per day, per resident, within New Plymouth District.</p> <p style="text-align: center;">Target: 300 litres per day</p> <p>Annual measure provided at the completion of Q4.</p>	<p style="text-align: center;">Target not met - 1</p> <p>The number of abatement notices received.</p> <p style="text-align: center;">Target: 0</p> <p>No abatement notices received same period last year.</p> <p>Unauthorised discharge of silt and sediment into the Mangamahoe Stream (Lower Head Dam). Works had been undertaken on instream structures at the dam. Taranaki Regional Council abatement notice EAC-24647 notes no erosion control or mitigation upstream of structures leading to erosion. This does not affect water supply quality.</p> <p>Q1: One</p>	<p style="text-align: center;">On target - 0</p> <p>The number of infringement notices received.</p> <p style="text-align: center;">Target: 0</p> <p>Consistent with same period last year. No infringement notices received.</p>
<p style="text-align: center;">On target - 0</p> <p>The number of enforcement orders received.</p> <p style="text-align: center;">Target: 0</p> <p>Consistent with same period last year. No enforcement orders received.</p>	<p style="text-align: center;">On target - 0</p> <p>The number of convictions received.</p> <p style="text-align: center;">Target: 0</p> <p>Consistent with same period last year. No convictions received.</p>	



Financial Performance

Summary

For the six months ended 31 December 2022, the Council recorded a deficit of \$3.4m compared to a budgeted deficit of \$0.1m. Key variances against budget are as follows:



Statement of Comprehensive Revenue and Expense

For the period ended 31 December 2022

		Actual (\$'000)	Budget (\$'000)	Variance (\$'000)	(%)
Operating revenue					
Rates		58,647	58,762	(115)	0%
Subsidies and grants	(a)	10,015	9,614	401	4%
Fines and levies	(b)	682	735	(53)	-7%
Development and financial contributions	(c)	1,900	1,538	362	24%
Other revenue	(d)	14,032	14,338	(306)	-2%
Finance revenue	(e)	645	788	(143)	-18%
Investment revenue	(f)	792	10,378	(9,586)	-92%
Waitara Lands Act revenue	(g)	825	3,959	(3,134)	-79%
Total operating revenue		87,538	100,112	(12,574)	-13%
Operating expenditure					
Personnel costs	(h)	29,953	29,722	(231)	-1%
Other expenses	(i)	43,472	41,167	(2,305)	-6%
Depreciation and amortisation expense	(j)	24,799	23,337	(1,462)	-6%
Finance costs	(k)	3,983	3,429	(554)	-16%
Unrealised gain on interest rate swaps		(4,423)	-	4,423	n/a
Waitara Lands Act distributions	(l)	865	2,450	1,585	n/a
Total operating expenditure		98,649	100,105	1,456	1%
(Deficit) / Surplus before tax		(11,111)	7	(11,118)	n/a
Tax refund/(expense)		-	-	-	
(DEFICIT) / SURPLUS AFTER TAX		(11,111)	7	(11,118)	n/a

The Council's loss of \$11.1m for the six months ended 31 December 2022 was \$11.1m more than the budgeted loss of \$nil. Key variances to budget include:

(a) Subsidies and grants: Lower than budget due to the following:

- +\$477k Regional recovery revenue recognised from 2021/22 (timing will offset expenses)
- +\$1,307k NZTA Local Roads Operating subsidy (timing offset Other expenses)
- -\$892k NZTA Local Roads Capital subsidy (timing of Capex spend only)
- -\$325k Tangaroa stormwater subsidy (timing only)

(b) Fines and levies:

- -\$120k Parking fines sent to court (timing)
- +\$60k Animal Penalties (timing only)

(c) Development and financial contributions: +\$362k ahead of budget

(d) Other revenue:

- -\$725k Valuation loss on disposal of property
- -\$428k Building & Resource Consents income behind budget
- +\$374k Disposal fees recovery due to higher activity (offset Other expenses)
- +\$305k Venues catering (offset Other expenses)

(e) Finance revenue: -\$143k Less short-term investments, earning less interest

(f) Investment revenue:

- No PIF gain, \$5.6m "release" taken from principal
- Decrease in the value of the PIF year to date \$5.6m or -1.6% YTD
- +\$0.1m increase in the value of Waitara perpetual fund year to date

(g) Waitara Lands Act revenue: 3 sales is lower activity than budget assumed.

(h) Personnel costs: • Vacancies partially offset by backfill (Other expenses)

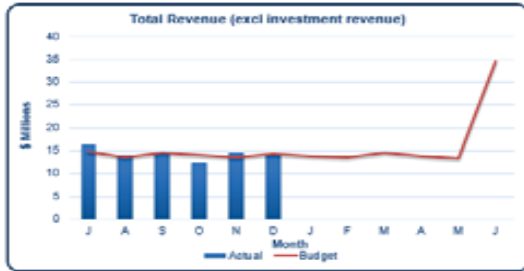
(i) Other expenses: Behind budget due to the following:

- +\$314k Puke Ariki painting delayed to FY25
- -\$908k local road maintenance (offset Subsidies)
- -\$748k Apps and security
- -\$351k Waste disposal fees recovery (offset Revenue)
- -\$270k Venues catering (offset Revenue)

(j) Depreciation and amortisation: • Depreciation based on re valuations (timing only)

Revenue and Expenditure Analysis
For the period ended 31 December 2022

REVENUE



Revenue (excluding unrealised investment revenue) is in line with budget including the following timing variances:

- -\$3.1m lower gain on Waitara freehold sales due to less activity.

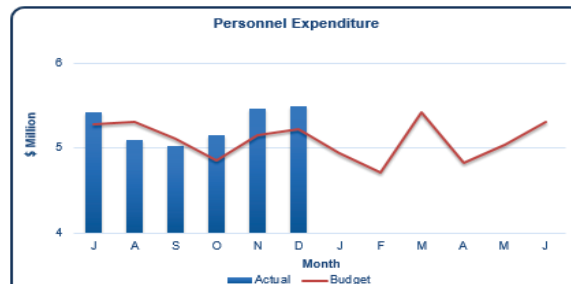
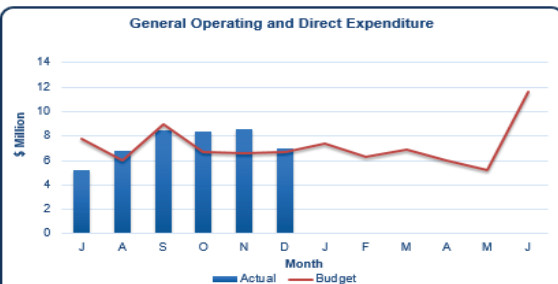
Partially offset by the following permanent variances:

- -\$0.4m lower building consent income recognised.
- -\$0.7m loss on disposal of land.
- -\$0.9m lower capital subsidy received from the NZTA for local road programmes than budgeted.
- +\$1.3m operating subsidy received from the NZTA for local road programmes than budgeted.
- +\$0.5m recognition of 2021/22 Regional recovery revenue.
- +\$0.4m additional disposal fees recovered.



Year-to-date, the value of the **Perpetual Investment Fund** has decreased from \$339.9m at 30 June 2022 to \$334.0m in the second quarter of the financial year. The quarterly PIF release payments received to date of \$5.6m received are \$0.4m more than budgeted.

EXPENDITURE



Expenditure (excluding unrealised interest swaps) is \$1.3m less than budget due to the following timing variances:

- +\$1.5m lower distribution of Waitara freehold sales due to less activity.

Partially offset by the following permanent variances:

- -\$1.5m depreciation based on revaluations.
- -\$0.9m Local road maintenance.
- -\$0.7m Apps and security
- -\$0.4m Waste disposal fees recovery (offset Revenue)
- -\$0.3m Venues catering (offset Revenue)
- -\$0.5m higher interest costs due to interest rate increases.
- +\$0.4m Puke Ariki painting delayed to FY25.

Statement of Financial Position
 As at 31 December 2022

	Council				2022/23 Budget 30 Jun 23 (\$'000)
	2022/23 Actual 31 Dec 22 (\$'000)	2021/22 Actual 30 Jun 22 (\$'000)	Variance (\$'000)	%	
Non-current assets					
Other financial assets	58,750	64,797	(6,047)	-9%	85,110
PRIP advance (a)	15,099	11,800	3,299	28%	57,440
Perpetual Investment Fund	334,328	339,892	(5,564)	-2%	331,847
Forestry assets	5,104	5,104	-	0%	5,830
Derivative financial assets (f)	8,515	4,413	4,102	93%	760
Property, plant and equipment	3,395,650	2,895,372	500,278	17%	3,139,370
Total non-current assets	3,817,446	3,321,378	496,068	15%	3,620,357
Current Assets					
Cash and cash equivalents (b)	45,215	35,971	9,244	26%	24,290
Trade and other receivables	17,017	17,622	(605)	-3%	18,700
Inventory	155	155	-	0%	150
Intangible assets	9	9	-	0%	-
PRIP advance (a)	-	3,299	3,299	-100%	4,150
Other financial assets (c)	37,382	22,317	15,065	68%	23,293
Non-current assets held for sale	-	-	-	0%	380
Total current assets	99,778	79,373	20,405	26%	70,963
TOTAL ASSETS	3,917,224	3,400,751	516,473	15%	3,691,320
Non-current liabilities					
Employee entitlements	494	481	(13)	-3%	520
Derivative financial liabilities (g)	-	312	312	#DIV/0!	21,630
Provisions	2,411	2,411	-	0%	2,840
Public debt and other loans (d)	209,500	159,500	(50,000)	-24%	199,580
Total non-current liabilities	212,405	162,704	(49,701)	-23%	224,570
Current liabilities					
Trade and other payables (e)	19,035	24,184	5,149	27%	46,720
Waitara Lands Act	16,939	20,479	3,540	21%	-
Public debt and other loans (d)	49,000	44,000	5,000	-10%	64,000
Employee entitlements	6,363	5,370	(993)	-16%	4,450
Provisions	998	998	-	0%	1,020
Derivative financial liabilities (f)	16	26	10	63%	300
Total current liabilities	92,351	95,057	2,706	3%	116,490
TOTAL LIABILITIES	304,756	257,761	(46,995)	-15%	341,060
Public equity					
Accumulated funds	1,603,962	1,607,725	3,763	0%	1,618,350
Other reserves	2,008,506	1,535,265	(473,241)	-24%	1,665,390
Total public equity	3,612,468	3,142,990	(469,478)	-13%	3,283,740
TOTAL EQUITY AND LIABILITIES	3,917,224	3,400,751	(516,473)	-13%	3,624,800

(a) **PRIP advance:** Due to the restructure of the PRIP loan agreement, the full loan has been classified to non-current debt. The loan agreement was finalised and signed by the Directors in December.

(b) **Cash and cash equivalents:** Cash and cash equivalents are higher due to debt undertaken during December.

(c) **Other financial assets** are higher due to an increase in term investments made during the year.

(d) **Public debt and other loans** have increased due to \$50m of debt undertaken from the LGFA during the year to date.

(e) **Trade and other payables:** are lower due to suppliers rolling into the Christmas and New Year break.

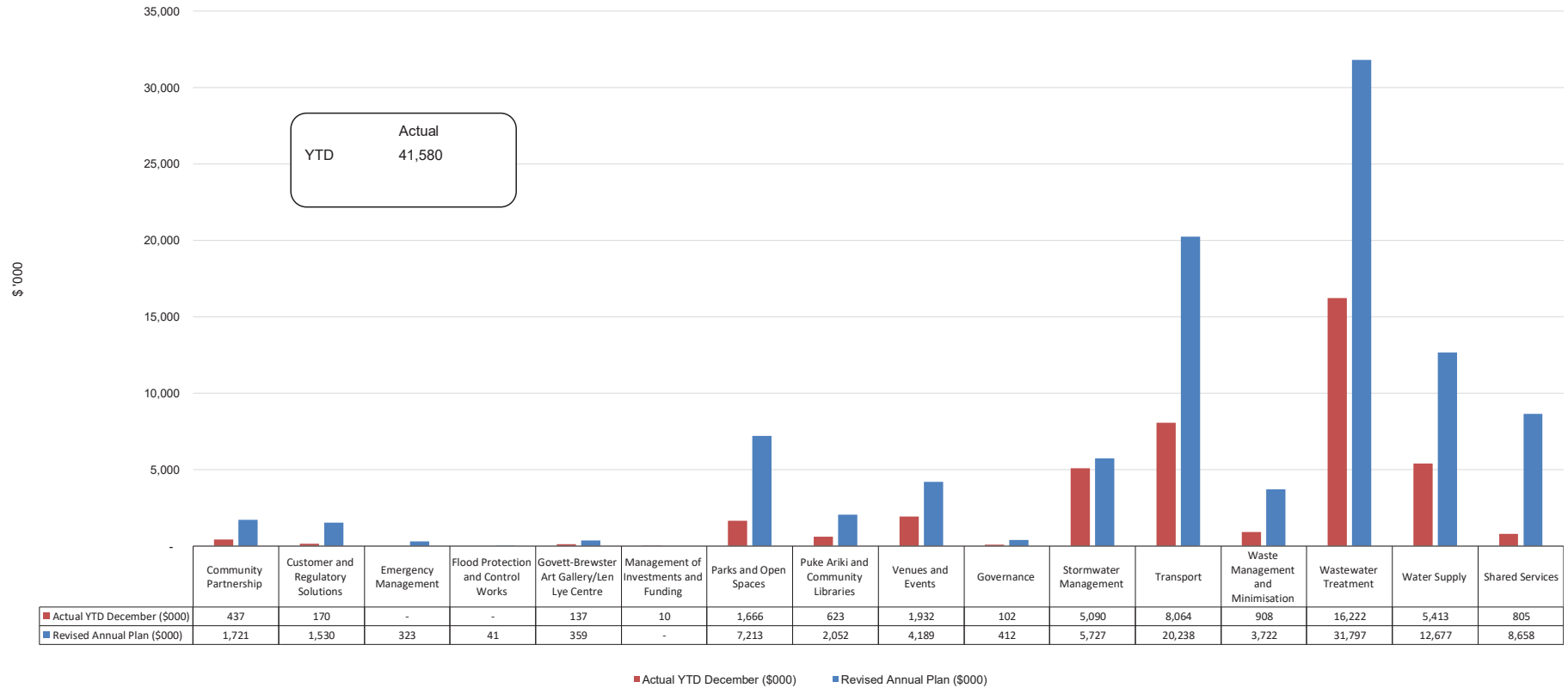
(f) **Derivative financials** are predominantly interest rate swaps and reflect the market movement as at 31 December 2022.

The Council's current ratio (the ratio of current assets to current liabilities (a measure of liquidity) stands at 1.08 to 1 as at period end (2022: 0.84:1). This reflects a satisfactory current position for the council.

A significant amount of the current liabilities balance relates to accruals. These are not immediately payable, and the council has significant "stand by" facilities, there are no liquidity

Capital Expenditure Summary
As at 31 December 2022

	\$ '000
Full year budget	94,393
Approved carry forwards	3,294
Subsequent approvals	2,972
Revised budget	100,659



Significant Capital Projects to deliver in 2022/23

For the period ended 31 December 2022

● On target ● On target with risks ● Off target with issues ● Not started yet

Project	22/23 Budget (\$000)	YTD Actual (\$000)	Variance Actual v Target (\$000) %Complete	Overall health	Schedule	Cost	Resources	Scope	Commentary (Progress to date)
Parks and Open Spaces									
Kawaroa to Belt Road cliff erosion and seawall	301	13	288 4%	●	●	●	●	●	The detailed design and consenting work has been paused, pending consideration of the longer term strategy for the management of the coastal walkway and probable continuing cliff erosion and alignment of this with the proposed Belt Rd rock revetment seawall. Destination Play project team have decided that an extension to the seawall is not needed for their project.
Te Kohia Pa (Externally Delivered)	102	100	2 98%	●	●	●	●	●	This project is being managed and delivered externally by Te Kotahitanga o Te Atiawa.
Urenui swing bridge renewal and erosion protection	1,510	45	1,466 3%	●	●	●	●	●	The recommended option for replacement is for a new bridge downstream of the existing, which would be demolished. Consultants is refining the concept design to a class 3 cost estimate. Additional budget will be required to complete.
Parks and Open Spaces - Strategies & Planning									
Brooklands Zoo Strategic Refocus	41	-	41 0%	●	●	●	●	●	A workshop was held to review the overall Brooklands Zoo Vision, defining what can be delivered within current budget and development of a draft staged implementation plan for the entire zoo over the next 10-15 years.
Kawaroa Park Playground / Destination Play (Externally Delivered)	1,570	123	1,447 8%	●	●	●	●	●	Civil detailed design will be completed by December, with a small amount of structural detailed design to be finalised early 2023. Fundraising continues through NP Partner organisations and philanthropic trusts. Project will be staged based on funding.
Accessible Toilets - Accessibility Strategy	31	1	30 3%	●	●	●	●	●	Business case in progress. Installation will be covered by main contract for construction of Kawaroa Destination Play.
CBD Strategy Implementation	969	122	847 13%	●	●	●	●	●	Resourcing is in place for one of the major workstreams to create a green link from Pukaka/Marsland Hill to the city. Planning work has now commenced on this workstream.
Taranaki Traverse Waiwhakaho River Section	164	137	27 83%	●	●	●	●	●	Progressing as plan.
Kaitake Trail	80	5	75 6%	●	●	●	●	●	Project on hold
Stormwater									
Waitara stormwater upgrades	204	3	201 1%	●	●	●	●	●	Tangaroa Restoration project is the first delivery phase of the Waitara Stormwater Programme. Delivery estimated to complete 2025/2026. Construction of Stormwater works on Richmond St has commenced. Bailey Road business case completed. Overall Waitara Catchment management planning has commenced. This is a pilot for the district. Hapū & Iwi relationships in a strong position.
Waiwaka Terrace Stormwater Renewals	851	1,295	(444) 152%	●	●	●	●	●	Work is on schedule however remaining works (upstream pipes and manholes) is now scheduled for the March 23. Historical budget allocation is being addressed.
Transportation									
Coastal Walkway extension to Waitara	1,024	244	780 24%	●	●	●	●	●	Business case has been submitted to Waka Kotahi. Confirmation on funding expected Feb 23. Value engineering undertaken. Discussions with land owners ongoing and this remains a major risk. Planning underway to commence first elements of work at Marine Park in 2023.
WC341 - Waiwhakaho Walking-Cycling Bridge	100	2	98 2%	●	●	●	●	●	Project has been pushed back in annual plan due to project management resource constraint and reprioritisation of work.
Te Rewa Rewa bridge repaint	1,256	490	766 39%	●	●	●	●	●	Additional work required on handrails due to corrosion. Likely cost over-run in FY24 of \$50k, although forecast costs are currently reducing due to construction efficiency.
Venues and Events									
TSB Stadium - Toilet Block	450	18	432 4%	●	●	●	●	●	As part of the Tuarikino Sports Hub vision this project will change to 'TSB Stadium Internal Toilets and Changing Room' project. Engagement with stakeholders and preliminary design commenced.
TSB Showplace Performance Lights	321	9	313 3%	●	●	●	●	●	Lighting install to occur in December.
Tuarikino Active Community Hub (Externally Delivered)	2,485	1,092	1,392 44%	●	●	●	●	●	Project paused pending workshop with elected members in February.

Significant Capital Projects to deliver in 2022/23

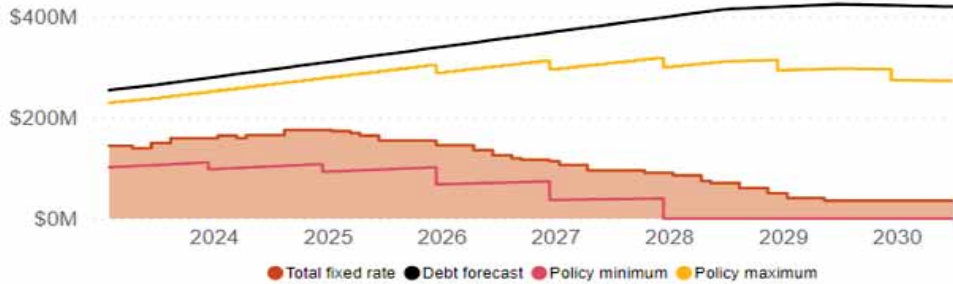
For the period ended 31 December 2022

● On target ● On target with risks ● Off target with issues ● Not started yet

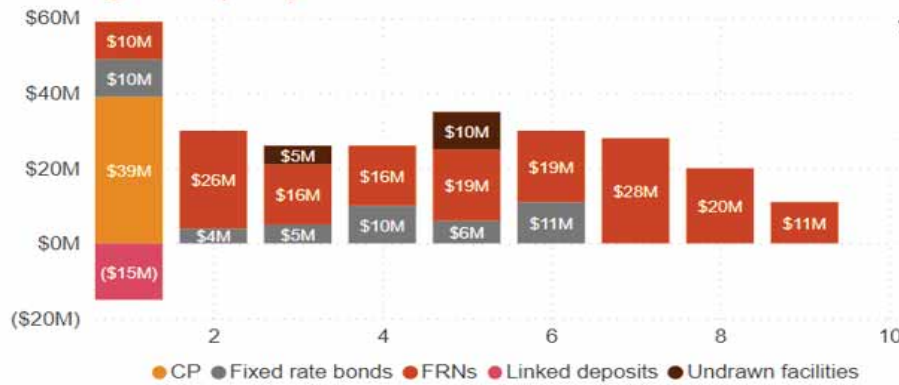
Project	22/23 Budget (\$000)	YTD Actual (\$000)	Variance Actual v Target (\$000) %Complete	Overall health	Schedule	Cost	Resources	Scope	Commentary (Progress to date)
Waste Management and Minimisation									
Establish commercial and industrial material recycling facility	595	4	591 1%	●	●	●	●	●	Project remains on hold pending completion of the new RTS. Water and power reticulation for Treadle site organised.
Construction of The Junction permanent building	3,039	41	2,998 1%	●	●	●	●	●	Progressing the design process on both areas of the project - temporary facility relocation and the new permanent building. Project to be split into two construction phases.
Historic landfill erosion protection	256	5	251 2%	●	●	●	●	●	Waiting on Otarua hapu response to draft Resource Consent application presented to Otarua and Manukorhi hapu in early November.
Wastewater Treatment									
Thermal Drier Facility Crown Infrastructure funded	15,872	9,487	6,385 60%	●	●	●	●	●	Enabling works progressing well on site, and will be complete for the main contract commencement. Detailed Design work ongoing for TDF building. Developed Design work for the Main Control Building and Laboratory. Finalising main contract for TDF building. Steering group and Elected Members aware of cost pressures and plans in place.
Wastewater network modelling	1,957	823	1,135 42%	●	●	●	●	●	The project is in good health. The model is being used for root cause analysis and problem definition in the Inglewood and Waitara networks. Inflow and Infiltration investigation pilot study planning is underway.
Mangati SPS Emergency Storage	512	57	455 11%	●	●	●	●	●	Consultant has been completing design basis report and reviewing concept layout options. Consultation with mana whenua is ongoing.
West Quay Pump Station upgrade	599	57	543 9%	●	●	●	●	●	Project re-scoping required to go through the TRC requirements for construction in summer 23-24.
Waitara wastewater pumping system upgrade	667	264	403 40%	●	●	●	●	●	Scope of project uncertain after analysis of August 2022 heavy rainfall (modelling of future capacity that will need to be treated) and preliminary warnings from Detailed Seismic Assessment that existing assets are highly vulnerable to effects of liquefaction.
Urenui and Onaero sewer system	3,637	3,220	417 89%	●	●	●	●	●	The overall project is expected to cost around \$40m (class 5 estimate, allowing for purchase of the preferred site) against a current CAPEX budget in the LTP of \$29M. The additional funds have been requested as part of the Entity B AMP process. The budget for 2023/24 may also be exceeded if council approves acquisition of the alternate treatment plant and disposal site. The report on this is currently with Council for a decision.
Shared Services									
Downtown Carpark Seismic Safety and Strengthening	1,024	116	908 11%	●	●	●	●	●	Contract discussion and negotiation started with preferred supplier. Received detailed design drawings and specifications for review, resubmitted for final updates.
Kahuku - TechOne Replacement Project	240	240	(240) 100%	●	●	●	●	●	Progressing several critical path TechOne Risk Mitigation projects, with a focus on protecting NPDC data. Approved projects include TechOne Data & Workflow, AMS + Lease Mgt and Information Management.
Pakiaka - Refresh of IT Infrastructure	900	241	659 27%	●	●	●	●	●	Phase 1 (Design) complete. Phase 2 (Build of Physical Infrastructure & Core) complete. All users have been migrated onto Microsoft Teams. Phase 3 (planning & transition of users onto the new environment). Pakiaka device rollout - 134 plus users migrated. Mass rollout to the wider organisation has begun.
Water Supply									
Water Supply Planning and Consents	768	4	764 1%	●	●	●	●	●	The project includes all the master planning of the water supply system (including new source for the New Plymouth System) and the follow up to renew the water supply consents lodged between 2020 and 2021.
NPWTP Fish Screens	309	10	299 3%	●	●	●	●	●	Tender documents for procuring a designer have been prepared and the tender will be put out to the market in early January.
Universal water metering	4,864	2,009	2,855 41%	●	●	●	●	●	The project is on track to deliver a reduced scope of ~70% meters installed with the currently approved budget by the end of FY24. OPS have substantially completed contractor works in three WSZs (Fernleigh, Urenui, Carrington) as at 30 November. The in-house Meter Installer team have installed a total 2,503 meters as at 30 November. A growing number of concerns and enquiries are being received from residents about shared water meters.

Treasury Report
As at 31 December 2022

Interest rate risk profile



Funding and liquidity risk timeline



Treasury Report
As at 31 December 2022

Interest rate risk



Liquidity risk



Funding risk



Investments



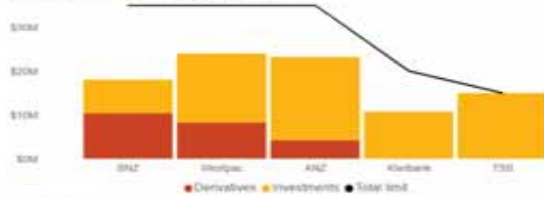
Counterparty credit limits

Counterparty	Compliant?
ANZ	✓
BNZ	✓
Kwibank	✓
TSB	✓
Westpac	✓

Note that as per graph below our counterparty limit with TSB is not in breach, we have arrived at the prescribed limit with the bank.



Counterparty credit usage, by bank



Liquidity ratios: The liquidity ratios in this report excludes the value of the PIF in the calculation and only include bank balances and term investments.

Overall position

Current external debt is \$253.5m. \$20m of long term debt was undertaken in August 2022 from LGFA. Short-term debt of \$10m was undertaken during October and \$20m in December.

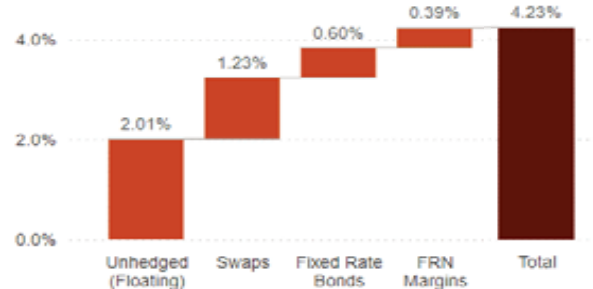
The weighted average borrowing rate is 4.23 per cent. The elements that contribute to this weighted average are outlined in the graph below.

The Council is within all Treasury Policy limits, as seen in the compliance scorecard to the left.

Current year borrowings - movement

	Long-term \$m	Short-term \$m	Total debt \$m
Opening balance at 1 July 2022	174.5	29.0	203.5
New borrowing	40.0	10.0	50.0
Gross debt	214.5	39.0	253.5
Less stand-by facility	15.0	-	15.0
Less linked deposits (pre-funding)	-	15.0	15.0
Gross debt less prefunding	199.5	24.0	223.5
Less investments	-	53.2	53.2
Net debt	199.5	(29.2)	170.3

Aggregate contribution to cost of funds



Waitara Perpetual Community Fund Report

For the period ended 31 December 2022

SIPO Range Monitoring

Asset Class	SAA	Rebalancing Ranges:		31/12/22 Value	Sector Allocation	Heat Map
		Lower	Upper			
Global Equities - Developed	38.5%	25.5%	60.5%	\$6,893,510	37.8%	
Global Equities - Emerging	4.5%			\$817,552	4.5%	
Trans-Tasman Equities	14%	2.5%	25.5%	\$2,566,216	14.1%	
Real Assets	13%	3.5%	26%	\$2,606,382	14.3%	
Alternatives	0%	0%	10%	\$0	0.0%	
Total Growth Assets	70%	40%	90%	\$12,883,660	70.6%	
Global Fixed Income	20%	7%	48%	\$3,547,899	19.4%	
New Zealand Fixed Income	7.5%			\$1,364,535	7.5%	
Cash	2.5%	0%	20%	\$460,991	2.5%	
Total Income Assets	30%	10%	60%	\$5,373,425	29.4%	
Total	100%			\$18,257,085	100.0%	

Green = Between the SAA level, and half-way to the rebalancing range, either side of the SAA.

Orange = Between half-way to the rebalancing range (either side of the SAA), and the rebalancing range itself.

Red = Outside of the rebalancing range.

Waitara Perpetual Community Fund

Gross Returns – Before fees & taxes	3 Months (%)	1 Year (%)	3 Years (% p.a)	Since Inception (% p.a)
Waitara Perpetual Community Fund	-2.1	-10.3	-	-9.2
Benchmark	-2.3	-10.5	-	-9.4
Excess	+0.2	+0.2	-	+0.2

Notes:

Past performance is not a reliable indicator of future performance.

Excess: this is the excess return (either + / -) relative to the benchmark, before investment fees and taxes.

* Since inception is from the Fund's initial investment date of 15 February 2021.

Where applicable returns include, and assume the full utilisation of, tax credits.

The table below details compliance with various documents during the quarter ending 31 December 2022

Document	Breaches
MITNZ SIPO	There were no breaches reported in the quarter.
Investments held in MITNZ	Breaches
Segregated mandates	There were no breaches reported in the quarter.
Mercer Managed Funds	There were no breaches reported in the quarter.
External Managed Funds	There were no breaches reported in the quarter.

Significant Activity and Expenditure

On target
variance below 5% and less than \$100k

Significant unfavourable variance to budget
variance greater than 10% and \$100k

Minor variance to budget
variance above 5% and less than \$100k

Significant favourable variance to budget
variance greater than 10% and \$100k

NET OPERATING RATES SURPLUS/(DEFICIT)		Year-to-date December 2022			
Page	Activity	Actual (\$000)	Budget (\$000)	Variance (\$000)	%
56	Community Partnerships	(3,307)	(2,801)	(506)	18%
57	Customer and Regulatory Solutions	(406)	(267)	(139)	52%
58	Economic Development	(2,493)	(2,493)	(1)	0%
59	Emergency Management and Business Continuance	(391)	(559)	168	30%
60	Flood Protection and Control Works	(154)	(160)	6	-4%
61	Governance	(2,661)	(2,220)	(441)	20%
62	Govett-Brewster Art Gallery/Len Lye Centre	(2,300)	(2,419)	119	-5%
63	Management of Investments and Funding	1,316	10,871	(9,556)	88%
64	Parks and Open Spaces	(9,242)	(8,588)	(654)	8%
65	Puke Ariki and Community Libraries	(6,313)	(6,317)	5	0%
66	Stormwater Management	(4,304)	(3,347)	(957)	29%
67	Transportation	(7,456)	(6,240)	(1,217)	19%
68	Venues and Events	(5,031)	(4,720)	(310)	7%
69	Waste Management and Minimisation	(5,051)	(4,978)	(73)	1%
70	Wastewater Treatment	(12,208)	(12,271)	63	-1%
71	Water Supply	(6,762)	(6,958)	196	-3%
	Other Operating ¹ and Rates	61,052	57,815	3,237	6%
	Shared Services Respread Allocation	(5,401)	(4,336)	(1,065)	25%
	NET OPERATING (DEFICIT)/SURPLUS	(11,112)	13	(11,125)	n/a
	Less: Unrealised gain on investments (PIF and Interest swaps)	1,141	(4,183)	5,324	n/a
	Less: Capital grants and subsidies	(3,873)	(5,542)	1,668	30%
	Less: Debt repayments	(2,680)	(2,552)	(128)	-5%
	Less: Appropriations	(159)	(153)	(6)	-4%
	Less: Gain on disposal	(667)	0	(667)	n/a
	Less: Waitara distributions and gain on freehold sales	(569)	(402)	(167)	-41%
	Add: Unfunded depreciation	13,736	12,092	1,644	-14%
	RATES (DEFICIT)/SURPLUS	(4,183)	(726)	(3,457)	n/a

¹predominantly gains/losses on asset sales/disposals and unrealised gains/losses on revaluation of derivatives.

COMMUNITY PARTNERSHIPS

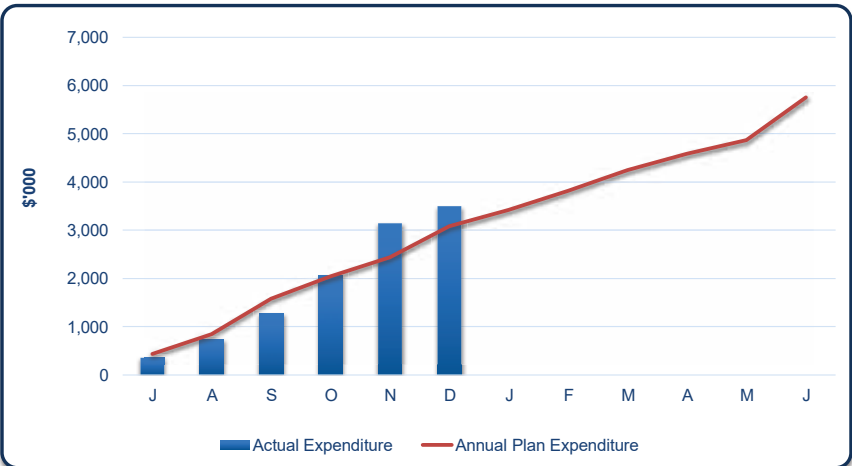
Revenue is inline with budget



Revenue is inline with budget year-to-date due to:

- Inline with budget

Expenditure is \$418k (14%) more than budget



Expenditure is more than budget year-to-date due to:

- -\$264k Grant Funding paid out (Timing)
- -\$85k Sport Taranaki Grant Paid Out (Full year impact)
- -\$18k Personnel Costs - net overspend due to using Contractors

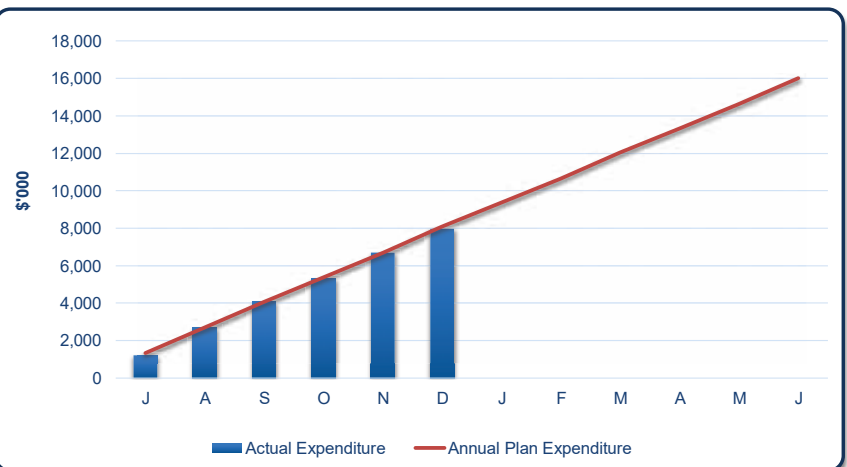
CUSTOMER AND REGULATORY SOLUTIONS

Revenue is \$246k (3%) less than budget



- Revenue is less than budget year-to-date due to:**
- -\$428k Building Consents (Potential full year impact ~\$705k based on 200 consents per month)
 - -\$76k Dog Registrations (Full year impact)
 - -\$120k Parking Fees not achieving budgeted increase
 - +\$31k Accreditation levy - Upgrade of Thermal Dryer Building NPDC pay NPDC
 - +\$362k Developer Contributions ahead of budget due to Soho developments

Expenditure is \$107k (1%) less than budget

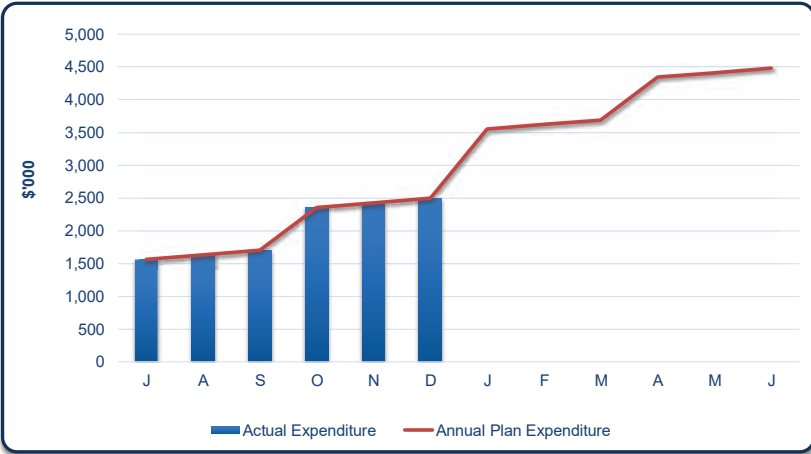


- Expenditure is less than budget year-to-date due to:**
- -\$237k District Plan expenditure

ECONOMIC DEVELOPMENT

No budgeted or actual revenue

Expenditure is inline with budget

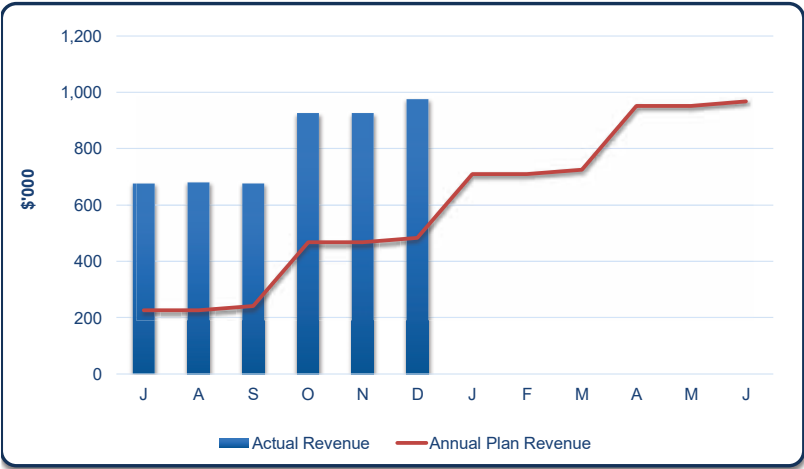


Expenditure is inline with budget year-to-date due to:

- In line with Budget

EMERGENCY MANAGEMENT AND BUSINESS CONTINUANCE

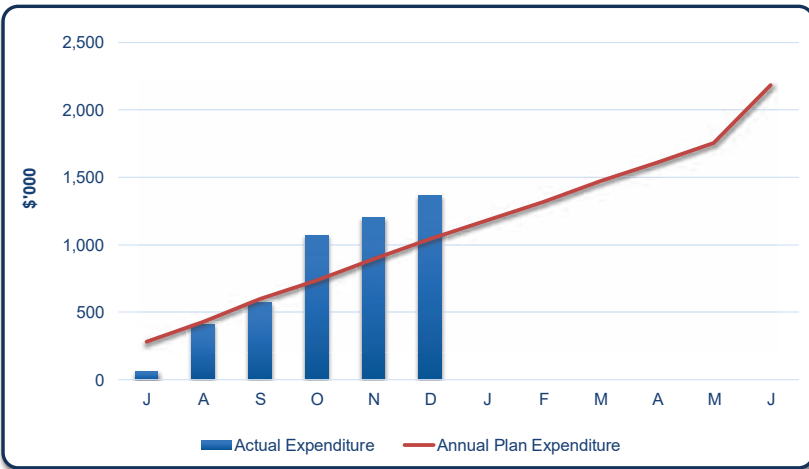
Revenue is \$492k (102%) more than budget



Revenue is more than budget year-to-date due to:

- \$477k Regional Recovery Revenue recognised from 2021/22 (timing will offset OPEX)

Expenditure is \$324k (31%) more than budget



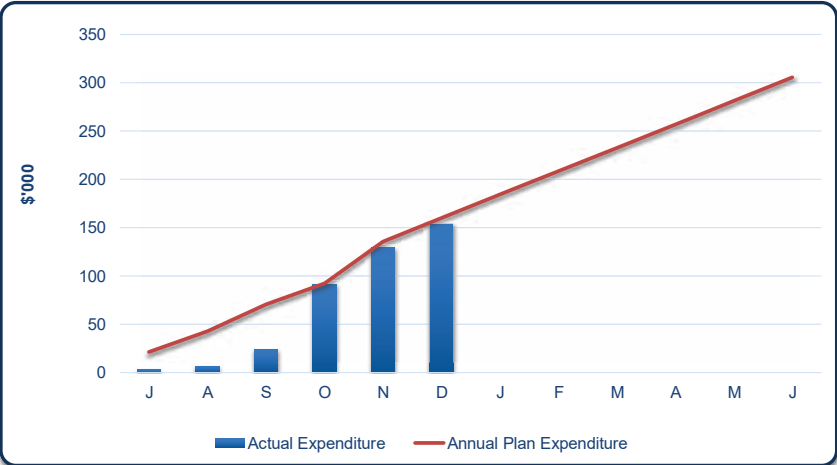
Expenditure is more than budget year-to-date due to:

- -\$417k Regional Recovery (offset Revenue)
- +\$100k TEMO net underspend

FLOOD PROTECTION AND CONTROL WORKS

No budgeted or actual revenue

Expenditure is inline with budget

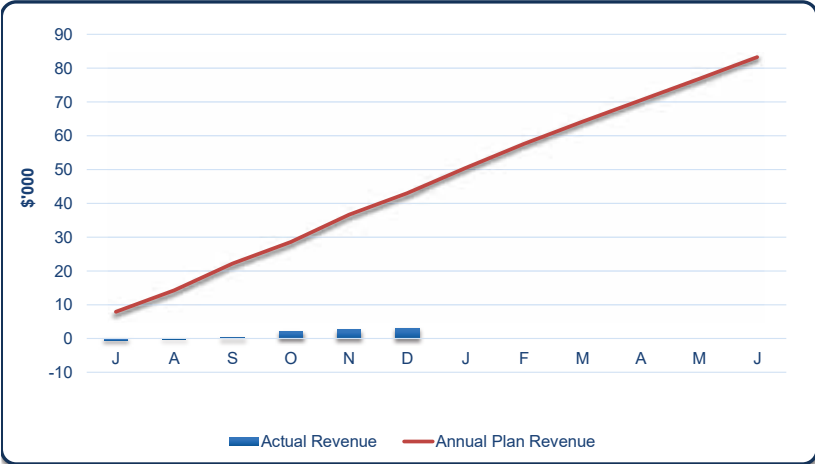


Expenditure is inline with budget year-to-date due to:

- In line with Budget

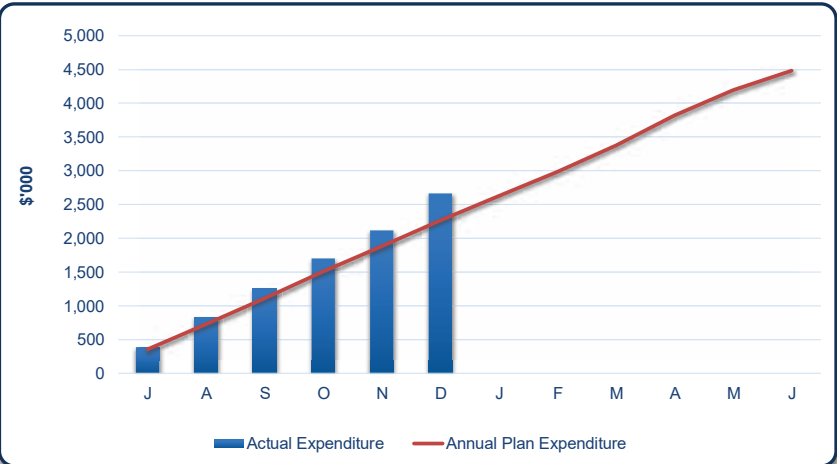
GOVERNANCE

Budget and variance are immaterial



Budget and variance are immaterial
 • -\$22k Triennial elections costs recovered - timing

Expenditure is \$401k (18%) more than budget



Expenditure is more than budget year-to-date due to:

- -\$182k Executive replacement costs (full year impact)
- -\$147k Councillors costs (incl Subcommittees and Community Boards)
- -\$41k Triennial elections Apprriation (Timing only)
- -\$40k Independent auditor CAPEX review

GOVETT-BREWSTER ART GALLERY/LEN LYE CENTRE

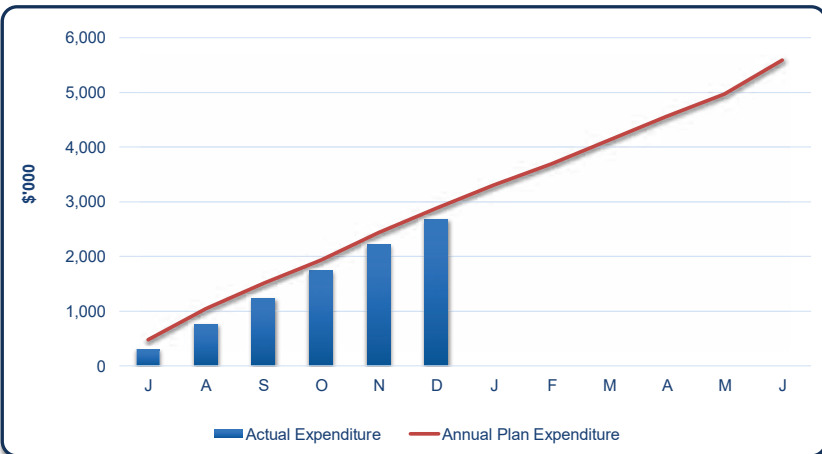
Revenue is inline with budget



Revenue is inline with budget year-to-date due to:

- -\$38k Operating Grant
- -\$40k Venue Hire down

Expenditure is \$201k (7%) less than budget

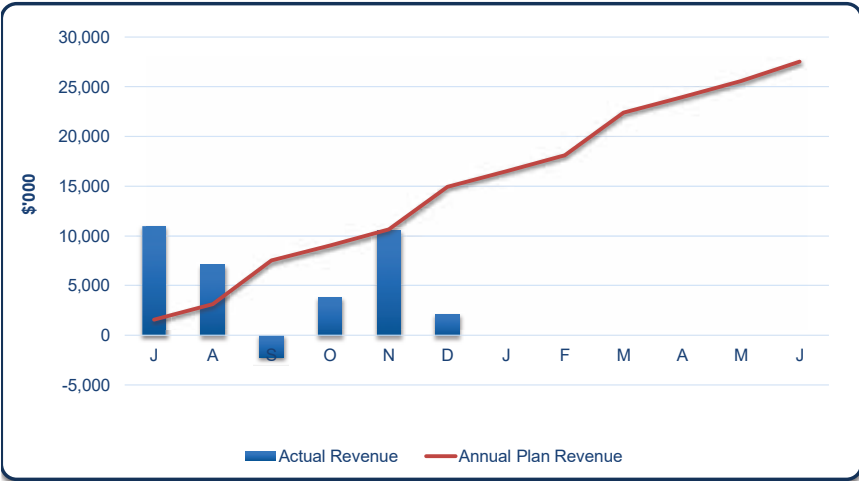


Expenditure is less than budget year-to-date due to:

- \$62k Personal Costs for Vacant Positions
- \$86k Exhibition Costs (Timing)

MANAGEMENT OF INVESTMENTS AND FUNDING (excl unrealised gains/losses on investments)

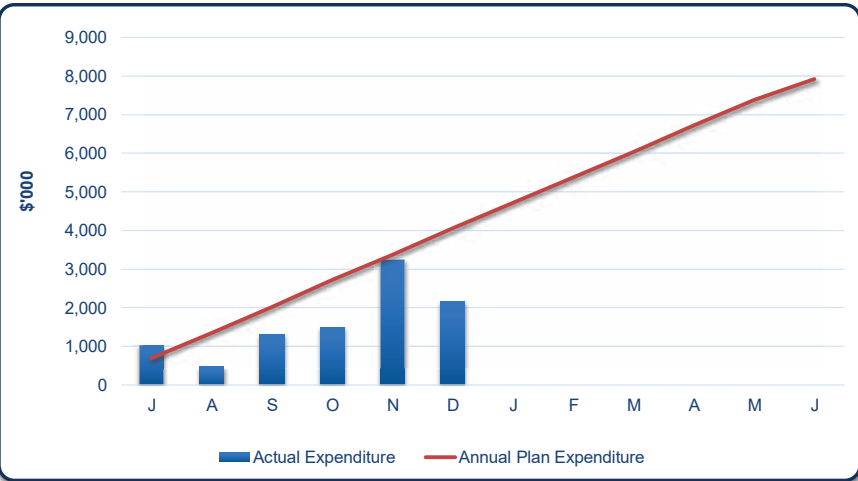
Revenue is \$12,824k (86%) less than budget



Revenue is less than budget year-to-date due to:

- No PIF gain, \$5.6m "release" taken from principal
- Decrease in the value of the PIF year to date \$5.6m or -1.6% YTD
- +\$0.2m increase in the value of Waitara perpetual fund year to date
- -\$2.6m YTD Waitara freehold sales activity less than budgeted.
- -\$0.7m loss on disposal of land

Expenditure is \$1,885k (46%) less than budget

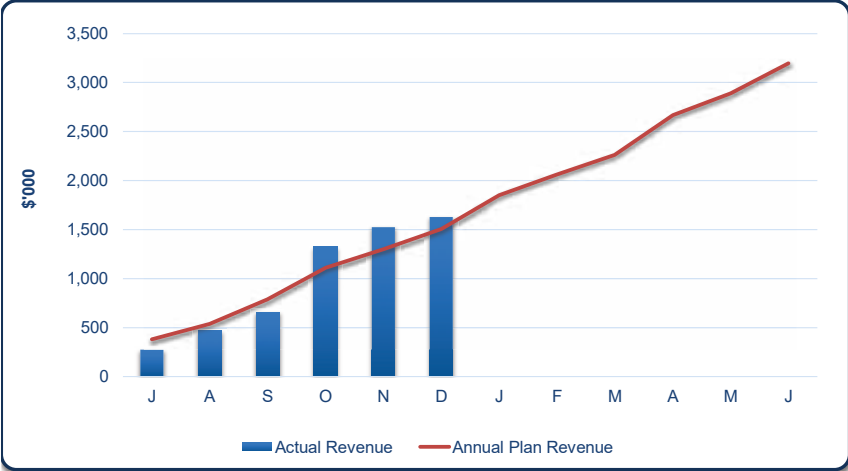


Expenditure is less than budget year-to-date due to:

- -\$553k YTD interest expenses over budget (Full year forecast ~\$1m).
- -\$160k YTD PIF management fee over budget.
- +\$2.0m YTD Waitara freehold sales activity less than budgeted.
- +\$770k YTD Property recoveries (timing to be looked into).

PARKS AND OPEN SPACES

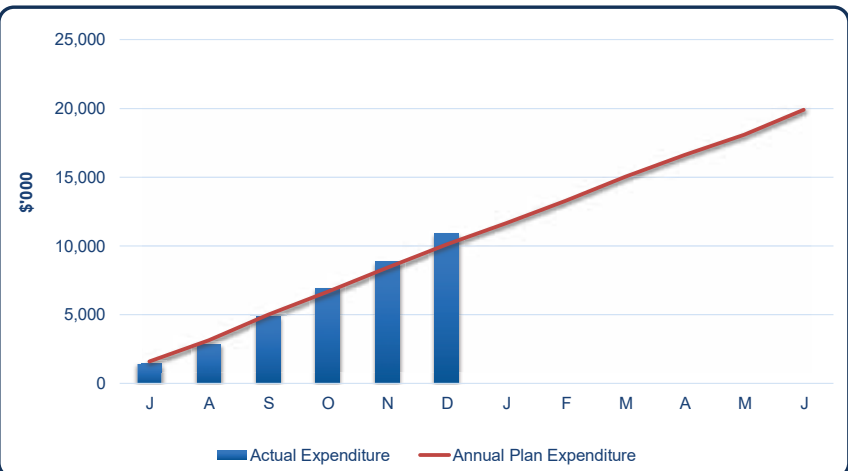
Revenue is \$121k (8%) more than budget



Revenue is more than budget year-to-date due to:

- +\$24k Sub-Lease charge for Black Sand Pizzeria prior year revenue
- +\$40k TRC Predator Free Contribution
- +\$45k Hall Hire
- +\$45k Vertigo Surf Shop Sublease Between Dec18 - Jun22 (Full Year Impact)

Expenditure is \$776k (8%) more than budget

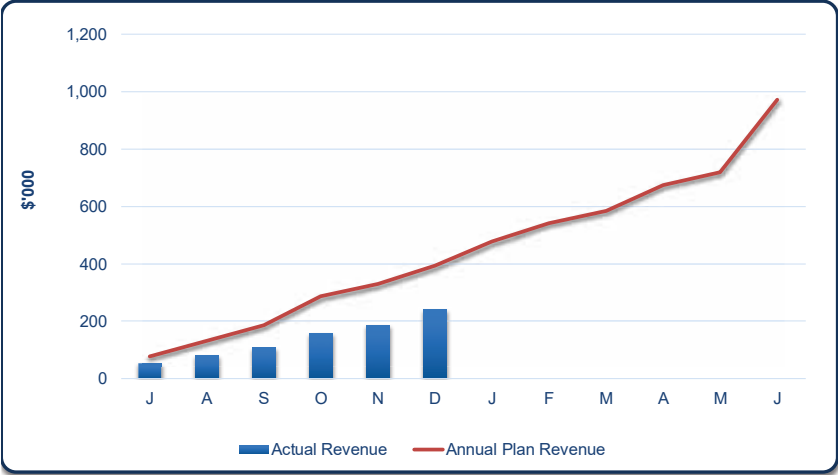


Expenditure is more than budget year-to-date due to:

- -\$286k Additional tree removal
- -\$100k Parks Rubbish & Waste removal
- -\$94k Lepperton Hall Demo & asbestos work
- -\$91k Mangapouri Cemetery Dewatering Project
- -\$62k Parks professional fees - Land Slip into Reserve

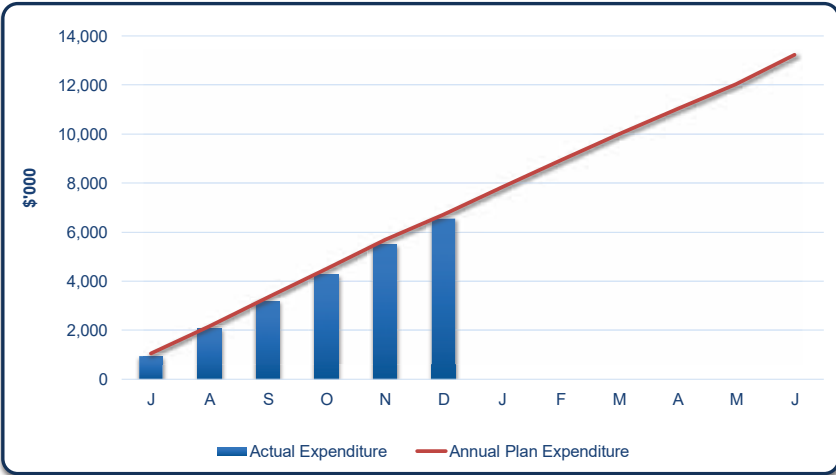
PUKE ARIKI AND COMMUNITY LIBRARIES

Revenue is \$154k (39%) less than budget



- Revenue is less than budget year-to-date due to:**
- -\$20k credit note from 2021/22 (full year impact)
 - -\$31k LEOTC Grant no longer available (full year impact)
 - -\$63k DIA Grant for NZLPP recognised in FY22 (full year impact)
 - -\$67k Library Partnerships Grant (Timing)

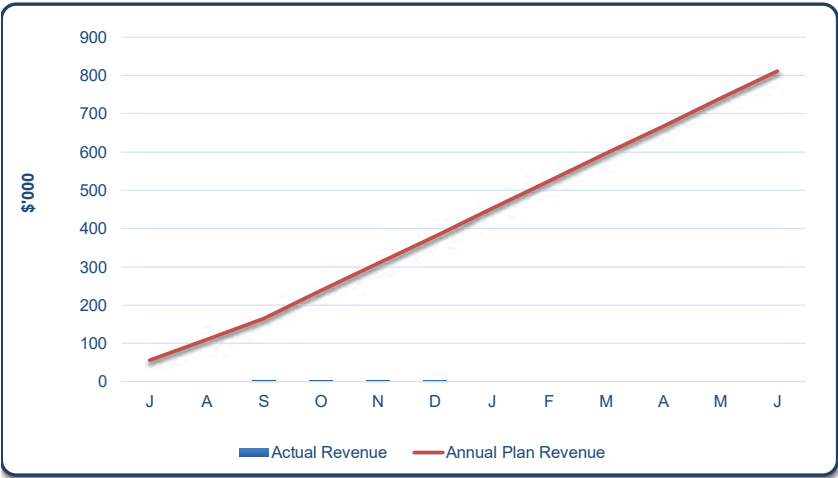
Expenditure is \$159k (2%) less than budget



- Expenditure is less than budget year-to-date due to:**
- \$150k Exhibitions costs (timing)
 - \$96k Net vacancies due to loss of funding
 - \$67k Services withdrawn due to loss of grant funding
 - -\$50k Overspend in Technical Services - To ask for Clarification

STORMWATER MANAGEMENT

Revenue is \$377k (99%) less than budget



Revenue is less than budget year-to-date due to:

- Tangaroa restoration CAPEX subsidy (timing)

Expenditure is \$580k (16%) more than budget

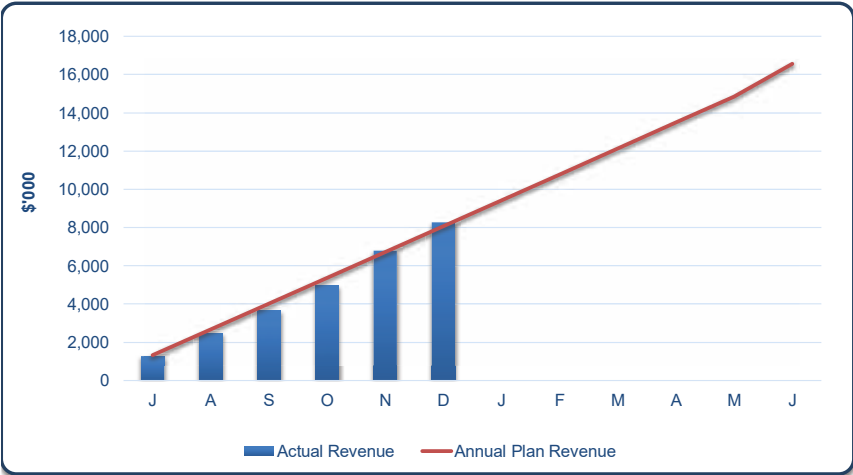


Expenditure is more than budget year-to-date due to:

- -\$150k Mangati pond emergency maintenance
- -\$430k Depreciation based on revaluation

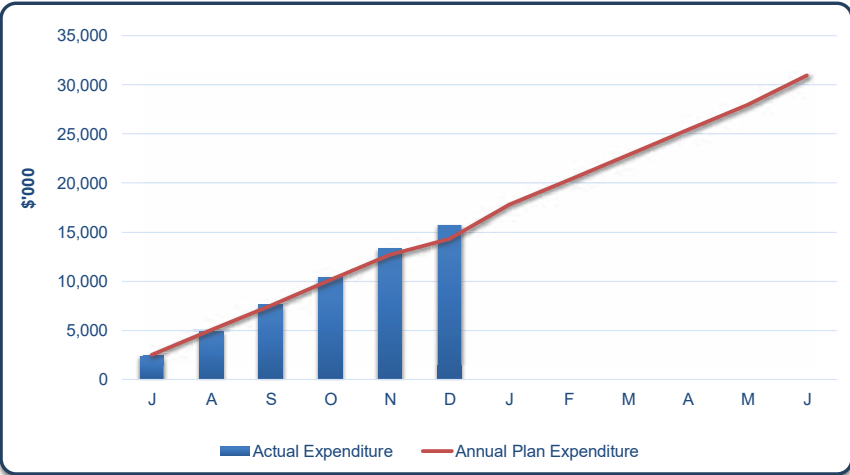
TRANSPORTATION

Revenue is \$203k (3%) more than budget



- Revenue is more than budget year-to-date due to:**
- +\$1.3m NZTA Local Roads Operating subsidy - timing
 - -\$0.9m NZTA Local Roads Capital subsidy - timing of Capex spend
 - -\$126k Community Road Safety recovery (offset Direct costs)
 - -\$123k Unsubsidised Roading Access charges
 - -\$28k Bus Shelters recovery - timing

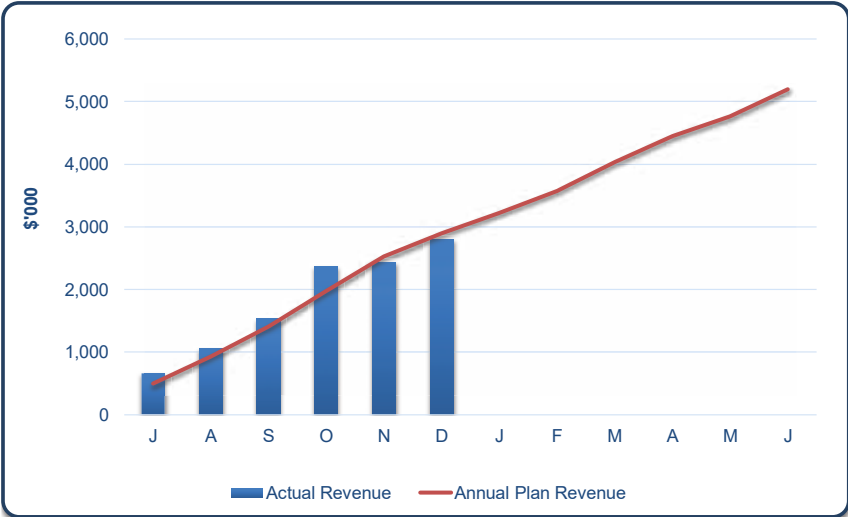
Expenditure is \$1,419k (10%) more than budget



- Expenditure is more than budget year-to-date due to:**
- +\$107k Community Road safety programme (offset Revenue)
 - +\$70k Street Cleaning
 - +\$115k - State highways electricity, no longer paid by NPDC, invoiced directly to NZTA. Offset Revenue (Full year impact \$129k)
 - -\$1.2m Depreciation based on revaluation

VENUES AND EVENTS

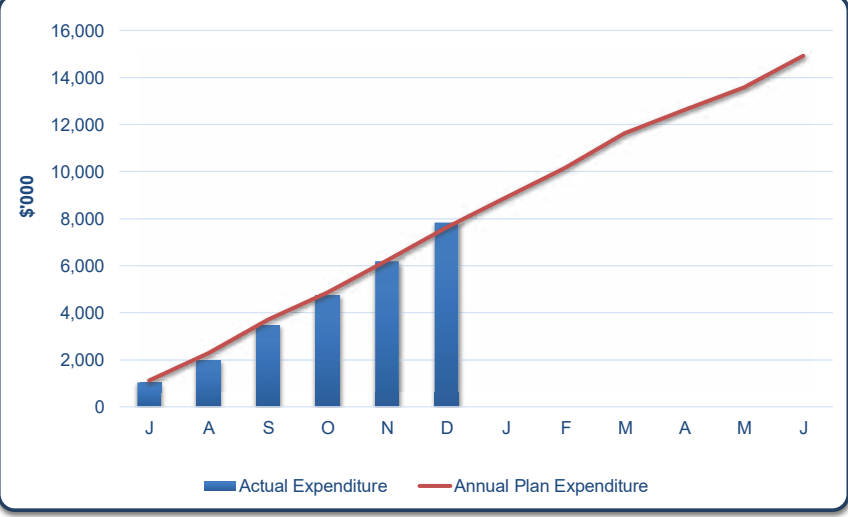
Revenue is inline with budget



Revenue is inline with budget year-to-date due to:

- +\$305k - TSB Stadium Catering (Offset expense)
- +\$95k TSB Showplace Catering (Offset Expense)
- -\$299k Yarrow Stadium opening delayed (offset Expenses)

Expenditure is \$219k (3%) more than budget

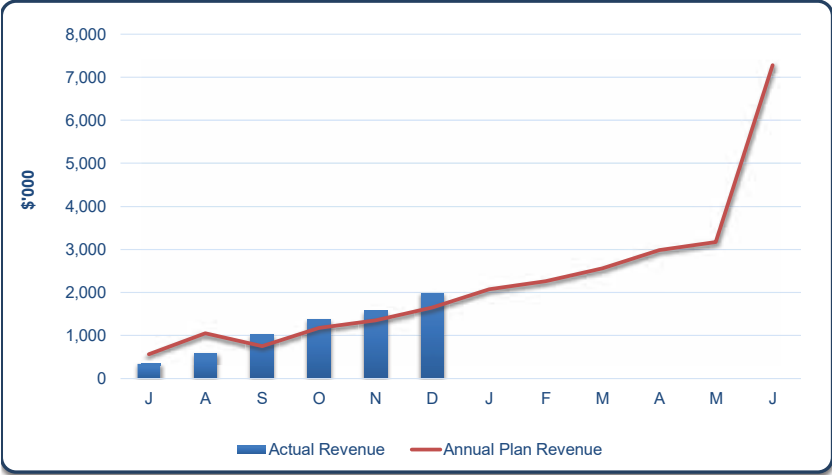


Expenditure is more than budget year-to-date due to:

- -\$213k overspend in Multi sports hub for Project Opex (full Year Impact)
- -\$148k TSB Stadium events (offset Revenue)
- -\$91k TSB Showplace events (offset Revenue)
- +\$135k Home and Lifestyle Expo expense "saving"
- +\$285k Yarrow Stadium opening delayed (offset Revenue)

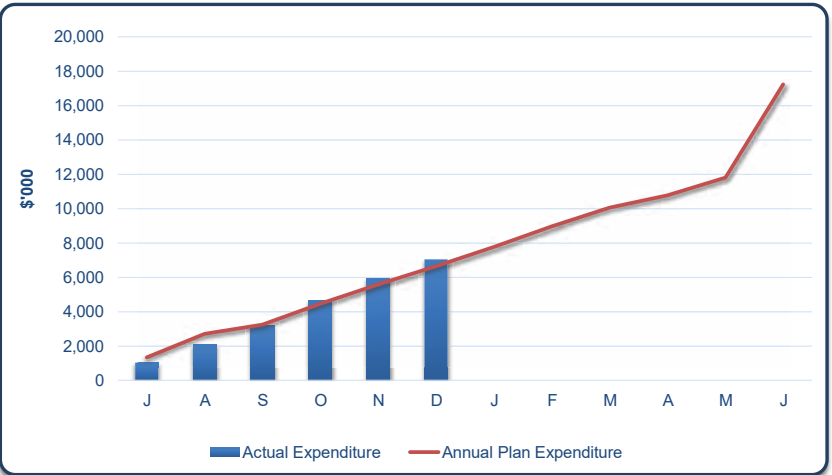
WASTE MANAGEMENT AND MINIMISATION

Revenue is \$333k (20%) more than budget



- Revenue is more than budget year-to-date due to:**
- +\$374k Disposal fees recovery due to higher activity (offset expenses)
 - +\$209k MRF recovery for recyclables due to good commodity market rates.
 - -\$118k Waste Levy rebates lag receiving increase (offset Expenses)
 - -\$90k Gates Charges across all transfer stations (Full year impact)

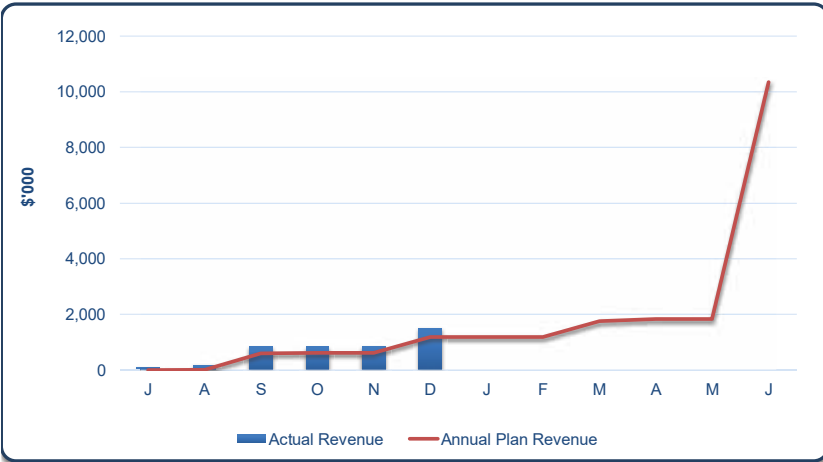
Expenditure is \$406k (6%) more than budget



- Expenditure is more than budget year-to-date due to:**
- -\$351k Disposal Fees due to higher activity (Offset revenue)
 - +\$102k Additional waste minimisation initiatives/services as a result of waste levy

WASTEWATER TREATMENT

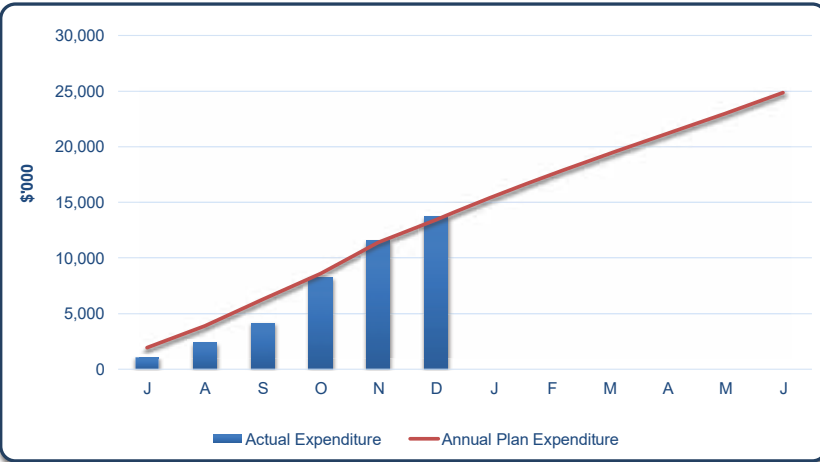
Revenue is \$326k (27%) more than budget



Revenue is more than budget year-to-date due to:

- +\$252k Additional tradewaste revenue
- +\$51k WOMB revenue (timing only)

Expenditure is \$262k (2%) more than budget

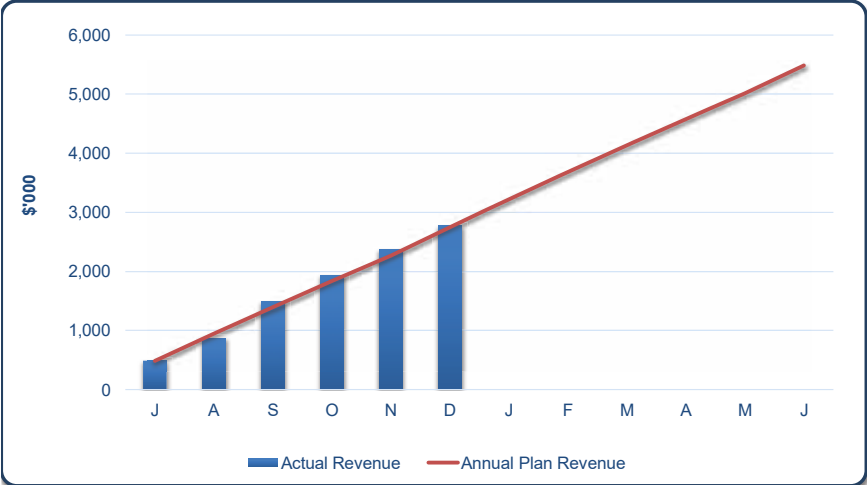


Expenditure is more than budget year-to-date due to:

- -\$236k increased electricity + gas costs

WATER SUPPLY

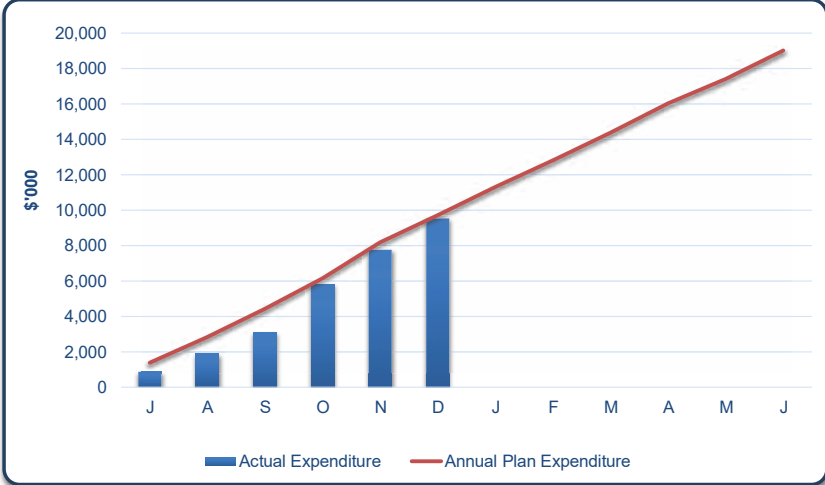
Revenue is inline with budget



Revenue is inline with budget year-to-date due to:

- +\$90k Water revenue from June 22 (Full year impact)

Expenditure is \$167k (2%) less than budget



Expenditure is less than budget year-to-date due to:

- -\$303k Water master plan costs
- Low head Dam removal (debt funded)
- +\$790k Depreciation based on revaluation

HEALTH, SAFETY & WELLBEING QUARTERLY REPORT – PERIOD ENDED DEC 2022 – DUE DILIGENCE OBLIGATIONS

PURPOSE/ TE WHĀINGA

1. This report presents the Health, Safety and Wellbeing Quarterly Report for the period 1 July – 31 Dec 2022. This report combines Q1 and Q2 of the reporting period.

RECOMMENDATION FOR CONSIDERATION / NGĀ WHAIKUPU

That, having considered all matters raised in the report, the report be noted by Council.

FINANCE, AUDIT & RISK COMMITTEE RECOMMENDATION

2. The Finance, Audit and Risk Committee endorsed the Officer's recommendation.

SIGNIFICANCE AND ENGAGEMENT / KAUPAPA WHAKAHIRAHIRA

3. This report is provided for information purposes only and has been assessed as being of some importance. The material presented in this report assists the elected members, as Officers, to meet their statutory obligations under the Health and Safety at Work Act 2015. The matters discussed in this report do not have implications for the Council's levels of service or the financial costs for the community. Public interest in these matters is unlikely to be high.

BACKGROUND / WHAKAPAPA

4. This report presents the Council's Health, Safety and Wellbeing Data for Quarter 1 and 2 of the 2022 year.
5. There were no serious harm incidents required to be reported to Worksafe NZ in Quarter 1 or 2.
6. Appendix 1 provides a graphical dashboard further summarising both lag and lead indicator data from the reporting period, Q1 and Q2. It is important to note that it is impossible to eliminate all accidents and incidents and commentary is provided only where there are incidents or events that have some significance.

7. Under the Health and Safety at Work Act 2015, elected members are deemed 'Officers' and must exercise a duty of due diligence in relation to health and safety. In July 2016 the Council adopted a due diligence framework and an officers' charter. Quarterly reports and consideration of Risk Management Updates (by the Finance, Audit and Risk Committee) provide elected members with current information and assist them to carry out their officer role.

Metrics

8. The Council uses Lag and Lead Indicators to measure event trends.
9. *Lag Indicators* show incidents that occurred in the quarter and may have required a consequential action as a reactive measure. Lagging indicators are an output measurement, for example, the number of accidents on a site is a lagging safety indicator
10. *Lead Indicators* demonstrate the Council's commitment to proactively avoiding future incidents. For example, the Council records near misses. These are unplanned events that have the potential to cause, but do not result in, human injury, environmental or equipment damage. Trends in near miss incidents will help focus the Council on mitigation options in the future.
11. The table below shows a rolling 12-month comparison in all reporting fields as reported via the NPDC health, safety and wellbeing reporting system – Pinnacle.

Key metric	Q2 Oct- Dec 22-23	Q1 Jul-Sept 22-23	Q4 Apr- Jun 21-22	Q3 Jan- March 21-22
Total Events	96	72	117	77
Recordable Events	3	5	3	4
Critical Risk Associated Events	13	19	21	11
New Hazards & Risks Identified	12	60	177	13
Safety Conversations	65	50	40	16
Audits	484	414	131	44
Inductions	123	120	20	12
Contractor Pre-qualifications (new)	7	7	5	5

Total Health, Safety & Wellbeing Events

12. The total number of events over the quarter is categorised in several graphs within appendix 1, for example, the type of event, who was involved, how they were harmed (source) and corrective actions.

13. Investigation requirements are determined following the completion of the incident risk rating, for example, a high severity incident or near miss would require a thorough investigation using investigative techniques such Incident Cause Analysis Method Investigation (ICAM Training) to determine root cause/s.
14. Near miss reporting is valuable in an organisation when it is treated in a proactive way, a mature organisation has a culture that tracks near misses, examines how and why the near miss happened, and puts in controls to minimise or eliminate the risks before incident occurs. NPDC is actively encouraging the reporting of near misses and increases in reporting figures are seen as a positive reporting measure.

Event Type	Q2	Q1
Incidents	56	55
Near Misses	35	11
Ergonomic Pain and Discomfort	5	6
Total	96	72

Recordable Events

15. A Recordable Event is one which requires medical treatment (above first aid), or results in restricted duties or lost time workdays. Recordable events where a NPDC staff member has been injured are managed by WorkAon and NPDC’s health and wellbeing advisor, alongside the employee and manager, with a return-to-work program implemented.

Event	Q2	Q1
Recordable Incidents	3	5

Critical Risk Events

16. Critical risks are things that can seriously harm or fatally injure you in the workplace. Critical risk reporting data enables the Council to identify trends and increase the focus on mitigating these risks to as low as reasonably practicable through investigation and implementation of corrective actions.
17. NPDC has four critical areas of focus in terms of risk, these are:
 - a) *Personnel Security* – staff facing aggression from customers
 - b) *Vehicle movements* - use of NPDC Vehicles

- c) *Contractor Management* - NPDC contractor related incidents
- d) *Health and Wellbeing** – psychosocial risk (the environmental, relational and operational hazards at work that may affect people’s psychological and physical health e.g. high workloads, tight deadlines, lack of autonomy, lack of role clarity, harassment and workplace conflicts).

*The HSW Team is currently reviewing techniques for psychosocial reporting by employees. Anonymity is important to protect workers privacy and from stigma or other adverse outcomes when reporting hazards or concerns related to psychosocial hazards. Measures to identify risks currently include surveys, EAP use monitoring, wellbeing tick program implementation and psychosocial risk assessment.

- 18. Where an incident or near miss occurs due to exposure to these risks, the risk will be associated to the event within Pinnacle.
- 19. The table below shows a rolling 12-month comparison in reporting.

Critical Risk Events	Q2	Q1	Q4	Q3
Personnel Security	5	11	11	7
Vehicle Movements	7	5	6	5
Contractor Management	3	5	4	0

Hazards and Risks

- 20. All hazards and risks identified across council are entered into Pinnacle for initial risk assessment and implementation of risk controls, this is followed by a review process (repeated at least annually) to ensure controls remain effective. New hazards are entered as they’re identified by employees.

Hazards and Risks Location	Count Overall
Community & Customer Services	145
Chief Executive Office	3
Business Technology Group	5
Corporate Services	9
People and Wellbeing	15
Planning & Infrastructure	110
Strategic Partnerships	7
Total	294

Safety Conversations

- 21. The Council has an ongoing focus on logging and sharing safety conversations throughout the wider organisation. These conversations capture both safe and unsafe behaviour or conditions which then require us to appraise or correct what we see and identify opportunities for improvement.
- 22. Having meaningful safety conversations assists in creating a positive safety culture and reporting across the organisation.

Safety Conversation by Group	Q2	Q1
Community & Customer Services	14	20
Chief Executive Office	10	6
Business Technology Group*	0	0
Corporate Services	17	3
People and Wellbeing	3	7
Planning & Infrastructure	21	13
Strategic Partnerships	0	1
Total	65	50

* No safety conversations recorded.

Audits Completed

- 23. Audits are a proactive way to identify areas of improvement or success across the organisation, covering several topics as identified below.
- 24. Where areas of improvement are identified, actions are assigned to relevant personnel (including contractors) within the online health and safety solution Pinnacle. Assigned actions are completed within a specified time frame and generally require evidence to ensure completion.

Key metric	Q2	Q1
Better Work Conversation	31	22
Contractor/Staff H&S Audit	20	25
Housekeeping	28	15
Permit to Work Quality Audit	14	12
Vehicle Pre-start	368	337
Hazardous Substances in the Workplace	0	1
Emergency Exercise	0	1
Machinery & Equipment Pre-start	23	1
Total	484	414

Site Inductions

25. Site inductions are completed at all NPDC operational sites for Contractors and Employees e.g. WWTP, Libraries, Civic Centre and the Fernery.

Key metric	Q2	Q1
Contractors	90	76
Employees	12	16
Volunteer	1	0
Other (e.g. visitor, supplier)	21	28
Total	123	120

Contractors

26. Contractor health and safety pre-qualification is the first step in ensuring our Contractors have effective health and safety systems and processes in place whilst completing work for NPDC. The Contractors health and safety systems are reviewed every two years by the health, safety and wellbeing team.

Contractors by Group Utilised	Count Overall
Community & Customer Services	29
Chief Executive Office	0
Business Technology Group	1
Corporate Services	69
People and Wellbeing	5
Planning & Infrastructure	156
Strategic Partnerships	1
Total	261

CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA ĀHUARANGI

27. Council has adopted a strategic framework which includes the goal of sustainability. There are no known implications for this health, safety and wellbeing quarterly report.

THREE WATERS REFORM IMPLICATIONS

28. No Three Waters Reform implications have been identified; this information report does not affect any provisions of water services.

FINANCIAL AND RESOURCING IMPLICATIONS / NGĀ HĪRAUNGA Ā-PŪTEA, Ā-RAUEMI

29. There are no financial or resourcing implications relating to the report. However, failure to meet due diligence obligations could result in fines and improvement notices.

IMPLICATIONS ASSESSMENT/HĪRANGA AROMATAWAI

30. This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:
- Council staff have delegated authority for any decisions made;
 - Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
 - Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
 - Unless stated above, any decisions made can be addressed through current funding under the Long Term Plan and Annual Plan;
 - Any decisions made are consistent with the Council's plans and policies; and
 - No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council or would transfer the ownership or control of a strategic asset to or from the Council.

APPENDICES / NGĀ ĀPITI HANGA

- Appendix 1 Health & Safety Due Diligence Report – Quarter 1 (01/07/2022 – 31/12/2022) "Dashboards – LEAD and LAG" (ECM8449274)

Report Details

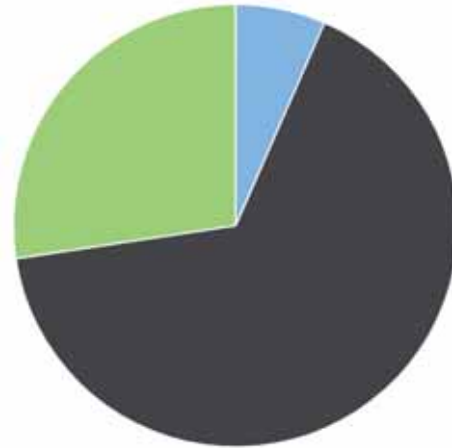
Prepared By:	Samantha Sturzaker (Health, Safety & Wellbeing Business Partner)
Team:	People & Wellbeing
Approved By:	Mary Johnson (Group Manager People and Culture)
Ward/Community:	District Wide
Date:	27 Jan 2022
File Reference:	ECM8721237

-----End of Report -----



Health, Safety & Wellbeing Due Diligence Report Q2-Q1

1. EVENT REPORTING



● Ergonomic Pain and Discomfort – 11 (6.55%)
● Incident – 111 (66.07%)
● Near Miss – 46 (27.38%)

2. CATEGORIES EXPLAINED

Ergonomic Pain and Discomfort

Ergonomic pain and discomfort reports include gradual process injury and pain and discomfort that hasn't resulted from a particular event e.g. gradual onset pain from working at an incorrectly styled workstation.

Ways in which NPDC reduce this are:

- Workstation ergonomic assessments for new starters and when requested by staff feeling discomfort
- Encouraging pre-start exercises prior to physical tasks
- Education through toolbox talks e.g. focusing on manual handling
- Use of mechanical aids for physical tasks

Near Miss

Near miss reporting is valuable in an organisation when it is treated in a proactive way, a mature organisation has a culture that tracks near misses, examines how and why the near miss happened, and puts in controls to minimise or eliminate the risks before incident occurs. NPDC is actively encouraging the reporting of near misses and increases in reporting figures are seen as a positive reporting measure.

Near misses were reported and corrective actions assigned in the following categories (a near miss can identify with more than one potential consequence):

Near Miss Type	Q2	Q1
Potential Injury	28	9
Potential Illness	1	1
Potential Asset Damage	9	2
Potential Security	3	1
Total	41	13



Health, Safety & Wellbeing Due Diligence Report Q2-Q1

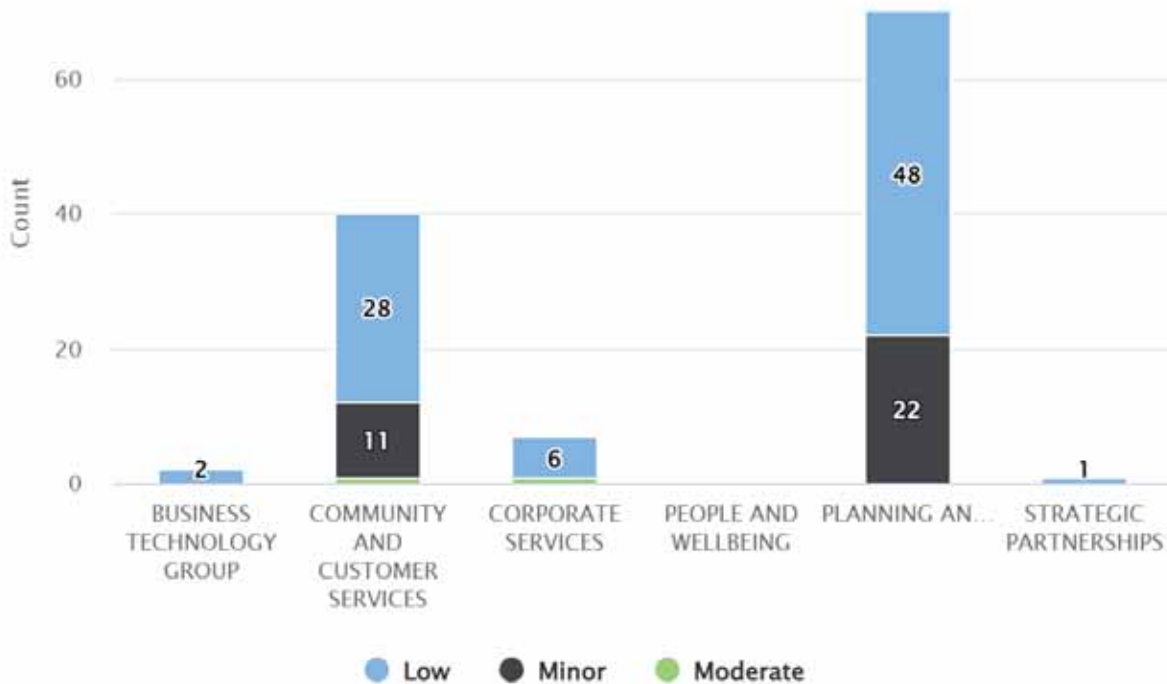
Incident

Incidents include injury, illness, security incidents and asset damage. An investigation level is determined, and corrective actions implemented for each incident.

Incidents fell into the categories in the following table:

Event Type	Q2	Q1
Injury	35	36
Illness	1	1
Security	6	11
Asset Damage	14	11
Total	56	59

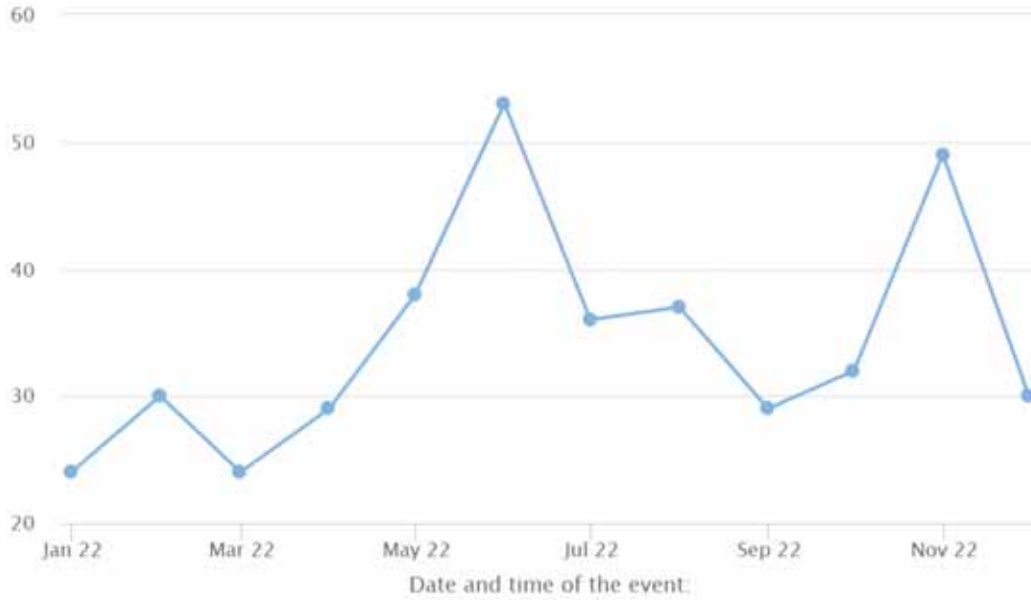
The above incidents fell into the following severity levels. None determined to be within the high or extreme severity levels:



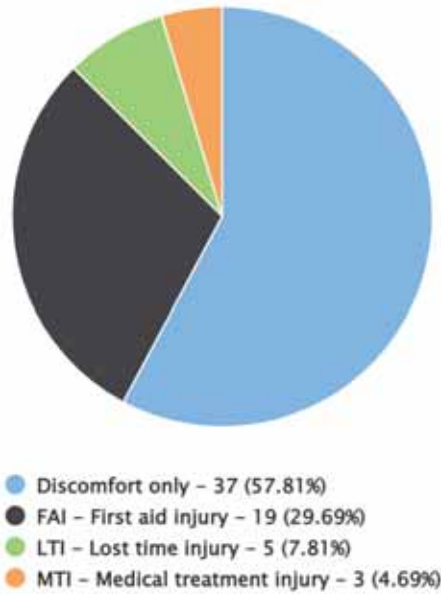


Health, Safety & Wellbeing Due Diligence Report Q2-Q1

3. 12 MONTHS ROLLING TREND – ALL INCIDENTS



4. INJURY CATEGORIES



Discomfort Only

Pain or discomfort that does not require immediate treatment. May include slips with no injury, bruising, minor strains and ergonomic pain that may be monitored internally or require further action such as a workstation assessment by the NPDC Occupational Health Nurse.



Health, Safety & Wellbeing Due Diligence Report Q2-Q1

4

First Aid Injury

A minor injury that is treated by an on-site first aider and requires first aid treatment e.g. superficial injuries including skin grazes, cuts, animal bite (zoo)

Lost Time Injury

An injury where an employee is prescribed (by medical professional) at least one full day or shift as unfit for work, the day after the one in which the injury occurred.

Breakdown of significant injuries across the quarters:

- Shoulder strain as a result from tripping over a tree root – inattention to track conditions. Reminder to assess surroundings raised during team meeting
- Broken elbow a result of a trip - bag strap under desk appears to have tangled around feet. Reminder issued to ensure equipment is stored appropriately where it cannot become a trip hazard, housekeeping audit completed.
- Broken wrist a result of a trip during a self-defence course – slipped and put arm out to break fall. None slip foot wear now advised.
- Multiple wasp stings resulted in an allergic reaction – working too closely to active hive. The Vespex program has been implemented across the district where bait stations are laid out, this has reduced the number of nest sightings, and in turn the number of stings
- Sprained elbow was result of removing mulch from vehicle with a shovel. Shovel contacted a length of wire causing a jarring effect. Ongoing rehabilitation

Medical Treatment Injury

A work-related illness or injury resulting in the medical practitioner administering special expertise in the management or care of a patient, and includes prescribing of any medication

Breakdown of injuries across the quarters:

- Dislocated shoulder (pre-existing ongoing injury, non-work-related), hospital for relocation required
- Staff member pulled a tree branch and as they let go of the branch and turned they felt their right arm hurt immediately down to their hand.
- Staff member slipped on the tiles when putting platforms into the pool and inflamed an old injury. Physio provided.

Return To Work Injury

An injury that may or may not be a lost time injury, but as a result, the injured employee is unable to resume their normal duties for a period more than one full day or shift on any day after the day of the injury.

Breakdown of injuries across the quarters:



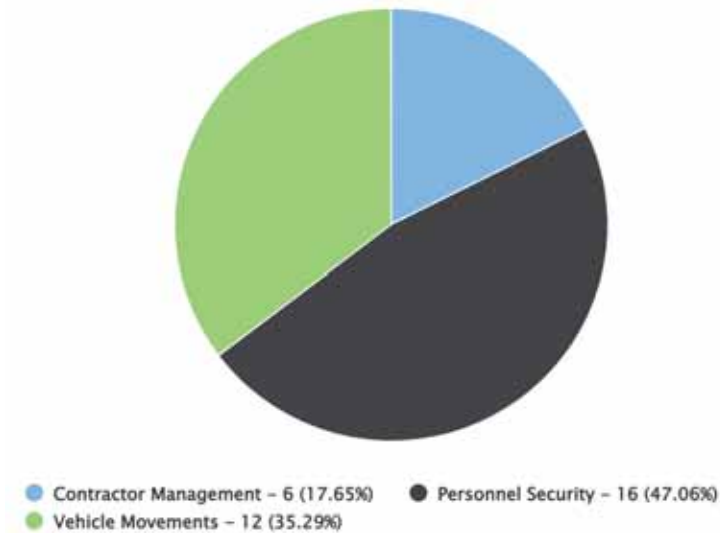
Health, Safety & Wellbeing Due Diligence Report Q2-Q1

5. CRITICAL RISK

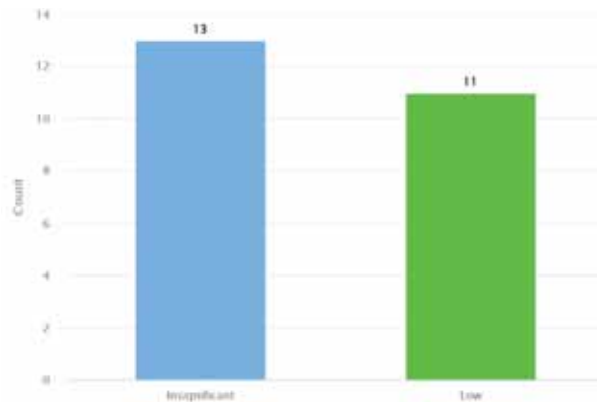
Critical risks are things that can seriously harm or fatally injure you in the workplace. Critical risk reporting data enables the Council to identify trends and increase the focus on mitigating these risks to as low as reasonably practicable through investigation and implementation of corrective actions. One incident can associate to more than one risk e.g. Contractor involved in motor vehicle accident.

NPDC has 4 critical areas of focus in terms of risk, these are:

- a) *Personnel Security* – staff facing aggression from customers
- b) *Vehicle movements* - use of NPDC Vehicles
- c) *Contractor Management* - NPDC contractor related incidents
- d) *Health and Wellbeing* – psychosocial risk (the environmental, relational and operational hazards at work that may affect people’s psychological and physical health e.g. high workloads, tight deadlines, lack of autonomy, lack of role clarity, harassment and workplace conflicts).



6. CRITICAL RISK INCIDENT SEVERITIES

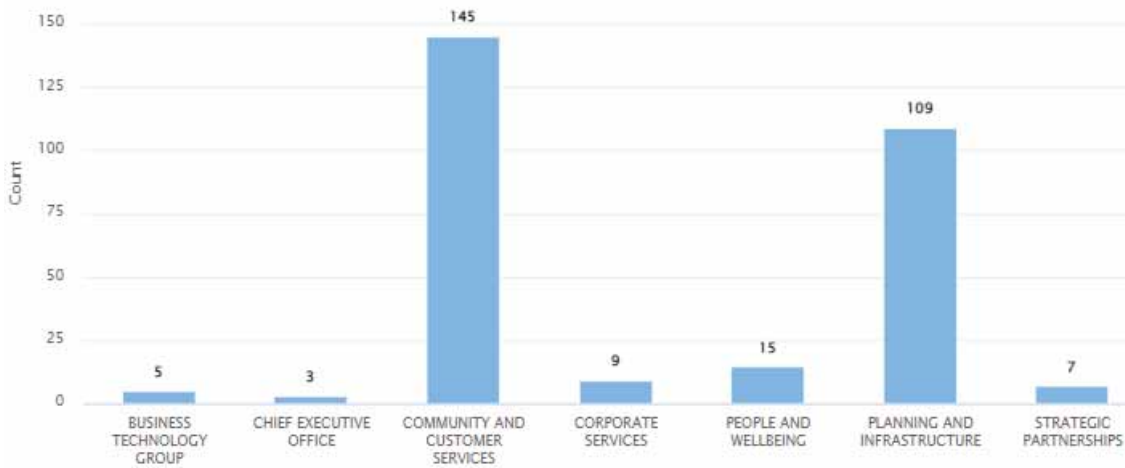




Health, Safety & Wellbeing Due Diligence Report Q2-Q1

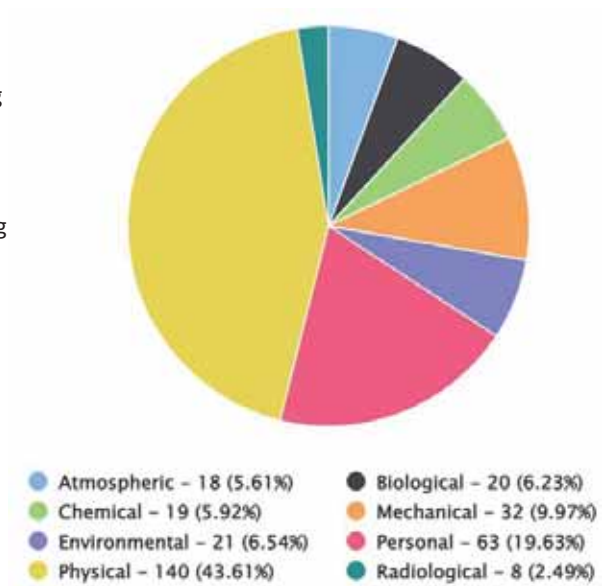
7. HAZARDS AND RISKS

All hazards and risks identified across council are entered into Pinnacle for initial risk assessment and implementation of risk controls, this is followed by a review process (repeated at least annually) to ensure controls remain effective. New hazards are entered as they're identified by employees.



8. HAZARD CATEGORIES

- Atmospheric e.g. toxic gases in a confined space
- Biological e.g. Bacterial
- Chemical e.g. corrosive substances
- Environmental e.g. weather extremes
- Mechanical e.g. Crushed by machinery or moving pressurised gases, hot work
- Radiological e.g. UV exposure, welding
- Personal e.g. work stress, confrontations
- Physical e.g. working at height, Asbestos, working



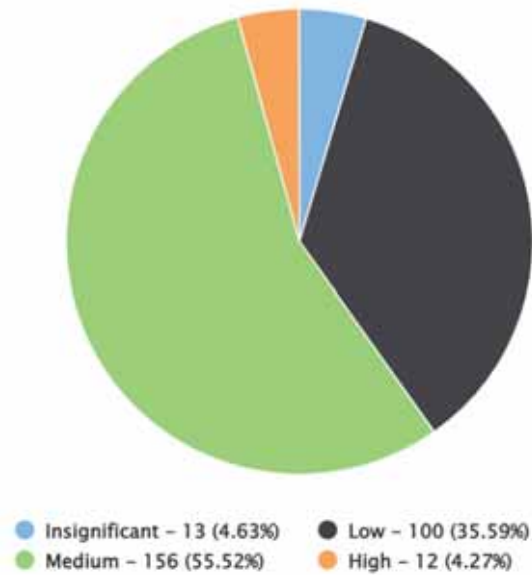


Health, Safety & Wellbeing Due Diligence Report Q2-Q1

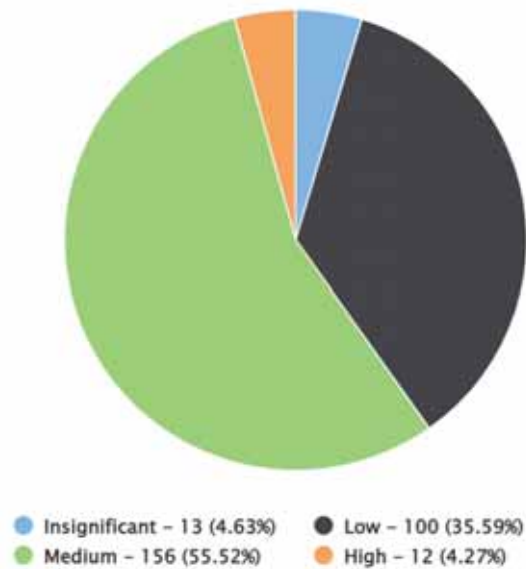
9. RISK - INHERENT VS RESIDUAL

All Hazards identified from the work we perform are assessed for a risk rating to determine the likelihood of occurrence and the level of harm it would cause. The below table shows the inherent risks (risk score before we implement control measure to minimise the risk) versus the residual risk table (risk remaining after risk reduction measures are implemented). Any residual high-risk work is undertaken with strict controls such as work permits or specialised equipment, PPE and personnel

10. INHERENT RISK COUNT



11. RESIDUAL RISK COUNT



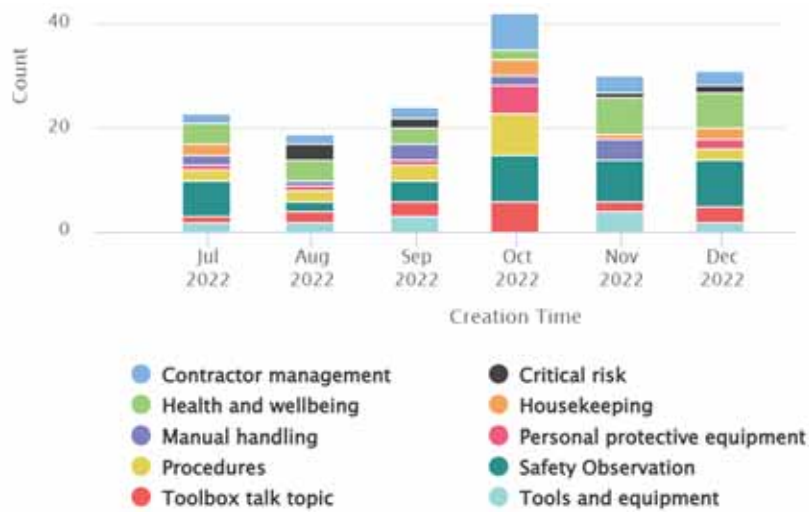


Health, Safety & Wellbeing Due Diligence Report Q2-Q1

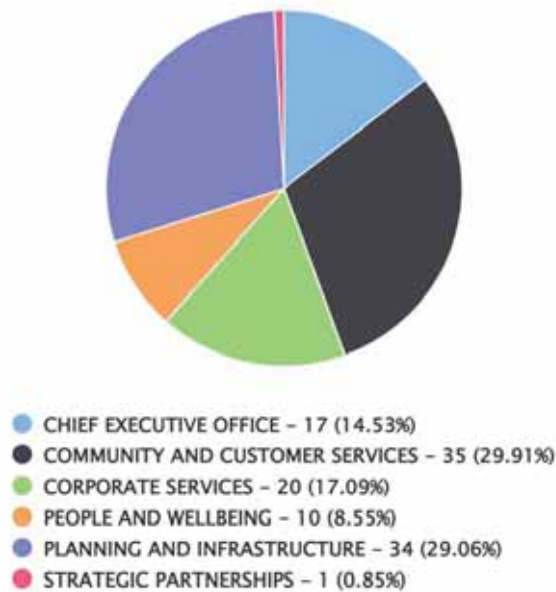
12. SAFETY CONVERSATIONS

The Council has an ongoing focus on logging and sharing safety conversations throughout the wider organisation. These conversations capture both safe and unsafe behaviour or conditions for which we can praise or identify improvements, which then assists in creating a positive safety culture and reporting across the organisation.

13. SAFETY CONVERSATION - TOPICS



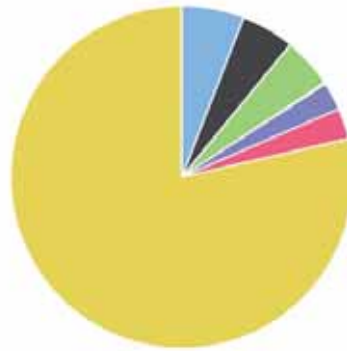
14. SAFETY CONVERSATIONS – GROUPS





Health, Safety & Wellbeing Due Diligence Report Q2-Q1

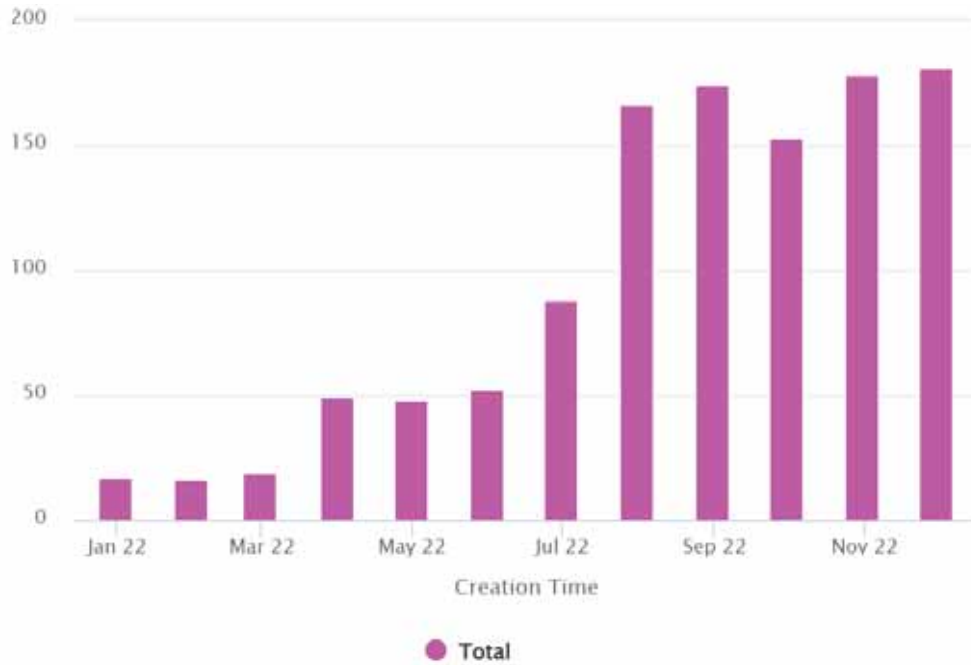
15. AUDITS COMPLETED – BY TOPIC



- Better Work Conversation – 53 (5.91%)
- Contractor/Staff H&S Audit – 45 (5.02%)
- Housekeeping Audit – 43 (4.79%)
- Hazardous Substances in the Workplace – 1 (0.11%)
- Machinery and Equipment Pre-start Check – 24 (2.68%)
- Permit to Work Audit – 26 (2.9%)
- Vehicle Pre-Start Checklist – 705 (78.6%)

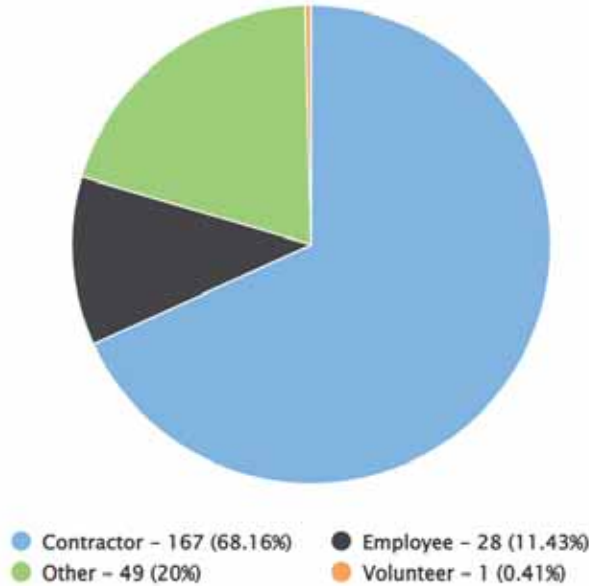
16. COMPLETION TREND

Of 140 corrective actions assigned to the completed audits above, 4 (2.7%) remain open for completion

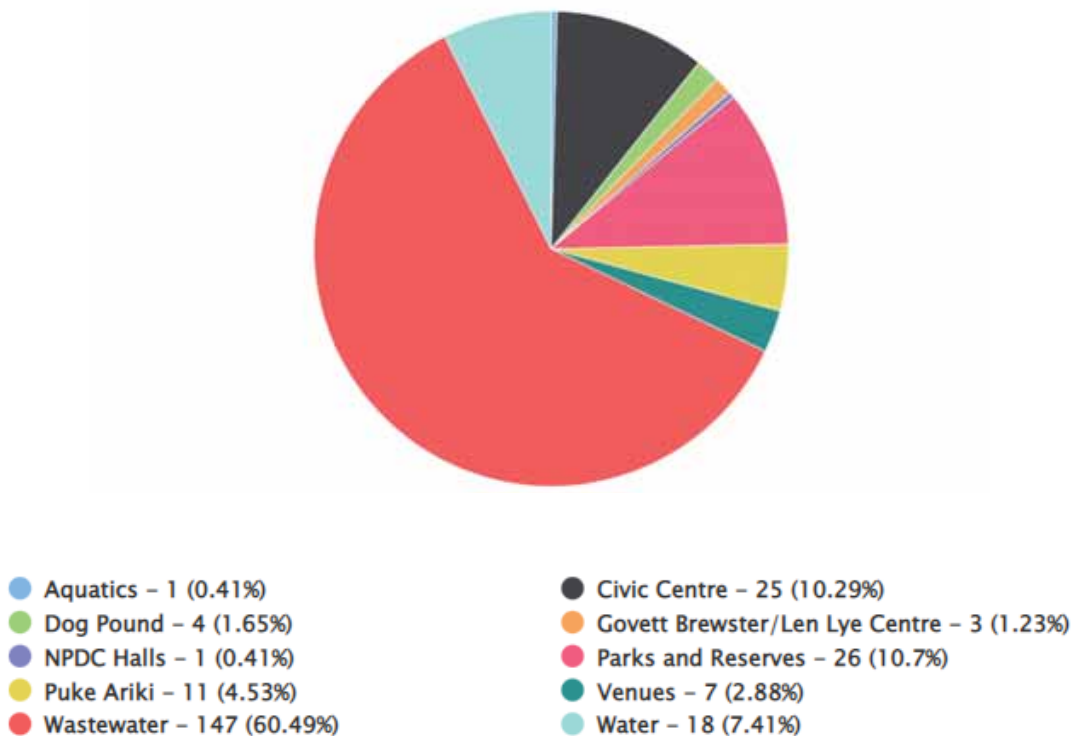


Health, Safety & Wellbeing Due Diligence Report Q2-Q1

17. SITE INDUCTIONS – PERSON TYPE



18. INDUCTION LOCATIONS



THE SORTING DEPOT FEES AND CHARGES 2022/23

MATTER / TE WHĀINGA

1. The matter for consideration by Council is the proposed fees and charges for The Sorting Depot, the new commercial waste sorting facility opening in May 2023.

RECOMMENDATION FOR CONSIDERATION/ NGĀ WHAIKUPU

That having considered all matters raised in the report, Council adopts the fees and charges for The Sorting Depot for 2022/23 (as shown in Appendix 1).

STRATEGY AND OPERATIONS COMMITTEE RECOMMENDATION

2. The Strategy and Operations Committee endorsed the Officer's recommendation.

TE HUINGA TAUMATUA RECOMMENDATION

3. Te Huinga Taumatua endorsed the Officer's recommendation.

COMPLIANCE / TŪTOHU	
Significance	This matter is assessed as being of some importance.
Options	This report identifies and assesses the following reasonably practicable options for addressing the matter: <ol style="list-style-type: none"> 1. Adopt the proposed fees and charges for The Sorting Depot for 2022/23 (as provided in Appendix 1). 2. Adopt alternative fees and charges.
Affected persons	The persons who are affected by or interested in this matter are potential commercial customers of the facility including waste service providers and construction companies.
Recommendation	This report recommends option 1 for addressing the matter.
Long-Term Plan / Annual Plan Implications	No
Significant Policy and Plan Inconsistencies	No

EXECUTIVE SUMMARY / WHAKARĀPOPOPTOTANGA MATUA

4. Commercial and industrial waste makes up about 60 per cent of all waste sent to landfill in Taranaki. A key action in the Waste Management and Minimisation Plan which will contribute to our Zero Waste goal was to establish a commercial waste sorting facility in Taranaki where aggregating and sorting resources will provide our region with better access to reuse and recycling markets.
5. The Sorting Depot will be established on the existing transfer station site on Colson Road in May 2023, accepting mixed commercial waste from waste service providers and other commercial customers. Waste will be sorted and material recovered for reuse and recycling both locally and nationally where markets are available. The fees and charges for the facility need to be set to both incentivise customers to use the facility, and cover the costs of operation.
6. We recommend that Council adopt the proposed 2022/2023 fees and charges for The Sorting Depot in order to ensure the facility can open in May 2023. Taking this approach will ensure that the facility will be operated on a user pays basis, with fees and charges set to encourage commercial customers to use the facility. In turn this will ensure the broader outcomes of the facility are achieved, including diversion of commercial waste from landfill into reuse and recycling, creating local, cost effective alternative options to landfill, increasing employment and reducing carbon emissions.

BACKGROUND / WHAKAPAPA

7. Through the Waste Management and Minimisation Plan, New Plymouth District Council has set an aspirational goal of sending Zero Waste to landfill by 2040, which makes supporting waste reduction in the commercial sector a key focus area.
8. There have been limited options for the diversion of many commercial and industrial waste streams locally, meaning that disposal to landfill is often the cheapest and most convenient option for businesses. Therefore a key action in the Waste Management and Minimisation Plan was to establish a commercial waste sorting facility in Taranaki where aggregating and sorting resources will provide our region with more competitive access to recycling markets, as well as support circular economy¹ enterprises to expand within our region, and nationally.

¹ A circular economy is a system where waste and pollution are designed out as much as possible (avoiding waste generation), materials and resources are kept in use through reuse and recycling, resulting in less use of natural resources which enables our natural environment to regenerate.

9. A feasibility study was undertaken in 2019, recommended a commercial facility be established at Colson Road, using existing infrastructure at the New Plymouth Transfer Station, following relocation of the transfer station to a newly constructed site at the Resource Recovery Facility on neighbouring land. A more detailed business case completed in 2020 and the new facility named The Sorting Depot.
 10. Aggregation of reusable and recyclable material through The Sorting Depot will:
 - a) Enable higher volumes of recyclable and reusable materials to be collected and sold;
 - b) Support new resource markets and circular economy solutions to be developed locally;
 - c) Improve the commercial viability of recovery of unwanted materials
 - d) Create six new jobs locally;
 - e) Avoid resources being sent to landfill.
 11. The site is currently being upgraded to better suit the operation, with construction expected to be completed in April 2023. The Ministry for the Environment's Waste Minimisation Fund has provided \$425,000 towards the construction of the facility. Tender for the operation of The Sorting Depot was completed in late 2022 and the contract awarded to Metallic Sweeping Ltd. The facility is due to open in May 2023.
 12. The Sorting Depot will operate on Colson Road, accepting skip bins of mixed waste which will be processed using a materail handler and manual sorting to remove reuseable and recyclable material. It will have an estimated throughput of 12,000 tonnes, approximately 50 per cent of local commercial waste, and an estimated recovery rate (keeping material out of landfill) of 25 per cent. It will be the second facility of its type in New Zealand, showing the leadership NPDC is taking to reduce waste.
 13. The Sorting Depot will receive unsorted mixed waste in skip bins as well as source-separated materials at a more competitive price than landfill waste. The setting of the fees and charges is intended to provide a financial incentive and time savings to businesses to use the facility. Key customers will be waste service providers and businesses (mostly from the construction and demolition industry).
-

14. The fees and charges for 2022/2023 have already been adopted with a place holder for The Sorting Depot, while the operation of the facility was tendered. The financial model for the facility has been updated to reflect the actual site processing and transport costs now that the operations contract has been awarded. Based on the financial model, the fees and charges are proposed in Appendix 1, and include:
- a) a mixed waste per tonne gate fee for all waste accepted into The Sorting Depot to cover processing, transport and recovery or landfill costs;
 - b) a minimum charge to cover fixed costs for waste acceptance;
 - c) a per load non-compliance charge to manage levels of contamination and prohibited or hazardous waste; and
 - d) gate fees for source separated, single waste streams where little or no processing is required.

CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA ĀHUARANGI

15. The establishment of The Sorting Depot will improve resource recovery from commercial waste, resulting in a step change for reduction in waste to landfill, improve local markets for recovered material and make steps toward a circular economy, all of which contribute to a reduction in carbon emissions. The appropriate setting of the fees and charges will ensure the use of this facility is maximised.

THREE WATERS REFORM IMPLICATIONS

16. The setting of fees and charges for The Sorting Depot does not relate to or affect the provision of water services. There are no implications for the Three Waters Reform.

NEXT STEPS/ HĪKOI I MURI MAI

17. Following the adoption of the fees and charges, The Sorting Depot will open to commercial customers in May 2023. A comprehensive marketing plan will be implemented to promote the facility to potential customers, as well as providing the general community progress updates on how the facility is contributing to the Council's Zero Waste goal. Reporting on progress to the Ministry for the Environment will also be completed throughout the project and for 12 months after opening. Fees and charges for the 2023/24 year will increase as a result of the landfill disposal levy increasing by \$20 per tonne on 1 July 2023, which will be reported in the Annual Plan fees and charges.

SIGNIFICANCE AND ENGAGEMENT / KAUPAPA WHAKAHIRAHIRA

18. In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as being of some importance because the setting of fees and charges for The Sorting Depot allows the project to be delivered as intended in the Long-Term Plan 2021-31, in accordance with the budgeted financial model and user pays approach. The setting of appropriate fees and charges aligns with previous decisions relating to this facility and feedback from key stakeholders and potential users of The Sorting Depot (waste service providers and construction sector).

OPTIONS / KŌWHIRINGA

19. The following considerations apply to both options.

Promotion or Achievement of Community Outcomes / Hāpaitia / Te Tutuki o Ngā Whāinga ā-hāpori

20. The Sorting Depot particularly contributes to *Sustainability*, through the reduction of commercial waste from landfill and *Prosperity* through the generation of employment, local recycling solutions and cost effective alternatives to landfill disposal for the commercial sector. The appropriate setting of fees and charges for the facility supports the business model and ensures the service can be *Delivered* cost effectively without impacting on rates.

Statutory Responsibilities / Ngā Haepapa ā-ture

21. This option is consistent with the Local Government Act 2022 and Waste Minimisation Act 2008.

Consistency with Policies and Plans / Te Paria i ngā Kaupapa Here me ngā Mahere

22. The provision of a user pays commercial waste sorting facility is included in the LTP 2021-31 and Annual Plan 2022/23 and is listed as an action in the Waste Management and Minimisation Plan 2017.

Participation by Māori / Te Urunga o Ngāi Māori

23. A representative of Ngāti Tawhirikura sits on the project steering group for The Sorting Depot and is supportive of the establishment of The Sorting Depot.

Option 1

Adopt the proposed fees and charges for The Sorting Depot for 2022/23 (as provided in Appendix 1).

Financial and Resourcing Implications / Ngā Hīraunga ā-pūtea, ā-rauemi

24. The facility is set up to ensure that user fees cover the costs of operating. The fees and charges have been determined based on the financial model for the facility. To ensure commercial customers use the facility and maximise material throughput, the gate fee must be set below the cost to landfill waste but still cover the operating costs. While the facility is establishing (first 2-3 years) there is a budgeted allowance for a deficit, which will be offset by surplus in future years (using a deficit reserve). A shift from a deficit to a surplus operating model will be managed through maximising diversion and establishing new (preferably local) markets for recovered materials over time.

Risk Analysis / Tātaritanga o Ngā Mōrearea

25. The financial model is based on a number of assumptions which are key risks to the success of the facility including:
- a) total tonnage that moves through the facility (material throughput),
 - b) how much material can be diverted into reuse and recycling, and
 - c) how much of this diverted material is transported out of the region for recycling.
26. Under this option, setting a gate fee that is cheaper than landfill reduces the risk of low quantities of material going through the facility as it provides an incentive for commercial customers to use the facility. Focusing on diversion of waste and developing local options for reuse and recycling minimises the landfill costs incurred following the sorting of material i.e. the more material that can be recovered, the lower the landfill disposal costs.

Community Views and Preferences / Ngā tirohanga me Ngā Mariu ā-hāpori

27. The key community affected by the setting of fees and charges for The Sorting Depot is the commercial sector and in particular potential customers of the facility - waste service providers and construction and demolition companies. Throughout the development of The Sorting Depot, these stakeholders have been engaged to ensure the facility meets the needs of this community. A key driver for users of the facility is an appropriately set gate fee for acceptance of mixed skip bins, offering a cheaper alternative to landfill disposal as well as wider sustainability and emission reduction outcomes. This option addresses this key driver by setting a fee that is lower than the cost of landfilling waste.

Advantages and Disadvantages

28. This option provides a cheaper alternative for waste disposal to landfill while maintaining a financial model where user fees cover the cost of operating the facility in the longer term.

Option 2
Adopt alternative fees and charges.

Financial and Resourcing Implications / Ngā Hīraunga ā-pūtea, ā-rauemi

29. If alternative fees and charges were to be adopted, further modelling would need to be undertaken to determine the financial impact. Increasing the gate fee may increase revenue for the facility, however it will also reduce material throughput, which could undermine the financial model. Decreasing the gate fee would likely increase material throughput, however the revenue generated would potentially not cover operating costs and generate a larger short term operating deficit and longer period to shift to a surplus operating model.

Risk Analysis / Tātaritanga o Ngā Mōrearea

30. If an alternative gate fee was adopted, this would affect the amount of material accepted and processed through the facility by either being too high, resulting in less use by commercial customers and less diversion of waste from landfill; or lower gate fees resulting in operating costs not being covered.

Community Views and Preferences / Ngā tirohanga me Ngā Mariu ā-hāpori

31. Setting higher gate fees would result in key potential customers needs not being met by this option (i.e. a cheaper alternative to landfill).

Advantages and Disadvantages

32. This option is not the most cost effective option.

Recommended Option

This report recommends option 1, adopt the proposed fees and charges for The Sorting Depot for 2022/23 (as provided in Appendix 1) for addressing the matter.

APPENDICES / NGĀ ĀPITI HANGA

Appendix 1 Proposed fees and charges for The Sorting Depot 2022/2023
(ECM8900155)

Report Details

Prepared By:	Kimberley Hope (Manager Resource Recovery)
Team:	Resource Recovery
Approved By:	Kevin Strongman (Group Manager Planning and Infrastructure)
Ward/Community:	District Wide
Date:	22/12/2022
File Reference:	ECM8900176

-----*End of Report*-----

APPENDIX 1 PROPOSED FEES AND CHARGES FOR THE SORTING DEPOT 2022/2023

		2022/23
Commercial waste sorting facility (account customers only, no public access)		
Mixed waste dry load		\$178.00 per tonne
		\$53.40 minimum weigh charge
Non-compliant load		\$60
Single waste stream ¹		\$75 per tonne
Tyres (per tyre)		
Car tyre		\$ 4.35
4x4 and ute		\$ 5.95
Light Truck		\$13.50
Heavy Truck		\$21.50
Super single		\$29.50
Off the Road/Tractor (per kg)		\$ 0.85

¹ Pre-sorted single waste streams listed within the waste acceptance criteria that are not specifically itemised in fees and charges

SURRENDER AND RE-LEASE OF LAND – NEW PLYMOUTH DISTRICT COUNCIL TO PAPA RERERANGI I PUKETAPU

MATTER / TE WHĀINGA

1. The matter for consideration by Council is an addition of approximately 1.2 hectares of Council owned land to the area currently leased to Papa Rererangi i Puketapu Limited (PRIP) for the purpose of operating New Plymouth Airport.
2. To achieve this the New Plymouth District Council (NPDC) Property Manager will prepare a Deed of Surrender and Re-Lease to incorporate the additional premises contained within Record of Title 914066 for execution by NPDC and Papa Rererangi i Puketapu Limited (PRIP). The surrender and re-lease process is a technical correction to enable continued operation with New Plymouth Airport.

RECOMMENDATION FOR CONSIDERATION/ NGĀ WHAIKUPU

That having considered all matters raised in the report, the Council:

- a) **Approves preparation and execution of a Deed of Surrender and Re-Lease for the land contained within Record of Title 914066, being the land leased to Papa Rererangi i Puketapu Limited for the purpose of operating New Plymouth Airport.**
- b) **Delegates authority to the Property Manager to undertake the necessary actions to complete this work.**

STRATEGY AND OPERATIONS COMMITTEE RECOMMENDATION

3. The Strategy and Operations Committee endorsed the Officer's recommendation.

PUKETAPU-BELL BLOCK COMMUNITY BOARD RECOMMENDATION

4. The Puketapu-Bell Block Community Board endorsed the Officer's recommendation.

TE HUINGA TAUMATUA RECOMMENDATION

5. Te Huinga Taumatua is disappointed that engagement with Puketapu hapu did not occur and urge that happens before the Council meeting (on 14 March 2023).

COMPLIANCE/ TŪTOHU	
Significance	This matter is assessed as being of some importance
Options	This report identifies and assesses the following Option as the only reasonably practicable option for addressing the matter: 1. Approve the execution of a Deed of Surrender and Re-Release of the land contained within Record of Title 914066 to PRIP.
Affected persons	The persons who are affected by or interested in this matter are PRIP, Taranaki residents and airport users.
Recommendation	This report recommends Option One for addressing the matter.
Long-Term Plan / Annual Plan Implications	No
Significant Policy and Plan Inconsistencies	No

EXECUTIVE SUMMARY / WHAKARĀPOPOPTOTANGA MATUA

- 6. We recommend that Council approves preparation and execution of a Deed of Surrender and Re-Release of the land occupied by PRIP for the Airport land at 192 Airport Drive, New Plymouth in order to record the current and correct land area as defined within Record of Title 914066.
- 7. Taking this approach will ensure that the Airport’s existing improvements are located within the leased area and will enable PRIP to continue with the development and enhancement of access, circulation and car parking at the airport facility. The next step is to prepare and execute the necessary documentation to record these actions.

BACKGROUND / WHAKAPAPA

Papa Rererangi I Puketapu Lease of the Airport

- 8. Papa Rererangi i Puketapu Limited is a Council Controlled Trading Organisation incorporated as a company on 3 July 2017. NPDC and PRIP have entered into a Service Level Agreement to enable PRIP to carry out airport operations on behalf of the Council.

9. As part of the transfer of day to day control of the airport operation, Council leased the airport site to PRIP by a Deed of Lease dated 8 January 2018. The lease refers to the Record of Title 209014 and covers the area outlined in blue in Figure One.

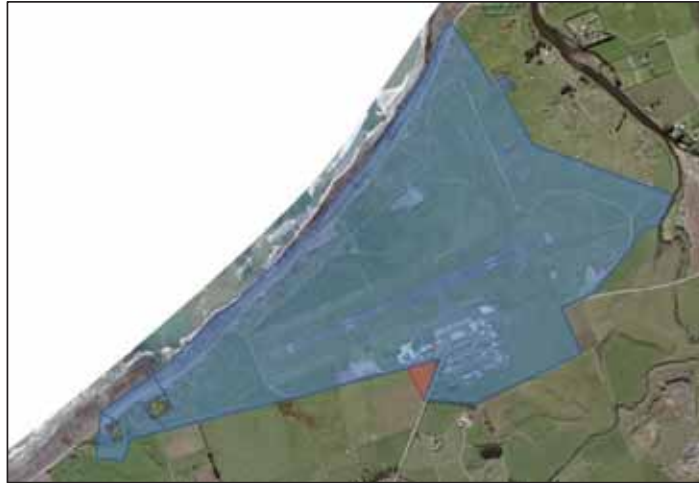


Figure One

Additional Land Purchased in 2019

10. On 13 August 2019, the Council resolved to purchase 1.2 hectares of land from an adjoining land-owner (highlighted in red in Figure One and Two). The reason for the purchase was to allow PRIP to undertake road realignment work at the Airport entrance. The report (ECM 8089286) also stated that the 1.2 ha of land would be amalgamated with Record of Title 209014 on purchase.
11. The resolution did not include that the purchased land would be leased to PRIP. This was an oversight that this report seeks to address.
12. Upon settlement, amalgamation with the adjoining Airport title was completed. This resulted in a new title being issued (**Record of Title 914066**). The lease granted in 2018 still references the previous title (209104), which is no longer valid.
13. There are still works outstanding including an extended public drop off and pick up zone, dedicated taxi and shuttle pickups and an addition to the main carpark. Before undertaking this work, PRIP would like the land to be correctly recorded within their lease so requested that NPDC vary the lease to reference the new Record of Title.



Figure Two

Deed of Surrender of Lease and Re-Lease

14. The Property Team has received legal advice that the existing lease cannot simply be varied to reference the new title. This is because land would be added to the lease as a result of the variation. Section 92(7) of the Land Transfer Act 2017 states:

*“...a lease variation instrument must not be used to:
a) add any land or estate or interest in land to the land or estate or interest in land to which the original lease was subject;*
15. Instead, the advice is that the correct legal mechanism would be to prepare a Deed of Surrender and Re-Lease to record the new Record of Title and land area. In all other respects the new lease will contain the same terms as the one it replaces.
16. PRIP Directors and Management agree with this approach and have requested this action.
17. In order to action the Deed of Surrender and Re-Lease, a Council resolution confirming the lease of the additional land is required to effect the actions to progress that work (Refer Paragraph 8).

There is no other practicable option to resolve this situation

18. The current lease of the Airport Land from NPDC to PRIP describes the land by referencing a title that has been cancelled. It is therefore not possible to leave the existing lease in place and deal with the additional land in any other way.

CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA ĀHUARANGI

19. This is an exercise to correctly document the existing situation. There are no climate change impacts associated with the actions that will be undertaken with this work.

THREE WATERS REFORM IMPLICATIONS

20. No effect on Three Waters Reforms has been identified with this proposal. This is a paperwork exercise required to correctly reflect an existing activity and use of Council land.

NEXT STEPS/ HĪKOI I MURI MAI

21. The next steps will be to prepare a Deed of Surrender and Re-Lease for execution by the parties. This work can be undertaken by the NPDC legal team.

SIGNIFICANCE AND ENGAGEMENT / KAUPAPA WHAKAHIRAHIRA

22. In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as being of some importance because this is an operational matter, to correctly document the leased area.

OPTIONS / KŌWHIRINGA

23. There is only one reasonably practicable option.

Option 1 Approve the execution of a Deed of Surrender and Re-Lease of the land contained within Record of Title 914066 to PRIP.

Promotion or Achievement of Community Outcomes / Hāpaitia / Te Tutuki o Ngā Whāinga ā-hāpori

24. There are no major financial or resourcing implications. Any costs associated with the preparation of the Deed of Surrender and Re-Lease can be met from operational budgets.

Risk Analysis / Tātaritanga o Ngā Mōrearea

25. There are no foreseen risks in adopting this option. However, if not approved, PRIP's design options for access, parking and vehicle circulation would be limited. Additionally, although this 1.2 hectares of land is owned by the Council, a small portion has already been developed for airport road access even though it sits outside the current Airport lease area.

Promotion or Achievement of Community Outcomes

26. The land was purchased to facilitate improvements to the entrance of the New Plymouth Airport. Because of the timing of the new Terminal opening, only a small part of the planned works was undertaken at the time. Further alterations to the road layout, car parking and landscaping are planned in order to enhance the operation of the Airport and the user experience.

Statutory Responsibilities / Ngā Haepapa ā-ture

27. There are no statutory responsibilities associated with this recommendation.

Consistency with Policies and Plans / Te Paria i ngā Kaupapa Here me ngā Mahere

28. This is consistent with best practice to have agreements in place for the occupation of NPDC land by a third party.

Participation by Māori / Te Urunga o Ngāi Māori

29. No specific consultation on this issue has been undertaken. It is an operational matter to define and document the land contained within the Airport Lease. Nonetheless, the involvement and assistance from Puketapu Hapū with the Airport development has been significant and beneficial to PRIP and there is a Puketapu representative on the PRIP Board. PRIP maintain ongoing dialogue and will continue to engage and obtain further input when appropriate.

Community Views and Preferences / Ngā tirohanga me Ngā Mariu ā-hāpori

30. Parties affected will be the Airport users, both local and visitors. The land was originally purchased in order to undertake improvements to road access to the Airport, improve visibility and access to the entrance of the terminal and provide better parking options for visitors and airport users.

Advantages and Disadvantages

31. The advantage is including this additional area of land within the Airport lease will give PRIP the opportunity to further develop and improve access to the Airport, vehicle circulation and parking and correctly record the occupation of the land by PRIP.
-

32. There are no disadvantages.

Recommended Option

This report recommends option one – Approve the execution of a Deed of Surrender and Re-Release of the land contained within Record of Title 914066 to PRIP, for addressing the matter.

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APPENDICES / NGĀ ĀPITI HANGA

Appendix 1 Existing Lease (ECM8859472)

Appendix 2 Record of Title 914066 (ECM8908798)

Report Details

Prepared By:	Charlotte Dunning (Property Management Lead)
Team:	Property
Approved By:	Laura Keenan (Property Manager)
Ward/Community:	Puketapu Bell Block
Date:	13 January 2023
File Reference:	ECM 8910727

-----*End of Report*-----

EXECUTION COPY

DEED OF LEASE OF AIRPORT LAND

NEW PLYMOUTH DISTRICT COUNCIL

PAPA RERARANGI I PUKETAPU LIMITED

6

 **Simpson Grierson**
Barristers & Solicitors
Auckland, Wellington & Christchurch
New Zealand
www.simpsongrierson.com

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SCHEDULES

1. REFERENCE SCHEDULE
2. EXISTING LAND RIGHTS

DEED DATED

8th January 2018

2018

PARTIES

- 1. NEW PLYMOUTH DISTRICT COUNCIL (Lessor)
- 2. PAPA RERERANGI I PUKETAPU LIMITED (Lessee)

BACKGROUND

- A. The Lessor is the owner of the Premises and, at the date of this lease is the Airport Authority for New Plymouth Airport.
- B. The Lessor has agreed to lease the Premises to the Lessee and the Lessee has agreed to take the Premises on lease.
- C. This lease is granted pursuant to the Local Government Act 2002 and section 45 of the Public Works Act 1981.

THIS DEED RECORDS THAT:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions: In this lease, unless the context indicates otherwise:

Airport Authority has the meaning given to it in the Airport Authorities Act 1966;

Annual Rent means the annual rent specified in Schedule 1;

Asset Transfer Deed means the deed between the parties dated on or about the date of this lease;

Authority means and includes every governmental, local, territorial and statutory authority having jurisdiction or authority over the Premises or their use;

Existing Land Rights means all existing third party rights over the Premises (including any leases, licences, easements or encumbrances) including those rights listed in Schedule 2;

GST means tax levied under the Goods and Services Tax Act 1985 and includes any tax levied in substitution for that tax;

Insured Risks means loss, damage or destruction resulting from fire, flood, explosion, lightning, storm, earthquake and volcanic activity, and any other risks which the Lessor reasonably requires the Lessee to be insured against (or the Lessee has covenanted with the Lessor to be insured against);

Lessee means the person specified as the Lessee in Schedule 1 and includes the Lessee's permitted assigns and the Lessee's agents, employees, contractors, invitees and successors;

Lessee's Improvements means the Lessee's property situated in, or on the Premises whether constructed before or after the commencement of this lease and includes all buildings, structures and improvements and all equipment and plant owned or placed on the Premises by the Lessee;

Lessor means the person specified as the Lessor in Schedule 1 and includes the Lessor's assigns and the Lessor's employees, contractors, agents and successors;

Month means a calendar month;

Outgoings means all rates, charges, levies, assessments, duties, impositions and fees from time to time payable to any Authority relating to the Premises;

Premises means the land described in Schedule 1 but excluding the Lessee's Improvements and subject to the Existing Land Rights;

Term means the term of this lease;

Utilities means all utility and other services connected and/or supplied to the Premises, including water, sewage, drainage, electricity, gas, telephone and rubbish collection; and

Working Day has the meaning given to it in the Property Law Act 2007.

1.2 Interpretation: In this lease, unless the context indicates otherwise:

- (a) **Building Act Terms:** the terms **Building Consent**, **Building Work** and **Code Compliance Certificate** have the meanings given to those terms in the Building Act 2004;
- (b) **Defined Expressions:** expressions defined in the main body of this lease have the defined meaning throughout this lease, including the background and the schedules;
- (c) **Joint and Several Obligations:** where two or more persons are bound by a provision in this lease, that provision will bind those persons jointly and each of them severally;
- (d) **Parties:** references to any **party** include that party's executors, administrators, successors and permitted assigns;
- (e) **Persons:** references to a **person** include an individual, company, corporation, partnership, firm, joint venture, association, trust, unincorporated body of persons, governmental or other regulatory body, authority or entity, in each case whether or not having separate legal identity;
- (f) **Plural and Singular:** references to the singular include the plural and vice versa;
- (g) **Clauses/Schedules/Attachments:** references to clauses, schedules and attachments are to clauses in, and the schedules and attachments to, this lease. Each such schedule and attachment forms part of this lease;

- (h) **Schedule Terms:** the terms **Commencement Date, Default Interest Rate, Final Expiry Date, Permitted Use, Rent Payment Date(s), Rent Review Date(s)** and **Termination Date**, together with the other terms specified in Schedule 1, will be interpreted by reference to that schedule;
- (i) **Statutory Provisions:** references to any statutory provision are to statutory provisions in force in New Zealand and include any statutory provision which amends or replaces it, and any by-law, regulation, order, statutory instrument, determination or subordinate legislation made under it;
- (j) **Negative Obligations:** any obligation not to do anything includes an obligation not to suffer, permit or cause that thing to be done;
- (k) **Inclusive Expressions:** the term **includes** or **including** (or any similar expression) is deemed to be followed by the words **without limitation**; and
- (l) **Documents:** references to any document (however described) are references to that document as modified, novated, supplemented, varied or replaced from time to time and in any form, whether on paper or in an electronic form.

2. GRANT OF LEASE AND EXISTING LAND RIGHTS

- 2.1 **Grant:** Subject to the Existing Land Rights the Lessor leases to the Lessee and the Lessee takes the Premises on lease under the Local Government Act 2002 and section 45 of the Public Works Act 1981 for the Term beginning on the Commencement Date and ending on the Termination Date at the Annual Rent.
- 2.2 **Existing Land Rights:** The Lessee acknowledges:
 - (a) that the Premises are leased subject to the Existing Land Rights; and
 - (b) in accordance with clause 3 of the Asset Transfer Deed:
 - (i) the Lessor has assigned, and the Lessee has accepted assignment of, all of the Lessors rights and obligations of the Lessor under the Existing Land Rights;
 - (ii) the Lessee takes possession of the Premises subject to the Existing Land Rights and will be bound by and comply with all terms and conditions expressed or implied in the Existing Land Rights during the Term of this Lease.
- 2.3 **Iwi and Hapū Land Access:** The Lessee acknowledges and agrees that at the date of signing of this lease, the Lessor and Lessee are negotiating a Deed of Understanding with The Trustees of the Te Kotahitanga o Te Atiawa Trust (Trust) and an entity representing the Puketapu hapū to (amongst other things):
 - (a) acknowledge the strength of cultural connection between the members of the Puketapu hapū and the Premises; and

- (b) grant access for members of the Puketapu hapū to urupa and other culturally significant sites located on the Premises.

2.4 **Lessee bound:** The Lessee agrees, that following signing of the Deed of Understanding, it will be treated in the same manner as the Existing Land Rights and the Lessee will be bound by and comply with all of the terms and conditions of the Deed of Understanding.

3. **RIGHT OF RENEWAL**

3.1 **No Right of Renewal:** There is no right of renewal.

3.2 **Holding Over:** If, other than under the grant of a further lease, the Lessor permits the Lessee to remain in occupation of the Premises after the end or earlier termination of the Term, the occupation will be a periodic tenancy only, determinable by 20 Working Days' notice by either the Lessor or the Lessee to the other of them, at the rent then payable and otherwise on the same terms and conditions (as far as applicable to a periodic tenancy) as are contained in this lease.

4. **RENT**

The Lessee must pay the Annual Rent by equal annual payments in advance on the Rent Payment Dates if demanded.

5. **RENT REVIEW**

The Annual Rent will remain the same throughout the Term of the lease and there is no requirement for the rent to be reviewed.

6. **GST**

6.1 **Payment:** The Lessee must pay to the Lessor all GST payable on the Annual Rent and other money payable by the Lessee under this lease. The Lessee must pay GST:

- (a) **Annual Rent:** on the Annual Rent on each occasion when any rent falls due for payment (if demanded); and
- (b) **Other Money:** on any other money payable by the Lessee on demand.

6.2 **Default:** If:

- (a) **Lessee Fails to Pay:** the Lessee fails to pay the Annual Rent (if demanded) or other money payable under this lease (including GST); and
- (b) **Lessor Liable to Penalty:** the Lessor becomes liable to pay additional GST or penalty tax;

then the Lessee must pay the additional tax or penalty tax to the Lessor on demand.



7. DEFAULT INTEREST

If the Lessee fails to pay any money payable under this lease for 10 Working Days after:

- 7.1 **Due Date:** the due date for payment; or
- 7.2 **Demand:** the date of the Lessor's demand, if there is no due date;

then the Lessee must pay on demand default interest on the money unpaid from the due date or the date of the Lessor's demand (as the case may be) down to the date of payment. Default interest will be calculated at the Default Interest Rate (after as well as before judgment).

8. OUTGOINGS

- 8.1 **Lessee to Pay Outgoings:** The Lessee must on demand by the Lessor pay the Outgoings without deduction or set-off. If any Outgoing is not separately assessed on or charged to the Premises, the Lessee must pay a fair and reasonable proportion of that Outgoing.
- 8.2 **Apportionment:** Any Outgoing which is not assessed or charged for a period falling wholly within the Term will be apportioned between the Lessor and the Lessee.
- 8.3 **Penalties:** If any Outgoing is payable by a date after which a penalty applies, the Lessee will comply with clause 8.1 if the Lessee pays that Outgoing at least five Working Days before the penalty date.
- 8.4 **Lessor's Obligation:** The Lessor must pay all costs, expenses and charges relating to the Premises which are not the Lessee's responsibility under this lease.

9. UTILITY CHARGES

- 9.1 **Lessee to Pay Utility Charges:** The Lessee must promptly pay to the relevant Authority or supplier all charges for Utilities which are separately metered or charged to the Premises.
- 9.2 **Apportionment:** The Lessee must pay to the Lessor on demand a fair and reasonable proportion of the charge for any Utility which is not separately metered or charged to the Premises.
- 9.3 **Meters:** If the Lessor or any Authority requires the Lessee to do so, the Lessee must at the Lessee's own expense install any meter or other measuring devices necessary for the proper measurement of the charges for any Utility or other services supplied to the Premises.

10. COSTS

- 10.1 **Legal Costs Related to this Lease:** Each party will pay their own legal costs related to the negotiation, preparation and execution of this lease.
- 10.2 The Lessee must pay to the Lessor on demand:

- (a) **Legal Costs Related to Variation:** the Lessor's legal costs for any variation of this lease;
- (b) **Costs for Consents:** the Lessor's reasonable costs incurred in considering any request by the Lessee for the Lessor's consent to any matter contemplated by this lease; and
- (c) **Default Costs:** all costs, charges and expenses for which the Lessor becomes liable as a result of the Lessee's breach of any of this lease's terms.

11. INSURANCE

11.1 Lessee to Insure: The Lessee must at all times during the Term:

- (a) **Lessee's Improvements:** insure and keep the Lessee's Improvements insured in the joint names of the Lessor and the Lessee for their respective rights and interests to their full insurable value against the Insured Risks; and
- (b) **Pay Premiums:** pay the premium for the insurance taken out under clause 11.1(a) when due.

11.2 Public Risk Insurance: The Lessee must throughout the Term keep current a public risk insurance policy applicable to the Premises and the business carried on, in, or from the Premises for:

- (a) **Specified Amount:** the amount specified in Schedule 1 (being the amount which may be paid out arising from any single accident or event); or
- (b) **Increased Amount:** any increased amount that the Lessor reasonably requires.

11.3 Section 271 Property Law Act 2007: For the purposes of section 271 of the Property Law Act 2007, the Lessee acknowledges and agrees that:

- (a) **Premises Not Insured:** the Lessor has not insured the Premises against destruction or damage arising from fire, flood, explosion, lightning, storm, earthquake or volcanic activity; and
- (b) **Lessee to Make Good:** the Lessee, subject to the provisions of section 271(2)(a) – (c) of the Property Law Act 2007, will meet the cost of making good any destruction or damage to the Premises and indemnifies the Lessor against the cost of doing so should the Lessee default in that obligation.

12. MAINTENANCE

12.1 Maintenance: The Lessee must at its own cost throughout the Term:

- (a) **Improvements:** maintain the Premises and the Lessee's Improvements in good repair and condition;
- (b) **Keep Premises Clean:** keep the Premises clean and tidy;

- (c) **Removal of Rubbish:** regularly remove all rubbish and waste from the Premises and the Lessee's Improvements;
- (d) **Broken Glass:** replace all broken glass on the Premises and the Lessee's Improvements;
- (e) **Pests:** prevent and exterminate any pest infestation on the Premises and the Lessee's Improvements; and
- (f) **Paint:** If called upon by the Lessor paint in a proper and workmanlike manner the whole or such part of the outside of any Lessee's Improvements erected on the Premises. The Lessee must obtain the Lessor's prior written consent to all exterior colours to be used on any Lessee's Improvements and must not alter the exterior colour scheme at any time without similarly obtaining the Lessor's prior written consent.

13. **USE OF PREMISES**

13.1 **Permitted Use:** The Lessee must only use the Premises for the Permitted Use.

13.2 **Restrictions on Use:** The Lessee must:

- (a) **Resource Management Act:** not do anything which is or may become a breach of any duty imposed on any person by the Resource Management Act 1991;
- (b) **Health and Safety at Work Act:** not do anything which is or may become a breach of any duty imposed on any person by the Health and Safety at Work Act 2015;
- (c) **Acts, By-laws etc:** comply in all respects with all acts, by-laws, regulations, rules and requisitions relating to the Premises and the Lessee's use of the Premises including those of the Lessor in its capacity as a local authority;
- (d) **Signage and Colour:** obtain the prior consent in writing of the Lessor to all exterior signage and paint colour erected or used upon the Premises such consent not to be unreasonably withheld or delayed;
- (e) **Trees:** not plant any foliage, shrubs, trees or undertake any landscaping without the prior written consent of the Lessor such consent not to be unreasonably withheld or delayed;
- (f) **Fencing:** not undertake or permit any fencing of any description to be installed upon or within the Premises unless requested or directed by the Lessor or an Authority;
- (g) **Parking:** ensure that only vehicles owned or operated by the Lessee or by visitors permitted by the Lessee are present on the Premises and when present are parked in appropriate areas of the Premises. Vehicles may not be parked on any adjoining areas or other land retained by the Lessor and shall where necessary be parked in designated locations directed by the Lessor and any related parking fees shall be met by the Lessee;

- (h) **Interference:** must not do anything or allow anything to be done that might interfere with the use and enjoyment of the Premises as an airport or affect the safe operation of aircraft on or over the airport.

14. BUILDING WORK

14.1 Approvals: Subject to the provisions of this section, the Lessee must not carry out any Building Work on the Premises without first giving plans and specifications of the proposed work to the Lessor and:

- (a) **Lessor's Consent:** obtaining the Lessor's prior written consent; and
- (b) **Building Consent:** obtaining and giving the Lessor a copy of all Building Consents required to enable the relevant Building Work to be carried out lawfully.

14.2 Building Act: The Lessee must:

- (a) **Building Consent:** carry out all Building Work in conformity with the Building Consent produced to the Lessor under clause 14.1(b); and
- (b) **Compliance Certificate:** obtain a Code Compliance Certificate on completion of any Building Work;
- (c) **No Interference:** ensure that the Building Work and resulting Lessee's Improvements do not interfere with the use and enjoyment of the Premises as an airport or affect the safe operation of aircraft on or over the airport.

15. AIRPORT SECURITY AND OPERATIONS

15.1 Security: The Lessee acknowledges the fundamental importance of maintaining the security of the airport operational area as defined by the Lessor from time to time and shall contribute to this by ensuring no person shall enter such airport operational area by means of or through the Premises, without proper authorisation.

15.2 Third Party Compliance: In addition to clause 15.1, the Lessee shall at all times remain responsible to the Lessor for ensuring that any person accessing the Premises and/or operational area by means of or through the Premises complies with all obligations which the Lessee themselves must comply with, whether pursuant to this Lease or otherwise and the Lessee shall be in breach of this lease if such person commits an act or omission which, if done by the Lessee would be a breach of this lease.

16. EXPIRY OF LEASE

16.1 Lessee to Vacate: Upon expiry of the lease or earlier termination or surrender, the Lessee will vacate the Premises, leaving them in a clean and tidy condition to the Lessor's reasonable satisfaction. The Lessee's Improvements will become the property of the Lessor and the Lessor will pay to the Lessee compensation for the Lessee's Improvements, with the amount of such compensation to be determined in accordance with clauses 16.2 to 16.6.

- 16.2 Lessor to Provide Valuation:** The Lessor must provide to the Lessee, within 40 Working Days of the date of expiry of the lease or earlier termination or surrender of the lease, a valuation of the Lessee's Improvements completed by an independent registered valuer (**Lessor's Valuation**).
- 16.3 Acceptance or Failure to Respond to Lessor's Valuation:** If, by written notice to the Lessor, the Lessee accepts the Lessor's Valuation, or does not respond within the timeframe specified in clause 16.4, the Lessor will pay the amount determined in the Lessor's Valuation to the Lessee as compensation for the Lessee's Improvements.
- 16.4 Process if Lessee Disputes Valuation:** If, by written notice to the Lessor (**Lessee's Notice**) within 10 Working Days after receipt of the Lessor's Valuation under clause 16.2 (time being of the essence) the Lessee disputes the valuation of the Lessee's Improvements, then the valuation will be determined in accordance with clause 16.5.
- 16.5 Valuation Dispute Process:** Immediately following receipt by the Lessor of the Lessee's Notice, the parties will endeavour to agree upon the valuation of the Lessee's Improvements, but if agreement is not reached within 10 Working Days of receipt of the Lessee's Notice then the valuation may be determined by either:
- (a) one party giving notice to the other requiring the valuation to be determined by arbitration to be carried out in accordance with clause 25; or
 - (b) if the parties so agree by independent registered valuers acting as experts and not as arbitrators as follows:
 - (i) each party must appoint a valuer and give written notice of the appointment to the other party within 10 Working Days of the parties agreeing to determine the valuation by arbitration;
 - (ii) if either party fails to appoint a valuer within the 10 Working Day period then the valuer appointed by the other party will determine the valuation and such determination will be binding on both parties;
 - (iii) before commencing their determination the valuers must appoint an umpire, who does not need to be a registered valuer;
 - (iv) the valuers will determine the valuation of the Lessee's Improvements and if they fail to agree, then the valuation will be determined by the umpire;
 - (v) each party must be given the opportunity to make written or verbal representations to the valuers or the umpire subject to such reasonable time and other limits as the valuers or the umpire may prescribe and they must have regard to any such representations, but are not bound by them.
- 16.6** When the valuation has been determined by the arbitrators or the umpire (as applicable) under clause 16.5, they must give written notice of the valuation to the parties and the Lessor must pay the amount determined to the Lessee as

compensation for the Lessee's Improvements. The notice must also provide how the costs of the determination will be borne and such provision will be binding on the parties.

17. ASSIGNMENT AND SUBLEASING

- 17.1 **No Assignment:** Subject to the provisions of this section, the Lessee must not assign the Lessee's interest in this lease.
- 17.2 **Control of Sublease:** Subject to the provisions of this section and the Existing Land Rights the Lessee may sublease or part with possession or share occupation of any part of the Premises without the prior approval of the Lessor, but will provide the Lessor with notice of the details of any sublease or other interests granted over the Premises as soon as practical.
- 17.3 **Costs:** The Lessee must pay the Lessor's reasonable costs for any consent or application for consent under this section (including the Lessor's legal costs).

18. LESSOR'S RIGHTS OF ENTRY

- 18.1 **Entry to Premises by Lessor:** The Lessor may, with all necessary materials and equipment at all reasonable times and on reasonable notice (but at any time without notice in the case of an emergency) enter the Premises to:
 - (a) **Inspect Premises:** inspect the condition and state of repair of the Premises; or
 - (b) **Compliance with Statutes etc:** carry out any works to comply with any statutes, regulations, by-laws, ordinances, orders, proclamations, requirements of or notices by any Authority.
- 18.2 **Minimise Disturbance to Lessee:** The Lessor will take reasonable steps to minimise any disturbance to the Lessee or the operation of the Permitted Use when exercising the entry rights granted under clause 18.1.

19. QUIET ENJOYMENT

If the Lessee pays the Annual Rent and performs the Lessee's obligations in this lease, the Lessee will be entitled to quiet enjoyment of the Premises without interruption by the Lessor or any person claiming under the Lessor.

20. CANCELLATION FOR DEFAULT AND TERMINATION

- 20.1 **Lessor's Right to Cancel based on Permitted Use:** If at any time during the Term the Lessee ceases to use the Premises (or any part of it) for the Permitted Use, the Lessor may cancel, or partly cancel (as appropriate) this lease by not less than 6 months written notice, and the Premises or the relevant part of it, together with all relevant Lessee's Improvements (if any) will revert to the Lessor and the provisions of clause 16 will apply.

20.2 Cancellation: The Lessor may (in addition to the Lessor's right to apply to the Court for an order for possession and clause 20.1) cancel this lease by re-entering the Premises at the time or any time afterwards:

- (a) **Failure to Pay Rent:** if any instalment of the Annual Rent has been demanded and is in arrears for 10 Working Days after the due date to pay and the Lessee has failed to remedy that breach within 10 Working Days after service on the Lessee of a notice in accordance with section 245 of the Property Law Act 2007;
- (b) **Failure to Perform:** if the Lessee fails to observe or perform any obligation under this lease (other than the covenant to pay rent) and the Lessee has failed to remedy that breach within the period specified in a notice served on the Lessee in accordance with section 246 of the Property Law Act 2007;
- (c) **Lessee a Company:** if being a company the Lessee:
 - (i) is or is deemed to be unable to pay the Lessee's debts under section 287 of the Companies Act 1993;
 - (ii) goes into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation approved in writing by the Lessor);
 - (iii) is wound up or dissolved;
 - (iv) enters into any assignment or other compromise or scheme of arrangement with the Lessee's creditors or any class of the Lessee's creditors;
 - (v) has a receiver, manager or receiver and manager appointed relating to any of the Lessee's assets; or
 - (vi) has an application made to a court for, or a resolution proposed for, or any other step is taken in anticipation of, the appointment of an administrator or has an administrator appointed.

20.3 Lessor May Remedy Lessee's Default: The Lessor may, without being under any obligation to do so, remedy any default or breach by the Lessee under this lease at the Lessee's cost.

21. ESSENTIAL TERMS

21.1 Essential Terms: The Lessee's breach of the following terms is a breach of an essential term of this lease:

- (a) **Payment of Rent:** the covenant to pay rent or other money payable by the Lessee under this lease;
- (b) **Assignment and Subleasing:** the terms dealing with assignment and subleasing; or
- (c) **Use of Premises:** the terms restricting the use of the Premises.

- 21.2 **Waiver:** The Lessor's acceptance of any arrears of rent or other money payable under this lease is not a waiver of the essential obligation to pay any other rent or money payable under this lease.
- 21.3 **Compensation:** The Lessee must compensate the Lessor for any breach of an essential term of this lease. The Lessor may recover damages from the Lessee for those breaches. The Lessor's entitlement to compensation under this clause is in addition to any other remedy or entitlement of the Lessor (including the right to terminate this lease).

22. **COMPENSATION**

22.1 **Lessee's Acts or Omissions:** If any act or omission of the Lessee:

- (a) **Repudiation:** is a repudiation of this lease or of the Lessee's obligations under this lease; or
- (b) **Breach of Lease:** is a breach of any of the Lessee's obligations under this lease;

the Lessee must compensate the Lessor for the loss or damage suffered by reason of the repudiation or breach during the whole of the Term.

22.2 **Entitlement:** The Lessor's entitlement to recover damages will not be affected or limited by:

- (a) **Abandonment:** the Lessee abandoning or vacating the Premises;
- (b) **Re-entry or Termination:** the Lessor electing to re-enter or to terminate this lease;
- (c) **Acceptance of Repudiation:** the Lessor accepting the Lessee's repudiation; or
- (d) **Surrender:** the parties' conduct constituting a surrender by operation of law.

22.3 **Legal Proceedings:** The Lessor may bring legal proceedings against the Lessee claiming damages for the entire Term including the periods before and after:

- (a) **Premises Vacated:** the Lessee has vacated the Premises; and
- (b) **Abandonment etc:** the abandonment, termination, repudiation, acceptance of repudiation or surrender by operation of law referred to in clause 22.2;

whether the proceedings are instituted before or after that conduct.

22.4 **Mitigation of Damages:** If the Lessee vacates the Premises, whether with or without the Lessor's consent, the Lessor must take reasonable steps to:

- (a) **Mitigate Damages:** mitigate the Lessor's damages; and
- (b) **Lease Premises:** endeavour to lease the Premises at a reasonable rent and on reasonable terms.

The Lessor's entitlement to damages will be assessed on the basis that the Lessor should have observed the obligation to mitigate damages contained in this clause. The Lessor's conduct in pursuance of the duty to mitigate damages will not by itself constitute acceptance of the Lessee's breach or repudiation, or a surrender by operation of law.

23. NO WAIVER

The Lessor's waiver or failure to act in response to the Lessee's breach of any of the Lessee's obligations in this lease will not operate as a waiver of:

- 23.1 **Waiver of Breach:** the same breach on any later occasion; or
- 23.2 **Waiver of Obligations:** any other obligations in this lease.

24. INDEMNITY

- 24.1 **Lessor Indemnified:** The Lessee indemnifies the Lessor against all actions, proceedings, calls, claims, demands, losses, damages, costs, expenses or liabilities of any kind suffered or incurred by the Lessor resulting from the Lessee's acts or omission.
- 24.2 **Repair Costs:** The Lessee must pay to the Lessor on demand the amount of all costs and expenses incurred by the Lessor in making good any damage to the Premises resulting from the Lessee's acts or omission.
- 24.3 **Extent of Indemnity:** The Lessee is liable to indemnify the Lessor only to the extent that the Lessor is not fully indemnified under any insurance policy.

25. RESOLUTION OF DISPUTES

- 25.1 **Disputes:** Any dispute, difference or question arising between the parties about:
 - (a) **Interpretation:** the interpretation of this lease;
 - (b) **Matters Arising:** anything contained in or arising out of this lease;
 - (c) **Rights, Liabilities or Duties:** the rights, liabilities or duties of the Lessor or Lessee; or
 - (d) **Other Matters:** any other matter touching on the relationship of the Lessor and the Lessee under this lease (including claims in tort as well as in contract);

will be referred to the arbitration of a single arbitrator under the Arbitration Act 1996.
- 25.2 **Arbitrator:** The parties must try to agree on the arbitrator. If they cannot agree, the president or any vice president for the time being of the New Zealand Law Society (or his or her nominee) will, on either party's application, nominate the arbitrator.

25.3 **Action at Law:** The parties must go to arbitration under this section before they can begin any action at law (other than an application for injunctive relief).

26. NOTICES

26.1 **Service of Notices:** Any notice or document required or authorised to be given or served under this lease may be given or served:

- (a) **Section 245 or 246 of the Property Law Act:** in the case of a notice under sections 245 or 246 of the Property Law Act 2007, in the manner prescribed by section 353 of that Act 2007; and
- (b) **Other Cases:** in all other cases, unless otherwise required by sections 352 to 361 of the Property Law Act 2007;
 - (i) in the manner authorised by sections 354 to 361 of the Property Law Act 2007; or
 - (ii) by personal delivery, or by posting by registered mail or ordinary mail, or by facsimile, or by email.

26.2 **Time of Service:** In respect of the means of service specified in clause 26.1(b)(ii) any notice or other document will be treated as given or served and received by the other party:

- (a) **Personal Delivery:** when received by the addressee;
- (b) **Post:** three Working Days after being posted to the addressee's last known address in New Zealand;
- (c) **Facsimile:** on completion of an error free transmission, when sent by facsimile; or
- (d) **Email:** when acknowledged by the addressee by return email or otherwise in writing and in any event at 5.00 pm on the first Working Day after the day on which it is sent unless a non-delivery notification has been received.

26.3 **Signature of Notices:** Any notice or document to be given or served under this lease must be in writing and may be signed by:

- (a) **Party:** the party giving or serving the notice;
- (b) **Attorney:** any attorney for the party serving or giving the notice; or
- (c) **Authorised Person:** the solicitor or any director, officer, employee or other agent who has authority to give or serve the notice.

27. PROPERTY LAW ACT

The covenants and powers contained in clauses 4, 5, 6, 9, 10, 11 and 12 of Part 2 and clause 13 of Part 3 of Schedule 3 of the Property Law Act 2007 will not be implied in this lease and are expressly negated.

28. LEASE NOT REGISTRABLE

The Lessor does not warrant that this lease is in registrable form. The Lessee must not require registration of this lease against the title to the Premises.

29. LESSOR'S CONSENT

- 29.1 **Consent Required on Each Occasion:** The Lessor's consent under this lease is required for each occasion even if the Lessor has given a consent for the same or a similar purpose on an earlier occasion.
- 29.2 **Consent not to be Unreasonably Withheld:** If this lease states that the Lessor's consent is required for anything done or proposed to be done, then unless otherwise stated, in each case, the Lessor:
 - (a) must not unreasonably withhold consent; and
 - (b) must, within a reasonable time of the Lessor's consent being requested:
 - (i) grant that consent; or
 - (ii) notify the Lessee in writing that the consent is withheld.

30. LESSOR AS LAND OWNER, NOT REGULATORY AUTHORITY

30.1 **Lessor as Land Owner:** The Lessor has signed this lease in its non-regulatory capacity as land owner. This lease does not bind the Lessor in its capacity as a regulatory authority in any way, and any consent or agreement the Lessor gives under this lease is not an agreement or consent in its regulatory capacity and vice versa. When acting in its regulatory capacity, the Lessor is entitled to consider all applications to it without regard to this lease. The Lessor will not be liable to the Lessee or any other party if, in its regulatory capacity, the Lessor declines or imposes conditions on any consent or permission that the Lessee or any other party seeks for any purpose associated with this lease.

31. GENERAL

- 31.1 **Further Assurances:** Each party will do all things and execute all documents reasonably required to give effect to the provisions and intent of this lease.
- 31.2 **Governing Law and Jurisdiction:** This lease is governed by the laws of New Zealand. The parties submit to the exclusive jurisdiction of the New Zealand courts in respect of all matters relating to this lease.

EXECUTED AND DELIVERED AS A DEED



SIGNED by NEW PLYMOUTH DISTRICT COUNCIL as Lessor by:

NEIL HOODON
Full name of Elected Member

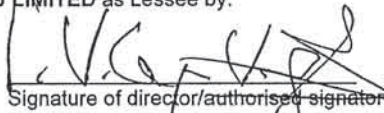

Signature of Elected Member

RICHARD JORDAN
Full name of Elected Member


Signature of Elected Member

SIGNED by PAPA RERERANGI I PUKETAPU LIMITED as Lessee by:

PL GARY WRIGHT
Full name of director/authorised signatory


Signature of director/authorised signatory

Chris Myers
Full name of director/authorised signatory


Signature of director/authorised signatory

Witness:
(if other than two directors sign)

Signature of witness

Full name of witness

Occupation of witness

Address of witness

SCHEDULE 1
REFERENCE SCHEDULE

Lessor:	NEW PLYMOUTH DISTRICT COUNCIL
Lessor's Address:	84 Liardet Street Private Bag 2025 New Plymouth 4342
Lessee:	PAPA RERERANGI I PUKETAPU LIMITED
Lessee's Address:	84 Liardet Street Private Bag 2025 New Plymouth 4342
Premises:	All that land comprising approximately 200.5562 hectare being all of the land comprised in Computer Freehold Register 209014
Term:	99 years
Commencement Date:	1 July 2017
Termination Date:	30 June 2116
Renewal Term(s):	No renewal
Final Expiry Date:	30 June 2116
Annual Rent:	\$1.00 per annum plus GST (if demanded)
Rent Payment Dates:	On the Commencement Date and each anniversary of the Commencement Date (if demanded)
Rent Review Date(s):	No rent review
Permitted Use:	The management and operation of New Plymouth Airport including facilities and services for the use and convenience of airport users and other uses specifically permitted by the Lessor
Public Risk Insurance:	\$20 Million
Default Interest Rate:	9 % per annum or the commercial overdraft base rate of the Lessor's Bank, whichever is higher

**SCHEDULE 2
EXISTING LAND RIGHTS**

<i>Tenant</i>	<i>Site</i>	<i>Airport File No.</i>
TERMINAL SPACE, TM series		
B & R Partnership (Rustic Rd Ltd & B F E Ltd)	Airspresso Airport cafeteria	TM-01*
Pegasus Rental Cars (Russell Rentals & Sales Ltd)	Booth 4 Pks 40, 41, 42, 43, 44, 45	TM-02*
Avis Rent A Car (Avis New Zealand Ltd)	Kiosk 1 & 1/2 share of storage area behind Pks 1, 2, 3, 4, 5, 6, 7, 8, 53, 54, 55, 56, 57, 58, 59	TM-03*
Hertz Rent-A-Car Ltd (Energy City Motors Ltd)	Booths 5 & 6 Pks 25-32, 33-35 & 36-39	TM-04*
Thrifty Car Rental (F V & J M Snowdon)	Booth 7 Pks 16-24	TM-05*
Budget Rent A Car	Booth 8 Pks 9-15, 60-64	TM-06*
Air New Zealand (Area A Koru Lounge)	Koru Lounge	TM-07*
Air New Zealand (Area B Air Nelson, AIRNEL, counter, pilots office, freight room plus manager's office from Dec 2014)	Counter, pilots office, freight rm Ex Airport Manager Office added WEF 1 Dec 14	TM-08*
Scott's Shuttles Ltd	Booth 3	TM-09*
Air New Zealand (AIRNE3)	Kingfish kiosk licence for passenger handling facility	TM-10*
TSB Bank Limited	ATM Machine (Licence)	TM-11*
Interspace advertising	Advertising contract	TM-12*
BUILDING LEASES, BL Series		
Snowdon, FV & JM	Maintenance Shed & yard, Wipiti Way	BL-01*

<i>Tenant</i>	<i>Site</i>	<i>Airport File No.</i>
Advanced Security Ltd	Room in ex Aero Training Rooms, Wipiti Way	BL-02*
CAR PARK Licences, CP Series		
Air Services (Taranaki) Ltd	Parks 69-74	CP-01*
AGL Rental Cars (Goldsworthy)	Parks 48, 49 (licence)	CP-02*
Cut Price Rentals (L Minnell & Son aka Naki Hire)	Parks 50, 51	CP-03*
East City Rentals Ltd (aka Rent a Dent)	Parks 52, 65-68 (licence)	CP-04*
Thrifty Car Rental (Snowdon, FV & JM)	Parks 16-24	CP-05*
Europcar New Zealand (BVJV limited)	CLOSED FILE. Lease terminated August 2012	CP-06
Pegasus Rental Cars (Russell Rentals & Sales Ltd)	Parks 40-45	CP-07*
Avis Rent A Car (Avis New Zealand Ltd)	Parks 1-8, 53-56, 57-59	CP-08*
Hertz Rent-A-Car Ltd (Energy City Motors Ltd)	Parks 25-32, 33-35, 36-39	CP-09*
Budget Rent A Car	Parks 9-15, 60-64	CP-10*
TOTAL CAR PARKS	69	
LAND LEASES, LL Series		
Paritutu Investment Company Ltd, c/- Williams Family Trust, formerly Bell Block Rental Services Ltd	Rental car servicing facility, (located west of Main Terminal Building)	LL-01*
Avis - Tama Trust, formerly Williams Family Trust, formerly Pennington	Rental car servicing facility, corner of Kataore Lane & Wipiti Way	LL-02*
Meteorological Service of NZ Ltd	2 x sites for instrument structures, Puketapu Crescent	LL-03*
Budget Rent A Car, Tama Trust, formerly Williams Family Trust	Rental vehicle compound, located on corner of Airport Drive & Kataore Lane	LL-04*
Hertz Rent-A-Car Ltd (Energy City Motors Ltd)	Rental car compound, Kataore Lane	LL-05*

<i>Tenant</i>	<i>Site</i>	<i>Airport File No.</i>
Vodafone NZ Ltd	Telecommunication mast & equipment	LL-06*
Taranaki Chapter of Sport Aircraft Association formerly NZ Amateur Constructors Association (Taranaki Chapter)	Hangar site, Wipiti Way	LL-07*
Faram Aviation Group Ltd & J G Faram (formerly Taranaki Air Ambulance Trust)	Former Fire Rescue Building, near control tower	LL-08*
Hawaiki Trust (prev. P L & B M Muller, Paul Muller Aircraft Ltd)	Hangar site, Wipiti Way	LL-09*
Fine Particle Application Ltd (previously B.A. and J.C. Emeny)	Hangar site west of Main Terminal Building	LL-10*
Vause Trusts Partnership (Hangar 1)	Lease 1 Airside (west of Main Terminal Building)	LL-11*
Vause Trusts Partnership (Hangar 2)	Lease 2, Grass Runway site, Wipiti Way	LL-12*
Air Taranaki Limited (Alan J Warner)	Hangar site, Wipiti Way	LL-13*
The Taranaki Skydiving Club Inc	Clubrooms site, Wipiti Way	LL-14*
J L Anderson	Hangar Site 1, corner Wipiti Way & Katore Lane	LL-15*
Murray Raymond Smith (SMITHM)	Hangar Site 4, Wipiti Way	LL-16
Sky West Aviation Ltd (assigned from NQ & SJ O'CONNOR Family Trust WEF 24 June 2014)	Hangar Site (Main Runway), Puketapu Crescent	LL-17
Southbound Helicopters Ltd t/a Helicopters (NZ) Ltd (lease 1) (HELICO)	Hangar Site 21	LL-18
BROUGH, Allan John & Carolyn Sue	Hangar Site	LL-19
Brian John Riley	Hangar Site	LL-20
Ice Aviation Ltd (James Finlayson)	Hangar Site (grass taxiway)	LL-21

<i>Tenant</i>	<i>Site</i>	<i>Airport File No.</i>
CEV Ltd & Dennis Banks	Hangar Site (grass taxiway)	LL-22
Southbound Helicopters Ltd t/a Helicopters (NZ) Ltd (lease 2) (HELIC2)	Hangar Site 22	LL-23
Rustic Road Ltd (Jim & Sue Hickey)	Hangar site	LL-24
Southbound Helicopters Ltd t/a Helicopters (NZ) Ltd (lease 3) (HELIC3)	Hangar Site 20 (ex O'Connor)	LL-25
Taranaki Air Ambulance Trust	Ex Met Site west of the terminal, Puketapu Crescent	LL-26
B.P. Oil New Zealand Ltd	Airside Fuel Pump & Bulk Fuel Depot	LL-27
R. Hardwick-Smith (HARDWI)	Grazing block F	LL-30
Jones	Grazing Block D	LL-31
Westown Agriculture	Zero Grazing lease	LL-32
Powerco Ltd	Easement, second 11Kv line	LL-34
Her Majesty the Queen	Encumbrance Instrument 10824292.1	

NPDC		RECD: 11 JAN 2010	
DM No:			
CLASS:			
PROPERTY ID:			
LEGAL ID:			
TECH 1:		RELATED:	
PERIOD:		ACTION/FYI	REPLY REQUIRED
CMMTE			
REF TYPE			
REF NO			
ASSET			



**RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
Search Copy**




 R.W. Muir
 Registrar-General
 of Land

6

Identifier **914066**
Land Registration District **Taranaki**
Date Issued 06 December 2019

Prior References
 209014 TNG2/980

Estate Fee Simple
Area 201.7561 hectares more or less
Legal Description Lot 2 Deposited Plan 542558 and Part Puketapu A1 Block and Part Puketapu A2 Block and Part Puketapu E Block and Part Puketapu E Block and Part Puketapu B1B Block and Puketapu B1A Block and Puketapu B2 Block and Part Puketapu B4 Block and Part Puketapu B3 Block and Part Puketapu C2 Block and Part Puketapu E Block and Puketapu C1 Block and Puketapu D Block and Part Puketapu Roadway Block and Section 151 Waitara West District and Part Section 64, 144, 64 Waitara West District
Purpose for Aerodrome Purposes
Registered Owners
 New Plymouth District Council

Interests
 Subject to a right to take, convey and lead water over Part Section 151 and Part Section 64 Waitara West District created by Transfer 171442 - 23.9.1969 at 11.11 am
 Subject to laying out of a roadway over part marked A on DP 12895 created by Court Order 278262 - 12.6.1981 at 11.50 am (affects part Puketapu D Block herein)
 371646.4 Certificate pursuant to Section 641(A)(1) of the Local Government Act 1974 - 12.6.1990 at 2.35 pm (affects part Puketapu C2 Block)
 Appurtenant hereto is a right of way created by Easement Instrument 6355714.3 - 23.3.2005 at 9:00 am (affects all parcels excluding Lot 2 DP 542558)
 7359140.1 Notice pursuant to Section 18 Public Works Act 1981.- 9.5.2007 at 9:00 am (affects Lot 2 DP 542558)
 9812846.1 Notice of Access Rights pursuant to Section 83 Crown Minerals Act 1991- 14.8.2014 at 2:43 pm (affects all parcels excluding Lot 2 DP 542558)
 Subject to a right (in gross) to convey electricity over part Section 151 Waitara West District marked A and E, over part Section 64 Waitara West District marked B and D and over part Section 144 Waitara West District marked C all on DP 483142 in favour of Powerco Limited created by Easement Instrument 9982230.1 - 23.3.2015 at 3:04 pm

Identifier

914066

Subject to a right (in gross) to drain sewage, convey telecommunications and computer media over part Puketapu D Block marked A, over part Section 151 Waitara West District marked B and D, over part Section 64 Waitara West District marked C, over part Puketapu C2 Block marked E and G, over part Puketapu Roadway Block marked F, over part Puketapu B3 Block marked H, over part Puketapu B4 Block marked I, over part Puketapu B2 Block marked J and over part Puketapu A2 Block marked K all on DP 466084 in favour of New Plymouth District Council created by Easement Instrument 9960092.1 - 14.4.2015 at 10:18 am

10824292.1 Encumbrance to Her Majesty the Queen - 4.7.2017 at 1:54 pm (affects all parcels excluding Lot 2 DP 542558)

Subject to Section 241(2) and Sections 242(1) and (2) Resource Management Act 1991 (affects DP 542558)

Land Covenant in Covenant Instrument 11824154.1 - 11.9.2020 at 3:59 pm

6

Identifier

914066

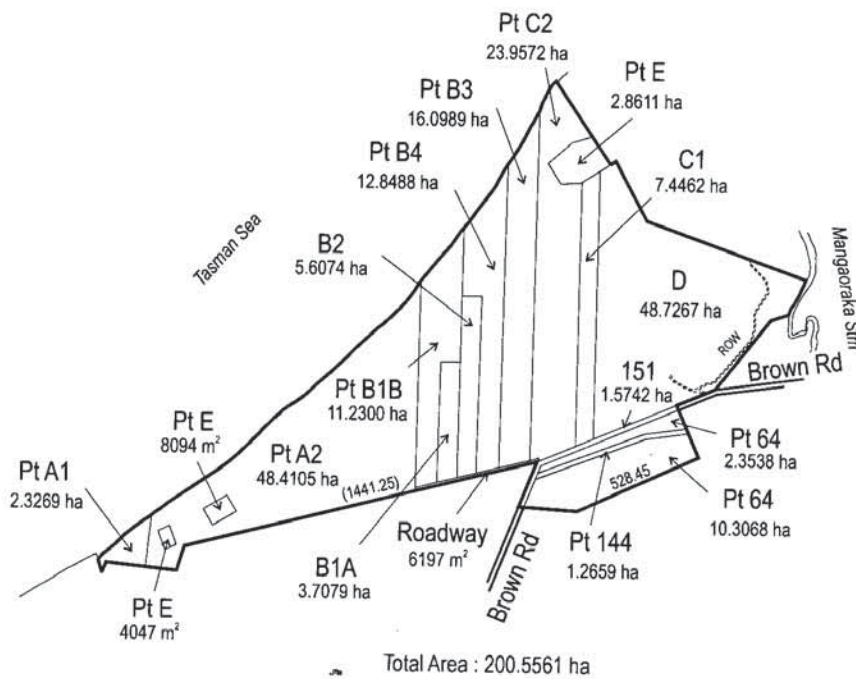
Title Diagram 209014

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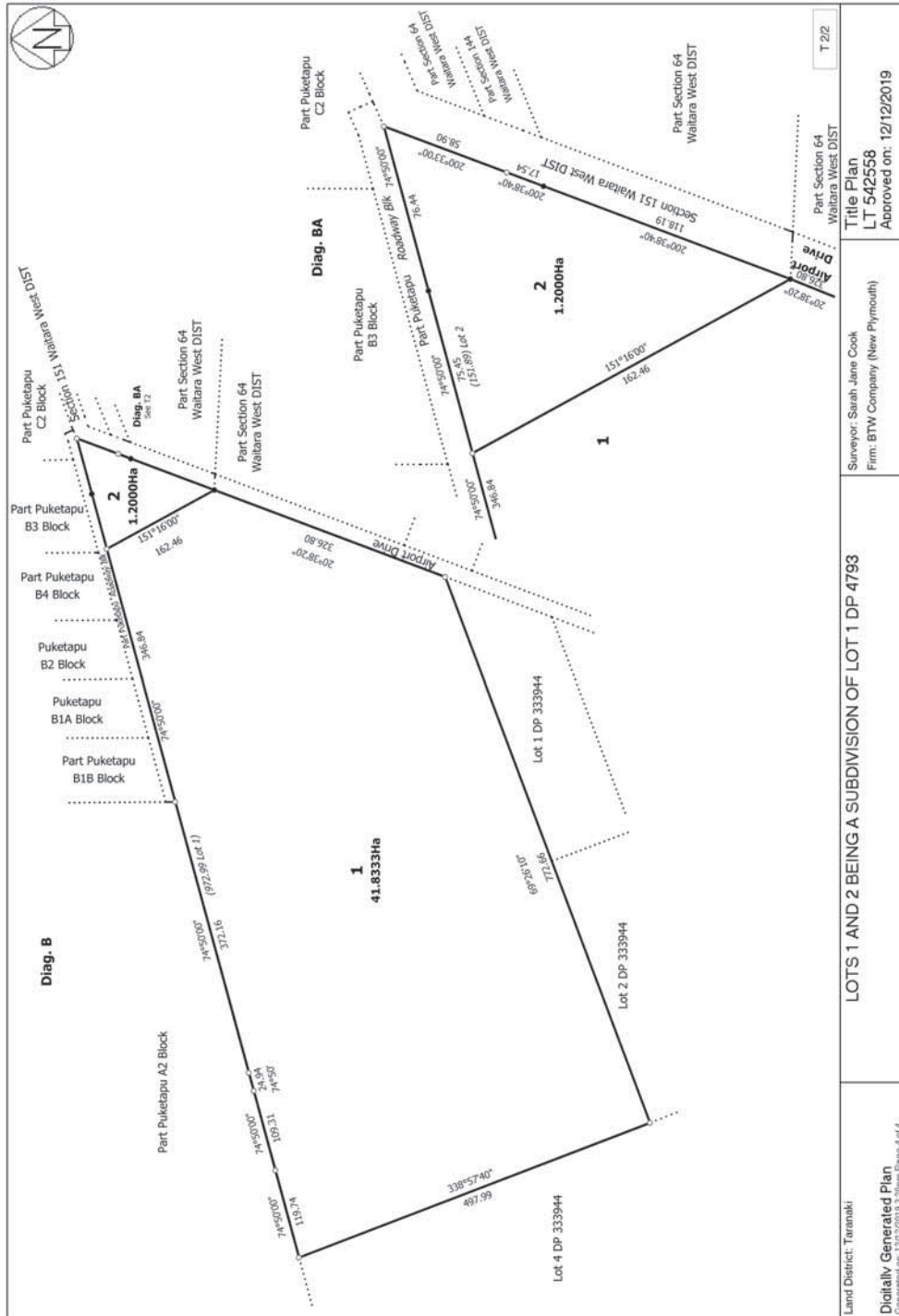
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Identifier

914066



Land District: Taranaki Digitally Generated Plan Generated on: 12/12/2019 3:20pm Page: 4 of 4	LOTS 1 AND 2 BEING A SUBDIVISION OF LOT 1 DP 4793		Surveyor: Sarah Jane Cook Firm: BTW Company (New Plymouth)	Title Plan LT 542558 Approved on: 12/12/2019

GRANT OF ENCROACHMENT LICENCE - 28 CARRINGTON STREET, NEW PLYMOUTH

MATTER / TE WHĀINGA

1. The matter for consideration by Council is an application to enter into an Encroachment Licence with the Council for the purpose of occupying road reserve adjacent to 28 Carrington Street, New Plymouth.
2. The purpose of the Encroachment Licence application is to legitimise the applicant's occupation of road reserve.

RECOMMENDATION FOR CONSIDERATION / NGĀ WHAIKUPU

That having considered all matters raised in the report Council approves the application for an Encroachment Licence for 28 Carrington Street, New Plymouth subject to:

- a) **An initial licence term of twenty (20) years.**
- b) **Right of renewal for a further ten (10) years.**
- c) **Payment of an annual licence fee in accordance with Council Fees and Charges and Encroachments on Road Reserve Policy.**
- d) **The approval being subject to the licensee meeting all conditions of the Encroachment Licence (set out in Appendix 1)**

STRATEGY AND OPERATIONS COMMITTEE RECOMMENDATION

3. The Strategy and Operations Committee endorsed the Officer's recommendation.

COMPLIANCE / TŪTOHU	
Significance	This matter is assessed as being some importance.
Options	This report identifies and assesses the following reasonably practicable options for addressing the matter: <ol style="list-style-type: none"> 1. Recommended: Approve the Encroachment Licence as most practicable option. 2. Not recommended: To not approve the Encroachment Licence.
Affected persons	The persons who are affected by or interested in this matter are the applicant and the Council.
Recommendation	This report recommends option 1 for addressing the matter.

COMPLIANCE / TŪTOHU	
Long-Term Plan / Annual Plan Implications	No.
Significant Policy and Plan Inconsistencies	No.

EXECUTIVE SUMMARY / TOHUTOHU KAI WHAKAHAERE

4. The report recommends that Council approve the request from the applicant to enter into an Encroachment Licence agreement to occupy road reserve.
5. The encroachment licence will legitimise the applicant to occupy the road reserve totalling 68m²
6. The encroachment area includes part of the house and garage, therefore a licence term of 20 years with right of renewal for 10 years is proposed.

BACKGROUND / WHAKAPAPA

7. Council has an Encroachments on Road Reserve Policy for managing encroachment licences on road reserve. Council has delegated authority to Council officers to grant encroachment licences for a maximum of five years. Approval of a licence term exceeding five years must be made by Council resolution. This encroachment includes a permanent structure and therefore the applicant would need to occupy the space longer than five years. Due to the longer lease term Council approval is required.
8. An encroachment on road reserve was discovered at 28 Carrington Street, New Plymouth via an application for a LIM report in December 2020. Investigation into the site discovered a garage and fence encroaching onto road reserve. Discussion with the owner indicated that he was wanting to remove all structures from the site and build within legal boundaries. Further discussions have taken place and this is no longer an option for the owner in the foreseeable future. The property was listed for sale in 2022 but has subsequently been taken off the market.
9. The proposed encroachment licence will allow the applicant use of road reserve. Given the location of the land and its proximity to the main route access to Huatoki walkway New Plymouth District Council (NPDC) will not offer this land for sale.

**CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA
ĀHUARANGI**

10. There are no climate change implications for this proposal.

THREE WATERS REFORM IMPLICATIONS

11. There are no Three Waters Reform implications for this proposal.

NEXT STEPS / HĪKOI I MURI MAI

12. If approved, the next steps will be to complete the licensing process with the applicant and issue an Encroachment Licence for 20 years with a right of renewal for 10 more.
13. Council adopted P11-004 Encroachments on Road Reserve Policy. A copy of the policy is available on the Council's website.
14. This policy supports the provisions of the New Plymouth District Council Bylaw 2008 as the regulatory requirements for encroachment licences in New Plymouth District. The Policy provides principles guiding assessment of encroachments on road reserve.
15. Encroachments on road reserve should:
- a) Not significantly obstruct or adversely affect the safe and efficient passage of pedestrians or vehicles.
 - b) Not deter or inconvenience pedestrians or vehicles from using the adjacent public places.
 - c) Not significantly affect access to or use adjacent businesses and/or properties. Trade competition is excluded from consideration.
 - d) Not in terms of occupation and activity, extend beyond the boundaries of the approved licensed area.
 - e) Be of a design and location that complement the existing streetscape and any heritage values of the area.
 - f) Where possible provide benefit to the public.
 - g) Be the most appropriate option for the activity.
 - h) Not contradict any legal requirements and planning considerations.
 - i) Not interfere with the maintenance or utility carrying needs of the road reserve.

SIGNIFICANCE AND ENGAGEMENT / KAUPAPA WHAKAHIRAHIRA

16. In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as being of some importance as:
- a) There are no affected parties beyond the Council and Applicant.
 - b) No community beyond the residential property is affected by this proposal.
 - c) Financial or resourcing implications can be absorbed by application fees and the annual rental associated to the encroachment licence, should the licence be approved.

OPTIONS / KŌWHIRINGA

Option 1

Approve Encroachment Licence for a term of 20 years

17. This option recommends the approval of an encroachment licence for 28 Carrington Street, New Plymouth. The applicant would be subject to meeting all requirements of the licencing process and complying with all conditions during the licence term.

Financial and Resourcing Implications / Ngā Hīraunga ā-pūtea, ā-rauemi

18. This option provides an ongoing financial return to Council, through charging the Licence and annual rental of \$1546.92 (GST inclusive) for the use of the road reserve defined in the licence area. Annual fees are determined by the existing Schedule of Fees and Charges and reviewed at three yearly intervals following rateable valuations.

Risk Analysis / Tātaritanga o Ngā Mōrearea

19. Approval of an Encroachment Licence would authorise the applicant to occupy road reserve. There is no identified legal risk associated to this proposal.

Promotion or Achievement of Community Outcomes / Te Tutuki o Ngā Whāinga ā-hāpori

20. The impose Encroachment contributes to the Delivery of the Community Outcome by understanding and balancing people's needs and wants through prudent delivery of quality infrastructure and services.

Statutory Responsibilities / Ngā Haepapa ā-ture

21. The application process and granting of an Encroachment Licence is guided by New Plymouth District Council Public Places Bylaw 2008, section 10 and consistent with the Councils powers under the Local Government Act 1974 Section 357.

Consistency with Policies and Plans / Te Paria i ngā Kaupapa Here me ngā Mahere

22. This option is consistent with the New Plymouth District Council Encroachments on Road Reserve Policy.

Participation by Māori / Te Urunga o Ngāi Māori

23. Council Officers held discussions with Iwi by phone on 9 January 2023. This discussion informed Iwi of the extent of the encroachment and the licence was to cover existing structures with no new additions. Discussion involved the existence of Waahi tapu sites outside the boundary of 28 Carrington Street on the east bank of the Huatoki Stream known as Alpha Flour Mill which is the site of the first flour mill built in Taranaki, in 1843. A second site called Paitawa is in the Huatoki River and marked by an information sign. This features a boundary marker (boulder) for traditional fishing boundaries. Both are outside the boundary of 28 Carrington Street, New Plymouth.
24. Iwi requested to view the report and this was emailed on 9 January 2023. A follow up email was sent on 11 January 2023. A further follow up phone call was made on 16 January 2023 to gauge response. No reply has been received to date.

Community Views and Preferences / Ngā tirohanga me Ngā Mariu ā-hāpori

25. Council Officers have not canvassed the community for their views and preferences. It is not usual practice for Council to seek community views when applying the Encroachments on Road Reserve Policy.

Advantages and Disadvantages / Ngā Huanga me Ngā Taumahatanga

26. The recommended option ensures that Council retains future flexibility around decision making over the use of the road reserve adjacent to 28 Carrington Street, New Plymouth and provides an annual return to Council.
27. Other residents who do not have the option for an Encroachment Licence, may consider allowing occupation of the road reserve to be unfair.

Option 2
To not approve an Encroachment Licence

28. This option does not authorise the approval of an Encroachment Licence to occupy Road Reserve. The applicant will need to remove structures from Road reserve.

Financial and Resourcing Implications / Ngā Hīraunga ā-pūtea, ā-rauemi

29. Not approving an Encroachment licence will resolve in a minor loss of potential income.

Risk Analysis / Tātaritanga o Ngā Mōrearea

30. The risk associated with not approving the Encroachment Licence is the applicant would have to remove all existing structures from Road Reserve at own cost.
31. The applicant might take legal action to defend the decision. Council would incur costs.

Promotion or Achievement of Community Outcomes / Te Tutuki o Ngā Whāinga ā-hāpori

32. There would be no change to community access of the Road Reserve in its current state.

Statutory Responsibilities / Ngā Haepapa ā-ture

33. These would be determined by future decision making around the use of the road reserve.

Consistency with Policies and Plans / Te Paria i ngā Kaupapa Here me ngā Mahere

34. Option two is not consistent with Council policy as the applicant meets eligibility and assessment criteria to have an Encroachment Licence according to the Encroachments on Road reserve Policy.

Participation by Māori / Te Urunga o Ngāi Māori

35. Council Officers held discussions with Iwi by phone on 9 January 2023. This discussion informed Iwi of the extent of the encroachment and the licence was to cover existing structures with no new additions. Discussion involved the existence of Waahi tapu sites outside the boundary of 28 Carrington Street on the east bank of the Huatoki Stream known as Alpha Flour Mill which is the site of the first flour mill built in Taranaki, in 1843.

-
36. A second site called Paitawa is in the Huatoki River and marked by an information sign. This features a boundary marker (boulder) for traditional fishing boundaries. Both are outside the boundary of 28 Carrington Street, New Plymouth.
 37. Iwi requested to view the report and this was emailed on 9 January 2023. A follow up email was sent on 11 January 2023. A further follow up phone call was made on 16 January 2023 to gauge response. No reply has been received to date.

Community Views and Preferences / Ngā tirohanga me Ngā Mariu ā-hāpori

38. Council Officers have not canvassed the community for their views and preferences. It is not usual practice for Council to seek community views when applying the Encroachments on Road Reserve Policy.

Advantages and Disadvantages / Ngā Huanga me Ngā Taumahatanga

39. This option prevents the applicant from having the authorisation to occupy the road reserve adjacent to their property and he will be asked to remove all structures from within Road Reserve.

Recommended Option

This report recommends option one, approval of Encroachment Licence for addressing the matter.

APPENDICES / NGĀ ĀPITIHINGA

- | | |
|--------------|--|
| Appendix One | Draft Encroachment Licence between New Plymouth District Council and the Applicant (ECM 8907524) |
| Appendix Two | Site plan of Encroachment area (ECM 8907490) |

Report Details

Prepared By:	Shaun Ryan (Network Access Officer)
Team:	Transportation
Approved By:	Rui Leitao (Manager Transportation)
Ward/Community:	District wide
Date:	16 January 2023
File Reference:	ECM 8909767

-----End of Report -----



Te Kaunihera-ā-Rohe o Ngāmotu
NEW PLYMOUTH DISTRICT COUNCIL
newplymouthnz.com

ENCROACHMENT LICENCE

BETWEEN

NEW PLYMOUTH DISTRICT COUNCIL

and

[To Be Completed]

of

28 CARRINGTON STREET, NEW PLYMOUTH

ENC23/00309

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This Encroachment Licence dated this day of 20

PARTIES

1. **NEW PLYMOUTH DISTRICT COUNCIL**, a body corporate constituted under the Local Government Act 2002 (“Council”)
2. **[To be Completed] of 28 CARRINGTON STREET, NEW PLYMOUTH** (“Licensee”)

BACKGROUND

- A. The Licensee is the owner of the Licensee’s Land which is adjacent to the Licence Area.
- B. The Licence Area is road reserve administered by the Council.
- C. The Council requires the Licensee to enter into an encroachment licence to occupy the Licence Area for the purpose of a Structure, Fence and Landscaping.
- D. At the request of the Licensee, the Council has, in accordance with the Council’s policies on encroachment on road reserve, agreed to grant an encroachment licence (“the Licence”), to occupy the Licence Area on the terms set out in this Licence, including the Schedules.

GENERAL PROVISIONS

1. INTERPRETATION

In this Licence unless the context indicates otherwise:

1.1 Definitions:

“Commencement Date” means the commencement date specified in Schedule 1;

“Default Interest Rate” means the default interest rate specified in Schedule 1;

“Expiry Date” means the expiry date specified in Schedule 1;

“GST” means tax levied under the Goods and Services Tax Act 1985 and includes any tax levied in substitution for that tax;

“Improvements” means any improvements made by the Licensee to the Licence Area;

“Licence Area” means that area described in Schedule 1;

“Licence Fee” means the licence fee specified in Schedule 1;

“Licensee’s Land” means the land owned by the Licensee as described in Schedule 2;

“Permitted Use” means the permitted use specified in Schedule 1;

“Property” means the personal property of the Licensee placed on the Licence Area at any time;

“Special Terms” means the special terms set out in Schedule 1; and



“Term” means the term of this Licence specified in Schedule 1 commencing on the Commencement Date and terminating on the Expiry Date.

[“Stormwater” means water run-off as a result of a rain event.]

- 1.2 **Defined Words and Expressions:** words and expressions defined in this Licence have the defined meaning in the whole of this Licence, including the Background and the Schedules.

2. TERM

- 2.1 The Term will commence on the Commencement Date and will end at 5.00pm on the Expiry Date, unless terminated sooner in accordance with this Licence.

- 2.2 For the avoidance of doubt, the Council is not obliged to grant the Licensee a further term after the Expiry Date.

3. LICENCE

- 3.1 The Council grants to the Licensee, and the Licensee accepts, the right to occupy the Licence Area for the purpose of the Permitted Use on the terms set out in this Licence.

- 3.2 The Licensee acknowledges that:

- (a) the grant of this Licence does not create a lease or any interest in the Licence Area or otherwise confer on the Licensee any rights of exclusive possession of the Licence Area, except as set out in the Licence; and
- (b) the Council will retain control and management of the Licence Area, subject only to the extent of the express provisions of this Licence.

- 3.3 This Licence is personal to the Licensee and is not transferable. If the Licensee transfers the Licensee’s Land to a third party, the Licensee will notify any third party (that wishes to occupy the Licence Area) of the requirement to apply to the Council for a new licence. The Licensee remains liable for the obligations under this Licence until terminated or a new Licence is entered into in respect of the Licence Area.

4. LICENCE FEE – NPDC ROADING AND ASSOCIATED FEES

- 4.1 The Licensee must pay to the Council the Licence Fee annually in advance with a first such payment due on the Commencement Date, without making any deduction from it or set off against it.
- 4.2 The Council may increase the Licence Fee, in accordance with the fees and charges (roading and associated fees) set by the Council from time to time, upon giving the Licensee not less than one (1) month’s written notice. The increased Licence Fee will be effective from the date set out in the notice. However, the Licence fee will not be increased more than once within a 12 month period.
- 4.3 If any moneys payable under this Licence remain unpaid for 7 days after the due date for payment, the Licensee will pay interest to the Council on any such amount at the Default Interest Rate calculated daily, and compounded monthly, from the due date for payment until the date of payment.

5. PAYMENTS

- 5.1 In addition to payment of the GST, the Licensee will pay any additional GST the Council may be required to pay as a result of the Licensee’s failure to pay when required.

- 5.2 If there is any dispute about any amount owing under this Licence, the Licensee will pay the undisputed amount by the due date for payment. Any disputes will be dealt with through the dispute resolution provisions in clause 10.

6. LICENSEE'S OBLIGATIONS

The Licensee will:

- 6.1 comply with all applicable statutes, bylaws, policies, regulations, rules and requisitions and district and regional plan rules in relation to the use of the Licence Area;
- 6.2 obtain and maintain all permits and consents necessary for the making of any (permitted) Improvements and/or the carrying out of the Permitted Use;
- 6.3 keep the Licence Area in good repair and in a tidy condition and free from all rubbish and weeds to the reasonable satisfaction of the Council;
- 6.4 on request, attend an annual inspection of the Licence Area with an authorised Council officer, in order to monitor and discuss the Council's satisfaction with the performance of the Licensee's obligations under this Licence;
- 6.5 permit any persons authorised by the Council, to enter upon the Licence Area at all reasonable times, (and immediately in the case of an emergency), for the purpose of, undertaking works, inspection and/or all other reasonable purposes;
- 6.6 comply with all reasonable instructions or requests from the Council in respect of the Licence Area and conduct themselves in a professional and appropriate manner to the satisfaction of the Council's Manager Transportation.

The Licensee will not:

- 6.7 use the Licence Area for any purpose other than the Permitted Use without the prior written consent of the Council;
- 6.8 use the Licence Area, or permit the Licence Area to be used, for any activity that is, or that may become, in the opinion of the Council, dangerous, offensive, noxious, noisy, illegal or immoral, or a nuisance or annoyance to the Council or to the owner or occupier of any neighbouring property;
- 6.9 place, leave, erect, construct, maintain or permit to be placed, left, erected, constructed or maintained on the Licence Area, any material or thing, whether mobile or immobile that the Council considers is likely to:
- (a) constitute a danger to people; or
 - (b) obstruct access to adjoining properties;
- 6.10 interfere with, or permit persons using the Licence Area to interfere with the free passage of pedestrians/other road users on the road reserve adjacent to the Licence Area;
- 6.11 interfere with the maintenance of utility carrying needs of the Licence Area;
- 6.12 make any improvements or otherwise do anything to the Licence Area without first obtaining the prior written consent of the Council;
- 6.13 extend its occupation or activities beyond the Licence Area.



7. INDEMNITY AND LIABILITY

- 7.1 The Licensee indemnifies the Council in respect of any claims, loss, damage or expense suffered or incurred by the Council of whatsoever nature arising directly or indirectly from the Licensee's use of the Licence Area.
- 7.2 Without limiting clause 7.1, the Licensee will be liable for any damage caused to the footpath or road in the vicinity of the Licence Area or any of the Council's property as a result of the Licensee's use of the Licence Area; any such damage will be remedied by the Council at the cost of the Licensee, payable to the Council on demand.
- 7.3 The Licensee agrees to use the Licence Area entirely at its own risk and the Council will not be liable for any damage occurring to the Licensee's Land, Property or Improvements arising from theft, fire, vandalism, natural causes or otherwise.

8. TERMINATION

- 8.1 **The Licensee** may terminate this Licence on giving one (1) month's notice in writing to the Council.
- 8.2 The Council may, by the giving of written notice to the Licensee in accordance with the relevant provisions of the Property Law Act 2007, terminate this Licence if:
- (a) the Licence Fee has been in arrears for more than 10 working days; or
 - (b) the Licensee breaches any other term of this Licence.
- 8.3 Termination of this Licence does not affect the rights or liabilities of the parties that have accrued prior to termination (including, without limitation, the liability to pay the Licence Fee).
- 8.4 No compensation will be payable by the Council to the Licensee on the termination of this Licence.

9. PROPERTY AND IMPROVEMENTS ON TERMINATION

- 9.1 At the Expiry Date, or earlier termination, of this Licence, the Licensee must immediately, if required by the Council, remove all Property and any Improvements from the Licence Area and reinstate the area. Any damage to the Licence Area caused by the removal of the Property and Improvements will be remedied by the Council at the cost of the Licensee, payable to the Council on demand.
- 9.2 If the Licensee fails to comply with clause 9.1, the Council may remove the Licensee's Property and any Improvements from the Licence Area and repair any damage caused by that removal. In that case the Licensee must pay to the Council, on demand, all costs incurred by the Council in doing so.

10. DISPUTE RESOLUTION

- 10.1 If any dispute arises between the parties relating to this Licence, unless agreed otherwise, the parties will attempt to resolve the dispute by informal dispute resolution techniques for at least 21 days from the day that a party receives written notice of the dispute from the other party. This clause does not prevent the parties from otherwise exercising their rights under this Licence.
- 10.2 If the parties are unable to resolve the dispute under clause 10.1, then either party may by written notice to the other refer the dispute for resolution in accordance with this clause.
- 10.3 The dispute shall first be referred to a mediator. If the parties are unable within 14 days of receipt of the notice of referral to agree upon a mediator then each party may request the President for the time being of the New Zealand Law Society to appoint one for them.

10.4 Following the appointment of a mediator, the parties shall continue to attempt to resolve the dispute with the mediator’s assistance. Each party shall pay one half share (or any agreed proportion) of the mediator’s costs and disbursements. If after 21 days no agreement has been reached then either party may thereafter by written notice refer the dispute to Arbitration.

10.5 The Arbitration shall be carried out in accordance with the provisions of the Arbitration Act 1996.

11. GENERAL

11.1 **Council as land administering body:** The Licensee acknowledges that this Licence is entered into by the Council in its non-regulatory capacity. The Council will not be liable to the Licensee or any other party if, in its regulatory capacity, the Council declines or imposes conditions on any consent or permission that the Licensee or any other party seeks for any purposes associated with this Licence.

11.2 **Amendment:** No amendment to this Licence will be effective unless it is in writing and signed by both parties.

11.3 **Survival:** Any provision of this Licence which expressly or by implication is intended to come into or remain in force on or after termination will continue in full force and effect notwithstanding any such termination.

11.4 **Costs:** The Licensee will pay all legal costs incidental to the preparation, and/or variation of this Licence and all legal costs incidental to the enforcement or attempted enforcement of the Council’s rights and powers under this Licence.

11.5 **Notices:** Any notice required or authorised to be delivered under this Licence may be delivered in any manner mentioned in Part 7 of the Property Law Act 2007 to the contact details specified in Schedule 1.

SIGNED on behalf of
NEW PLYMOUTH DISTRICT COUNCIL by: **RUI LEITAO, MANAGER TRANSPORTATION**

under delegated authority

SIGNED by **{To be Completed}**
as Licensee



SCHEDULE 1

REFERENCE SCHEDULE

LICENCE AREA	That part of Carrington Street, New Plymouth adjacent to 28 Carrington Street, New Plymouth, as described in Schedule 2 and as shown on the Plan attached to Schedule 3.
COMMENCEMENT DATE:	day of 20
EXPIRY DATE:	day of 20
LICENCE FEE:	\$1546.92 per annum (incl GST)
DEFAULT INTEREST RATE:	Westpac New Zealand Limited's floating interest rate for businesses plus [5%] calculated daily and compounded monthly.
PERMITTED USE:	Garage space, Fencing and garden/lawn encroachment
SPECIAL TERMS:	<ol style="list-style-type: none"> 1. The Licensee will ensure that hedges and plants are not planted or permitted to become established along any fence line within the Licence Area and that the area is kept weed free. 2. Any fence erected within the Licence Area must be erected on a line approved by the Council or its approved agent. 3. The Licensee is responsible for the ongoing maintenance costs of Improvements on the Licence Area. 4. The Licensee must make adequate provision for Stormwater coming from the Licence Area, to the satisfaction of the Council, to ensure that it will not adversely impact on any adjoining or other properties. 5. The Licensee shall ensure that no plants with a deep root system are planted or permitted to become established within the section of the Licence Area over the sewer lateral or water service pipe, to avoid plant roots growing into the sewer lateral or water service pipe and causing blockages.
COUNCIL'S CONTACT DETAILS:	Civic Centre, Liardet Street, New Plymouth 4342
LICENSEE'S CONTACT DETAILS:	[To be Completed]

7

SCHEDULE 2
AREA and FEES

Licence No:	ENC23/00309
Licensee:	[To be completed]
Physical location of Licensee's Land:	28 Carrington Street, New Plymouth
Property ID:	14013
Legal Description:	PT SEC B TOWN OF NEW PLYMOUTH
Record of Title:	
Details of Encroachment Area and calculation of Licence Fee:	68 M² \$1643.60 (incl GST)

SCHEDULE 3

PLAN



7



Te Kaunihera-ā-Rohe o Ngāmotu
NEW PLYMOUTH DISTRICT COUNCIL
newplymouthnz.com

When replying please quote: - ENC23/00309
Property ID: 14013

5 January 2023

[To be completed]
No associations of Trading Name are linked to this application
28 Carrington Street
NEW PLYMOUTH 4310

Dear Sir/Madam

LICENCE TO OCCUPY ROAD RESERVE

We refer to your request to Road - Structure and fence and landscape at 28 Carrington Street NEW PLYMOUTH 4310.

Please find **enclosed** two copies of this licence which require your signature.

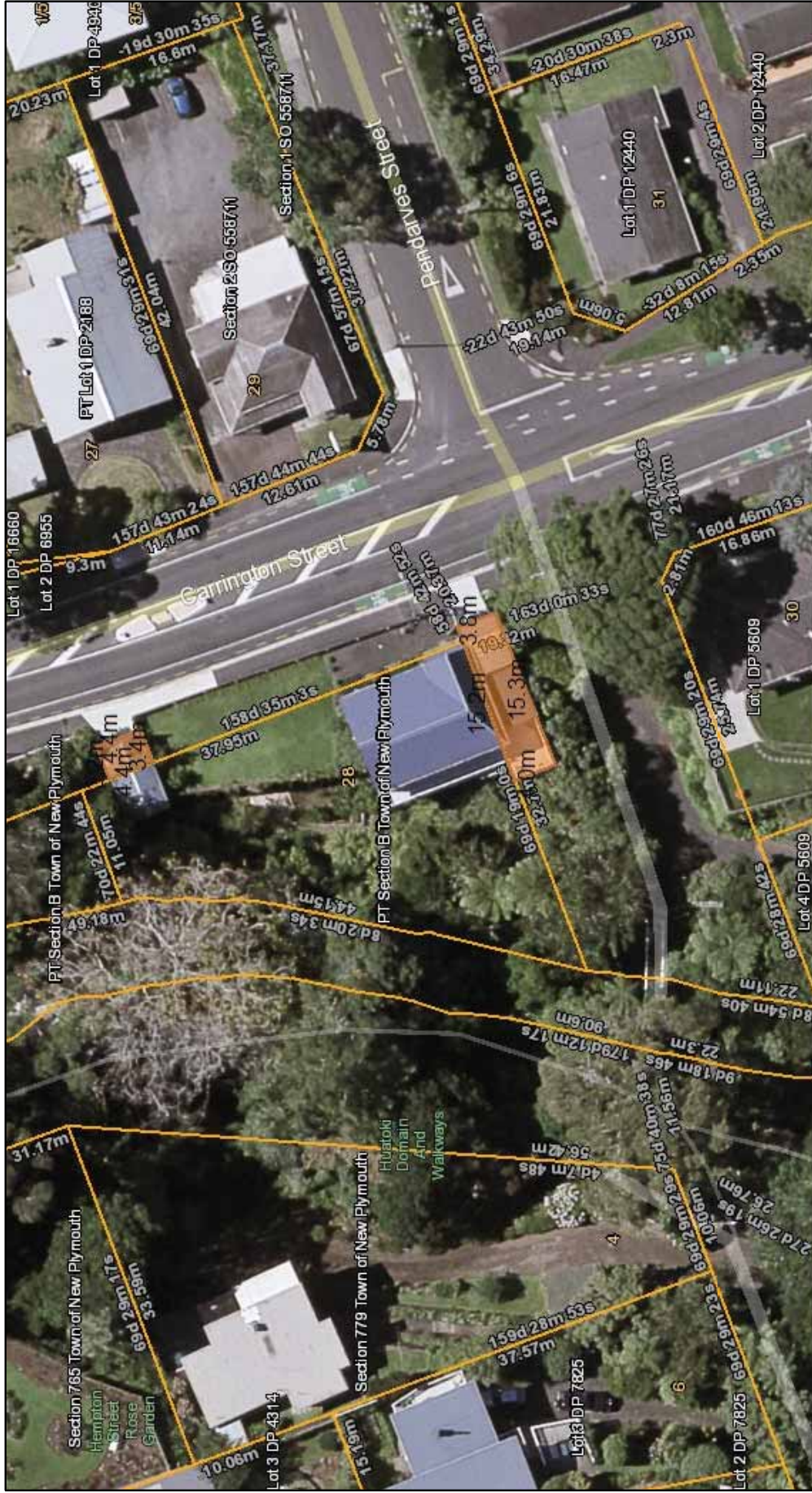
When each copy has been signed in the appropriate places and each page initialled, please return both copies to the Council.

When the signing process is complete we will forward a copy of the licence to you for your records.

Yours faithfully

Shaun Ryan
Network Access Officer

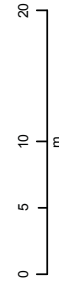
7



28 Carrington Street, New Plymouth

HORIZONTAL DATUM
New Zealand Geodetic Datum 2000
MAP PROJECTION
New Zealand Transverse Mercator

DISCLAIMER: NPDC assumes no responsibility for the completeness or accuracy of the data displayed on the plot. To be used for indicative purposes only.



Date: 11/12/2023

1:500

APPROVAL TO ENTER INTO A LEASE – BELL BLOCK LIBRARY AND SERVICE CENTRE, BELL BLOCK

MATTER / TE WHĀINGA

1. The matter for consideration by the Council is a recommendation to enter into a lease (with updated terms and conditions) of the property currently occupied and utilised as the Bell Block Library and Service Centre.

RECOMMENDATION FOR CONSIDERATION / NGĀ WHAIKUPU

That having considered all matters raised in the report, the Council

- a) **Approves a new lease with Westwill Properties Limited for the Bell Block Library and Service Centre premises (295m², part Lot 189 DP 10887 contained in Computer Freehold Register TNF2/197) subject to:**
 - i) **The lease term shall commence 1 August 2023, for an initial term of five years, a right of renewal for three years and then a further right of renewal for two years (total term of 10 years if all rights of renewal are exercised).**
 - ii) **The rental being determined by a market valuation assessment.**
 - iii) **Negotiation and final approval of the lease terms and conditions to be undertaken by the Property Manager.**
- b) **Delegates authority to the Property Manager to finalise the lease.**

STRATEGY AND OPERATIONS COMMITTEE RECOMMENDATION

2. The Strategy and Operations Committee endorsed the Officer's recommendation.

PUKETAPU-BELL BLOCK COMMUNITY BOARD RECOMMENDATION

3. The Puketapu-Bell Block Community Board endorsed the Officer's recommendation

TE HUINGA TAUMATUA RECOMMENDATION

4. Te Huinga Taumatua endorsed the Officer's recommendation.

COMPLIANCE / TŪTOHU	
Significance	This matter is assessed as being of some importance.
Options	This report identifies and assesses the following as the only reasonable option for addressing the matter: 1. Approve a new lease, to commence on expiry of the current lease, of the premises of the Bell Block Library and Service Centre. 2. Initiate a Long-Term Plan amendment in order to not approve a new lease, to commence on expiry of the current lease, of the premises of the Bell Block Library and Service Centre.
Affected persons	The persons who are affected by or interested in this matter are users of the Bell Block Library and Service Centre and NPDC ratepayers.
Recommendation	This report recommends option 1 for addressing the matter.
Long-Term Plan / Annual Plan Implications	No
Significant Policy and Plan Inconsistencies	No

EXECUTIVE SUMMARY / WHAKARĀPOPOPTOTANGA MATUA

5. We recommend that on expiry of the current lease, Council enters into a new lease with Westwill Properties Limited for the premises at Parklands Shopping Centre utilised for the Bell Block Library and Service Centre.
6. The Council is committed to providing a Library and Service Centre to the residents of Bell Block and neighbouring communities. The current premises are fit for purpose in the short to medium term and landlord is agreeable to offering the Council a new lease.

BACKGROUND / WHAKAPAPA

The Current Lease

7. The Council currently leases 295m2 within the Parklands Shopping Centre (188 Parklands Avenue, Bell Block) from Westwill Properties Limited for the Bell Block Library and Service Centre. The current lease commenced 1 August 2017 for a two year term with two rights of renewal for two years, the final expiry of the lease is 31 July 2023

8. The Bell Block Library has been at this location for the past 28 years is well utilised by the community and is the busiest of the Community Libraries in terms of circulation of library material. The Bell Block Library has 18,495 items in its collection with each book in the collection averaging being checked out 4 times a year. With the growth of the Bell Block community the size of the collection is expected to grow, requiring additional area.

Proposed New Lease until a New Library can be developed

9. Consultants were engaged to produce a strategy report for the Bell Block Library in 2020. This report defined an ideal facility (in terms of size and services) however, a study of potential locations did not result in identification of a suitable facility. The 2021-2031 Long-Term Plan (LTP) identified the Bell Block Library as needing redevelopment in the next 11 to 15 years.



Bell Block Library, Parklands Shopping Centre, Bell Block

10. A project for redevelopment of a new Bell Block Library and Service Centre will be included in the 2024-2034 LTP. Until such a project is approved, it is necessary to negotiate a new lease of the existing premises in order to allow continued operation of the library and service centre.
11. Officers have approached Westwill Properties who confirmed they are agreeable to a new 10 year lease (an initial term of five years with an initial right of renewal of three years, followed by a further right of renewal of two years). The new lease will be based on the terms and conditions of the current lease and will be negotiated and finally approved by the Property Manager under delegation. The rental will be determined by an independent Market Rental Valuation.

THREE WATERS REFORM IMPLICATIONS

12. The proposal has little or no effect on Three Waters Reforms. This is an existing activity and no changes are envisaged that would impact on the Three Waters Reforms.

CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA ĀHUARANGI

13. The proposal has little or no effect on climate change. This is an existing activity and no changes are envisaged that would impact on climate change.

NEXT STEPS / HĪKOI I MURI MAI

14. If Council agrees with the recommendation, negotiations will take place with Westwill Properties to finalise the terms and conditions and the market rental of the lease. Westwill will prepare lease documents for review by Council's Legal Team. Once reviewed the lease will be finalised and executed.

SIGNIFICANCE AND ENGAGEMENT / KAUPAPA WHAKAHIRAHIRA

15. In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as being Significant because the Bell Block Library and Service Centre provides a core service to Bell Block Library and the wider Bell Block Community.
16. The Bell Block Library is a strategic asset under the Significance and Engagement Policy. As such, section 97 of the Local Government Act 2002 requires that a decision to transfer control of the Bell Block Library must be made in a Long-Term Plan, or by way of a Long-Term Plan amendment. This would require extensive community consultation.

OPTIONS / KŌWHIRINGA

Option 1: Approves a new lease, to commence on expiry of the current lease, of the premises of the Bell Block Library and Service Centre.

Financial and Resourcing Implications / Ngā Hīraunga ā-pūtea, ā-rauemi

17. The operational cost to Council for leasing the building is the rental and outgoings which has been budgeted and allowed for in the Annual Plan and Long-Term Plan.

Risk Analysis / Tātaritanga o Ngā Mōrearea

18. The use of the site is an existing activity, and its continued use is low risk to Council. Officers have identified that entering into a new lease as there are no other sites currently available. To not do so would result in adverse publicity and create a situation where the library and service centre would need to relocate to another site of which there are no options currently available.

Promotion or Achievement of Community Outcomes / Hāpaitia / Te Tutuki o Ngā Whāinga ā-hāpori

19. Obtaining a new lease will assist the Council to meet the outcome of “Our Community” by supporting the Bell Block and neighbouring communities by providing a community library and service centre in a convenient and accessible location.

Statutory Responsibilities / Ngā Haepapa ā-ture

20. Entering into a new lease will meet the statutory requirements of Section 10(b) and 17A(1) of the Local Government Act 2002 to meet the requirements of current and future needs of communities for good quality local public services and to have regard to the provision of core services that includes libraries and community amenities.

Consistency with Policies and Plans / Te Paria i ngā Kaupapa Here me ngā Mahere

21. Approval of entering into a new lease is consistent with the Blueprint Key Directions of Communities and Citizens by strengthening and connecting local communities and will also ensure the Council meets its service levels defined in the Annual and Long-Term Plan.
22. The Puke Ariki and Community Libraries Strategy identified the need to provide a more up to date library facility in Bell Block and Waitara. The 2021-2031 LTP included a project for redevelopment of the Waitara Library. The Bell Block Library redevelopment project will be submitted for consideration in the 2024-2034 LTP. There is a need to extend the lease in the current building until such time as a decision is made on the future development and location of the library.

Participation by Māori / Te Urunga o Ngāi Māori

23. The lease proposal involves an existing activity and for the Council to continue to lease the private land and buildings. Iwi has been informed of the intention to pursue a new lease term for the library, no comment has been received regarding the proposal.
-

Community Views and Preferences / Ngā tirohanga me Ngā Mariu ā-hāpori

24. The community has not been consulted given that it is an existing activity and the service levels will remain the same. As the landlord is agreeable to granting of a new lease for a term of a total of ten years in effect the proposal is an extension of the current arrangement and is does not impact on the existing community use and availability of the facility which meets the needs of the community and Council. Consultation will be necessary if the Council does not approve a new lease.

Advantages and Disadvantages

25. A new lease supports the Bell Block community who have used the Library and Service Centre at its current location for 28 years. It allows the library to remain in its current location and the term of the lease allows Council time to pursue other locations and redevelopment of any future library which is needed to be provided for within the Long-Term Plan. The facility is centrally located and is easily accessible.
26. There have been no disadvantages identified.

Option 2: Initiate a Long-Term Plan amendment in order to not approve a new lease, to commence on expiry of the current lease, of the premises of the Bell Block Library and Service Centre.

27. This option would initiate a Long-Term Plan amendment before Council can make a decision to not approve a new lease.

Financial and Resourcing Implications / Ngā Hīraunga ā-pūtea, ā-rauemi

28. There would be a saving to Council of rental payments for the building. The resources held by the library would have to be housed elsewhere or disposed of and consideration given to Council Employees who work at the Library. There would be short-term costs associated with a Long-Term Plan amendment, including staff time and auditing fees.

Risk Analysis / Tātaritanga o Ngā Mōrearea

29. To not enter into a lease would result in adverse publicity and create a situation where the library and service centre would need to either relocate to another site (no suitable alternative locations have been identified) or close.

Promotion or Achievement of Community Outcomes / Hāpaitia / Te Tutuki o Ngā Whāinga ā-hāpori

30. This option would not support Community Outcomes.
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Statutory Responsibilities / Ngā Haepapa ā-ture

31. Not entering into a new lease will not meet the statutory requirements of Section 10(b) and 17A(1) of the Local Government Act 2002 by not meeting the requirements of current and future needs of the Bell Block Community by not providing good quality local public services and not having regard to the provision of core services that includes libraries and community amenities.
32. Section 97 of the Local Government Act requires a decision to transfer control of a strategic asset to be made through a long-term plan (including an amendment to a long-term plan).

Consistency with Policies and Plans / Te Paria i ngā Kaupapa Here me ngā Mahere

33. This option is inconsistent with the Blueprint Key Directions of Communities and Citizens and service levels defined in the Annual and Long-Term Plan.

Participation by Māori / Te Urunga o Ngāi Māori

34. Iwi were informed of the intention to pursue a new lease term for the library, not entering into a new lease was not presented to them.

Community Views and Preferences / Ngā tirohanga me Ngā Mariu ā-hāpori

35. Consultation with the Community would be necessary if the Council does not approve a new lease as part of the Long-Term Plan amendment process and would be a change to levels of service.

Advantages and Disadvantages

36. No advantages have been identified for this option. The disadvantage is that if a new lease is not approved, the Bell Block Library would close as no alternative location has been identified.

Recommended Option:

This report recommends Option 1 (Approve a new lease, on expiry of the current lease, of the premises of the Bell Block Library and Service Centre) for addressing this matter:

Report Details

Prepared By: Janice Caldwell (Property Officer – Commercial Leases)
Team: Property
Approved By: Laura Keenan (Property Manager)
Ward/Community: Bell Block
Date: 10 January 2023
File Reference: ECM 8887959

-----*End of Report*-----

APPROVAL TO ENTER INTO A NEW LEASE – LEVEL TWO – CIVIC CENTRE - 84 LIARDET STREET – NEW PLYMOUTH

MATTER / TE WHĀINGA

1. The matter for consideration by Council is a recommendation to identify a new tenant and enter into a new lease for level two of the Civic Centre.

RECOMMENDATION FOR CONSIDERATION / NGĀ WHAIKUPU

That having considered all matters raised in the report, Council approves granting a new lease of level two and up to 19 car spaces at the Civic Centre Administration Building to a new tenant pursuant the Local Government Act 2002 and Property Law Act 2007; subject to the final terms and conditions of the lease being negotiated and approved by the Property Manager.

STRATEGY AND OPERATIONS COMMITTEE RECOMMENDATION

2. The Strategy and Operations Committee endorsed the Officer’s recommendation.

TE HUINGA TAUMATUA RECOMMENDATION

3. Te Huinga Taumatua endorsed the Officer’s recommendation.

COMPLIANCE / TŪTOHU	
Significance	This matter is assessed as being of some importance.
Options	<p>This report identifies and assesses the following as the only reasonable option for addressing the matter:</p> <ol style="list-style-type: none"> 1. Approves granting a new lease to a new tenant for level two of the Civic Centre. 2. Declines to grant a new lease.
Affected persons	The persons who are affected by or interested in this matter are staff of the Civic Centre and NPDC ratepayers and residents.
Recommendation	This report recommends option 1 for addressing the matter.
Long-Term Plan / Annual Plan Implications	No
Significant Policy and Plan Inconsistencies	No

EXECUTIVE SUMMARY / WHAKARĀPOPOPTOTANGA MATUA

4. We recommend the Council enters into a new lease with a tenant for level two of the Civic Centre being 911.6m² of office space, 207m² of outside deck areas and up to a maximum of 19 car parks dependent on the new tenants' requirements.
5. The area is currently leased to Powerco, who are vacating on expiry of their lease on 31 March 2023 and is not required by Council. The area currently returns a revenue of \$219K.

BACKGROUND / WHAKAPAPA

The Previous Lease

6. The Council has leased level two of the Civic Centre to Powerco since 1998. The area is made up of office space, decking and 19 car spaces.



Figure 1: Level 2 Office Space

Proposed New Lease

7. Powerco will be vacating the premises by 31 March 2023 when their lease expires. Level two has been marketed since October 2022 in anticipation of the space becoming vacant at the end of March 2023. Negotiations have been taking place with a potential tenant however final terms have not been reached. To enable Council to act swiftly in securing a preferred tenant, it is imperative that we are able to enter into a lease quickly.
8. The final lease terms and conditions will be set and approved by the Property Manager.

Retaining level two for NPDC Use

9. Having considered Council's own accommodation requirements, now and into the foreseeable future, it has been determined that level two is not required for Council's own purposes. It is far more beneficial to obtain revenue from this space instead to align with the Long-Term Plan 2021-31 assumptions. Large office areas are becoming more difficult to rent out with working from home being a viable work option in today's environment. Finding a tenant with a good reputation and operational model will be a positive outcome for the Council as Landlord.

CLIMATE CHANGE IMPACT AND CONSIDERATIONS / HURINGA ĀHUARANGI

10. The proposal has little or no effect on climate change. This is an existing activity and no changes are envisaged that would impact on climate change.

THREE WATERS REFORM IMPLICATIONS

11. The proposal has little or no effect on Three Waters Reforms. This is an existing activity and no changes are envisaged that would impact on Three Waters Reforms.

NEXT STEPS / HĪKOI I MURI MAI

12. If Council agrees with the recommendation, any final negotiations with a proposed tenant will take place. Lease documents will be prepared, finalised and executed.

SIGNIFICANCE AND ENGAGEMENT / KAUPAPA WHAKAHIRAHIRA

13. In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as being of some importance because revenue generated from leasing the Civic Centre offsets the costs of providing core services to the residents of the New Plymouth District.

OPTIONS / KŌWHIRINGA

Option 1: Approves granting of a new lease to a new tenant for Level Two of the Civic Centre.

Financial and Resourcing Implications / Ngā Hīraunga ā-pūtea, ā-rauemi

14. Leasing commercial office space within the Council's Civic Centre premises provides for efficient and effective use of the Council's property assets by achieving budgeted income from leasing activities. The revenue for leasing level two is budgeted for.

Risk Analysis / Tātaritanga o Ngā Mōrearea

15. The use of the site is an existing activity, and its continued use is low risk to Council. Officers have identified that entering into a new lease is a reasonable practicable option for office space which is not currently required by for its own use by Council.

Promotion or Achievement of Community Outcomes / Hāpaitia / Te Tutuki o Ngā Whāinga ā-hāpori

16. The proposed lease will support the community by promoting appropriate, efficient, effective and economic use of Council assets.

Statutory Responsibilities / Ngā Haepapa ā-ture

17. Entering into a new lease will meet the statutory requirements of Sections 10(b) and 17A (1) of the Local Government Act 2002 to meet the requirements of current and future needs of communities for good quality local public services to have regard to the provision of core services that includes community amenities.

Consistency with Policies and Plans / Te Paria i ngā Kaupapa Here me ngā Mahere

18. Approval of entering into a new lease is consistent with the Blueprint Key Directions of Communities and Citizens by strengthening and connecting local communities.

Participation by Māori / Te Urunga o Ngāi Māori

19. Iwi has not been consulted with as the lease proposal involves an existing activity for a Council owned office building.

Community Views and Preferences / Ngā tirohanga me Ngā Mariu ā-hāpori

20. The community has not been consulted given that leasing of the Civic Centre Office space is an existing activity which does not impact on service levels and does not impact on the existing community use and availability of the Civic Centre facility. Leasing office space is a routine property management function of the Council.

Advantages and Disadvantages

21. A new lease will enable NPDC to continue to bring in rental revenue for the office space which otherwise would not be utilised. The Civic Centre has had a number of corporate tenants over the years and has been an ongoing source of income.

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22. There have been no disadvantages identified with leasing out the office space which is not required for Council purposes

Option 2: Declines to grant a new lease

23. This option is not recommended. It would result in a loss of rental income, would leave space in the Civic Centre underutilised and be an inefficient use of Council's assets. Furthermore, the space is surplus to Council requirements.

Recommended Option:

This report recommends Option 1 (approve granting a new lease to a new tenant for level two of the Civic Centre) for addressing this matter.

Report Details

Prepared By: Janice Caldwell (Property Officer – Commercial Leases)
Team: Property
Approved By: Laura Keenan (Property Manager)
Ward/Community: New Plymouth City
Date: 9 January 2023
File Reference: ECM 8908934

-----End of Report -----

EXCLUSION OF THE PUBLIC FOR THE REMAINDER OF THE MEETING

MATTER /TE WHĀINGA

1. This report details items that are recommended should be considered with the public excluded, and the reason for excluding the public.

RECOMMENDATION FOR CONSIDERATION / NGĀ WHAIKUPU

That having considered all matters raised in the report, Council hereby resolves that, pursuant to the Local Government Official Information and Meetings Act 1987, the public be excluded from the following parts of the proceedings of this meeting:

a) New Plymouth PIF Guardians – Appointment of Chair

The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons. This particular interest being protected by section 7(2)(a) of the Act.

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987.

COMPLIANCE / TŪTOHU	
Significance	This matter has been assessed as being of some importance.
Options	This report identifies and assesses the following reasonably practicable options for addressing the matter: <ol style="list-style-type: none"> 1. Exclude the public. 2. Not exclude the public.
Recommendation	This report recommends Option 1 for addressing the matter.
Long-Term Plan / Annual Plan Implications	There are no budget considerations.
Significant Policy and Plan Inconsistencies	This report is consistent with Council's Policy and Plans.

BACKGROUND/ WHAKAPAPA

2. This report details items that are recommended should be considered with the public excluded, and the reason for excluding the public.

SIGNIFICANCE AND ENGAGEMENT / KAUPAPA WHAKAHIRAHIRA

3. In accordance with Council's Significance and Engagement Policy, this matter has been assessed as being of some importance because the exclusion of the public is a statutory procedure that will have a little or no impact on the Council's strategic issues.

OPTIONS

Option 1 Pursuant to the Local Government Official Information and Meetings Act 1987, good reason exists to exclude the public for consideration of the items listed.

Option 2 Council can choose to consider these matters in an open meeting.

Risk Analysis

4. Release of information which meets the statutory tests for withholding (under the Local Government Official Information and Meetings Act 1987) may expose the Council to legal, financial or reputational repercussions.

Recommended Option

This report recommends **Option 1**: Exclusion of the public for addressing the matters.

Report Details

Prepared By:	Carol Allen (Governance Adviser)
Team:	Governance
Approved By:	Julie Straka (Governance Lead)
Ward/Community:	District Wide
Date:	8 February 2023
File Reference:	ECM 8941308

-----*End of Report*-----

CLOSING KARAKIA

Unuhia, unuhia,	Draw on, draw on
Unuhia i te uru tapu-nui	Draw on the supreme sacredness
Kia wātea, kia māmā te ngākau, te tinana	To clear, to free the heart, the body
Te Wairua i te ara takatū	and the spirit of mankind
Koia rā e Rongo whakairihia ake ki runga	Rongo suspended high above us (in heaven)
Kia wātea, kia wātea	To be cleared of obstruction
Ae rā kua wātea	It is cleared
Hau Paimarire	

This karakia is recited to close a hui or event. It takes us from a place of focus and releases us to be clear of all the issues or tensions that may have arisen during the hui. We are now free to get on with other things.